

STATE OF ALABAMA
DEPARTMENT OF REVENUE

INVITATION TO BID

FOR

PRINTING AND MAILING

OF

CERTIFICATES OF TITLE

SECTION I

- I.1. PURPOSE OF THIS DOCUMENT AND ISSUING AGENCY: This bid entitled “Invitation to Bid for Printing and Mailing of Certificates of Title” is issued by the Division of Purchasing on behalf of the Alabama Department of Revenue hereinafter referred to as ADOR. The overall purpose of this Invitation to Bid (ITB) is to provide information to Vendors interested in preparing and submitting bids to meet the ADOR’s Motor Vehicle Division’s requirements for the printing and mailing of certificates of title as defined in Exhibit A – Printing and Mailing of Certificates of Title Description of Services Required.

The contract will be for one (1) year with the option to renew for four (4) additional one-year periods based on the same terms, pricing and conditions. Continuation of any agreement between the State of Alabama and the Vendor beyond a fiscal year is contingent upon the receipt of sufficient funds from the Alabama Legislature. Non-availability of funds at any time will cause any agreement to become void and unenforceable and no liquidated damages will accrue to the State of Alabama as a result. The State of Alabama will not incur liability beyond the accrued payments as of the official date of non-availability of funds. For other than “non-availability of funds” circumstances, either party must notify the other, in writing, of the intent not to renew at least 180 days prior to the annual renewal.

- I.2. RESPONSE PREPARATION AND BID FORMAT: It is crucial that Vendors prepare comprehensive and accurate bid responses. Any bid response that merely states that the Vendor will meet the bid requirements will be disqualified in the evaluation process. The bid will contain a comprehensive description of how the Vendor plans to meet the requirements of the Invitation to Bid.

Each bid will address, with a written response of compliance, each requirement in all sections. Vendors are required to provide a time-phased schedule showing the major milestones involved in implementing this project. The milestone accomplishment target dates must be expressed in terms of “D” plus “X” where “D” represents the contract award date and “X” represents the number of days (not to exceed 75 calendar days) subsequent to contract award that the milestone will be accomplished. Full implementation must be completed within 75 calendar days of award of contract.

Each bid must provide pricing as outlined in SECTION II – BID FORMAT AND PRICING.

- I.3. MANDATORY PRE-BIDDER CONFERENCE: A mandatory Pre-Bidder Conference is scheduled (refer to the ITB Terms and Conditions for date, time, and location). Only Vendors attending the Pre-Bidder Conference will be allowed to submit a bid response. Vendors will be required to register as they enter the Pre-Bidder Conference. All questions must be received no later than five (5) business days prior to the Pre-Bidder Conference. Questions must be in writing (Refer to I.21 page 8). All questions and responses will be distributed to only those Vendors attending the conference.

- I.4. BID SUBMISSIONS: Each Vendor is required to submit one (1) original and three (3) copies of their bid response.
- I.5. INCURRING COSTS: The State of Alabama is not liable for any costs or damages incurred by a Vendor in responding to this ITB.
- I.6. ORAL PRESENTATIONS/DEMONSTRATIONS:
- A. Bidders may be required by ADOR to make oral presentations to supplement their bid.
 - B. Bidders may be required by ADOR to provide a demonstration, at the production facility to be used in carrying out the services required in this ITB, showing that the services offered meet the specifications as described herein.
- I.7. CONTRACTOR RESPONSIBILITIES: ADOR will consider the awarded Vendor to be the only point of contact regarding contractual matters, including performance of services and the payment of any and all charges resulting from contract obligations. The Vendor will provide prompt, efficient and courteous service, and avoid undue interference with other State operations. The subcontracting of any work under this contract will not be permitted unless provided in this ITB (See - I.13).
- I.8. PROJECT MANAGERS: The Project Manager, to be appointed by the Motor Vehicle Division Director, will serve as ADOR's liaison with the Vendor during the period of the contract. The responsibilities of the Project Manager include, but are not limited to: coordinating the technical aspects of this contract, inspecting items/services furnished hereunder, determining the adequacy of performance by the Vendor in accordance with the terms and conditions of this contract, acting as the Motor Vehicle Division Director's representative, ensuring compliance with contract requirements insofar as the work is concerned, advising the Motor Vehicle Division Director of any factors which may cause delays in performance of the work, and conducting such reviews as required. The Project Manager for the awarded Vendor will be responsible for coordinating meetings (either through conference call or office visits) with the ADOR Project Manager weekly or as determined by ADOR Project Manager to review the project's progress and resolve any issues. It is expected that the Project Manager for the awarded Vendor will respond in writing to issues raised by the State in five (5) business days or less, comply with scheduling commitments, and avoid undue interference with other State operations. Changes to process, procedures, service, and/or work schedules will be approved in writing by the ADOR Project Manager and the awarded Vendor's Project Manager. Any modifications to the project's implementation that alter the bid price are not permissible.

- I.9. CONFIDENTIALITY AND USE OF DATA: Data provided to the awarded Vendor by ADOR must be used only for the performance of the contract resulting from this ITB. Any other uses of such data are strictly forbidden. The minimum-security criteria are defined in “Exhibit D - Security Standards for Bidders.”
- I.10. PERFORMANCE GUARANTEE: Upon award, the awarded Vendor will provide the Alabama State Purchasing Division, within ten (10) business days of notification of award, a performance guarantee, approved by the State, in an amount equal to 100% of the value of the awarded contract, as a guarantee of the satisfactory performance of the services. The performance guarantee must be in force for the entire life of the contract including the four one-year renewal periods. The successful implementation and administration of the printing and mailing of certificates of title is of primary importance to ADOR and will be a significant benchmark for assessing Vendor performance. In the event the awarded Vendor fails to deliver or perform to the satisfaction of ADOR, the contracting authorities for State Purchasing reserve the right to proceed against the performance guarantee and to cancel any associated agreements without any resulting liability, present or future, to the State of Alabama.
- I.11. DELIVERY OF SERVICES: The successful Vendor will be expected to begin production according to the schedule submitted in accordance with SECTION I.2. RESPONSE PREPARATION AND BID FORMAT. The data processing design, development, installation, implementation and training activities associated with Printing and Mailing of Certificates of Title will be monitored by ADOR personnel. The Vendor will employ sufficient and suitable personnel, secure and maintain insurance, maintain records, submit reports, and observe all requirements as outlined in this ITB.

In the event the Vendor encounters difficulty in meeting performance requirements outlined in this ITB, or when difficulty in complying with the contract delivery schedule or completion date is anticipated, or whenever the Vendor has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, the Vendor shall immediately notify the Project Manager by telephone and follow-up in writing, within forty-eight (48) hours of identifying the problem, and give pertinent details. However, this data shall be informational only and this provision shall not be construed as a waiver by ADOR of any delivery schedule or date, or any rights or remedies provided under this contract

If the Vendor fails to promptly perform the services or to take the necessary action to ensure future performance in conformity with contract requirements, the State will:

- Proceed against the Performance Guarantee; and
- Terminate the contract for default.

Prior to Implementation

1. At least four weeks prior to implementation, complete file transfer testing to and from the Department.
2. Complete an integrated readiness test for functionality of all parts of the printing and mailing process with the Department at least two weeks before implementation.
3. Demonstrate the system interfaces, using test data/materials provided by the Department.

System interface demonstration shall occur in conjunction with the integrated readiness test. The demonstration includes all required reports. This shall be accomplished two (2) weeks prior to implementation.

At Implementation

1. Vendor is expected to provide daily reports (See Exhibit A-1)

I.12. CHANGES ONLY BY THE PROJECT MANAGER: No order, statement or conduct of government personnel who visits the Vendor's facilities, or in any other manner communicates with Vendor personnel during the performance of this contract, shall constitute a change under this contract. The Project Manager is the only person authorized to approve changes in any process or procedure, and notwithstanding provisions contained elsewhere in this contract, said authority remains solely with the Project Manager. In the event the Vendor implements any change(s) at the direction of any person other than the Project Manager, that change shall be considered to have been made without authority and no adjustment in price will be made in the contract to cover any increase in charges incurred as a result thereof.

Any proposed changes to processes, procedures, service and/or work schedules shall be submitted in writing to the Project Manager for approval prior to implementation. The Vendor will be given written notice of procedural changes and the implementation date required by ADOR. The Vendor must possess the capacity to quickly respond to changing requirements and limited implementation time frames.

Any project management dispute shall be decided by the Motor Vehicle Division Director, who shall produce the decision in writing and mail or otherwise furnish a copy thereof to the Vendor.

- I.13. **VENDOR QUALIFICATIONS:** This ITB provides essential information to prospective Vendors submitting proposals for the services described herein. The Vendor must be able to perform all functions required, as outlined in Exhibit A, in the most accurate, efficient, and expeditious manner possible. Due to security requirements, the vendor may not utilize third party vendors to meet the qualifications or perform the requirements of this ITB (*other than the manufacture of envelopes and title paper*). All printing and mailing services performed under this ITB must be performed onsite and cannot be subcontracted. The onsite facility must be within a 300-mile radius of Montgomery Alabama.

To be considered for selection, Bidders must meet certain criteria and demonstrate their capability and experience in several key areas:

Bidders must have thorough knowledge of a motor vehicle title printing and mailing process or the printing and mailing of high security documents (such as negotiable instruments; checks, credit cards, etc.). The bidder must have successfully developed and implemented, at least two motor vehicle title printing and mailing systems or the printing and mailing of high security document systems similar in size and scope (at least one million pieces of mail on an annual basis) within the past 3 years and must have processed at least ten million pieces of mail in the past year through the facility where this ITB would be fulfilled.

The bidder must describe and be prepared to demonstrate during an onsite visit by ADOR, based on current or previous projects for printing and mailing certificates of title or the printing and mailing of high security documents of a similar size, nature, and complexity (in scope, responsibility, and technologies involved) as described in this ITB, their expert knowledge of business solutions related to the administration of printing and mailing of certificates of title or the printing and mailing of high security documents and have experience in providing solutions to meet the requirements as set forth in the ITB. The bidder will be required to perform address standardization and must currently be licensed by the United States Postal Service to perform National Change of Address Linkage Service (NCOA^{Link}) on the addresses contained in the title database furnished by the ADOR.

The bidder must currently have an onsite USPS Detached Postal Unit staffed 24x7 by USPS employees to expedite induction of mail. The bidder must also currently utilize the USPS' Postal One transportation system to schedule accurate destination delivery of mail to be injected directly into the USPS postal stream.

The bidder must be capable of receiving, on a daily basis, the title data file, as specified in Exhibit D.3. The bidder's response shall include procedures to reduce the risk of processing and printing duplicate files, to include the possibility of duplicate files being produced by the ADOR.

Bidders failing to conform to any of these qualifications will be disqualified.

- I.14. REFERENCES: The Bidder shall provide the identification of at least two (2) jurisdictions or companies for which a printing and mailing of certificates of title project or the printing and mailing of high security documents, such as negotiable instruments, project has been successfully installed. Provide a brief description of each project, and list key points of contact and telephone numbers. The Bidder may place the references in sealed envelopes.

The Bidder shall provide resumes for the professional staff members proposed for assignment to the project, indicating their experience and qualifications.

- I.15. DISASTER PREPAREDNESS: The response must include a description of the bidder's contingency operating plan that adequately addresses continuation of the contracted services in the event of a disaster, natural or otherwise. The Bidder must include their disaster recovery plan detailing frequency of back up, off-site storage, etc. The Bidder must include a description of back up facilities that would be available to continue with the contracted services if its main facility were not able to function. The plan must include communication failure backup.
- I.16. CHANGES AFFECTING THE PROGRAM: Changes to Federal and State statutes, case law, regulatory changes, and instructions may impact ADOR processing systems. The Vendor must possess the capacity to respond to changing requirements and limited implementation time frames.
- I.17. OBSERVANCE OF LAWS: It is the policy of the Department of Revenue not to discriminate against any employee because of race, color, religion, age, sex, national origin, or disability. In connection with the performance of work under this contract, the Vendor agrees not to discriminate on the basis of race, color, religion, age, sex, national origin or disability. The Vendor shall comply with all applicable laws of the United States and the State of Alabama.
- I.18. BID EVALUATION CRITERIA:
The award, if made, will be to the lowest responsible bidder meeting all contract specifications. The major criteria to be used in evaluating bids are:
- A. Compliance with all sections of this ITB.
 - B. The pricing of services as defined in SECTION II – BID FORMAT AND PRICING of this ITB. Bidders must provide pricing data on the bid sheet provided by State Purchasing. The Department of Revenue will multiply the unit price by the estimated yearly quantity to get the total dollar cost.

I.19. AUDIT REQUIREMENTS, MONITORING AND EVALUATION

A. Audit Requirements

ADOR Internal Audit is authorized to make both announced and unannounced audits. They will have access to all documents, records, personnel, and facilities. In addition, the State Auditor's Office and the Examiners of Public Accounts may perform audits. State Auditor personnel are prohibited access to documents, as provided for in Section 40-2A-10, Code of Alabama 1975, but are permitted access to bank statements, checks, and deposit listings. ADOR must be notified of any suspected or actual unauthorized access, loss, alteration, or destruction of records and/or data related to this contract. In such an event, verbal notification will be made immediately upon discovery and written notification will follow within forty-eight hours. In the event it is a weekend or holiday, notification will be made on the first day ADOR resumes business.

Periodically, ADOR may visit the Vendor's facility to inspect areas for physical security considerations. These security reviews will be conducted by ADOR's Internal Audit Section. The successful Vendor must agree to implement all improvements or modifications indicated by the physical security review conducted by ADOR.

B. Monitoring and Evaluation

ADOR shall have the right to withhold payment to the Vendor for failure by the Vendor to carry out any of its contractual obligations. This includes the result of unsatisfactory audit findings, physical security reviews or other negative monitoring results. Such a right to withhold shall continue until the Vendor remedies such failure to perform, provided that written notice of such failure has been communicated to the principal office of the Vendor by certified mail. The Vendor will take immediate corrective action to resolve any negative findings.

The Vendor must maintain records of all processing activity it undertakes as part of the contract. Such records shall be maintained for audit by ADOR or the State Auditors. The Vendor must maintain processing, billing and other records required for audit purposes for this contract. Vendor shall not reproduce data in any form without specific written approval from ADOR.

The Vendor must maintain a log and filing system, which will ensure the retrieval of information for the life of the contract and until, audited by the Examiners of Public Accounts and released by ADOR. All unaudited records shall be transferred to ADOR at the expiration of the contract period.

The Vendor must warrant that these materials are kept in a separate secured area where access is restricted to authorized personnel. ADOR documents and records must be physically protected from inter-filing with other Vendor or Vendor client records.

- I.20. NEWS RELEASES: No news releases, press conferences or advertisement pertaining to this solicitation or to awards made as a result of this solicitation, will be made without prior written approval of the ADOR Commissioner's Office.

I.21. INQUIRIES: Any questions that arise concerning technical data in the ITB should be submitted, in writing, to:

Donald R. Clemons, Assistant Supervisor
Alabama Department of Revenue
Motor Vehicle Division/Title Section
Gordon Persons Building, Room 1223
50 Ripley Street
Montgomery, AL 36104

Fax # (334) 353-9351

E-mail address: don.clemons@revenue.alabama.gov

And

Susan Jana, Buyer
Department of Finance
Division of Purchasing
100 North Union Street, Suite 192
Montgomery, AL 36104

Fax # (334) 242-4419

E-mail address: susan.jana@purchasing.alabama.gov

Don Clemons will be the sole contact for ADOR. The Department will not be responsible for any information obtained from other sources.

I.22. INSURANCE: The Vendor will carry and maintain, during the entire period of performance under this contract, the following:

Workers' Compensation and Employee's Liability Insurance: minimum \$100,000 per incident,

Automobile (Vehicle) General Liability Insurance: minimum \$200,000 per person; \$1 million per accident; property damages \$50,000,

Comprehensive General Liability: minimum of \$1.5 million bodily injury per occurrence,

Bonding of Vendor employees (permanent, temporary or contracted) associated with this project: minimum of \$100,000 per incident.

Bidder must provide proof of insurance in the amounts listed above with the bid response.

I.23. TRANSITION PERIOD/CONTRACT CANCELLATION:

Upon termination or at the end of the resulting contract, the Vendor must work with any future vendor selected by ADOR to perform official functions on their behalf. The successful Vendor's responsibilities must include, but not be limited to, migration of data from the successful Vendor's system to the future vendor's system and knowledge transfer of the successful Vendor's solution, tools, processes, and software design. Pricing of services to be provided during the transitional period shall be listed on line seven (7) of the price sheet provided by State Purchasing.

A term contract can be canceled by the Division of Purchasing, for justifiable cause, by giving the vendor thirty (30) days written notice. A vendor may request cancellation and the Division of Purchasing may grant the request if performance is prevented by an act of God, act of War, order of legal authority, or other unavoidable circumstances not attributable to the fault or negligence of the vendor (See Exhibit E - Division of Purchasing Rule 355-4-1-.05 (14) or go to <http://www.purchasing.alabama.gov/admincode.htm> for additional information).

I.24. EXHIBIT DESCRIPTIONS

Exhibit A – Printing and Mailing of Certificates of Title Description of Services Required

Exhibit B – Title Paper Specifications

Exhibit C – Title Envelopes Specifications

Exhibit D – Security Standards for Bidders

Exhibit E – Division of Purchasing Administrative Code - Performance

SECTION II

BID FORMAT AND PRICING

II.1. PREPARATION OF BID: It is crucial that Bidders prepare comprehensive and accurate bids. Any bid, which merely states that the Bidders will meet the ITB's requirements, will be disqualified in the evaluation process. The bid must contain a detailed description of how the Bidder plans to meet the requirements of the ITB.

II.2. PRICING BID: Each response will provide pricing that is all inclusive of all costs associated with the implementation, operations, and services necessary to meet the business requirements as outlined in Exhibit A – Printing and Mailing of Certificates of Title Description of Services Required, Exhibit B – Title Paper Specifications, and Exhibit C – Title Envelopes Specifications. Although, pricing shall be based upon mailing 1 million pieces of mail, which includes printing and insertion of 1.6 million

certificates of title on an annual basis, these are estimates and volumes are not guaranteed since changes in statutes or procedures could affect volumes.

Exhibit A

PRINTING AND MAILING

OF

CERTIFICATES OF TITLE

DESCRIPTION

OF

SERVICES REQUIRED

Exhibit A – Description of Services Required

Alabama Department of Revenue Printing and Mailing of Certificates of Title

Exhibit A - 1. Functional Overview

The ADOR is interested in outsourcing the printing and mailing of Alabama certificates of title on a daily basis. The Title Production Unit of the Motor Vehicle Division currently performs the process.

General Processing Flow:

1. The Information Technology Division (ITD) of the ADOR will create a title data file daily, except weekends and State of Alabama approved holidays. The file may be zipped for file transfer improvement.
2. The file will be available on a secure website hosted by ITD. A Vendor will use an Internet browser to access the website. This will initiate a secure layer connection between the user and server. Once connected to the server, the user will enter a User ID and password that the Computer Security Unit of the Internal Audit/Security Section assigns. The user will then be able to send and receive files on the site.
3. The vendor accesses the title data file through the secure website daily, as provided by the ADOR. The title data will be processed by the Vendor through NCOA^{Link} to determine if address corrections are needed. **The title data provided by the ADOR in this project shall not be changed by the vendor.** Titles will not be printed where address results through NCOA^{Link} shows “Moved Left No Address (MLNA), or Box Closed No Order (BCNO), or Change of Address (COA) filed has been noted.” Titles not printed because of MLNA or BCNO or COA findings shall be reported to the ADOR per paragraph 6 (C) of Exhibit A-1.
4. The title data is translated into a print file. Titles are to be printed and mailed the same day as the issue date shown in the files received. Titles are to be printed in a secure printing process (**using OCR B font or a comparable font, and a Code 3 of 9 barcode, as specified by the ADOR**), sorted, inserted into envelopes (**with the addressee’s address clearly shown in the envelope’s window**), postage applied and mailed daily, except weekends and State of Alabama approved holidays.

The title paper used, to print the titles, and envelopes used to mail the titles, will be procured by the successful bidder (See Exhibit B for title paper specifications and Exhibit C for title envelope specifications). **The successful bidder must ship to the ADOR, as requested, an allotment of title paper and envelopes.** The cost of the title paper and title envelopes to the ADOR will be based on the prorated cost of the title paper and title envelopes bid in this ITB plus the actual shipping costs from Vendor to the ADOR.

Exhibit A – Description of Services Required

Any titles voided because of printing errors must be re-printed, mailed and listed on daily reports furnished to the ADOR according to contract specifications. All title paper stock, including voided title paper shall be stored in a secured area accessible only to authorized personnel.

Titles will be mailed first class using the United States Postal Service. All titles will be presorted and organized to receive the maximum postal rate discounts obtainable by the Vendor. The ADOR will not pay the vendor any postage greater than the one-ounce rate for first class mail.

Currently, five (5) titles and the mailing envelope can be mailed at the one-ounce rate. Therefore, the vendor will be required to maximize the number of titles to a single address in a single envelope to meet the one-ounce rate requirement.

5. All title mail must be transported solely by USPS vehicles.

6. Any reports required for this contract or developed during the course of the contract must be stored online, on the vendor's server, and be accessible to the ADOR, in accordance with Exhibit D – Security Standards for Bidders. The report(s) must have a date and time stamp associated with the name of the report and archived online for 45 days. After 45 days, the online report can be archived on tape or other medium, approved by the ADOR, and permanently stored in a secured remote facility again approved by the ADOR.

The Vendor shall prepare, in electronic format, daily reports and data files, at the end of each days processing, documenting the following:

- A. The beginning and ending control numbers of the title paper used.
- B. The control numbers of the voided title paper.
- C. Title data (title number, vehicle identification number, owner(s), and mail to address information) for mailing addresses processed through NCOA^{Link} that were listed as MLNA, or BCNO, or COA (**Note these titles will not be printed**).
- D. The number of titles printed.
- E. A breakdown of the number of envelopes mailed containing multiple titles.
- F. Daily cost of printing and mailing certificates of title.
- G. Balance of title paper stock in inventory by control numbers and total quantity.

Exhibit A – Description of Services Required

Exhibit A – 2 Disaster Recovery

Disaster recovery is a prime criterion for the printing and mailing of certificates of title. Therefore, a strong system infrastructure consisting of the following should be in place:

- Data communications redundancy
- Software & hardware maintenance procedures
- Data backup, archiving and integrity protection
- Disaster recovery procedures

The vendor must resume the printing and mailing of certificates of title within twenty-four (24) hours of a disruption in service.

Exhibit A – 3 System Support

The system support plan will include a toll-free number, Monday – Saturday 7:00 A.M. – 7:00 P.M. Central Time, and a knowledgeable Vendor support staff to handle queries posed by the ADOR.

In order to maintain the mutually agreed upon service levels for this project, the vendor will allocate, in addition to the Project Manager, a technical support staff.

Technical Support is responsible for systems monitoring, backup procedures, inquiries by ADOR staff, and ensuring physical and logical security of the facility and systems.

Exhibit B

**TITLE PAPER
(MVT 8-1)**

SPECIFICATIONS

SPECIFICATIONS MVT 8-1

SCOPE: This specification describes the printing of the original Alabama Certificate of Title as further described below. The forms shall meet the following requirements:

Titles: The following will be provided:

Alabama Certificate of Title - Original - Form MVT 8-1.

DIMENSIONS: Shall be as below:

Width: 7 inches (178mm)

Length: 8 inches (203 mm).

FORM CONSTRUCTION: Shall be as stated below:

Premium laser sheets

Size of sheets: Vendor's choice, as long as, final product's width is 7 inches and height is 8 inches (7" w x 8" h).

The bid must include twenty thousand (20,000) sheets for ADOR use. Sheets provided for ADOR use will be 8 ½" x 11" laser cut sheets. The sheet must contain one (1) partial vertical micro perforation one and one-half inches (1 ½") from left edge of sheet and eight inches (8") in length that runs from bottom edge of sheet that ties into a full horizontal micro perforation that is eight inches (8") from the bottom edge. This allows for a 7"x 8" tear out size title. The perforations will be micro laser safe perforations that are run in line on a rotary press. Perforations cannot be run as an offline process.

Vertical Printout: Six lines to the inch (Six lines per 26 mm).

Horizontal printout: 10 characters to the inch (10 characters per 26 mm).

SECURITY PRINTING AND LAYOUT DESIGN: Shall be as stated below:

Face shall be in accordance with the following:

Border - Blue;

Undertint - Blue and red.

Paper specification – Defensa Premium SG Bond

- ANSI X 9.18, MICR, OCR, Laser Qualified
- Bond – 24#
- Caliper - .0045 in
- Fluorescence – 0%
- Smoothness – 150 FS
- Opacity – 93%
- Moisture – 4.5%
- Brightness – 81 GE units
- Color: L – 89; a – 0.6; b – (-1.0)

100% chemical wood pulp fiber.

Paper Security Specification:

- True Fourdrinier paper machine watermark (chain link) optically dead
- Bleach & oxidizer reactive
- Polar class solvent reactive
- Acid reactive
- Base reactive
- Non-polar class solvent reactive
- Invisible embedded fiber – fluoresces yellow
- 2 visible embedded fibers – green and red
- Printloc option - true security level toner anchorage for laser printing

Text matter shall be printed in blue and red permanent lithographic ink. Size of font to match sample copies provided by ADOR. Exact samples reflecting all computer firing positions will be provided to the vendor. Vendor shall be responsible for any typeset required.

Prismatic fine-line tint to make photographic reproduction extremely difficult.

An outline of the State of Alabama shall be lithographically printed in a “Medallion” design.

The Great Seal of Alabama shall appear in the upper left corner on the face of the document. The words “Alabama Great Seal” which encompasses the seal will be printed in blue lithographic ink. The inset of the Great Seal will be a three-dimensional 7/8” high security custom hologram and must align with the print that encompasses the hologram. The hologram must be in compliance with the Real ID act of 2006.

Copy “Void” Pantograph printed in multiple densities - the word “Void” shall appear (face and back) when the document is color copied or scanned.

Erasure sensitive background inks (face and back) shall react to any attempt to erase in such a manner as to be immediately detectable.

Background security design shall be a repetitious design consisting of a pattern which hinders counterfeiting efforts.

Complex Color shall be used. Complex Colors are developed by using a mixture of two or more of the primary colors (red, yellow, and blue) and black if required.

Offset plates will be used to replicate the high security borders that exists on current title paper.

Border design shall be exactly as shown on samples.

Control Numbering: Each document shall be sequentially numbered on the face, in the lower right margin. Number will be red with dual image numbering that bleeds through to the back of document. Vendor to guarantee no missing or duplicated numbers. Beginning control number will be provided to awarded vendor.

Microprint line of words “Certificate of title” repeated to appear without magnification as a block of ruled lines in the upper border.

Back shall be in accordance with the following:

White background, with black ink only, shall be compatible with the copy void pantograph feature.

Text matter shall be printed in black permanent lithographic ink with erasure sensitive background inks.

PROOF: Vendor shall submit proof of hologram and printing for approval prior to printing to:

Alabama Department of Revenue
Motor Vehicle Division/Title Section
Gordon Persons Building, Room 1223
50 North Ripley Street
Montgomery, AL 36104

Attention: Donald R. Clemons

After approval of the original proofs, vendor shall provide color screen separation overlays.

Specimen: The vendor shall furnish the Motor Vehicle Division, Title Section, with 1,000 “specimen” title forms, with all zeros for control number on each document as well as the word **specimen** printed or stamped in bold letters across face of each document, at approximately the same time the first shipment of forms are required by this specification.

Specimens shall be shipped overnight in a manner specified by the ADOR to:

Alabama Department of Revenue
Motor Vehicle Division/Title Section
Gordon Persons Building, Room 1223
50 North Ripley Street
Montgomery, AL 36104

Attention: Donald R. Clemons

SECURITY: All work on the documents shall be executed entirely at one location under security condition, as specified in Exhibit D – Security Standards for Bidders. Exception: Some pre-press work, such as making engravings plates, cylinders, making hand engraving for lithographic plates, or negatives may be done at another location if necessary. However, each location shall also comply with Exhibit D – Security Standards for Bidders.

In addition to security standards specified in Exhibit D – Security Standards for Bidders, the following security standards shall be applied:

Printing plates shall be produced only under maximum security conditions and stored in vaults when not in use. Access to the vault shall require dual access entry.

DELIVERY SECURITY: If shipping by motor freight, vendor shall arrange for the exclusive use of a truck or semi-trailer containing no other cargo. Truck shall be sealed after loading and the seal shall not be broken until received by vendor. If shipping by other types of commercial carriers, i.e., air, ship, etc., security personnel (vendor or local security) shall be present for loading and unloading. Shipment shall be classified as security cargo and shall be given security handling until delivered to vendor.

Patent or Copyright Infringement: The vendor shall defend; protect, and save harmless the State of Alabama, its officers, agents and employees against all suits at law or in equity and from all damages, claims or demands for actual or alleged infringement of any patent or copyright by reason of the use of the security features provided by the vendor. The vendor shall certify that it is the owner of and/or licensee of all legal patents or copyrighted security features used.

PACKING for Title Paper Shipped to ADOR: Shall be as stated below:

The material of the cartons used to ship title paper stock to the ADOR shall be of high quality, with chipboard tops and bottoms, strong enough to withstand stacking four high without collapsing. Sheets will be packed in ploy bag or shrink wrap to protect from humidity. Sheets will be packed 2000 sheets per carton. Vendor will replace any which are unusable.

Shipment must be received on pallet, packed, and shrink wrapped so as not to shift or become damaged in shipment and to allow handling by mechanized means. Cartons shall not be packed so tightly that the cartons cannot be removed and re-stacked with relative ease. Numbers on cartons must be stacked with the highest number on top and the lowest on the bottom in sequential numbering.

The cartons used shall be stacked in sequential control number order beginning with the lowest control number being on top in each box.

Each carton must be clearly labeled on one side showing:

- Form number and Purchase Order Number
- Quantity:

- Numbers:
- Carton:
- Vendor:

FORMS REJECTION: Any carton containing missing, or duplicate numbers, or forms which will not run in the titles printer shall be returned to the vendor to be reprinted. In the event of missing numbers, the vendor shall provide a written explanation within 10 days after notification of the missing form or forms.

Exhibit C

TITLE ENVELOPES
SPECIFICATIONS

Title Envelope Specifications

Title envelopes, printed, diagonal or side seam, non-reflective glassine window.

Envelope Sizes: 4 ½" H x 7 ¾" W or 4¾" H x 8" W

Window Size: **3-¾" x 15/16"**, Location for 4 ½"x 7 ¾" envelope, (3-5/8" from left, 1/2" from bottom, and 3-1/16" from top); Location for 4-3/4" x 8" envelope, (3-5/8" from left, and 5/8" from bottom and 3-3/16" from top).

One 11/16" Commercial flap

Color: White wove #24

Printing: Return address on the front in black ink.

Note: Must be packaged 500 per box, 2500 per case. Case size must be 25-3/4" L x 12-1/4" W x 8-5/8" D

Exhibit D

Security

Standards

For

Bidders

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D

SECURITY STANDARDS FOR BIDDERS

1.0 Overview

This document defines the minimum-security criteria that a Bidder, any subcontractors or partners of the Bidder (hereinafter collectively referred to as BIDDER) must meet in order to be considered for use by the Alabama Department of Revenue. As part of the selection process, the BIDDER must demonstrate compliance with the Standards listed below by responding in writing to EVERY statement and question in the five categories. All of these statements or questions may or may not apply to every BIDDER. The Commissioner's Office, Internal Audit/Security, Computer Security Section will closely review the BIDDER responses, and will suggest remediation measures in any areas that fall short of the minimum-security criteria. The Computer Security Section approval of any given BIDDER resides largely on the BIDDER's response to this document.

Criminal Code and Confidentiality Agreement—Any business entity seeking authorization to act as a BIDDER is required to comply with all state statutes and with all Department rules regarding the confidentiality of motor vehicle records, tax returns and taxpayer information, and to inform their employees concerning the provisions of Section 40-2A-10, **Code of Alabama 1975, The Drivers Privacy Protection Act 1994** (18 U.S.C. 2721- 2725) Public Law 103-322 and the **Alabama Computer Crime Act**, Article 5 of Chapter 8, Title 13A, **Code of Alabama 1975** (see Exhibit B.2 for description of acts). Any BIDDER must also implement strict controls to ensure that **ALL** Alabama Department of Revenue data be protected at all times. Confidentiality is the concept that information is available only to authorized individuals.

This document will be revised as necessary to stay up to date with advances in security technology and to respond to changing business conditions.

2.0 Scope

This document can be provided to BIDDERS that are either being considered for use by the Alabama Department of Revenue, or have already been selected for use.

3.0 Responding to These Standards

The Computer Security Section is looking for explicitly detailed, technical responses to the following statements and questions. BIDDERS must format their responses directly beneath the Standards (both questions and requirements) listed below. In addition, the BIDDER must include any security white papers, technical documents, or policies that are appropriate.

Answers to each Guideline should be specific and avoid generalities, e.g.:

Examples:

Bad: "We have hardened our hosts against attack."

Good: "We have applied all security patches for Windows 2000 as of 8/31/2000 to our servers. Our Administrator is tasked with keeping up-to-date on current vulnerabilities that may affect our environment, and our policy is to apply new patches during our maintenance period (2300hrs, Saturday) every week. Critical updates are implemented within 24 hours. A complete list of applied patches is available to the Alabama Department of Revenue."

Bad: "We use encryption."

Good: "All communications between our site and the Alabama Department of Revenue will be protected by IPSec ESP Tunnel mode using 168-bit TripleDES encryption, SHA-1 authentication. We exchange authentication material via either out-of-band shared secret, or PKI certificates."

4.0 Standards

4.1 General Security

1. The BIDDER must also ensure that no one has access to documents or confidential information for reasons other than to fulfill the BIDDER's obligation under the contract. If the BIDDER has reason to suspect any unauthorized access or disclosure of confidential information in their possession has occurred, they must notify ADOR by telephone within twenty-four hours and follow-up with written notification within five days.
2. The selected BIDDER will be required to have a background investigation done, at the BIDDER's expense, on all BIDDER's permanent and temporary employees hired by BIDDER involved in handling ADOR data before the employee begins duty. The investigations must include a check of criminal history and assure that employees have no felony criminal convictions of any offense that involves dishonesty or breach of trust. The BIDDER must keep a copy of the investigation report in each employee's personnel folder, and furnish a copy to the Project Manager upon request. The BIDDER must not allow anyone access to ADOR data that has been found to be unsuitable or unfit for assigned duties resulting from the background investigation.
3. The Alabama Department of Revenue reserves the right to periodically audit the BIDDER's infrastructure to ensure compliance with these Standards. Non-intrusive network audits (basic portscans, etc.) may be done randomly, without prior notice. More intrusive network and physical audits may be conducted on site with 24 hours notice.
4. The BIDDER must provide a proposed architecture document that includes a full network diagram of the Alabama Department of Revenue Environment, illustrating the relationship between the Environment and any other relevant networks, with a full data flowchart that details where the Alabama Department of Revenue data resides, the applications that manipulate it, and the security thereof.
5. The BIDDER must be able to immediately disable all or part of the functionality of the system, either at the request of ADOR or on their own initiative, should a security issue be identified. The Alabama Department of Revenue, Internal Audit/Security Section should be notified once a security issue is identified. If after hours, the BIDDER must be able to determine the severity of the security issue and make the decision to disable the system or not.

6. The BIDDER must provide a published policy and procedure for dealing with sensitive information. This policy and procedure must include strict internal protocol that clearly defines the roles and responsibilities of service representatives, and supporting staff with regard to viewing Alabama Department of Revenue data.
7. The BIDDER must protect stored data from unauthorized use. The BIDDER must ensure the accuracy and soundness of data at all times.
8. The BIDDER must only use test data for testing purposes, no real data will be used during the testing phase.
9. The BIDDER must comply with the Internet Policy established by the Alabama Department of Revenue and the Alabama Department of Finance. (See *Exhibit D.6*)

4.2 Physical Security

1. The equipment hosting the data for the Alabama Department of Revenue must be located in a physically secure facility, which requires badge access at a minimum. A listing of personnel with badge access may be requested by the Alabama Department of Revenue.
2. The infrastructure (hosts, network equipment, etc.) hosting the Alabama Department of Revenue data must be located in a locked cage-type environment. The Alabama Department of Revenue will have the right to inspect, at any time, the facility hosting department data.
3. The Alabama Department of Revenue shall have final say on who is authorized to enter any locked physical environment, as well as access the Alabama Department of Revenue Infrastructure.
4. The Alabama Department of Revenue will have the right to inspect, at any time, the storage of Alabama Department of Revenue documents or confidential information. The BIDDER must ensure that the documents or information are stored in a secure place to prevent the compromise of any information. A representative from the BIDDER must safeguard any documents that cannot be stored in a secure place.

The BIDDER must disclose who amongst their personnel will have access to any data for the Alabama Department of Revenue. The BIDDER shall be held responsible for maintaining complete confidentiality on behalf of the Department. Therefore, each employee of the Bidder permanently or temporarily assigned to the contract, that has access to Alabama Department of Revenue data must sign an **“Alabama Department of Revenue Nonemployee Confidentiality and Disclosure Statement” COM: 103 (Exhibit D.1)** indicating that they understand their obligations with regard to confidentiality and disclosure of information.

Civil and/or criminal penalties exist for violation of secrecy and confidentiality statutes. These “disclosure” documents must be on file with the ADOR Internal Audit/Security and a copy must be with the employee’s personnel folder kept by the BIDDER. Each employee must also attach a copy of photo identification to the disclosure form to be used for identification purposes only.

Each employee of the BIDDER permanently or temporarily assigned to the contract located on ADOR premises must have a BIDDER picture ID Badge made for identification and building access.

4.3 Network Security

1. The network hosting the State's data must be logically separated from any other network or customer that the BIDDER may have. This requires that the environment hosting the Alabama Department of Revenue resources must use logically separate network and processing hosts.
2. Data will be transferred between the Alabama Department of Revenue and the BIDDER under the following conditions:

The Alabama Department of Finance, Information Services Division, hereinafter referred to as ISD, is the Alabama Department of Revenue's network provider. The BIDDER will connect either via a dedicated connection, or through an Internet connection to the ISD Extranet. The type of connection, Internet or dedicated, will be agreed upon by the BIDDER and the Alabama Department of Revenue. The management and operation of the network service and connection will follow all policies and procedures of ISD (See *Exhibit D.3*). Additional network requirements may be specified by the Alabama Department of Revenue.

If the connection is Internet, ISD will provide the appropriate firewall technology. All traffic on this connection must be protected and authenticated using cryptographic technology. (See Cryptography below)

4.4 Host Security

1. The BIDDER must disclose how and to what extent the hosts (Unix, NT, etc.) comprising the Alabama Department of Revenue infrastructure have been hardened against attack. If the BIDDER has hardening documentation provide that as well.
2. The BIDDER must provide a listing of current patches on hosts, including host OS patches, web servers, databases, and any other material application.
3. The BIDDER must provide information on how and when security patches will be applied. Document should include how the BIDDER maintains awareness concerning current and emerging network security vulnerabilities, including their policy for applying security patches.
4. The BIDDER must disclose their processes for monitoring the integrity and availability of those hosts.
5. The BIDDER must comply with the following User-ID / Password requirements:
 - a. Password must be 8 alpha-numeric characters.
 - b. User-ID must not be able to sign on to more than one location at a time.
 - c. Passwords are to expire every 60 days, with user being able to reset password. Application must ask user for old password, then new password, and re-verification of new password.
 - d. Cannot use the previous 10 passwords.

- e. User access must be revoked if password is keyed wrong 3 times.
6. The BIDDER must comply with the following Audit Trail requirements:
 - a. Create an audit trail database that can be reported from or queried, containing all user activity by function selected.
 - b. Data to track includes user ID, date and time the function was invoked, function (i.e. Tag Number and VIN Number).
 - c. Record any addition/deletion of a record and document the user ID that invoked the addition/delete function.
 7. The Alabama Department of Revenue cannot provide internal usernames/passwords for account generation, as the department is not comfortable with internal passwords being in the hands of third parties. With that restriction, how will the BIDDER authenticate users? (e.g., LDAP, Netegrity, Client certificates.)

4.5 Cryptography

1. The Alabama Department of Revenue infrastructure cannot utilize any "homegrown" cryptography – any symmetric, asymmetric or hashing algorithm utilized by the Alabama Department of Revenue infrastructure must utilize algorithms that have been published and evaluated by the general cryptographic community.
2. Encryption algorithms must be of sufficient strength to equate to 168-bit TripleDES.
3. Preferred hashing functions are SHA-1 and MD-5.
4. Connections to the BIDDER utilizing the Internet must be protected using any of the following cryptographic technologies: IPSec, SSL, SSH/SCP, PGP.
5. Connections to the BIDDER utilizing the internet must also be protected using a firewall with appropriate security measures, such as validation rules, Intrusion Detection Systems, Packet Sniffers, etc.

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D.1

**NONEMPLOYEE CONFIDENTIALITY
and DISCLOSURE STATEMENT**

COM: 103

Blank Intentionally



State of Alabama Department of Revenue

COM: 103
6/2002

Nonemployee Confidentiality and Disclosure Statement

By reading this entire statement and signing, I agree that I fully understand that, pursuant to Section 40-2A-10, **Code of Alabama 1975**, I shall not publish, divulge, disclose or make known in any manner or to any extent not authorized by law any information contained in any return, report or record when it identifies or discusses a taxpayer. I also understand that any tax return or return information that I come in contact with will not be used for private gain, is completely confidential and may not be divulged or disclosed at any time, now nor in the future.

Further, I agree that I understand that if I violate this confidentiality statute, I will have committed a Class A misdemeanor for each act of disclosure, which is punishable by imprisonment in the county jail or to hard labor for the county for a period of not more than one year and/or a fine of not more than \$2,000. I am aware that the Department of Revenue does receive tax information from the Internal Revenue Service, and that I may be subject to federal confidentiality statutes provided under the Federal Driver's Privacy Protection Act, The Federal Tax Reform Act of 1976, or the Taxpayer Browsing Protection Act, as described on the reverse page, and, if I violate these statutes, I will be subject to the penalties provided for under these applicable laws. I also acknowledge that I have been provided with a copy of this statement for my personal records.

SIGNATURE _____

PRINT NAME _____

SOCIAL SECURITY NUMBER _____

DATE _____

COMPANY NAME _____

REASON FOR ACCESS TO TAX RETURN INFORMATION _____

Section 40-2A-10, *Code of Alabama 1975*, provides as follows:

Confidentiality, disclosure, and exchange of tax returns and tax information.

(a) Except as provided in subsections (b) and (c), it shall be unlawful for any person to print, publish, or divulge, without the written permission or approval of the taxpayer, the return of any taxpayer or any part of the return, or any information secured in arriving at the amount of tax or value reported, for any purpose other than the proper administration of any matter administered by the department, or upon order of any court, or as otherwise allowed in this section. Statistical information pertaining to taxes may be disclosed at the discretion of the commissioner or his or her delegate or to the Legislative or Executive Branch of the state. Upon request, the commissioner or his or her delegate may make written disclosure as to the status of compliance of entities subject to the requirements contained in Chapter 14, prior to its repeal, and Chapter 14A of this title, as applicable. A good standing certificate shall be issued to a requesting person with respect to a business entity if the entity has filed all state tax returns required under Chapter 14, prior to its repeal, and Chapter 14A, as applicable, and paid the taxes shown as payable in accordance with those returns. Any person found guilty of violating the provisions of this section shall, for each act of disclosure, have committed a Class A misdemeanor. Additionally, to the extent provided in 26 U.S.C. § 7213A, it shall be unlawful for any state employee willfully to inspect, except as authorized in 26 U.S.C. § 6103, any federal tax return or federal tax return information acquired by the employee or another person under a provision of 26 U.S.C. § 6103 referred to in 26 U.S.C. § 7213(a)(2).

(b) This section shall not apply to returns filed and information secured under laws of the state (i) governing the registration and titling of motor vehicles, (ii) levying or imposing excise taxes or inspection fees upon the sale of, use, and other disposition of gasoline and other petroleum products, (iii) governing the licensing of motor vehicle dealers, reconditioners, rebuilders, wholesalers, and automotive dismantlers and parts recyclers, or (iv) governing the privilege licenses as provided in Chapter 12, other than Article 4, of this title.

(c) Except as otherwise provided in Section 40-2A-9(m), the orders of the administrative law judge and all evidence, pleadings, and any other information offered or submitted in any appeal before the Administrative Law Division are not subject to this section.

(d) The commissioner shall promulgate reasonable regulations permitting and governing the exchange of tax returns, information, records, and other documents secured by the department, with tax officers of other agencies of the state, municipal, and county government agencies in the state, federal government agencies, any association of state government tax agencies, any state government tax agencies of other states, and any foreign government tax agencies. However, (i) any tax returns, information, records, or other documents remain subject to the confidentiality provisions set forth in subsection (a); (ii) the department may charge a reasonable fee for providing information or documents for the benefit of self-administered counties and municipalities; (iii) self-administered counties and municipalities may charge a reasonable fee for providing information or documents for the benefit of the

department; and (iv) any exchange shall be for one or more of the following purposes:

- (1) Collecting taxes due.
- (2) Ascertaining the amount of taxes due from any person.

(3) Determining whether a person is liable for, or whether there is probable cause for believing a person might be liable for, the payment of any tax to a federal, state, county, municipal, or foreign government agency.

(e)(1) Nothing herein shall prohibit the use of tax returns or tax information by the department or county tax collecting officials in the proper administration of any matter administered by the department or county tax collecting officials. The department, a municipality, or county tax official may also divulge to a purchaser, prospective purchaser, as defined pursuant to the regulations of the department, or successor of a business or stock of goods the outstanding sales, use, or rental tax liability of the seller for which the purchaser, prospective purchaser, as defined pursuant to the regulations of the department, or successor may be liable pursuant to Section 40-23-25, 40-23-82, or 40-12-224. This section shall not preclude the inspection of returns by federal or foreign state agents pursuant to Section 40-18-53.

(2) Upon a request by the State Treasurer, the commissioner may provide the State Treasurer with the names and addresses of those persons entitled to property acquired by the state under Article 2 of Chapter 12 of Title 35, the Uniform Disposition of Unclaimed Property Act. The information shall be used by the State Treasurer solely for the purpose of administering the Uniform Disposition of Unclaimed Property Act.

(f) Nothing herein shall prohibit the exchange of information between and among county or municipal governments, provided that any exchange shall be subject to the same restrictions and criminal penalties imposed on the department and its personnel as described in this section.

(g) In no event shall any damages, attorney fees, or court costs be assessed against the state, a county, or a municipal government under this section, nor shall any damages, attorney fees, or court costs be assessed against elected officials, officers, or employees of a state, county, or municipal government.

Source: Acts 1991, No. 91-575; Acts 1992, Nos. 92-186, 92-222; Acts 1995, No. 95-607; Acts 1998, Nos. 98-191, 98-502; Acts 2000, Nos. 00-705, 00-738.

Federal Driver's Privacy Protection Act, Public Law 103-322, Title XXX

The Federal Driver's Privacy Protection Act (FDPPA), codified under 18 USC Section 2721 through Section 2725, prohibits the disclosure of any "personal information" obtained by the department in connection with a motor vehicle record. The act defines personal information as any information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address (but not the 5-digit zip code), telephone number, and medical or disability information.

Notwithstanding the exception in Section 40-2A-10(b) that permits disclosure of motor vehicle registration information, federal law supersedes state law. However, there are certain disclosures permitted under the FDPPA. Pursuant to this federal law, sanctions are in place for unauthorized disclosure. The department could face sanctions including a U.S. Attorney General's penalty of up to \$5,000 a day, and civil action can be taken against an employee for actual damages (not less than \$2,500), punitive damages, attorney fees, and court costs by the individual whom the information pertains.

Inspection and Disclosure of Federal Tax Returns and Federal Return Information

The Federal Tax Reform Act of 1976 authorizes State Department of Revenue personnel to use federal tax returns and federal return information in the administration of the state revenue laws. The use of this information is restricted to those employees actually engaged in the state review, examination, or audit of the taxpayer about whom the information was requested. This act provides for penalties for unauthorized disclosure of any federal return or return information.

In August 1997, the Taxpayer Browsing Protection Act (Public Law 105-35) was passed to prevent any willful, unauthorized inspection of federal tax return and federal return information. This act provides for penalties for the willful, unauthorized inspection of any federal tax return or federal return information in the possession of the Department.

Under federal law, the penalties provided in these acts are as follows:

- Under IRC Section 7213, unauthorized disclosure by a former employee as well as a current employee of any federal tax return or federal return information is a felony punishable upon conviction by a fine up to \$5,000 and imprisonment of up to five years or both, together with the cost of prosecution.
- Under IRC Section 7213A, any willful, unauthorized access or inspection by an employee of any federal tax return or federal return information shall be punishable upon conviction by a fine in any amount not exceeding \$1,000, or imprisonment of not more than one year, or both, together with the cost of prosecution.
- Under IRC Section 7431, civil action may be brought against a former employee as well as a current employee unlawfully inspecting or disclosing federal return or return information by any taxpayer damaged by such unauthorized inspection or disclosure. The action may be brought within two years from the time the taxpayer became aware of the unauthorized inspection or disclosure, and damages may never be less than \$1,000, plus the cost of the action.

Section 40-1-43, **Code of Alabama 1975**, provides that it is unlawful for any officer, employee, agent, or former employee or agent of the State Department of Revenue to use a federal return, or information reflected on such federal return, for any purpose other than in the administration of the revenue laws administered by the State Department of Revenue except as authorized by the Internal Revenue Code. Any person violating this provision shall be guilty of a misdemeanor and shall be fined not to exceed \$1,000 and sentenced to hard labor for not more than one year. Additionally, any Revenue employee or agent convicted will be terminated with the Department of Revenue.

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D.2

DRIVERS PRIVACY PROTECTION ACT

18 U.S.C. 2721-2725

Public Law 103-322

and

ALABAMA COMPUTER CRIME ACT

Article 5 of Chapter 8, Title 13A, Code of Alabama 1975

Drivers Privacy Protection Act

Sec. 2721. - Prohibition on release and use of certain personal information from State motor vehicle records

(a) In General. -

A State department of motor vehicles, and any officer, employee, or contractor thereof, shall not knowingly disclose or otherwise make available to any person or entity:

(1) personal information, as defined in [18 U.S.C. 2725\(3\)](#), about any individual obtained by the department in connection with a motor vehicle record, except as provided in subsection (b) of this section; or

(2) highly restricted personal information, as defined in [18 U.S.C. 2725\(4\)](#), about any individual obtained by the department in connection with a motor vehicle record, without the express consent of the person to whom such information applies, except uses permitted in subsections (b)(1), (b)(4), (b)(6), and (b)(9): Provided, That subsection (a)(2) shall not in any way affect the use of organ donation information on an individual's driver's license or affect the administration of organ donation initiatives in the States.

(b) Permissible Uses. -

Personal information referred to in subsection (a) shall be disclosed for use in connection with matters of motor vehicle or driver safety and theft, motor vehicle emissions, motor vehicle product alterations, recalls, or advisories, performance monitoring of motor vehicles and dealers by motor vehicle manufacturers, and removal of non-owner records from the original owner records of motor vehicle manufacturers to carry out the purposes of

titles I and IV of the Anti Car Theft Act of 1992, the Automobile Information Disclosure Act ([15 U.S.C. 1231](#) et seq.), the Clean Air Act ([42 U.S.C. 7401](#) et seq.), and chapters [301](#), [305](#), and [321-331](#) of title [49](#), and, subject to subsection (a)(2), may be disclosed as follows:

(1) For use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a Federal, State, or local agency in carrying out its functions.

(2) For use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research activities, including survey research; and removal of non-owner records from the original owner records of motor vehicle manufacturers.

(3) For use in the normal course of business by a legitimate business or its agents, employees, or contractors, but only -

(A) to verify the accuracy of personal information submitted by the individual to the business or its agents, employees, or contractors; and

(B) if such information as so submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against, the individual.

(4) For use in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a Federal, State, or local court.

(5) For use in research activities, and for use in producing statistical reports, so long as the personal information is not published, re-disclosed, or used to contact individuals.

(6) For use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities, antifraud activities, rating or underwriting.

(7) For use in providing notice to the owners of towed or impounded vehicles.

- (8) For use by any licensed private investigative agency or licensed security service for any purpose permitted under this subsection.
- (9) For use by an employer or its agent or insurer to obtain or verify information relating to a holder of a commercial driver's license that is required under chapter [313](#) of title [49](#).
- (10) For use in connection with the operation of private toll transportation facilities.
- (11) For any other use in response to requests for individual motor vehicle records if the State has obtained the express consent of the person to whom such personal information pertains.
- (12) For bulk distribution for surveys, marketing or solicitations if the State has obtained the express consent of the person to whom such personal information pertains.
- (13) For use by any requester, if the requester demonstrates it has obtained the written consent of the individual to whom the information pertains.
- (14) For any other use specifically authorized under the law of the State that holds the record, if such use is related to the operation of a motor vehicle or public safety.

(c) Resale or Re-disclosure. -

An authorized recipient of personal information (except a recipient under subsection (b)(11) or (12)) may resell or re-disclose the information only for a use permitted under subsection (b) (but not for uses under subsection (b)(11) or (12)). An authorized recipient under subsection (b)(11) may resell or re-disclose personal information for any purpose. An authorized recipient under subsection (b)(12) may resell or re-disclose personal information pursuant to subsection (b)(12). Any authorized recipient (except a recipient under subsection (b)(11)) that resells or re-discloses personal information covered by this chapter must keep for a period of 5 years records identifying each person or entity that receives information and the permitted purpose for which the information will be used and must make such records available to the motor vehicle department upon request.

(d) Waiver Procedures. -

A State motor vehicle department may establish and carry out procedures under which the department or its agents, upon receiving a request for personal information that does not fall within one of the exceptions in subsection (b), may mail a copy of the request to the individual about whom the information was requested, informing such individual of the request, together with a statement to the effect that the information will not be

released unless the individual waives such individual's right to privacy under this section.

(e) Prohibition on Conditions. -

No State may condition or burden in any way the issuance of an individual's motor vehicle record as defined in [18 U.S.C. 2725\(1\)](#) to obtain express consent. Nothing in this paragraph shall be construed to prohibit a State from charging an administrative fee for issuance of a motor vehicle record.

Sec. 2722. - Additional unlawful acts

(a) Procurement for Unlawful Purpose. -

It shall be unlawful for any person knowingly to obtain or disclose personal information, from a motor vehicle record, for any use not permitted under section [2721\(b\)](#) of this title.

(b) False Representation. -

It shall be unlawful for any person to make false representation to obtain any personal information from an individual's motor vehicle record.

Sec. 2723. - Penalties

(a) Criminal Fine. -

A person who knowingly violates this chapter shall be fined under this title.

(b) Violations by State Department of Motor Vehicles. -

Any State department of motor vehicles that has a policy or practice of substantial noncompliance with this chapter shall be subject to a civil penalty imposed by the Attorney General of not more than \$5,000 a day for each day of substantial noncompliance.

Sec. 2724. - Civil action

(a) Cause of Action. -

A person who knowingly obtains, discloses or uses personal information, from a motor vehicle record, for a purpose not permitted under this chapter shall be liable to the individual to whom the information pertains, who may bring a civil action in a United States district court.

(b) Remedies. -

The court may award -

- (1) actual damages, but not less than liquidated damages in the amount of \$2,500;
- (2) punitive damages upon proof of willful or reckless disregard of the law;
- (3) reasonable attorneys' fees and other litigation costs reasonably incurred; and
- (4) such other preliminary and equitable relief as the court determines to be appropriate

Sec. 2725. - Definitions

In this chapter -

- (1) "motor vehicle record" means any record that pertains to a motor vehicle operator's permit, motor vehicle title, motor vehicle registration, or identification card issued by a department of motor vehicles;
- (2) "person" means an individual, organization or entity, but does not include a State or agency thereof;
- (3) "personal information" means information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address (but not the 5-digit zip code), telephone number, and medical or disability information, but does not include information on vehicular accidents, driving violations, and driver's status. ^[1]
- (4) "highly restricted personal information" means an individual's photograph or image, social security number, medical or disability information; and
- (5) "express consent" means consent in writing, including consent conveyed electronically that bears an electronic signature as defined in section 106(5) of [Public Law 106-229](#)

[1] So in original. The period probably should be a semicolon.

ALABAMA COMPUTER CRIME ACT

Section 13A-8-100, Article 5

Short title.

This article may be cited as the Alabama Computer Crime Act.

(Acts 1985, No. 85-383, §1, p. 326.)

Section 13A-8-101

Definitions.

When used in this chapter, the following terms shall have the following meanings, respectively, unless a different meaning clearly appears from the context:

(1) DATA. A representation of information, knowledge, facts, concepts, or instructions which are being prepared or have been prepared in a formalized manner, and is intended to be processed, is being processed, or has been processed in a computer system or computer network, and should be classified as intellectual property, and may be in any form, including computer printouts, magnetic storage media, punched cards, or stored internally in the memory of the computer.

(2) INTELLECTUAL PROPERTY. Data, including computer program.

(3) COMPUTER PROGRAM. An ordered set of data representing coded instructions or statements that, when executed by a computer, cause the computer to process data.

(4) COMPUTER. An electronic magnetic, optical or other high speed data processing device or system which performs logical, arithmetic, and memory functions by manipulations of electronic magnetic or optical impulses, and includes all input, output, processing, storage, computer software, or communication facilities which are connected or related to the computer in a computer system or computer network.

(5) COMPUTER SOFTWARE. A set of computer programs, procedures, and associated documentation concerned with the operation of a computer, computer system or computer network.

(6) COMPUTER SYSTEM. A set of related, connected or unconnected, computer equipment, devices, or computer software.

(7) COMPUTER NETWORK. A set of related, remotely connected devices and communication facilities, including more than one computer system, with capability to transmit data among them through communication facilities.

(8) COMPUTER SYSTEM SERVICES. The utilization of a computer, computer system, or computer network to assist an individual or entity with the performance of a particular lawful function which that individual or entity has been given the right, duty, and power, together with the responsibility, to perform.

(9) PROPERTY. Anything of value as defined by law, and includes financial instruments, information, including electronically produced data and computer software and computer programs in either machine or human readable form, and any other tangible or intangible items of value.

(10) FINANCIAL INSTRUMENT. Includes any check, draft, warrant, money order, note, certificate of deposit, letter of credit, bill of exchange, credit or debit card, transaction authorization mechanism, marketable security, or any computer system representation thereof.

(11) ACCESS. To instruct, communicate with, store data in, or retrieve data from a computer, computer system or computer network.

(Acts 1985, No. 85-383, §2, p. 326.)

Section 13A-8-102**Offenses against intellectual property.**

(a) Whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he or she has such authorization, attempts or achieves access, communication, examination, or modification of data, computer programs, or supporting documentation residing or existing internal or external to a computer, computer system, or computer network commits an offense against intellectual property.

(b) Whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he or she has such authorization, destroys data, computer programs, or supporting documentation residing or existing internal or external to a computer, computer system, or computer network commits an offense against intellectual property.

(c) Whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he or she has such authorization, discloses, uses, or takes data, computer programs, or supporting documentation residing or existing internal or external to a computer, computer system, or computer network commits an offense against intellectual property.

(d)(1) Except as otherwise provided in this subsection, an offense against intellectual property is a Class A misdemeanor, punishable as provided by law.

(2) If the offense is committed for the purpose of devising or executing any scheme or artifice to defraud or to obtain any property, then the offender is guilty of a Class C felony, punishable as provided by law.

(3) If the damage to such intellectual property is greater than two thousand five hundred dollars (\$2,500), or if there is an interruption or impairment of governmental operation or public communication, transportation, or supply of water, gas, or other public or utility service, then the offender is guilty of a Class B felony, punishable as provided by law.

(4) Whoever willfully, knowingly, and without authorization alters or removes data causing physical injury to any person who is not involved in said act shall be guilty of a Class A felony, punishable as provided by law.

(Acts 1985, No. 85-383, §3, p. 326; Act 2003-355, §1.)

Section 13A-8-103**Acts constituting offense against computer equipment or supplies; punishment.**

(a)(1) Whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he has such authorization, modifies equipment or supplies that are used or intended to be used in a computer, computer system, or computer network commits an offense against computer equipment or supplies.

(2)a. Except as provided in this subsection, an offense against computer equipment or supplies as provided in subdivision (a)(1) is a Class A misdemeanor, punishable as provided by law.

b. If the offense is committed for the purpose of devising or executing any scheme or artifice to defraud or to obtain any property, then the offender is guilty of a Class C felony, punishable as provided by law.

(b)(1) Whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he has such authorization, destroys, uses, takes, injures, or damages equipment or supplies used or intended to be used in a computer, computer system, or computer network, or whoever willfully, knowingly, and without authorization or without reasonable grounds to believe that he has such authorization, destroys, injures, takes, or damages any computer, computer system, or computer network commits an offense against computer equipment and supplies.

(2)a. Except as provided in this subsection, an offense against computer equipment or supplies as provided in subdivision (b)(1) is a Class A misdemeanor, punishable as provided by law.

b. If the damage to such computer equipment or supplies or to the computer, computer system, or computer network is \$2,500.00 or greater, or if there is an interruption or impairment of

governmental operation or public communication, transportation, or supply of water, gas, or other public utility service, then the offender is guilty of a Class B felony, punishable as provided by law.

(Acts 1985, No. 85-383, §4, p. 326.)

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Exhibit D.3

ELECTRONIC TRANSFER OF DATA POLICY

I. Purpose.

The purpose of this policy is to establish policy and standards concerning the exchange of data in electronic form between the Alabama Department of Revenue (ADOR) and its business partners.

II. Overview.

The increasing usage of electronic commerce for the exchange of data between the ADOR and its business partners revealed the necessity for a framework to accomplish this task in a standard and secure manner. In response to this need, the Information Technology Division (ITD) now provides a web site devoted entirely to affecting the transfer of data files between the Department and its business partners. Business partners who possess a valid user ID and password will access the site through a browser. The page displayed and the capabilities granted when a user successfully invokes the web site will be determined by the User-ID and password entered.

III. Policy.

1. The ADOR will use the ITD web site as its established method for electronic exchange of data.
2. The site will be used solely for transmission of data files necessary to conduct business between the ADOR and its business partners.
3. Business partners who electronically exchange data with the ADOR are required to write files to and retrieve files from the site.
4. A user ID and password will be assigned during the application development process.

IV. Standards.

1. Only ASCII text files and zipped files (excluding self-extracting) may be written to the site. Executable files (.exe extension) will be rejected. Text files will not necessarily be identified by the ".TXT" extension; it may be necessary to assign an extension signifying the file's purpose or destination, such as ".IN" for incoming files or ".OUT" for outgoing files. File extensions will be determined between the applicable business partner and ITD personnel on a case-by-case basis.
2. In most cases, names of files residing on the site will be automatically prefixed with the user ID of the user who posted the file. A user will be able to see all files within a folder available for retrieval; however, posted files may be viewed only by the user whose ID prefixes the file name. The prefix will remain with the file name after retrieval and must be stripped by the recipient if it interferes with processing.

3. Only Revenue Data Center operators are authorized to delete files from the server.

V. Security.

The user must enter a valid user ID and password when prompted. When an authorized user logs in, a screen will appear facilitating the file transfer. A session is automatically timed out after ten minutes of inactivity.

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D.4

DOCUMENT & DATA DISPOSAL POLICY

1.0 Purpose

The purpose of this policy is to establish standards for the secure disposal of confidential or other sensitive documents and data belonging to the Alabama Department of Revenue.

2.0 Scope

This policy covers all writable media containing confidential or sensitive data belonging to the Alabama Department of Revenue. This policy also covers any paper documents containing confidential or other sensitive information belonging to the Alabama Department of Revenue.

3.0 Policy

The Alabama Department of Revenue has established the following standards concerning the secure disposal of confidential or other sensitive documents and data.

1. All paper documents containing confidential or sensitive information that need to be disposed of should be shredded or placed in a locked bin, provided by an outside agency appointed by the Alabama Department of Revenue, to be shredded or incinerated.
2. The outside agency shall have prior experience in the performance of confidential document destruction services. This includes demonstrated experience and expertise in destroying a large volume of paper, recyclable and non-recyclable, by incineration or cross cut method (5/8" or less) with 100% accuracy and verification that all documents are destroyed and completely unrecoverable.
3. All Microfilm and Microfiche should be destroyed by shredding or incinerating.
4. All other media should be sanitized or disposed of in accordance with the below standards.
 - Magnetic Tape
 1. Magnetic Tape should be degaussed with a degausser or it should be destroyed by shredding or incinerating. ITD has a degausser that can be used.

- Magnetic Disk
 1. Zip Disks, Jaz Disks and Floppy Disks - destroy by shredding or incinerating.
 2. Hard Disks - should be degaussed with a degausser, or Overwritten with a hard drive-wiping program provided by ITD, or shredding or incinerating should destroy it.
- Optical Disk (CDs, DVDs, CDRs, CDRWs, DVDRs, DVDRWs)
 1. All optical disks - should be destroyed by shredding or incinerating.

4.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D.5

INFORMATION SENSITIVITY POLICY

1.0 Purpose

The Information Sensitivity Policy is intended to help Alabama Department of Revenue employees determine what information can be disclosed to non-employees, as well as the relative sensitivity of information that should not be disclosed outside of the Alabama Department of Revenue without proper authorization. This policy applies to all permanent and temporary employees, and non-employees (including temporary employment service employees under contract with the department), at the Alabama Department of Revenue.

The information covered in these guidelines includes, but is not limited to, information that is either stored or shared via any means. This includes: electronic information, information on paper, and information shared orally or visually (such as telephone and video conferencing).

All parties should familiarize themselves with the information labeling and handling guidelines that follow this introduction. It should be noted that the sensitivity level definitions were created as guidelines and to emphasize common sense steps that you can take to protect Alabama Department of Revenue Confidential information (e.g., Alabama Department of Revenue Confidential information should not be left unattended in conference rooms).

Please Note: The impact of these guidelines on daily activity should be minimal.

Questions about the proper classification of a specific piece of information should be addressed to your manager. Questions about these guidelines should be addressed to Internal Audit/Security.

2.0 Scope

All Alabama Department of Revenue information is categorized into two main classifications:

- Alabama Department of Revenue Public Information
- Alabama Department of Revenue Confidential Information

Alabama Department of Revenue Public information is information that is specifically exempt from the confidentiality provisions under Section 40-2A-10, Code of Alabama 1975, unless superseded by federal law (i.e., motor vehicle records), and can freely be given to anyone without any possible damage to the Alabama Department of Revenue Systems.

Alabama Department of Revenue Confidential Information contains all other information. It is a continuum, in that it is understood that some information is more sensitive than other information, and should be protected in a more secure manner. Included in Alabama Department of Revenue Confidential Information is information such as taxpayer information, personnel information, etc., which requires a degree of protection.

Alabama Department of Revenue personnel and associated vendors are encouraged to use common sense judgment in securing Alabama Department of Revenue Confidential information to the proper extent. If a user is uncertain of the sensitivity of a particular piece of information, he/she should contact their manager. If the manager is not sure he or she should contact Internal Audit/Security.

3.0 Policy

The Sensitivity Guidelines below provide details on how to protect information at varying sensitivity levels. Use these guidelines as a reference only, as Alabama Department of Revenue Confidential information in each column may necessitate more or less stringent measures of protection depending upon the circumstances and the nature of the Alabama Department of Revenue Confidential information in question.

3.1 Minimal Sensitivity: General departmental information, some personnel and technical information.

Marking guidelines for information in hardcopy or electronic form.

Marking is at the discretion of the owner or custodian of the information. If marking is desired, the words "Alabama Department of Revenue Confidential" may be written or designated in a conspicuous place on or in the information in question. Even if no marking is present, Alabama Department of Revenue information is presumed to be "Alabama Department of Revenue Confidential" unless expressly determined to be Alabama Department of Revenue Public information by an Alabama Department of Revenue employee with authority to do so.

Access: Alabama Department of Revenue employees, contractors, people with a business need to know.

Distribution within Alabama Department of Revenue: Standard interoffice mail, approved electronic mail and electronic file transfer methods.

Distribution outside of Alabama Department of Revenue's internal mail: U.S. mail and other public or private carriers, approved electronic mail and electronic file transfer methods.

Electronic distribution: No restrictions except that it is sent only to approved recipients.

Storage: Keep from view of unauthorized people; erase whiteboards, do not leave in view on tabletop. Machines should be administered with security in mind. Protect from loss; electronic information should have individual access controls where possible and appropriate.

Disposal/Destruction: Deposit outdated paper information in specially marked disposal bins on Alabama Department of Revenue premises; electronic data should be expunged/cleared. Reliably erase or physically destroy media in accordance with the *Document and Data Disposal Policy*.

Penalty for deliberate or inadvertent disclosure: Up to and including termination, possible civil and/or criminal prosecution to the full extent of the law.

3.2 More Sensitive: Taxpayer information, most personnel information, source code, & technical information integral to the success of the Alabama Department of Revenue.

Marking guidelines for information in hardcopy or electronic form.

As the sensitivity level of the information increases, you may, in addition or instead of marking the information "Alabama Department of Revenue Confidential", wish to label the information "Alabama Department of Revenue Internal Use Only" or other similar labels at the discretion of your Division or Section to denote a more sensitive level of information. However, marking is discretionary at all times.

Access: Alabama Department of Revenue employees and non-employees with signed non-disclosure agreements who have a business need to know.

Distribution within Alabama Department of Revenue: Standard interoffice mail, approved electronic mail and electronic file transmission methods.

Distribution outside of Alabama Department of Revenue internal mail: Sent via U.S. mail or approved private carriers; signature required.

Electronic distribution: No restrictions to approved recipients within Alabama Department of Revenue, but it is highly recommended that all information be strongly encrypted.

Storage: Individual access controls are very highly recommended for electronic information. Physical security is generally used, and information should be stored in a physically secured computer.

Disposal/Destruction: Strongly Encouraged: In specially marked disposal bins on Alabama Department of Revenue premises; electronic data should be expunged/cleared. Reliably erase or physically destroy media in accordance with the *Document and Data Disposal Policy*.

Penalty for deliberate or inadvertent disclosure: Up to and including termination, possible civil and/or criminal prosecution to the full extent of the law.

4.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

*Alabama Department of Revenue
Internal Audit/Security*

Exhibit D.6

INTERNET POLICY

IX. Internet Policy

1.0 Purpose

The purpose of this policy is to establish guidelines for the use of Internet for the Alabama Department of Revenue.

2.0 Scope

This policy applies to all Alabama Department of Revenue permanent and temporary employees (including temporary employment service employees under contract with the department) as well as any vendors under contract who are utilizing the Internet provided by the Alabama Department of Revenue.

3.0 Policy

The Alabama Department of Revenue may permit access to Internet services in accordance with the following provisions:

1. Every employee being given access to the Internet is required to sign a form from the Department of Finance Information Services Division.
2. Access to Internet services should be limited to those employees who require such access to perform their business related duties.
3. The Division Directors and Managers are responsible for overseeing the use of Internet services provided to his or her division/section.
4. The use of Internet services shall be limited to business purposes.
5. Because these Internet services are to be used for business purposes, all records in these systems are by definition Alabama Department of Revenue records. As such, these records are subject to the provisions of state laws regarding their maintenance, access, and disposition. Employees using these services should understand that they do not enjoy right of personal privacy.
6. Do not download text or images which contain material of a pornographic, racist or extreme political nature, or which incites violence, hatred or any illegal activity.
7. Do not download content from Internet sites unless it is work related.

8. Do not download software from the Internet and install it upon the Alabama Department of Revenue's computer equipment without permission from ITD Staff.
9. Do not use the Alabama Department of Revenue's computers to make unauthorized entry into any other computer or network.
10. Do not use Internet access to transmit confidential, political, obscene, threatening, or harassing materials.

4.0 Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

EXHIBIT – D.7

Additional Physical Security

Outside Perimeter:

Fire doors shall have break alarm bells for local alert and alarm will ring at plant security office in the event of exit.

Uniform locking security devices shall be on all outside doors, i.e. burglar alarm systems.

A log shall be kept for all visitors entering office or manufacturing area.

Receiving and loading platforms shall be arranged to prohibit truck drivers or delivery personnel from entering plant.

Inside plant shall:

Be secured by a full-time guard force 24 hours a day, 7 days a week.

Have surveillance by closed circuit television of all production areas and all persons seeking entry.

Have panic burglar alarms directly connected to central monitoring station and directly connected to local police.

Exhibit – E
Division
Of
Purchasing
Administrative Code
Performance

355-4-1-.05 Performance.

1. Shipping Authority. The lowest responsible bidder will receive a purchase order or notice of award from the Division of Purchasing. Any vendor that delivers without a duly authorized purchase order does so at its own risk.
2. New/Used/Altered Commodities. All supplies and equipment furnished must be new and in first class condition unless the purchase order specifically permits used items. Demonstration, previously rented, or reconditioned items are not considered new. No new or used equipment is acceptable if serial number or any other manufacturer's identifying label or make has been removed, obliterated, altered, or changed in any way.
3. Packaging. All goods must be packaged in new packing containers. Packing that meets the requirements of common carriers is acceptable, unless otherwise required. A packing slip or invoice must accompany all shipments and must reference the purchase order and/or requisition number.
4. Back Orders. If it is necessary to back order any items, the vendor must notify the requisitioning agency and advise as to the expected shipping or delivery date. If this date is not acceptable, the Division of Purchasing may seek remedies for default.
5. Substitutions. Substitutions on a purchase order shall require the approval of the Director of Purchasing. The Division of Purchasing reserves the right to reject at destination and hold at the vendor's risk and expense any goods supplied by the vendor which do not conform to the specification or description embodied in the order or are inferior in any respect to the good specified. Any good bought by sample which is inferior in quality to the sample submitted by vendor will be rejected. Any goods delivered that do not meet specifications may be returned to the vendor at its expense. When a good is returned, the vendor must make immediate replacement with acceptable merchandise or the Division of Purchasing may seek remedies for default.
6. Loss or Damage in Transit. Delivery by a vendor to a common carrier does not constitute delivery to the requisitioning agency. Any claim for loss or damage incurred during delivery shall be between the vendor and the carrier. The requisitioning agency accepts title only after satisfactory receipt at the delivery point. The requisitioning agency shall note all visible damages on the freight bill and may refuse the damaged goods. The vendor shall make immediate replacement of the damaged merchandise or be subject to damages for breach of contract. If damage is to a small portion of a total shipment and the agency will not be inconvenienced because of the shortage, the vendor may be permitted by the Director of Purchasing to deduct the amount of damage or loss from its invoice, in lieu of replacement. Risk of loss during delivery is borne by the vendor until the goods have been accepted by the requisitioning agency, unless otherwise specified in the ITB.
7. Freight. Delivery points are established for each individual purchase in the manner determined by the requisitioning agency.
8. Delivery Time. The number of calendar days required for delivery after receipt of a purchase order shall be stated in the either document, the time shall be 14 calendar days after receipt of order. If a shipment is not made within the time

period specified, the purchase order may be canceled.

9. Receipt by State Agency. If not otherwise stated in the order, a requisitioning agency will be said to have received goods when they have been delivered, unloaded and placed on the agency's dock or if there is no dock, inside and accessible building. Shipments will be checked against the receiving copy of the purchase order. If the purchase order requires grading certificates, USDA Stamps, or any proof of quality, such proof must accompany the shipment.
10. Inspection. All materials, workmanship, equipment, and supplies are subject to inspection and test at any source or time. Final inspection, acceptance or rejection will be made at delivery destination. Goods that do not meet specifications will be rejected unless substitutions have been approved by the Director of Purchasing. Failure to inspect or to reject upon receipt, however, does not relieve the vendor of liability. When subsequent tests, after receipt, are conducted and when such tests reveal a failure to meet specifications, the requisitioning agency will reject the goods and the vendor shall immediately supply goods meeting specifications or the Division of Purchasing may seek damages including but not limited to the testing expense, regardless of whether a part of or all of the goods have been consumed through the testing process. Rejected goods shall be removed by the vendor promptly after rejection, at his expense. If not removed in fourteen (14) calendar days, they may be disposed of at the discretion of the requisitioning agency.
11. Monitoring of Services. Performance of services will be monitored by the requisitioning agency and evaluation reports may be filed with the Division of Purchasing. Performance not meeting specifications will result in cancellation of contract or purchase order and may result in vendor being removed from the vendor list.
12. Complaints About Vendors. Any deficiencies in products or vendor performance shall be reported by the requisitioning agency to the vendor and the Division of Purchasing. Failure of a vendor to respond promptly may result in cancellation of the contract or purchase order and may subject the vendor to removal from the Vendor List.
13. Default by Vendor. In case of a default on a contract and/or order by a vendor, the State may procure the goods or services from other sources and hold the vendor responsible for any excess cost in price and/or handling.
14. Cancellation of Purchase Order/Contract. A purchase order can be canceled in whole or in part when vendor fails to deliver or perform as specified. Cancellation of a purchase order can only be made by a written purchase order change (POC) from the Division of Purchasing. A term contract can be canceled by the Division of Purchasing, for justifiable cause, by giving the vendor thirty (30) days written notice. A vendor may request cancellation and the Division of Purchasing may grant the request if performance is prevented by an act of God, act of War, order of legal authority, or other unavoidable circumstances not attributable to the fault or negligence of the vendor. The burden of proof for such relief rests with the vendor. All correspondence pertaining to cancellation of a purchase order or term contract must be addressed to the Director of Purchasing with a copy to the requisitioning agency.
15. Payment Withheld. Payment may be withheld until all items have been delivered and all requirements of the contract purchase order have been fulfilled.