

**Statement of Work
Tobacco-Free Nicotine Delivery Products**

Contract Scope: This contract shall be a Multiple-Award contract for the supply of smokeless, flavored, individually pouched, tobacco-free, nicotine delivery products to Department of Corrections - Pennsylvania Correctional Industries (PCI).

Issuing Officer: Questions regarding the bidding or contracting procedures should be directed to Christina Zambotti at czambotti@pa.gov, only emailed questions will be accepted.

Term of Contract: The Term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified on the Contract, subject to other provisions of the Contract.

The Effective Date shall be: a) the Effective Date printed on the Contract after the Contract has been fully executed by the Supplier and the Commonwealth (signed and approved as required by Commonwealth contracting procedures) or b) the "Valid from" date printed on the contract, whichever is later.

This is a two (2) year contract with the option of three (3) one (1) year renewals. Renewals will be by the mutual agreement of the Department of Corrections – Correctional Industries and the suppliers, upon the same terms and conditions set forth in the contract.

The Department may solicit additional suppliers to be added to this contract at any time, when deemed in the best interests of the Commonwealth, this will be through a supplemental bid process.

Price Adjustments: Pricing based on manufacturer price may be submitted after the first year of the contract. Should the renewal option be exercised, pricing may change at the time of renewal. The price adjustment must be by mutual agreement between the Department of Corrections – Correctional Industries and the supplier and must be submitted to the Department of Corrections – Correctional Industries no later than sixty (60) days prior to the date of the price change. All supporting documentation must be submitted with the pricing to justify any price increases.

3 – Month Extension: The PA DOC reserves the right, upon notice to the Awarded Supplier, to extend any single term of the contract for up to three (3) months upon the same term and conditions.

Pricing changes may be negotiated at the time of renewal upon mutual agreement of the DOC and the supplier. Pricing changes may be negotiated outside the renewal period in the event of extraordinary unforeseen circumstances. The request for increased pricing due to extraordinary circumstances must include adequate justification and supporting documentation. Any increase in pricing outside the renewal period shall be in the sole discretion of the DOC.

Award: It is the intention of the Commonwealth to award multiple responsible and responsive suppliers for all delivery locations. Award will be made to the lowest price per manufacturer.

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Specifications:

Flavor/Product	Estimated Monthly Quantity
Winter Green (or similar) Smoke Free Product	10,750 Units
Spearmint (or similar) Smoke Free Product	10,750 Units
Mint (or similar) Smoke Free Product	10,750 Unit
Cool Mint (or similar) Smoke Free Product	10,750 Units

- DOC will not accept commodities stored in metal containers.
- Product manufacturer must be FDA registered.
- Product should have a non-metallic casing.
- Product should be tamper-resistant or tamper-evident.
- Single units must supply nicotine levels of no more than 3 mg/g.
- Sell by date must be at least four (4) months after delivery date.
- Palletized product must be no more than 52 inches in height.

This solicitation is not limited to the flavors above, similar flavors are acceptable.

Additional products may be added to this contract as determined by the Commonwealth.

The Department of Corrections reserves the right to request nationally recognized products. Suppliers shall bid only Zyn or Zeo brand tobacco-free nicotine delivery products.

Suppliers submitting bids for brands other than the requested brands must include the following in their bid response:

- Complete identification of the product by the trade name, brand, and/or model number.
- Descriptive literature and data with respect to the substitute material.
- Indicate any known specification deviations from the referenced material.

Bid Requirements: Awarded Supplier(s) must have a PA Wholesaler Certificate. Awarded suppliers may be required to submit a copy of their certificate.

All pricing submitted shall be FOB Destination and all-inclusive of product costs and shipping.

Security and Packaging: All products must meet security requirements of the DOC. The Department of Corrections reserves the right to allow companies to adapt their packaging to meet the DOC's security requirements before an award is generated. Product approval may be made contingent upon packaging changes. If, after award, DOC determines that a product poses a security threat, DOC will either cancel the award of that product upon written notification to the supplier detailing the nature of the security threat or allow the supplier to replace the product with a compliant product at the same price.

Samples: Three (3) samples per product must be submitted to the Department of Corrections prior to bid opening for security review.

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All samples should be sent to:

Cherese Darhower
Pennsylvania Correctional Industries
2520 Lisburn Road
Camp Hill, PA 17011

Samples will be evaluated based on flavor accuracy, aroma, texture, appearance, and flavor duration. If products are rejected due to not meeting these requirements, the award will go to the next lowest supplier who meets these requirements.

Estimated Quantities: It shall be understood and agreed that any quantities listed in the solicitation are estimated only and may be increased or decreased in accordance with the actual requirements of the Department of Corrections.

Deliveries to Department of Corrections: Suppliers must adhere to all DOC/Correctional Industries policies and Cooperate in a background investigation by completing a security clearance application and answering any questions posed by the investigator. A link to the Centralized Clearance Request Form is provided here: <https://www.cor.pa.gov/Facilities/Pages/Clearance-Request.aspx>. Clearance periods may be granted up to a maximum of two years for all candidates requesting access. The awarded Supplier's employees are responsible to renew their request for a security clearance prior to expiration of their current clearance. The DOC may deny an individual's access to its facilities, information or clients as a result of confidential information obtained during the course of the security clearance process, or for violation of DOC policy.

- a. All Suppliers and their subcontractors, who utilize regular delivery transportation will have to submit clearance checks through the original Supplier, for all drivers (if delivery is inside of the fence). Common Carriers will not be required to render clearance checks, however are subject to search and escort procedures. ALL CARRIERS reporting to outside warehouses must secure their vehicle (windows closed and doors locked), sign in at warehouse and wait for further directions from correctional staff.
- b. Suppliers must coordinate all deliveries with each DOC/Correctional Industries Distribution Center prior to delivering items.
- c. The Supplier is responsible for costs associated with the completion of the project, i.e., insurances, fuel, equipment, permits as applicable. All items will be delivered F.O.B. destination. The awarded Supplier is responsible for any shipping or delivery costs.

Delivery: The DOC/Correctional Industries requires that deliveries be made to each Distribution Center during normal working hours Monday through Friday, 8:00 a.m. Until 1:00 p.m. EST, excluding state holidays. Deliveries scheduled on state holidays are to be rescheduled with each Distribution Center. Fully loaded deliveries are to be delivered inside the secure perimeter of the institution with a security clearance approved driver to the CDC loading dock area, outlined above. After delivery, the trailer must depart the secure perimeter completely empty. Partial shipments, smaller loads, or LTL loads should be directed to the outside warehouse to be unloaded. Partial shipments are considered (6) six pallets or

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less. Initial delivery on a new Purchase Order shall be made within thirty (30) days of order receipt date. Any deliveries thereafter for that same Purchase Order shall be made within five (5) business days of the replenishment order date unless otherwise specified on the Purchase Order.

- All Purchase Orders are to be shipped complete. No back orders will be accepted.
- All drivers must receive a bi-annual security clearance through Central Office. It is the responsibility of the Supplier to ensure the drivers are current with their security clearances.
- No Sleeper Cab is permitted on Institutional property.
- Note: PA Correctional Industries Distribution Center has no control over the timely access for delivery to the commissary operations within the Institution.

SCI-Albion
PCI Commissary
10745 Route 18
Albion, PA 16475-0001
Dock Hrs: 8:00am–2:00pm EST
Last Delivery by 1:30pm EST

SCI-Houtzdale
PCI Commissary
209 Institution Drive
Houtzdale, PA 16698-1000
Dock Hrs: 8:00am–2:00pm EST
Last Delivery by 1:30pm EST

SCI-Mahanoy
PCI Commissary
301 Morea Road
Frackville, PA 17932
Dock Hrs: 8:00am–2:00pm
Last Delivery by 1:30pm EST

Ordering: The minimum order for this contract is 100 units per single delivery for each Department of Corrections location. Orders less than the minimum may be accepted by mutual agreement between the supplier and the Department of Corrections. The Department of Corrections must provide seven (7) days or more to the Supplier from receipt of the order for lead-time on all orders.

Order Accuracy: The supplier will maintain a minimum of 98% order accuracy, by the delivery date specified on the purchase order. The supplier shall deliver specified goods to the ordering location per the requested delivery date on the purchase order which shall be no less than seven (7) days from the receipt of the purchase order. Out of stock, late deliveries, partial orders, and backorders will count against the supplier's order accuracy rating. The formula for the fill rate is defined as: Total Cases Delivered and Accepted divided by Total Cases Ordered. Failure to meet the 98% order accuracy requirement may result in the Department of Corrections declaring that the supplier is in default as set forth in the terms and conditions of the contract.

Replacement of Products: The supplier is responsible for notifying the Department of Corrections of all discontinued products in a timely manner. If a product is discontinued, the supplier shall offer the Department of Corrections a comparable product to replace the discontinued product. Pricing for the replacement product shall be the same as the pricing for the discontinued product. The Department of Corrections, in its sole discretion, shall determine if the replacement product is comparable to the original product. At no time is the supplier allowed to unilaterally change products or pricing.

All defective items must be replaced by the supplier at no cost to the Department of Corrections. Items must be returned within thirty (30) days of delivery.

Rebate, Promotional Allowances or Bill Backs: The awarded supplier shall provide the Department of Corrections purchasing agents a copy of any rebate, promotional or bill back programs available from manufacturers supplying products to Pennsylvania Correctional Industries (PCI) through this contract.

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This information shall be provided within 30 calendar days after receiving notification of award, and within 30 calendar days of receiving any promotional or bill back program from a manufacturer during the contract period. The Department of Corrections reserves the right to contact manufacturers periodically, to inquire about all applicable rebates.

OPEN ENROLLMENT: As needed, open enrollment for this multiple-award contract may be publicly solicited through supplemental bids periodically as determined by the Issuing Office and the using agency. New potential suppliers may seek to be added to the list of contracted suppliers by submitting a bid during that time. Existing awarded suppliers may seek to add additional categories to their contract by submitting a bid during that time. Additional categories required by the using agency not included in this original solicitation related to tobacco-free nicotine delivery may be added during this time through public solicitation.

Bid Award: It shall be understood and agreed that any quantities listed in the solicitation are estimated only and may be increased or decreased in accordance with the actual requirements of the Department of Corrections.

Unless otherwise indicated, the unit price must include all labor, materials, equipment, tools, insurance, delivery fees and all items necessary for the completion of the project. In cases of discrepancies in prices, the unit price will be binding unless the unit price is obviously in error and the extended price is obviously correct, in which case the erroneous unit price will be corrected. All items will be delivered F.O.B Destination. The awarded supplier is responsible for any shipping or delivery costs.

Bid Results: Bids will be opened on the date and time specified in the invitation for bid. Bid tabulations will be posted on the Department of General Services' eMarketplace website: <http://www.emarketplace.state.pa.us/>. Tabulations are for information only and do NOT constitute actual award/execution of a contract. The results of the apparent suppliers and all bids are under review until final award of the purchase order.

Payment Terms (Invoicing): Supplier must follow the following invoicing requirements:

1. Accurately bill the Commonwealth for actual services rendered on all invoices.
2. Submit invoice to appropriate resource account within 15 business days of completed service.
3. Comply with Commonwealth / Department of Correction's practices for Contractor payments.

The awarded supplier should submit all invoices, as outlined by the Pennsylvania Office of the Budget, as a PDF file to 69180@pa.gov. The following link will provide more information regarding the Office of the Budget's invoicing requirements and resources:

<https://www.budget.pa.gov/Services/ForVendors/Pages/default.aspx>.