

Notice of Renewal



April 24, 2008

CONTRACT NUMBER 60071-02-08

Term Contract: Mailing Machines, and Accessories

Contract Period: May 1, 2008 through April 30, 2009

Authorized Users: Commonwealth of Virginia agencies and other public bodies.

NIGP Commodity Codes: 60071 - Mailing Equipment Including Postage Meter Rental or Lease
60080 – Postage Meter Supplies

Contractor:

Hampton Roads Business Machines
5104 Greenwich Road
Virginia Beach VA 23462-6023
FIN# 54-0955207

Contact: Paul Benevente
Contact Phone: 757-499-2345
Contact Fax: 757-499-3752
Contact Email: pbenevente@nowhrbm.com

VIEW AND PRINT THIS CONTRACT AND ANY CHANGES AT: www.eva.virginia.gov

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

A handwritten signature in cursive script that reads "Chris A. Nichols".

Chris A. Nichols, CPPB, VCO
Statewide Contract Officer
Telephone: 804-786-3849
Fax: 804-786-0223

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COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES
DIVISION OF PURCHASES AND SUPPLY
1111 East Broad Street, 6th Floor
P.O. BOX 1199
RICHMOND, VIRGINIA 23218-1199

AUTHORIZED USERS STATE AGENCIES AND ALL PUBLIC BODIES
TERMS Net 30
DELIVERY 21 Days ARO
F.O.B..... Destination
MINIMUM ORDER One System

NOTICE TO ALL STATE AGENCIES: This contract for mailing machines systems and accessories is the result of a competitive bid program **SET ASIDE** for small business and its use is mandatory.

If the commodity or services available under this contract cannot be used by an agency, a request to purchase other goods or services of a similar nature shall be submitted to DGS/DPS for approval. A complete and factual written justification is necessary to support the request. The Procurement Exemption Form can be found in Annex 13.D of the Agency Procurement and Surplus Property Manual. **A request is not required to purchase mailing equipment from contracts 194-231-08 or 194-232-08**

This contract is for **complete mail processing systems, (not for components)**. Users of this contract should perform an analysis before selecting equipment from one of the two (2) different levels to determine which most closely meets the agency's need.

A price comparison should be performed to determine whether an agency should rent or purchase. Users should also evaluate the cost of equipment and the cost of supplies when deciding which equipment to purchase.

Consumable supplies and optional scales are listed in this contract but were not part of the evaluation process. Pricing for consumable supplies and optional scales will be administered under the same price escalation de-escalation clause as the equipment. Each vendor's equipment and price lists are included in this procurement folder.

Consumable supplies may be purchased off contract unless use of manufacturer's consumable product is required to maintain the warranty.

Specifications are included for each level of equipment awarded with the manufacturer's model numbers and pricing for the corresponding level. Pricing is based on either outright purchase cost, or 12 months rental, or 36 months rental. Additional Specifications are listed below that are common to all Levels of equipment.

The end user should confirm their entity's payment plan with the vendor in advance, and specify the billing frequency and method on the issued purchase order.

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INSTRUCTIONS TO BUYERS

1. Orders. Unless otherwise instructed by the Division of Purchases and Supply, all departments, institutions and agencies of the Commonwealth of Virginia must order items listed by issuing purchase orders in eVA or through their own system which interfaces with eVA.
2. This contract is authorized for use by localities, Virginia cities, counties, towns and political subdivisions and they may order through eVA or use their own form to order items listed in this contract.
3. Purchase orders must show the applicable contract number, federal employer identification number (FEI), and item number (for itemized contracts) NIGP code and the length of the purchase order term if a 12 months or 36 months rental.
4. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia city, county, town or political subdivision.
5. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Form (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, can be found in the APSPM Annex 10-H.
6. Renewals. Three (3), one year renewal options remain. The decision as to whether to exercise the next renewal option will be made by the contract officer approximately four to six months in advance of the expiration date of the current term.
7. Price Adjustments. See below **Contract Highlights**. The contract officer makes the decision to allow or deny a request for increase based upon the documentation submitted by the contractor. The contractor is required to pass on any price reductions immediately. **IMPORTANT!** All price increases must be approved by the contract officer. A Notice of Contract Change from this office and posted on the State Contract Web page under this contract will serve as official notification of such changes, if approved.

CONTRACT HIGHLIGHTS

ACQUISITION PLANS:

A. DEFINITIONS OF THE ACQUISITION PLANS:

This contract includes three (3) different acquisition plans.

1. **Outright Purchase** – This is a single payment for a unit with ownership of the unit being conveyed to the buyer with the exception of the postage meter. **Mandatory for State Agencies.**
2. **Twelve (12) Month Rental** –Mandatory for State Agencies.
3. **Thirty-six (36) Month Rental** – Mandatory for State Agencies.
 - a. Rental is a contract for use of the equipment for 12 or 36 months with title remaining with the Contractor.
 - b. Installment Purchase is NOT an acquisition plan covered under this IFB Program, however, recognizing that some authorized users may have a need to finance their outright purchases, and the following will apply:

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Installment Purchase is an amortized time payment plan with interest included in the scheduled payments. State agencies are required to conform to Treasury Board Regulations for Credit purchases by State Agencies and Institutions when financing purchase of \$10,000 or more. These regulations contain procedures for utilization of the Treasury Board's financing program. The regulations also allow and provide procedures for agencies to obtain alternative financing. Accordingly, State agencies are required to consult and communicate with Treasury Board staff for consideration of the Treasury Board's program and/or to ensure compliance with procedures for obtaining alternative financing sources. The telephone number is (804) 225-4929.

B. **OUTRIGHT PURCHASE PROVISIONS:**

Purchase orders for outright purchases will be initiated by state agencies or public bodies authorized to use the contract (authorized users). Authorized users may issue a purchase order for full maintenance.

1. Risk Of Loss Or Damage: The Commonwealth is relieved from risks of loss or damage to all mailing machines during the period of time the machines are in transit or in possession of the Commonwealth up to and including the date of acceptance by the Commonwealth. After the date of acceptance, the risk of loss or damage will be borne by the Commonwealth.
2. Renewal of Meter Rental and/or Maintenance: Prices for equipment and additional features will remain at a firm fixed price for 2 years (24 months).
3. Price Escalation/De-Escalation: Prices for equipment and additional features will remain at a firm fixed price for 2 years (24 months).
4. Warranty, Maintenance, and Repairs: The Contractor shall provide a warranty for the entire work against defective materials, workmanship, and performance, excluding vandalism, for one year minimum (if longer periods are commercially available, provide in a separate submittal document annotating the warranty period and the associated model identification) from the date of acceptance of the installation. The Contractor shall then continue (if ordered) this complete warranty with two (2) additional one year periods of complete maintenance and preventive maintenance for the entire work against defective materials, workmanship, and performance, excluding vandalism. The Contractor hereby agrees to furnish without cost to the Commonwealth of Virginia, all labor, materials, and transportation both ways for replacement of all parts and materials that are found defective during the warranty and maintenance periods. Warranty and maintenance response (call back to a call for service) shall be made within 4 hours on Agency Mail Room working days. Warranty repairs shall be made within one Agency Mail Room working day after notification.
5. Cancellation of Contract (Meter Rental & Maintenance): The Ordering Agency/Public entity reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

b. **RENTAL PROVISIONS:**

Purchase orders for rental (12, or 36 months) of mailing machines will be initiated by state agencies or public bodies authorized to use the contract (authorized users). Authorized users will rent at the rental

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rate which includes the scale bid by the contractor. The rate for any other scale required is included on the price page for optional scales. The manufacturer's rental agreement shall not be used since this contract and the authorized users' purchase order will constitute the complete agreement.

The rates for mailing machines rented under the 12- and 36-month rental acquisition plans shall include full maintenance.

1. Risk of Loss or Damage: The Commonwealth shall be relieved from risks of loss or damage to all mailing machines during the period of transportation, installation, and during the entire time the equipment is in the possession of the Commonwealth, except when loss of damage is due to fault or negligence of the Commonwealth.
2. Price Escalation/De-Escalation: No price increases will be authorized for 365 calendar days after the effective date of the contract. Price escalation may be permitted only at the end of this period and each 365 days thereafter and only where verified to the satisfaction of the purchasing office. However, "across the board" price decreases are subject to implementation at any time and shall be immediately conveyed to the Commonwealth.

The contractor shall fill all orders received prior to the effective date of the price adjustment at the old contract prices.

3. Term: Rental agreements established by issuance of a purchase order shall be effective on the date the machine(s) is accepted, ready for use, and shall continue for the rental period selected by the authorized user except future fiscal years are subject to availability of appropriated funds.
4. Cancellation Of Rental Units By the Purchasing Agency:

12 month rental agreements may be canceled at the end of the rental period or by issuance of a 30 day written notice.

36 month rental agreements may be canceled at the end of the rental period or by issuance of a 30 day written notice. If the agreement is terminated prior to the conclusion of the rental period the termination charge will be assessed on a sliding scale as follows:

- a. Within The First Year: If the rental agreement is canceled anytime within the first year, the termination charge shall be equal to 6 months' rental.
- b. Within The Second Year: If the rental agreement is canceled anytime within the second year, then the termination charge shall be equal to 4 months' rental.
- c. Within the Third Year: If the rental agreement is canceled anytime within the third year, then the termination charge shall be equal to 1 month's rental.

12 and 36 month rental agreements may be canceled upon issuance of a 30 day written notice without penalty under one or more of the following conditions:

- a. funding is withdrawn
- b. mailing machine nonperformance

| LEVEL II to Hampton Roads Business | | | | | | | | | | |
|--|--|---------------|---|-----------------------------------|--|--|--|--|--|--|
| OUTRIGHT PURCHASE | | | | | | | | | | |
| Contractor | | Hampton Roads | | Hampton Roads Business Machines | | | | | | |
| TAC | | 1,042.00 | Machine | IJ40 | | | | | | |
| M2 | | 125.00 | Scale included | WP5 5lb. | | | | | | |
| M3 | | 125.00 | Meter | IJ40AI | | | | | | |
| R3 | | 198.00 | | | | | | | | |
| 36MR | | 0.00 | Accounts | Up to 35 | | | | | | |
| RM3 | | 780.00 | | | | | | | | |
| | | 2,270.00 | | Other scale options are available | | | | | | |
| 36 MONTH RENTAL | | | | | | | | | | |
| Contractor | | Hampton Roads | | Hampton Roads Business Machines | | | | | | |
| 36RNTL | | 1,397.00 | Machine | IJ40 | | | | | | |
| R3 | | 198.00 | Scale included | WP5 5lb. | | | | | | |
| 36MR | | 0.00 | Meter | IJ40AI | | | | | | |
| RM3 | | 780.00 | Accounts | Up to 35 | | | | | | |
| | | 2,375.00 | | Other scale options are available | | | | | | |
| 12 MONTH RENTAL | | | | | | | | | | |
| Contractor | | Hampton Roads | | Hampton Roads Business Machines | | | | | | |
| 12RNTL | | 1,153.00 | Machine | IJ40 | | | | | | |
| R1 | | 0.00 | Scale included | WP5 5lb. | | | | | | |
| 12MR | | 0.00 | Meter | IJ40AI | | | | | | |
| RM1 | | 0.00 | Accounts | up to 35 | | | | | | |
| | | 1,153.00 | | Other scale options are available | | | | | | |
| Ink Cartridge - Fluorescent Red | | | Specification given below. Scale options listed below. | | | | | | | |
| Part # 4105243U Qty. 1+ \$128.95 each | | | | | | | | | | |
| Postage Meter Self-Adhesive Labels | | | | | | | | | | |
| Single Labels Part # 7465233-01 Qty. 1-5 \$17.50 each | | | | | | | | | | |
| This is a SET ASIDE AWARD and Hampton Roads Business Machines is a certified SMALL Business | | | | | | | | | | |

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Each level contains three purchase/rental choices with the following life cycle cost (LCC) criteria: | | | | | | | | | |
| 1. Outright Purchase: | | | | | | | | | |
| $LCC = TAC + M2 + M3 + R3 + 36MR + RM3$ | | | | | | | | | |
| where: TAC = total acquisition cost including one year warranty (less meter rental). | | | | | | | | | |
| M2 = full service maintenance cost including preventive maintenance for year two, | | | | | | | | | |
| M3 = full service maintenance cost including preventive maintenance for year three, | | | | | | | | | |
| R3 = rate change insurance for a three year period, | | | | | | | | | |
| 36MR = meter reset cost for 36 resets at a rate of one per month, | | | | | | | | | |
| RM3 = rental of postage meter for a three year period, | | | | | | | | | |
| and with the date of installation acceptance used as a beginning for the time periods referenced. | | | | | | | | | |
| 2. 36 Month Rental: | | | | | | | | | |
| $LCC = 36RNTL + R3 + 36MR + RM3$ | | | | | | | | | |
| where: 36RNTL = total 36 month rental cost (less meter rental). | | | | | | | | | |
| R3 = rate change insurance for a three year period, | | | | | | | | | |
| 36MR = meter reset cost for 36 resets at a rate of one per month, | | | | | | | | | |
| RM3 = rental of postage meter for a three year period, | | | | | | | | | |
| and with the date of installation acceptance used as a beginning for the time periods referenced. | | | | | | | | | |
| 3. 12 Month Rental: | | | | | | | | | |
| $LCC = 12RNTL + R1 + 12MR + RM1$ | | | | | | | | | |
| where: 12RNTL = total 12 month rental cost (less meter rental). | | | | | | | | | |
| R1 = rate change insurance for a one year period, | | | | | | | | | |
| 12MR = meter reset cost for 12 resets at a rate of one per month, | | | | | | | | | |
| RM1 = rental of postage meter for a one year period, | | | | | | | | | |
| and with the date of installation acceptance used as a beginning for the time periods referenced. | | | | | | | | | |

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|--|--|--|--|--|--|--|--|--|--|--|
| Set-aside Level II System Specifications: | | | | | | | | | | |
| 1. Mailing Machine: | | | | | | | | | | |
| a. with the capability provided for processing at least a single rate, | | | | | | | | | | |
| at least 35 pieces of letter and post | | | | | | | | | | |
| card, like-weight, minimum thickness mail per minute, with letter and | | | | | | | | | | |
| post card mail sizes as follows: | | | | | | | | | | |
| <u>Letter Mail Dimensions</u> | | | | | | | | | | |
| <u>Dimension</u> <u>Minimum</u> <u>Maximum</u> | | | | | | | | | | |
| Height 3-1/2 inches 6-1/8 inches | | | | | | | | | | |
| Length 5 inches 11-1/2 inches | | | | | | | | | | |
| Thickness 0.007 inch 1/4 inch | | | | | | | | | | |
| <u>Post Card Mail Dimensions</u> | | | | | | | | | | |
| <u>Dimension</u> <u>Minimum</u> <u>Maximum</u> | | | | | | | | | | |
| Height 3-1/2 inches 4-1/4 inches | | | | | | | | | | |
| Length 5 inches 6 inches | | | | | | | | | | |
| Thickness 0.007 inch 0.016 inch | | | | | | | | | | |
| as defined in USPS Publication 25, 2003, with processing defined | | | | | | | | | | |
| as the sealing, imprinting, and stacking, | | | | | | | | | | |
| b. with other mail piece processing | | | | | | | | | | |
| with a thickness of 1/4 inch and less, and 9 inches | | | | | | | | | | |
| by 12 inches and less in size, with the flap on the long edge of the | | | | | | | | | | |
| envelope, | | | | | | | | | | |
| c. with the mailing machine interconnected with an electronic type | | | | | | | | | | |
| postage meter, | | | | | | | | | | |
| d. with a non-power type table top stacker, | | | | | | | | | | |
| e. with wet/dry or pressure sensitive tape, with the pressure | | | | | | | | | | |
| sensitive tape having a grab type tab for ease of tape separation | | | | | | | | | | |
| during manual application operation, | | | | | | | | | | |
| f. with the mail processing system electronically interfaced with | | | | | | | | | | |
| the postage scale and postage meter, | | | | | | | | | | |
| g. and with the capability provided for checking the postage meter | | | | | | | | | | |

| | | | | | | | | |
|--|--|---|--|--|--------------|-------------|---------------|---------------|
| c. with a display for indicating the amount left on the meter, which may be provided as the amount used instead of the amount left on the meter, | | | | | | | | |
| 4. Accounting System: | | | | | | | | |
| a. with the capability provided to track nine or more accounts, | | | | | | | | |
| Level II Scale Options | | | | | | | | |
| | | | | | VA Price | M/A | *36 Mo Rental | *12 Mo Rental |
| WP5IJ | 5 lb Integrated Weigh Platform (IJ40) | Included | | | \$518 | \$40 | \$17 | \$46 |
| IJWP10L | 10 lb. Integrated Weigh Platform (IJ40) | | | | \$1,039 | \$150 | \$34 | \$92 |
| IJWP70L | 70 lb. Integrated Weigh Platform (For IJ40/50/60 Only) | | | | \$1,511 | \$215 | \$49 | \$134 |
| P30 | 30 lb. Weigh Platform (IJ40) | | | | \$1,317 | \$115 | \$43 | \$117 |
| DW-10 | 10 lb. Weigh Platform - Differential Weighing (IJ40) | | | | \$195 | \$32 | \$6 | \$17 |
| DW-30 | 30 lb. Weigh Platform - Differential Weighing (IJ40) | | | | \$344 | \$32 | \$11 | \$31 |
| DW-70 | 70 lb. Weigh Platform - Differential Weighing (IJ40) | | | | \$469 | \$32 | \$15 | \$42 |
| SE37IJ 5 lb. Electronic Scale | | | | | \$761 | \$105 | \$25 | \$68 |
| Options/Accessories | | | | | | | | |
| | SCLS | Scale Stand for SE37 and SM26W | | | \$90 | N/A | \$3 | \$8 |
| | 8584 | UPS Rates | | | \$139 | N/A | \$5 | \$12 |
| | 8585 | FedEx Rates | | | \$139 | N/A | \$5 | \$12 |
| | 8583 | USPS - other rates(2) | | | \$139 | N/A | \$5 | \$12 |
| | 640 | Multipiece weighing | | | \$139 | N/A | \$5 | \$12 |
| | 630 | 10 lb. upgrade | | | \$278 | N/A | \$9 | \$25 |
| | 650 | 20 lb. Upgrade (SE375767 platform required) | | | \$278 | N/A | \$9 | \$25 |
| | RCP | Price per year - minimum 3 yr. Term | | | | | | |

| | | | | | | | |
|--|-------|---|--|---------|-------|------|------|
| SE57IJ 10 lb. Electronic Scale | | | | \$876 | \$146 | \$28 | \$78 |
| Options/Accessories | | | | | | | |
| | SCLS | Scale Stand for SE57 and SM26W | | \$90 | N/A | \$3 | \$8 |
| | 8584 | UPS Rates | | \$139 | N/A | \$5 | \$12 |
| | 8585 | FedEx Rates | | \$139 | N/A | \$5 | \$12 |
| | 8583 | USPS - other rates(2) | | \$139 | N/A | \$5 | \$12 |
| | 650 | 20 lb. Upgrade (SE375767 platform required) | | \$278 | N/A | \$9 | \$25 |
| | 640 | Multipiece weighing | | \$139 | N/A | \$5 | \$12 |
| | RCP | Price per year - minimum 3 yr. Term | | | N/A | | |
| NTEP Kit for SE37/57 Scales 7465225 | | | | \$14 | N/A | \$1 | \$1 |
| SE67IJ 20 lb. Electronic Scale | | | | \$876 | \$165 | \$28 | \$78 |
| Options/Accessories | | | | | | | |
| | SCLS | Scale Stand for SE57 and SM26W | | \$90 | N/A | \$3 | \$8 |
| | 8584 | UPS Rates | | \$139 | N/A | \$5 | \$12 |
| | 8585 | FedEx Rates | | \$139 | N/A | \$5 | \$12 |
| | 8583 | USPS - other rates(2) | | \$139 | N/A | \$5 | \$12 |
| | 650 | 20 lb. Upgrade (SE375767 platform required) | | \$278 | N/A | \$9 | \$25 |
| | 640 | Multipiece weighing | | \$139 | N/A | \$5 | \$12 |
| | RCP | Price per year - minimum 3 yr. Term | | | | | |
| ST77-30 30 lb. Modular Scale | | | | \$1,017 | \$185 | \$33 | \$90 |
| Options/Accessories | | | | | | | |
| | 8784 | UPS Rates | | \$139 | N/A | \$5 | \$12 |
| | 8785 | FedEx Rates | | \$139 | N/A | \$5 | \$12 |
| | 8783 | USPS - other rates (1) | | \$139 | N/A | \$5 | \$12 |
| | 648 | Mail Accounting | | \$417 | N/A | \$14 | \$37 |
| | 9939K | Report Printer | | \$274 | \$92 | \$9 | \$24 |
| | 8125 | Barcode Reader | | \$1,039 | \$105 | \$34 | \$92 |
| | 701 | Custom Rates | | \$139 | N/A | \$5 | \$12 |
| | 640 | Multipiece weighing | | \$139 | N/A | \$5 | \$12 |
| | RCP | Price per year - minimum 3 yr. Term | | | | | |

