PROGRAM:	**690-S**							
TITLE:	**Package 1040-ES/V (OCR) and Package 1041-ES (OCR)**							
AGENCY:	**Internal Revenue Service (IRS)**							
TERM:	**Date of Award thru June 30, 2021**							
							PREVIOUS CONTRACTOR	
			NPC, INC.		**SOURCELINK**		**SOURCELINK**	
		BASIS OF	**Claysburg, PA**		**Miamisburg, OH**		**Miamisburg, OH**	
		AWARD	**UNIT RATE**	**COST**	**UNIT RATE**	**COST**	**UNIT RATE**	**COST**
I.	**PRINTING/IMAGING AND BINDING/CONSTRUCTION:**							
(a)	*1040-ES (OCR)/1040-V (OCR) Payment Voucher -*							
	Printing in two ink colors and imaging in black,							
	including binding/construction . . . per leaf							
(1)	Makeready and/or Setup ----------	2	1,000.00	2,000.00	100.00	200.00	100.00	200.00
(2)	Running Per 1,000 Copies ----------	1,926	20.59	39,656.34	39.04	75,191.04	35.95	69,239.70
(b)	*1041-ES (OCR) Payment Voucher -*							
	Printing in two ink colors and imaging in black,							
	including binding/construction . . . per leaf							
(1)	Makeready and/or Setup ----------	1	1,000.00	1,000.00	100.00	100.00	100.00	100.00
(2)	Running Per 1,000 Copies ----------	579	20.59	11,921.61	41.47	24,011.13	42.20	24,433.80
(c)	*1040-ES (OCR) Instruction Booklet -*							
	Printing in black ink,							
	including binding/construction . . . per booklet							
(1)	Makeready and/or Setup ----------	1	550.00	550.00	100.00	100.00	100.00	100.00
(2)	Running Per 1,000 Copies ----------	963	43.28	41,678.64	40.28	38,789.64	31.11	29,958.93
(d)	*1041-ES (OCR) Instruction Booklet -*							
	Printing in black ink,							
	including binding/construction . . . per booklet							
(1)	Makeready and/or Setup ----------	1	335.00	335.00	100.00	100.00	100.00	100.00
(2)	Running Per 1,000 Copies ----------	579	21.52	12,460.08	24.47	14,168.13	16.35	9,466.65
(e)	*1040-ES (OCR)/1041-ES (OCR) Return Envelope -*							
	Printing in black ink only,							
	including binding/construction . . . per envelope							
(1)	Makeready and/or Setup ----------	2	50.00	100.00	100.00	200.00	100.00	200.00
(2)	Running Per 1,000 Copies ----------	6,168	26.97	166,350.96	14.45	89,127.60	8.27	51,009.36
(f)	*1040-V (OCR) Extended-Flap Return Envelope -*							
	Printing in two ink colors,							
	including binding/construction . . . per envelope							
(1)	Makeready and/or Setup ----------	10	50.00	500.00	25.00	250.00	100.00	1,000.00
(2)	Running Per 1,000 Copies ----------	963	23.95	23,063.85	20.52	19,760.76	6.55	6,307.65
(g)	*1040-ES (OCR)/1041-ES (OCR) Mailout Envelope -*							
	Printing in black ink only,							
	including binding/construction . . . per envelope							
(1)	Makeready and/or Setup ----------	2	50.00	100.00	25.00	50.00	100.00	200.00
(2)	Running Per 1,000 Copies ----------	1,542	26.00	40,092.00	24.17	37,270.14	10.96	16,900.32
II.	**INSERTING AND MAILING:**							
	Per 1,000 mailers ----------	1,542	93.00	143,406.00	40.00	61,680.00	46.00	70,932.00
	CONTRACTOR TOTALS			**$483,214.48**		**$360,998.44**		**$280,148.41**
	DISCOUNT		**0.25%**	**$1,208.04**	**0.00%**	**$0.00**	**0.00%**	**$0.00**
	DISCOUNTED TOTALS			**$482,006.44**		**$360,998.44**		**$280,148.41**
					(A W A R D E D)			

October 9, 2020

This is Amendment No. 1. The specifications in our invitation for bids on Program 690-S, scheduled for opening at 11:00 a.m., on October 13, 2020, are amended as follows:

- The bid opening date remains the same.

- On page 28 of 45, under "STOCK/PAPER," the specified paper for the return envelopes, the mailout envelopes, and the extended-flap return envelope is changed.

  Delete the required paper specifications for the 1040-ES (OCR) and 1041-ES (OCR) Return Envelopes, for the Mailout Envelopes (1040-ES/V and 1041-ES) (OCR), and for the Extended-flap Return Envelope (1040-ES/V) (OCR) in their entirety.

  In their place, insert the following specification:

  ALL Envelopes – White Writing Envelope, basis weight: 24 lbs. per 500 sheets, 17 x 22", equal to JCP Code V20.

- All other specifications remain the same.

Amended bid or acknowledgement of amendment must be submitted using the method specified in the solicitation for bid submission – via email to: bidsapsdc@gpo.gov for this solicitation. Telephone or facsimile acknowledgement is not acceptable.

Bidder must acknowledge receipt of this amendment prior to bid opening. Failure to acknowledge receipt of amendment, by amendment number, prior to bid opening time, may be reason for bid being declared nonresponsive.

Sincerely,

YVETTE VENABLE-BROOKS
Contracting Officer

U.S. GOVERNMENT PUBLISHING OFFICE
Washington, DC

GENERAL TERMS, CONDITIONS, AND SPECIFICATIONS

For the Procurement of

Package 1040-ES/V (OCR) and Package 1041-ES (OCR)

as requisitioned from the U.S. Government Publishing Office (GPO) by

Internal Revenue Service
(IRS)

Single Award

TERM OF CONTRACT: The term of this contract is for the period beginning Date of Award and ending June 30, 2021, plus up to four (4) optional 12-month extension periods that may be added in accordance with the "OPTION TO EXTEND THE TERM OF THE CONTRACT" clause in SECTION 1 of this contract.

BID OPENING: Bids shall be opened at 11:00 a.m., prevailing Washington, DC time, on October 13, 2020, at the U.S. Government Publishing Office, Washington, DC. (Due to the COVID-19 pandemic, this will not be a public bid opening.)

BID SUBMISSION: Due to the COVID-19 pandemic, the physical office will not be open to the public. Based on this, bidders must submit email bids for this solicitation to: bidsapsdc@gpo.gov. No other method of bid submission will be accepted at this time. The program number and bid opening date must be specified in the subject line of the emailed bid submission. (Bids received after 11:00 a.m. on the bid opening date specified above will not be considered for award.)

PRODUCTION AREA: It is assumed that all production facilities used in the manufacture of the product(s) ordered under this contract will be located within a 60-mile radius of zero milestone Washington, DC.

Any bidder intending to use production facilities outside of this area should furnish information with the bid which will, on its face, demonstrate ability to meet the schedule requirements. The determination by the Government of the acceptability of this information in no way relieves the successful bidder of the responsibility for compliance with these schedule requirements.

BIDDERS, PLEASE NOTE: These specifications have been extensively revised; therefore, all bidders are cautioned to familiarize themselves with all provisions of these specifications before bidding.

Exhibits A through H are attached. Due to the large number of pages, Exhibit I (IRS Publication 4812 – Contractor Security and Privacy Controls) is not attached. A copy of Exhibit I can be located on the IRS website at: https://www.irs.gov/pub/irs-pdf/p4812.pdf. It is strongly encouraged that bidders obtain a copy of Exhibit I prior to submitting a bid. Submitting a bid without reviewing Exhibit I is at the bidders' risk.

Abstracts of contract prices are available at: https://www.gpo.gov/how-to-work-with-us/vendors/contract-pricing.

For information of a technical nature, contact Linda Giacomo at: lgiacomo@gpo.gov or (202) 512-0307.

SECTION 1. – GENERAL TERMS AND CONDITIONS

GPO CONTRACT TERMS: Any contract which results from this Invitation for Bid will be subject to the applicable provisions, clauses, and supplemental specifications of GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 01-18)) and GPO Contract Terms, Quality Assurance through Attributes Program for Printing and Binding (GPO Publication 310.1, effective May 1979 (Rev. 09-19)).

GPO Contract Terms (GPO Publication 310.2) – https://www.gpo.gov/docs/default-source/forms-and-standards-files-for-vendors/contractterms2018.pdf.

GPO QATAP (GPO Publication 310.1) – https://www.gpo.gov/docs/default-source/forms-and-standards-files-for-vendors/qatap-rev-09-19.pdf.

SUBCONTRACTING: The predominant production functions of this contract are the imaging of the vouchers, insertion of the components into mailout envelopes, and mailing. The imaging, inserting, and mailing operations as described in these specifications must be performed at the same facility. Any bidder who cannot perform the imaging, inserting, and mailing portions of this contract at the same facility will be declared non-responsible. *The prime contractor is responsible for the monitoring of and the quality of work performed by subcontractors.*

QUALITY ASSURANCE LEVELS AND STANDARDS: The following levels and standards shall apply to these specifications –

Product Quality Levels:

(a) Printing Attributes (page related) – Level III.
(b) Finishing Attributes (item related) – Level III.

Inspection Levels (from ANSI/ASQC Z1.4):

(a) Non-destructive Tests – General Inspection Level I.
(b) Destructive Tests – Special Inspection Level S-2.

Specified Standards: The specified standards for the attributes requiring them shall be –

Attribute	Specified Standard
P-7. Type Quality and Uniformity	O.K. Prior to Production Samples/O.K. Proofs/ Average Type Dimension/Electronic Media/ Furnished Sample
P-8. Halftone Match (Single and Double Impression)	O.K. Prior to Production Samples/ O.K. Proofs/Electronic Media
P-9. Solid and Screen Tint Color Match	Pantone Matching System

OPTION TO EXTEND THE TERM OF THE CONTRACT: The Government has the option to extend the term of this contract for a period of 12 months by written notice to the contractor not later than 30 days before the contract expires. If the Government exercises this option, the extended contract shall be considered to include this clause, except, the total duration of the contract may not exceed five (5) years as a result of, and including, any extension(s) added under this clause. Further extension may be negotiated under the "EXTENSION OF CONTRACT TERM" clause. See also "ECONOMIC PRICE ADJUSTMENT" for authorized pricing adjustment(s).

EXTENSION OF CONTRACT TERM: At the request of the Government, the term of any contract resulting from this solicitation may be extended for such period of time as may be mutually agreeable to the GPO and the contractor.

ECONOMIC PRICE ADJUSTMENT: The pricing under this contract shall be adjusted in accordance with this clause, provided that in no event will any pricing adjustment be made that would exceed the maximum permissible under any law in effect at the time of the adjustment. There will be no adjustment for orders placed during the first period specified below. Pricing will thereafter be eligible for adjustment during the second and any succeeding performance period(s). For each performance period after the first, a percentage figure will be calculated as described below and that figure will be the economic price adjustment for that entire next period. Pricing adjustments under this clause are not applicable to reimbursable postage or transportation costs, or to paper, if paper prices are subject to adjustment by separate clause elsewhere in this contract.

For the purpose of this clause, performance under this contract will be divided into successive periods. The first period will extend from Date of Award to June 30, 2021, and the second and any succeeding period(s) will extend for 12 months from the end of the last preceding period, except that the length of the final period may vary. The first day of the second and any succeeding period(s) will be the effective date of the economic price adjustment for that period.

Pricing adjustments in accordance with this clause will be based on changes in the seasonally adjusted "Consumer Price Index For All Urban Consumers – Commodities Less Food" (Index) published monthly in the CPI Detailed Report by the U.S. Department of Labor, Bureau of Labor Statistics.

The economic price adjustment will be the percentage difference between index averages as specified in this paragraph. An index called the variable index will be calculated by averaging the monthly indexes from the 12-month interval ending three months prior to the beginning of the period being considered for adjustment. This average is then compared to the average of the monthly indexes for the 12-month interval ending March 31, 2020, called the base index. The percentage change (plus or minus) of the variable index from the base index will be the economic price adjustment for the period being considered for adjustment.

The Government will notify the contractor by contract modification specifying the percentage increase or decrease to be applied to invoices for orders placed during the period indicated. The contractor shall apply the percentage increase or decrease against the total price of the invoice less reimbursable postage or transportation costs and separately adjusted paper prices. Payment discounts shall be applied after the invoice price is adjusted.

PREAWARD TEST: The contractor being considered for award will be required to demonstrate the ability to produce the items required in these specifications at the requisite quality level by completing a preaward test. The Government reserves the right to waive the preaward test if there is other evidence that, in the opinion of the Contracting Officer, indicates that the contractor being considered for award has the capability to successfully produce the items required.

For the preaward test, the Government will furnish an email file (containing 5,000 dummy records – each containing a dummy 2D barcode) using the same media stipulated in these specifications. The furnished material will be representative of the items that are to be produced under these specifications.

The prospective contractor shall image the 5,000 2D barcodes on the required stock for the vouchers as specified under "STOCK/PAPER."

Preaward test samples must be submitted within five (5) workdays of receipt of furnished test material.

Preaward test samples must be submitted to the address(es) specified at time of the preaward test.

If preaward test samples are disapproved by the Government, the contractor may be permitted, at the option of the Government, additional time to correct defects and/or submit revised test samples if so notified by the Contracting Officer.

In the event the revised preaward test samples are disapproved by the Government, the contractor shall be deemed to have failed to comply with the applicable requirements of these specifications and may be reason for a determination of non-responsibility.

Failure to deliver completed preaward test samples within the stated time period may disqualify the contractor from further consideration for award.

All operations necessary in the performance of this preaward test shall be performed at the facilities and on the equipment in which the contract production will be performed.

No charges will be allowed for costs incurred in the performance of this preaward test.

SENSITIVE BUT UNCLASSIFIED (SBU) SYSTEMS OR INFORMATION:

(a) In addition to complying with any functional and technical security requirements set forth in the schedule and elsewhere in the contract, the contractor shall request that the Government initiate personnel screening checks and provide signed user nondisclosure agreements, as required by this clause, for each contractor employee requiring staff-like access, i.e., unescorted or unsupervised physical access or electronic access, to the following limited or controlled areas, systems, programs, and data: IRS facilities, information systems, security items and products, and sensitive but unclassified information. Examples of electronic access would include the ability to access records by a system or security administrator.

(b) The contractor shall submit a properly completed set of investigative request processing forms for each such employee in compliance with instructions to be furnished to the IRS, as early as 24 hours, but no later than 72 hours, after award.

(c) Depending upon the nature of the type of investigation necessary, it may take a period up to 11 months to complete complex personnel screening investigations. At the discretion of the Government, background screening may not be required for employees with recent or current favorable Federal Government investigations.

(d) To verify the acceptability of a non-IRS, favorable investigation, the contractor shall submit the same forms or information needed, as specified in paragraph (b) above, for each such employee in compliance with instructions to be furnished to the IRS, as early as 24 hours, but no later than 72 hours, after award.

(e) The contractor shall ensure that each contractor employee requiring access executes any nondisclosure agreements required by the Government prior to gaining staff-like access. The contractor shall provide signed copies of the agreements to the IRS Representative for inclusion in the employee's security file. Unauthorized access is a violation of law and may be punishable under the provisions of Title 5 U.S.C. 552a, Executive Order 12356; Section 7211 of Title 5, United States Code (governing disclosures to Congress); Section 1034 of Title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); Section 2302(b)(8) of Title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.)(governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including Sections 641, 793, 794, 798, and 952 of Title 18, United States Code, and Section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. Section 783(b)), and other applicable statutes.

(f) The contractor shall immediately notify the Contracting Officer and the IRS Representative of the termination, resignation, or reassignment of any authorized personnel under the contract. Further, the contractor shall include the steps taken to ensure continued performance in accordance with the contract. Replacement personnel or new hires must have qualifications that are equal to or higher than the qualifications of the person(s) to be replaced.

The contractor may contact glenn.r.pelishek@irs.gov regarding questions concerning requirements for a security clearance. The requirements include, but are not limited to, financial history of the contractor's firm and on-site visit(s) by the IRS security personnel. The IRS will send the Risk Assessment Checklist to the contractor upon award of contract.

SECURITY OF INFORMATION AND MATERIALS: These requirements apply to all contractor's facilities (i.e., multiple plants) used for production of the vouchers.

Proper control and handling must be maintained at all times to prevent any information or materials required to produce the product ordered under these specifications from falling into unauthorized hands. All Sensitive But Unclassified (SBU) data must be adequately protected and secured and meet the required physical security minimum protection standards as defined in Publications 1075, 4812, and 4812-A. Unless otherwise indicated herein, all extra copies, materials, waste, etc., must be destroyed in accordance with IRS Publications 1075 (Rev. 8-2010), 4812, and 4812-A, Tax Information Security Guidelines for Federal, State, and Local Agencies.

The contractor agrees that it shall establish and maintain full Secure Data Transfer (SDT) compliance throughout the term of this contract. Contractor receiving SBU information from the IRS shall meet the requirements set forth below, in accordance with the IRS Publications 1075, 4812, 4812-A and Federal Information Security Management Act (FISMA) Compliant Data Protection and Internal Revenue Code 6103 (n):

(a) All federal, state, and local agencies or entities shall comply with IRS Publications 1075, 4812, and 4812-A, Tax Information Security Guidelines for Federal, State and Local Agencies and Entities (as revised) if transmitted data contains Federal Taxpayer Information (FTI). All data that originates from the IRS shall be protected to ensure compliance with FISMA, including the technical security, physical security, personnel security, and record retention requirements.

(b) All IRS systems that handle or process Federal Tax Information or other Sensitive But Unclassified information, including PII, source code, etc., are categorized at the moderate risk level, as required by Publication FIPS 199, Standards for Security Categorization of Federal Information and Information Systems. This contract handles FTI at the moderate risk level.

Personally identifiable information is "any information that can be used to distinguish or trace an individual's identity such as their name, social security number, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc." (Reference: OMB Memorandum 07-16.) Other specific examples of PII include, but are not limited to:

- Personal identification numbers, such as passport number, driver's license number, taxpayer identification number, or financial account or credit card number.
- Address information, such as street address or personal email address.
- Personal characteristics, including photographic image (especially of face or other distinguishing characteristic), fingerprints, handwriting, or other biometric image or template data (e.g., retina scans, voice signature, facial geometry).

Contractors shall comply with moderate risk controls of National Institute of Standards and Technology (NIST) SP 800-53, Recommended Security Controls for Federal Information Systems and Organizations, Revision 3 or 4. NIST is a federal technology agency that develops and promotes measurement, standards, and technology. NIST also provides additional guidance, publications, and compliance tools to Government agencies at: http://csrc.nist.gov/groups/SMA/fisma/index.html.

1. *Authorized Data Recipients* – Only authorized individuals may receive SBU information from the IRS. Individual identification and authentication will be accomplished through use of a third-party digital certificate issued by name to authorized individuals. Authorized contractor employees shall apply, authenticate, and retrieve a digital certificate.

2. *Data Tracking and Accounting* – Contractors receiving SBU information are responsible for ensuring the security of SBU information within the firm and shall establish procedures to track and account for data from receipt to disposition. If contracted entity is a federal, state, or local agency and transmitted data contains FTI, these procedures shall meet the requirements of Publications 1075, 4812, and 4812-A. (See Exhibits 9 and 10.)

   All contractors shall ensure that the individual responsible for accounting for receipt of SBU information is provided with the "control file" that accompanies the extract file on SDT. The contractor is required to provide IRS with a separate acknowledgement of receipt of SBU information.

3. *Data Transfer Log File* – Contractors receiving SBU information must maintain a log file that records complete and incomplete data transfers. For complete transmissions, the log file must identify the sender of the information, the file name, the date/time of receipt, and the record count. For incomplete transfers, the log file must identify as much of the above information as is possible.

4. *Confirmation of Successful Data Transfers and Record Count* – When a contractor receives a file from the IRS via SDT, the contractor shall check the file to see that it is intact and usable. The contractor shall also validate the record count provided on the "control file." In the event of incomplete or unsuccessful transfers, including a file where record counts cannot be validated, the contractor shall immediately contact Glenn Pelishek at: glenn.r.pelishek@irs.gov and request that the file be retransferred. Requests for retransfers shall include the following information: name, phone number, and email address of the person making the request; name, phone number, and email address of an alternate contractor contact; file name; job run file ID number; and complete contractor name.

5. *Sensitive but Unclassified Information Breach/Misrouted File* – An SBU information breach includes any incident where SBU data is lost, misused, or compromised. This includes, but is not limited to, situations involving a misrouted file (a file meant for one entity or contractor is received by another entity or contractor) containing SBU data.

   In the case of an SBU breach, the contractor shall contact the following offices within one (1) hour: the Computer Security Incident Response Center (CSIRC); Situation Awareness Management Center (SAMC) through the CSIRC/SAMC Incident Hotline at (866) 216-4809; the Government Publishing Office, APS DC, at (202) 512-0307; and the IRS Representative, Glenn Pelishek, at (202) 317-5859. The Government will take appropriate action and advise the contractor of further action, if any, required by the contractor and/or consequences resulting from the SBU Breach.

6. *Access Controls and Audit Logs* – The contractor shall ensure that any information system (server, workstation, laptop, etc.) storing SBU information maintains access controls to the information and audit logs that document any access to the information in accordance with NIST SP 800-53. Audit logs must be saved for seven (7) years. For all federal, state, and local agencies or entities, if data transmitted through the SDT and stored on the agency's system contains FTI, access to the information shall be recorded and reviewed, as identified for access controls and auditing within Publications 1075, 4812, and 4812-A.

7. *Validation of Authorized Users* – All logical access to IRS information shall be controlled by U.S. Government-approved authentication methods to validate the authorized users.

8. *Web Accessible File Sharing Support* – There shall be no dial-up or broadband support for web accessible file sharing. Remote administration of the web accessible file sharing systems is permitted only via FIPS 140-2 compliant products.

9. *Safeguard Disclosure of Federal Taxpayer Information Data Transmitted Through the Secure Data Transfer* – If SDT is used by the contractor to receive FTI data from the IRS, a revised Safeguard Procedures Report (SPR) is not required to participate in the SDT. The contractor's next annual Safeguard Activity Report (SAR) submission shall document all protection mechanisms used to secure and store all data received in performing this contract. This shall include identifying the protection procedures, as well as the destruction procedures for data files received via SDT.

10. Contractor shall ensure that all laptops being used for this contract use full disc encryption.

11. All IT assets must be configured to ensure compliance with the NIST Security Content Automation Protocol (SCAP) located on the NIST web site.

CONTRACTOR SECURITY MANAGEMENT: The IRS requires that the contractor's employees having a need for staff-like access to sensitive but unclassified information must be approved through an appropriate level of security screening or investigation. Immediately upon award, the contractor must furnish the Government with a description of all positions requiring staff-like access to IRS data. The Government (including an IRS personnel security officer) will assess the risk level for each position and determine the need for individual security investigations.

Upon award of contract, the IRS will provide the necessary forms and instructions to the contractor. Within 10 workdays of receipt of the forms/instructions, the contractor must return the forms filled out for each employee who will be involved in the production on this contract. The contractor must comply/abide by the following IRS Acquisition Security clauses. Contractor may access clauses at: https://www.irs.gov/pub/irs-procure/irsap_2019_version_1.pdf.

- IR1052.204-9000 Submission of Security Forms and Related Materials.
- IR1052.204-9001 Notification of Change in Contractor Personnel Employment Status, Assignment, or Standing.
- IR1052.224-9000 Safeguards Against Unauthorized Disclosure of Sensitive but Unclassified Information.
- IR1052.224-9001 Mandatory IRS Security Training for Information Systems, Information Protection, and Facilities Physical Access.

Contractor personnel requiring investigation will not be allowed staff-like access to IRS data until approved by the IRS National Background Investigation Center (NBIC). Other employees will be screened on an "as needed" basis. All employees will receive a moderate level security clearance initially, which may be raised, as applicable, if deemed necessary by the IRS at any time during the contract.

- The IRS shall bear the cost of conducting a security screening for contractor employees requiring one.
- The Government will provide electronic copies of the required forms.
- Any costs for fingerprinting will be borne by the contractor.

Contractor must ensure that all contractor and any subcontractor (if applicable) employees who require staff-like access to IRS information or information systems (where these are located at contractor managed facilities using contractor managed assets), regardless of their physical location, complete the required Privacy Training and Security Awareness Training prior to being granted access to SBU data. The IRS will forward training material upon award of the contract.

All applicable employees MUST be fingerprinted. Fingerprinting must be done at a GSA Credentialing Station. When the employee receives an email in reference to fingerprinting, the employee shall schedule an enrollment appointment. Any costs for fingerprinting not conducted at an approved credentialing location will be borne by the contractor. Travel to and from the credentialing office will be borne by the contractor.

To initiate the background investigation, the contractor must complete the Risk Assessment Checklist (RAC) form and security documents: Form 13340, (Fair Credit Reporting Act), Optional Form 306 (Declaration for Federal Employment), and review and initial Notice 1379 ((Rev. 3-2008) (Tax Record Check Notice)). The IRS Contractor Lifecycle Management (CLM) office may request additional forms to complete their investigation.

For personnel security guidance, see "IR1052.204-9005 SUBMISSION OF SECUIRITY FORMS AND RELATED MATERIALS (MAY 2013)" specified herein.

Contractor employees who will have physical and/or logical access to IRS taxpayer data must be both eligible and suitable to work on an IRS contract as determined by IRS Personnel Security. Contractor is responsible for providing the following forms/documentation for their employees assigned to IRS contracts to IRS Personnel Security:

Eligibility Requirements include the following – Any subject who is foreign-born must provide proof of U.S. citizenship or Lawful Permanent Resident status. Subjects must provide their Alien Registration Number ("A" number) for corroboration by IRS Personnel Security:

1. Subjects must be federal tax compliant and must remain tax compliant while actively working on IRS contracts. IRS will check subjects' tax compliance status upon notification of subject being assigned to work on the IRS contract.

2. All male subjects born after December 31, 1959, must be registered with Selective Service (SS). For male U.S. citizens, proof of registration can be obtained by accessing the SS website at https://www.sss.gov/ and following the prompts on the "Verify or Update Registration" tab. If the search results in a "Matched Record," click on the "*Print an Official Selective Service Registration Acknowledgment Letter"* button and follow the prompts for saving the letter as a PDF file. The letter should then be provided to IRS Personnel Security. If the subject is not registered, he must provide a waiver of registration requirement from SS.

Suitability Requirements include the following – A completed Risk Assessment Checklist (RAC) spreadsheet. This spreadsheet should be completed by the contractor point of contact to provide needed information about each employee who will be working on the contract.

The following forms must be completed by each subject assigned to the contract:

1. A completed and signed OF-306 – *Declaration for Federal Employment* form.
2. A signed Non-Disclosure Agreement form.
3. A signed Fair Credit Release form.
4. A completed Electronic Questionnaires for Investigations Processing (e-QIP) package. The IRS Personnel Security will send each subject a separate email with instructions for completing e-QIP. The e-QIP package is only required for those subjects who do not have a favorably adjudicated federal background investigation within the last five (5) years.

The following training material must be completed by each subject assigned to the contact:

1. Privacy, Information Protection & Disclosure Briefing Mandatory Briefing – 2020.
2. Records Management Overview.
3. Introduction to UNAX Briefing for Contractors.
4. Certification of Annual UNAX Awareness Briefing.
5. Contractor Security Awareness Training (SAT) Certification.

NOTE: The approximate time to complete the training is three (3) hours. Contractor must return training certification to IRS within 72 hours of receipt of above training materials to: glenn.r.pelishek@irs.gov.

The following form must be completed by the contractor to separate an employee/contractor from an IRS contract: Form 14604, *Contractor Separation Checklist.* (Form to be provided upon request.)

The contractor shall email the Form 14604 to glenn.r.pelishek@irs.gov and the Contracting Officer within one (1) workday of the contractor becoming aware of any change in the employment status, information access requirement, assignment, or standing of a contractor employee under this contract or order.

Briefings – IRS will conduct a 1-hour privacy awareness briefing by teleconference with contractor employees – in addition to the required training they must take. IRS will need to conduct multiple sessions at varied times to account for shift work. Contractor must provide a site interpreter for services to hearing-impaired employees and translators for non-English speaking employees. This briefing is required before the subject's work on the contract begins.

Secure Shredding of Damaged Notices – Damaged mailers that are un-mailable must be securely shredded to a size that is unreadable to prevent disclosure of taxpayer information. These mailers need to be reprinted, inserted, and mailed within the same time period as the other notices in the file. (See "DISPOSAL OF WASTE MATERIALS.")

Chain of custody with material must be documented and contractor personnel will conform to security requirements.

SECURITY REQUIREMENTS: Protection of Confidential Information – (See Exhibits E through I.)

The contractor shall restrict access to all information obtained from the IRS in the performance of this contract to those employees and officials who require it to perform the contract.

The contractor shall process all information obtained from the IRS in the performance of the contract under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the records and in such a way that the unauthorized persons cannot retrieve any such records.

The contractor shall inform all personnel with access to the confidential information obtained from the IRS in the performance of this contract of the confidential nature of the information and the safeguards required to protect this information from improper disclosure.

The contractor shall assure that each contractor employee with access to IRS work knows the prescribed rules of conduct, and that each contractor employee is aware that he/she may be subject to criminal penalties for violations of the Privacy Act. All confidential information obtained from the IRS for use in the performance of this contract shall, at all times, be stored in an area that is physically safe from unauthorized access.

Work areas for the production of IRS work shall be in dedicated areas that are roped or taped off, under camera surveillance, with access to those employees working on IRS work. Signs will be posted that only assigned employees may enter. All phases of work will be staged in one main area for each process and roped off for security. It is prohibited for cameras and cell phones to be in the work areas of the IRS production. All work areas will be open for IRS representatives at all times.

At least one supervisory employee must be permanently assigned to the secured areas to visually observe, at all times, the printing, imaging, inserting, storing, mailing, and destruction of any spoiled materials.

The contractor must maintain 100% accountability in the accuracy of imaging and mailing of all pieces throughout the run. The contractor must ensure that there are no missing or duplicate pieces and no pieces with mis-imaged data or imaged data derived from more than one record on the same piece. The contractor must also ensure that no outgoing envelope contains IRS statements for more than one individual.

IR1052.204-9005 SUBMISSION OF SECURITY FORMS AND RELATED MATERIALS (MAY 2013): As described in Department of the Treasury Security Manual (TD P 15-71), Chapter I, Section 1, Position Sensitivity and Risk Designation, contractor personnel assigned to perform work under an IRS contract/order must undergo security investigative processing appropriate to the position sensitivity and risk level designation associated to determine whether the contractor personnel should be permitted to work in the identified position.

(a) Contractor personnel performing under an agreement that authorizes unescorted access to and in IRS facilities and access to Sensitive But Unclassified information or information systems are subject to (and must receive a favorable adjudication or affirmative results with respect to) the following eligibility/suitability pre-screening criteria, as applicable:

(1) IRS account history for tax compliance;
(2) Selective Service registration compliance;
(3) U.S. citizenship/residency compliance;
(4) Background investigation forms;
(5) Credit report results (moderate and high risk investigations only);
(6) Federal Bureau of Investigation fingerprint results;
(7) If applicable, prior background investigations.

In this regard, the contractor shall furnish the following electronic documents to the Contractor Security Management (CSM) at CSLP@irs.gov within 10 workdays of assigning (or reassigning) an employee to this contract/order and *prior* to the contract employee performing any work thereunder:

- The IRS provided Risk Assessment Checklist (RAC)
- All required security forms (for new contractor employees) are available through the publicly accessible website for IRS at: http://www.irs.gov/uac/Security-Forms.

(b) Tax Compliance, Credit Checks, and Fingerprinting:

(1) Contractor personnel whose contract/order exceeds 180 calendar days must be eligible for access, per certification of tax compliance, and shall undergo, at a minimum, a National Agency Check and Inquiries as a condition of work under the contract/order to include a credit check and fingerprinting.

If the duration of employment is less than 180 calendar days or access is infrequent (e.g., 2 or 3 days per month) and the contractor requires unescorted access, the contractor employee must be eligible for access, per certification of tax compliance, and require, at a minimum, a fingerprint check – Special Agreement Check.

(2) With the exception of contractors who need access to IT systems, no background investigation or tax check is necessary if the duration of employment is less than 180 calendar days or access is infrequent when there is escort provided by an IRS employee or an approved contractor employee at the same or higher position risk level.

The contractor employee will be permitted to perform under the contract and have access to IRS facilities only upon notice of an interim or final approval, as defined in Internal Revenue Manual (IRM) 10.23.2, "Contractor Investigations," and is otherwise consistent with IRS security practices and related IRMs, to include, but not limited to, IRM 1.4.6, "Managers Security Handbook," IRM 10.2.14, "Methods of Providing Protection," and IRM 10.8.1, "Policy and Guidance."

As prescribed in IRM 10.23.2, escorting in lieu of staff-like access for IT systems will not be allowed.

INFORMATION SECURITY AWARENESS AND TRAINING: The contractor shall comply with IRS mandatory annual Computer Security Awareness briefings, Unauthorized Access (UNAX) briefings, and receive an initial orientation before access to IRS Information Systems. All contractors who are involved with the management, use, programming, or maintenance of IRS information systems must complete the IRS mandatory Computer Security briefing. The contractor shall comply with the Taxpayer Browsing Protection Act of 1997 - Unauthorized Access (UNAX), which amends the Internal Revenue Code 6103 of 1986 to prevent the unauthorized inspection of taxpayer returns or tax return information.

Cybersecurity oversees a series of security awareness training sessions; in particular, the UNAX training and Computer Security Awareness training, which is conducted annually and is mandatory for all IRS employees and contractors. FISMA requires continuous security awareness training to inform personnel, including contractors, other users, and individuals with significant IT Security responsibilities that support the operations and assets of the agency to receive specific training on agency guidance, policies, and procedures to reduce information security risks.

All contractor employees who could have access to return information must complete the mandatory UNAX briefing. Contractors shall certify the completion of training by their employees annually. The certification shall be submitted to the Contractor Security Management (CSM) with a copy to the IRS printing specialist and to the Mission Assurance Security Services Awareness and Training Team.

PREAWARD SURVEY: In order to determine the responsibility of the prime contractor/subcontractor, the Government reserves the right to conduct an on-site preaward survey at the contractor's/subcontractors' facility or to require other evidence of technical, production, managerial, financial, and similar abilities to perform, prior to the award of a contract.

As part of the financial determination, the contractor in line for award may be required to provide one or more of the following financial documents –

1) Most recent profit and loss statement
2) Most recent balance sheet
3) Statement of cash flows
4) Current official bank statement
5) Current lines of credit (with amounts available)
6) Letter of commitment from paper supplier(s)
7) Letter of commitment from any subcontractor

These documents will be reviewed to validate that adequate financial resources are available to perform the contract requirements. Documents submitted will be kept confidential and used only for the determination of responsibility by the Government. Failure to provide the requested information, in the time specified by the Government, may result in the Contracting Officer not having adequate information to reach an affirmative determination of responsibility.

The preaward survey will include a review of all subcontractors involved, along with their specific functions, and the contractor's production, quality systems, personnel, and security control plans, as required by these specifications.

PREAWARD PRODUCTION PLANS: The contractor shall present, in writing, to the Contracting Officer, within five (5) workdays of being notified to do so by the Contracting Officer or his/her representative, detailed plans for each of the following activities. The workday after notification to submit will be the first workday of the schedule.

These proposed plans are subject to review and approval by the Government, and award will not be made prior to approval of same. The Government reserves the right to waive some or all of these plans.

For each option year that may be exercised, the contractor will be required to re-submit, in writing, the above plans detailing any changes and/or revisions that may have occurred. The contractor should be prepared to submit these revised plans at each year's meeting – as applicable. (See "PREPRODUCTION CONFERENCE.") The revised plans are subject to Government approval. If the meeting is waived by the Government, the revised plans must be submitted to GPO within five (5) workdays of notification of the option year being exercised.

If there are no changes/revisions, the contractor will be required to submit to the Contracting Officer a statement confirming that the current plans are still in effect.

Production Plan – This plan shall include items such as a detailed listing of all production equipment and equipment capacities to be utilized on this contract. If new equipment is to be utilized, documentation of the source, delivery schedule, and installation dates are required.

Items to be included in the production plan are:

- processing and sorting master-file CDs as well as the security of the CDs and taxpayer information
- scheduled start-up dates for all phases of production
- how coordination/communication will flow from one production phase to another
- who will be responsible for each phase
- how subcontractors will be involved and kept informed
- specific production dates of all subcontractors
- how the product will be staged and/or shipped
- any other special requirements which are specific to this contract

Quality Systems Plan – The prime contractor shall initiate prior to start-up, and maintain throughout the term of this contract, quality systems to assure conformance to all requirements of this contract. The quality systems should be documented in a quality systems plan. The plan should also address what actions will be initiated when defects are detected.

The quality systems shall assure the quality of components from contractor subsidiary plants and subcontractors. This element includes assuring that components from different sources will be compatible before the start of production.

The quality systems shall include procedures for assuring that all variable data elements are accurately and completely printed/imaged and that all addressed items are mailed. This plan shall explicitly describe the methods to be used to assure that no records are missed or duplicated when an interruption of variable imaging occurs (e.g., due to equipment malfunction) during all phases of production.

Quality Systems Official: The prime contractor shall designate a quality systems official who shall monitor and coordinate the quality systems. This official shall serve as the Government's main point of contact on quality matters during the term of the contract. The name of the official shall be provided in the plan along with his/her title, position, and telephone number.

Performance of all elements and functions of the quality systems shall not relieve the contractor of responsibility for meeting all requirements in this contract.

Personnel Plan – This plan shall include a listing of all personnel who will be involved with this contract. For any new employees, the plan shall include the source of these employees and a description of the training programs the employee will be given to familiarize them with the requirements of this program.

If employees have current and adequate security clearances, please notate the level of security clearance and for which federal agency it was obtained.

Security Control Plan – The contractor shall maintain in operation an effective security system where items by these specifications are manufactured and/or stored (awaiting distribution or disposal) to assure against theft and/or the product falling into unauthorized hands.

Contractor is cautioned that no Government provided information shall be used for non-Government business. Specifically, no Government information shall be used for the benefit of a third party.

The Government retains the right to conduct on-site security reviews at any time during the term of the contract.

Materials: As part of the security control plan, the contractor must show how all accountable materials will be handled throughout all phases of production. This plan shall also include the method of disposal of all production waste materials.

Production Area: The contractor must provide a secure area(s) dedicated to the processing and storage of data for the packages. Access to the area(s) shall be limited to security-trained employees involved in the production of the packages. (For further information, see "SECURITY REQUIREMENTS" and "DATE SECURITY AND SAFEGUARDS REQUIREMENTS: Physical Storage Facility Requirements" specified herein.)

Part of the security control plan shall include a floor plan detailing the area(s) to be used, showing existing walls, equipment to be used, and the printing and finishing locations.

This plan must address, at a minimum, the following:

- How Government files (data) will be secured to prevent disclosure to a third party.
- How the disposal of waste materials will be handled.
- How all applicable Government-mandated security/privacy/rules and regulations as cited in this contract shall be adhered to by the contractor and subcontractor(s).

IRS IN-PLANT LIAISON: One or more IRS representatives may be stationed at the contractor's and/or subcontractor's facility to provide project coordination in the receipt of CDs and monitoring of the printing, imaging, binding/construction, quality control sample selection, inserting, staging, and distribution of the packages. These liaisons do not have contractual authority and cannot make changes in the specifications or contract terms but are to bring any and all defects they see to the attention of the company Quality Control Officer. These liaisons will have full and unrestricted access to all production areas where IRS work is being produced. The contractor will furnish office space to include a desk, telephone, and personal computer with CD drive and internet access to send and receive emails.

Additionally, the contractor will provide a barcode scanner to the liaisons for reading Intelligent Mail Barcodes (IMB) – when applicable. The personal computer must be loaded with Adobe Acrobat 8.0 and current Microsoft Office software suite for submitting reports. Access to a fax machine will also be required for the liaisons. This space will be in an enclosed, secure area adjacent to the binding/construction/mailing operations. Desk and telephone access are also required for a postal clerk during the turnover of packages to the Postal Service.

The contractor and in-plant liaison will conduct product sampling. The contractor must make contractor-pulled samples available to the liaison for review. The liaison will review contractor samples each day. The liaison will also pull his/her own quality samples from each production line throughout the day. These samples are outside the scope of any sampling the contractor may do as part of their own internal quality plan and must be captured as spoilage and put back into the mailing. The contractor must maintain storage of these samples for a warranty period of 120 days as outlined in GPO contract terms. (See "QUALITY SYSTEMS AUDIT, Records.")

PREPRODUCTION CONFERENCE: A preproduction conference will be held at the contractor's plant each contract year – time and date to be determined after award. At the Government's option, the preproduction conference may be conducted via teleconference.

Attending this meeting will be representatives from the IRS and possibly representatives from the Government Publishing Office and USPS Headquarters Office Personnel. To establish coordination of all required operations, a representative(s) from each involved production area for the primary contractor as well as a representative of all subcontractors involved must be present. It is also required that the contractor have their local Postal Service representative in attendance.

Any person(s) that the contractor deems necessary for the successful implementation of the contract must be in attendance.

The purpose of the conference will be to discuss and review all aspects of the contractor's internal and external operations required to successfully complete this contract.

The contractor will conduct this preproduction conference during which the previously approved preaward production plans will be discussed and reviewed in depth.

PRODUCTION INTERRUPTIONS: Any time any equipment, materials, or personnel interruption occurs (machine problems, web break (printing or imaging), roll changes, shift changes, etc.), whether printing, printing and imaging, or imaging only, the on-site IRS In-Plant Liaison/Quality Monitor (if applicable) must be notified. This is required to allow the Quality Monitor to observe the last correct piece, the destruction of all bad pieces, and the new first correct piece. The Quality Monitor must also have access to the contractor log containing this information for each piece of production equipment.

QUALITY SYSTEMS AUDIT: In connection with the preproduction conference, at the Government's option, a quality systems audit may be conducted. Following the conference, IRS/GPO may conduct an in-depth audit of all contractor quality control methods, quality systems, and quality plans in a formal walk-through review of the written quality systems plan approved prior to award. This audit would require the contractor to plan, in advance, all quality related functions which would be required to complete the contract. Should subcontractors be involved, a complete audit of the subcontractor's quality systems may also be performed. This procedure will be mandatory for all contractors doing IRS tax package work for the first time.

NOTE: Failure to maintain the quality systems in accordance with the contractor's plan approved by the Government may result in the Government's termination of the contract for default.

Records – Records of tests, inspections, and critical process controls shall be time stamped and maintained on file. The records must be made available to the GPO and/or IRS inspector until the expiration of the warranty period of this contract. (See GPO Contract Terms.) Copies of the forms used to record the inspections and test results shall be submitted with the plan.

NOTE: All quality control samples must be produced at no additional cost to the Government.

Inspections – The right of the Government to make general or specialized tests and inspections does not relieve the contractor of any responsibility.

DATA SECURITY AND SAFEGUARD REQUIREMENTS:

Protection of Confidential Information – The contractor must guarantee that they, and any subcontractor(s), will not reproduce, or allow reproduction of, the CD-ROMs furnished by IRS, nor use or allow any person to use the CD-ROMs or the taxpayer data for any other purpose than mailing the tax packages. (See IRS Publication 4812 "Contractor Security and Privacy Controls" and Publication 1075 "Tax Information Security Guidelines for Federal, State, and Local Agencies.") A copy of each may be obtained either from the Internet at: http://www.irs.gov or from IRS by calling: 1-800-829-3676. The contractor shall assure that each contractor employee with access to IRS work knows the prescribed rules of conduct, and that each contractor employee is aware that he/she may be subject to criminal and civil penalties for violations of the Privacy Act and the Internal Revenue Code. The IRS will also provide the contractor with the video "Protecting Federal Tax Information." This video is also available at: www.tax.gov/sbv_pfti/. Publication 4465-A "IRS Disclosure Awareness Pocket Guide" and Publication 4465-A (SP), Spanish Version, will also be provided.

CD-ROM Security – The contractor must maintain all CD-ROMs in a secure environment for 60 calendar days after completion of contract. After 60 calendar days, contractor must immediately incinerate to ash or crosscut-shred CD-ROMs and submit a signed certificate of destruction to IRS on company letterhead. CD-ROMs must not be returned to the IRS.

Contractor's Security Letter – The contractor must email or fax on company letterhead (reference the GPO program and print order number) a detailed report of the inventory and tracking system and the security measures to be taken to secure the IRS CD-ROMs and any information output from them throughout the period the contractor and/or subcontractor(s) have possession of taxpayer information. Email to: glenn.r.pelishek@irs.gov or fax to: (202) 317-7154 to the attention of Glenn Pelishek.

These documents will be reviewed and analyzed by both Physical Security and Cybersecurity and any other security components, if implicated, for completeness, accuracy and compliance to security standards. Any questions identified during the analysis will be coordinated with GPO for clarification and verification.

After coordination with security personnel, a recommendation on whether the contractor is able to meet the security standards will be made to GPO.

If there are no changes/revisions, the contractor will be required to submit to the Contracting Officer a statement confirming that the current plans are still in effect.

Physical Storage Facility Requirements – The contractor must provide a secured perimeter – a dedicated, enclosed by slab-to-slab walls constructed of approved materials and supplemented by periodic inspection. Any lesser-type partition supplemented by UL-approved electronic intrusion detection and fire detection systems. Unless there is electronic intrusion detection devices, all doors entering the space must be locked and strict key or combination control should be exercised in accordance with "Locking Systems for Secured Areas." See IRS Publications 1075, 4812, and 4812-A (Rev. 8-2010) for additional security information. Janitorial services must be performed by cleared employees or during the daytime in the presence of cleared employees. Contractor must meet all physical security requirements as outlined in Publications 1075, 4812, and 4812-A.

Contractor must set up a secure and exclusive network for all IRS files and related work. All files must be directly downloaded and stored onto a dedicated storage device (i.e., hard drive) for all IRS files and related work. When the dedicated storage device is not in use, the hard drive must be stored in a security container. (See "Security Container Requirements" below.) Contractor must store the dedicated storage device for 60 calendar days after completion of the contract. After the 60 calendar days, the contractor is required to delete/destroy the data stored on their server, CD-ROM(s), and all audit trail pulls.

Security Container Requirements – Security containers must be metal containers that are lockable and have a resistance to penetration. The containers should have only two (2) keys. Strict control of keys is mandatory. Examples are mini safes, metal lateral key lock files, and metal pull drawer cabinets with center/off center lock bars secured by padlocks.

DISCLOSURE OF INFORMATION REQUIREMENTS:

Safeguards – In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his/her employees with the following requirements:

(1) All work shall be performed under the supervision of the contractor or by the contractor's employees who have obtained security clearance.

(2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspections or disclosures should be addressed to the GPO, Attn: Contracting Officer.

(3) The contractor certifies that the data processed during the performance of this contract shall be completely purged/destroyed from all data storage components of his/her computer facility (after 60 calendar days of completion of the contract) and no output will be retained by the contractor at the time the IRS work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized inspection or disclosure.

(4) Any spoilage or any intermediate hard copy printout which may result during the processing of IRS data must destroyed by a NIST approved shredder in accordance with NIST regulations.

(5) Should the contractor or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause, in accordance with GPO Contract Terms, GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01), may be invoked, and the person will be considered to be in breach of this contract.

Criminal/Civil Sanctions –

(a) Each officer or employee of any person at any tier to whom returns or return information is or may be disclosed shall be notified in writing by the person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure plus in the case of willful disclosure or a disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(b) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract and that inspection of any such returns or return information for a purpose or to an extent not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of $1,000.00 for each act of unauthorized inspection with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection plus in the case of a willful inspection or an inspection which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(c) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

Inspection – The contractor shall be subject, at the option/discretion of the IRS, to periodical testing (but no less than annually) and evaluation of the effectiveness of information security controls and techniques. The assessment of information security controls may be performed by an agency independent auditor, security team, or Inspector General, and shall include testing of management, operational, and technical controls, as indicated by the security plan or every information system that maintain, collect, operate, or use federal information on behalf of the IRS. The IRS and contractor shall document and maintain a remedial action plan, also known as a Plan of Action and Milestones (POA&M) to address any deficiencies identified during the test and evaluation. The contractor must cost-effectively reduce information security risks to an acceptable level within the scope, terms, and conditions of the contract. The contractor has the responsibility of ensuring that all identified weaknesses are either corrected and/or mitigated.

The Government shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, the Contracting Officer may require specific measures in cases where the contractor is found to be noncompliant with contract safeguards.

BREACH RELATED TERMINATION OF DATA TRANSMISSION: If the Government determines that an authorized recipient has failed to maintain adequate safeguards (in the transmission, retention, and/or use of SBU) or has made any unauthorized inspections or disclosures of SBU, the Government may terminate or suspend transmission of SBU to any authorized recipient until the Government is satisfied that adequate steps have been taken to ensure adequate safeguards or to prevent additional unauthorized inspections or disclosures. (See IRC section 6103(p)(4) and (p)(7).)

POSTAWARD CONFERENCE: Unless waived by the Contracting Officer, the total requirements of the job as indicated in these specifications will be reviewed by Government representatives with the contractor's representatives at the U.S. Government Publishing Office, Washington, DC – immediately after award. (At Government's option, postaward conference may be conducted via teleconference.)

Any person(s) that the contractor deems necessary for the successful implementation of the contract must be in attendance.

ASSIGNMENT OF JACKET, PURCHASE ORDER, AND PRINT ORDER NUMBERS: A GPO jacket number will be assigned and a purchase order issued to the contractor to cover work performed. The purchase order will be supplemented by an individual print order for each job placed with the contractor. The print order, when issued, will indicate the quantity to be produced and any other information pertinent to the particular order.

ORDERING: Items to be furnished under the contract shall be ordered by the issuance of print orders by the Government. Orders may be issued under the contract from Date of Award through June 30, 2021, plus for such additional period(s) as the contract is extended. All print orders issued hereunder are subject to the terms and conditions of the contract. The contract shall control in the event of conflict with any print order. A print order shall be "issued" upon notification by the Government for purposes of the contract when it is electronically transmitted or otherwise physically furnished to the contractor in conformance with the schedule.

REQUIREMENTS: This is a requirements contract for the items and for the period specified herein. Shipment/delivery of items or performance of work shall be made only as authorized by orders issued in accordance with the clause entitled "ORDERING." The quantities of items specified herein are estimates only, and are not purchased hereby. Except as may be otherwise provided in this contract, if the Government's requirements for the items set forth herein do not result in orders in the amounts or quantities described as "estimated," it shall not constitute the basis for an equitable price adjustment under this contract.

Except as otherwise provided in this contract, the Government shall order from the contractor all the items set forth which are required to be purchased by the Government activity identified on page 1.

The Government shall not be required to purchase from the contractor, requirements in excess of the limit on total orders under this contract, if any.

Orders issued during the effective period of this contract and not completed within that time shall be completed by the contractor within the time specified in the order, and the rights and obligations of the contractor and the Government respecting those orders shall be governed by the terms of this contract to the same extent as if completed during the effective period of this contract.

If shipment/delivery of any quantity of an item covered by the contract is required by reason of urgency prior to the earliest date that shipment/delivery may be specified under this contract, and if the contractor will not accept an order providing for the accelerated shipment/delivery, the Government may procure this requirement from another source.

The Government may issue orders which provide for shipment/delivery to or performance at multiple destinations.

Subject to any limitations elsewhere in this contract, the contractor shall furnish to the Government all items set forth herein which are called for by print orders issued in accordance with the "ORDERING" clause of this contract.

PRIVACY ACT NOTIFICATION: This procurement action requires the contractor to do one or more of the following: design, develop, or operate a system of records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties as stated in 5 U.S.C. 552a (i)(1) CRIMINAL PENALTIES. It is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a, specifically, 5 U.S.C. 552a (i)(1) CRIMINAL PENALTIES and m(1) GOVERNMENT CONTRACTORS.

PRIVACY ACT

(a) The contractor agrees:

(1) to comply with the Privacy Act of l974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system or systems of records and (ii) the work to be performed by the contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation;

(2) to include the solicitation notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and,

(3) to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved where the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.

(c) Using the IRS' general Web Privacy and Security Policy, the Government will work with the IRS' Office of Privacy to create a web privacy that specifically describes the policies of the survey.

(d) Contractors will ensure that, before gaining access to any sensitive but unclassified data (SBU), all employees review Privacy Awareness Training made available by the IRS' Office of Privacy.

(e) The terms used in this clause have the following meanings:

(1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

(2) "Record" means any item, collection or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

(3) "System of records" on individuals means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

PAYMENT: Prior to submitting billing invoice to GPO for payment, the contractor must submit an itemized statement of billing to the ordering agency for examination and certification as to the correctness of the billing. Contractor must submit billing invoice and all necessary documentation to the IRS representative specified after award.

After ordering agency verification, contractor must submit the signed, verified, billing invoice via the GPO fax gateway (if no samples are required) utilizing the GPO barcode coversheet program application to ensure fastest method of receiving payment. Instruction for using this method can be found at the following web address: http://winapps.access.gpo.gov/fms/vouchers/barcode/instructions.html.

Invoices may also be mailed to: U.S. Government Publishing Office, Office of Financial Management, Attn: Comptroller, Stop: FMCE, Washington, DC 20401.

For more information about the billing process, refer to the General Information of the Office of Finance web page located at: https://www.gpo.gov/how-to-work-with-us/agency/billing-and-payment.

ADDITIONAL EMAILED BID SUBMISSION PROVISIONS: The Government will not be responsible for any failure attributable to the transmission or receipt of the emailed bid including, but not limited to, the following:

1. Illegibility of bid.
2. Emails over 75 MB may not be received by GPO due to size limitations for receiving emails.
3. The bidder's email provider may have different size limitations for sending email; however, bidders are advised not to exceed GPO's stated limit.
4. When the emailed bid is received by GPO, it will remain unopened until the specified bid opening time. Government personnel will not validate receipt of the emailed bid prior to bid opening. GPO will use the prevailing time (specified as the local time zone) and the exact time that the email is received by GPO's email server as the official time stamp for bid receipt at the specified location.

SECTION 2. – SPECIFICATIONS

SCOPE: These specifications cover the production of tax packages (consisting of tax vouchers, payment vouchers, instruction booklets, return envelopes, and a mailout envelope) requiring such operations as electronic prepress, printing/variable imaging, binding/construction, inserting, and distribution.

TITLE: Package 1040-ES/V (OCR) and Package 1041-ES (OCR).

FREQUENCY OF ORDERS:

Package 1040-ES/V (OCR) – One order per year.
Package 1041-ES (OCR) – One order per year.

Separate print orders will be placed for the 1040-ES/V (OCR) and 1041-ES (OCR) tax packages. Both print orders may be placed at the same time. Unless otherwise specified, all specifications stated herein apply to both the 1040-ES/V (OCR) and 1041-ES (OCR) tax packages.

QUANTITY:

Package 1040-ES/V (OCR) – Approximately 963,000 packages per order.
Package 1041-ES (OCR) – Approximately 579,000 packages per order.

For the final quantity, the Government may submit increases or decreases of up to 25% of the final quantities. These quantity adjustments may be made by telephone and will be the final quantity *prior to deducting the NCOA^{LINK} undeliverables.* (See requirements specified herein.) These adjustments will not change the scheduled dates for turnover to USPS. It is anticipated that the final quantity will be provided on or around January 10th of each contract year.

No shortages or overruns will be allowed.

NUMBER OF PAGES:

Form 1040-ES/V (OCR) –

1040-ES (OCR) Tax Payment Voucher: Face and back.
1040-V (OCR) Tax Payment Voucher and Instructions: Face only.
1040-ES (OCR) Instruction Booklet: Eight (8) pages per order.
1040-ES (OCR) Return Envelope: Face and back (after construction).
1040-V (OCR) Extended-Flap Return Envelope: Face and back (after construction).
Mailout Envelope: Face and back (after construction).

There are four 1040-ES return envelopes to a package. All 1040-ES return envelopes print the same. There are 10 different 1040-V extended-flap return envelopes but only one to a package.

Form 1041-ES (OCR) –

1041-ES (OCR) Tax Payment Voucher: Face and back.
1041-ES (OCR) Instruction Booklet: Four (4) pages per order.
1041-ES (OCR) Return Envelope: Face and back (after construction).
Mailout Envelope: Face and back (after construction).

There are four 1041-ES return envelopes to a package. All 1041-ES return envelopes print the same.

TRIM SIZES:

Form 1040-ES/V (OCR) –

1040-ES (OCR) Tax Payment Voucher Sheet: 8 x 12" to 8 x 17".
1040-V (OCR) Payment Voucher and Instructions: 8 x 12" to 8 x 17".
1040-ES (OCR) Instruction Booklet: 8 x 10-7/8".
(At contractor's option, the 10-7/8" dimension can be up to 11".)
1040-ES Return Envelope: 3-5/8 x 8-1/2" – plus flap (with covered window).
1040-V Extended-Flap Return Envelope: 4-1/4 x 9" – plus extended flap.
Mailout Envelope: Must not exceed 6-1/8 x 9-3/4" – plus flap (with covered window).

Form 1041-ES (OCR) –

1041-ES (OCR) Tax Payment Voucher: 8 x 12" to 8 x 17".
1041-ES (OCR) Instruction Booklet: 8 x 10-7/8".
(At contractor's option, the 10-7/8" dimension can be up to 11".)
1041-ES Return Envelope: 3-5/8 x 8-1/2" – plus flap (with covered window).
Mailout Envelope: Must not exceed 6-1/8 x 9-3/4" – plus flap (with covered window).

GOVERNMENT TO FURNISH: Electronic Media will be furnished as follows –

Platform: Mac OSX (to most current version) or Windows XP (to most current version).

Storage Media: FTP; Email; CD-RW.

Software: Adobe Acrobat 8.0 (to most current version).

All platform system and software upgrades (for specified applications) that may occur during the term of the contract must be supported by the contractor.

Fonts: All printer and screen fonts will be embedded. (DO NOT UN-EMBED FONTS.)

The contractor is cautioned that furnished fonts are the property of the Government and/or its originator. All furnished fonts are to be eliminated from the contractor's archive immediately after completion of the contract.

Additional Information: Files will be furnished in PDF format.
PDF files are backward compatible to Acrobat 7.0.
A visual of the furnished electronic files will be provided.
GPO Form 952 (Desktop Publishing – Disk Information will be furnished.

Previously printed samples will be furnished upon request by the contractor.

Test CD-ROMs and live address CD-ROMs for Packages 1040-ES/V (OCR) and 1041-ES (OCR) produced in EBCDIC format. Contractor must be capable of reading CDs produced in EBCDIC format. The data will be encrypted/password protected using WinZip 9.0 (256 Bit AES encryption). The password will be secured emailed to the contractor.

Adobe Acrobat PDF file (version 8.0 or later) for carton labels will be furnished electronically.

USPS pallets will be made available by the USPS upon request by the contractor.

Electronic file (furnished via email) containing a listing of states that file at each service center.

Form 2040 – Electronic Daily Shipping Report.

IRS Form 13456, IRS Publishing - Postage Report, in a fillable PDF file.

IRS Form 9558 – Inspection Notification Report.

Form 9659 – Production and Mailing Report.

Identification markings such as register marks, commercial identification marks of any kind, etc., except GPO imprint, form number, and revision date, carried in the electronic files, must not print on the finished product.

EXHIBITS: The facsimiles of samples pages shown as Exhibits A through D are representative of some of the requirements which will be ordered under this contract. However, it cannot be guaranteed that future orders will correspond exactly to these exhibits.

CONTRACTOR TO FURNISH: All materials and operations, other than those listed under "GOVERNMENT TO FURNISH," necessary to produce the products in accordance with these specifications.

For completing all required IRS fillable forms, the contractor must have Internet access provided through an Internet Service Provider (ISP), an email account, and a web browser equivalent to Internet Explorer 6. The contractor is also required to have Adobe Acrobat 8.0 (or higher) software – not Adobe Reader. The contractor must furnish an email address for the IRS to email the forms mentioned above.

UNUSABLE FURNISHED CD-ROMS: CD-ROMS received in unusable condition, out of zip code sequence, or missing CD-ROMS will be replaced by the IRS on an expedited basis. Contractor must report any discrepancy to the Government within five (5) workdays of receipt of CD-ROMS.

The contractor may notify IRS Enterprise Computing Center (ECC) directly only if there is a physical problem with the CD-ROMS or the shipment in which they were received. Call ECC Production Control Help Desk at (304) 264-7501 and provide the following information:

- Job Run File ID
- Batch Cycle Group
- CD-ROM Number
- Brief explanation of problem.

The GPO program and jacket numbers will always appear on the shipping transmittal label which will always be with the last CD-ROM – if more than one.

ELECTRONIC PREPRESS: Prior to image processing, the contractor shall perform a basic check (preflight) of the furnished media and publishing files to assure correct output of the required reproduction image. Any errors, media damage, or data corruption that might interfere with proper file image processing must be reported to the contract administrator.

The contractor shall create or alter any necessary trapping, set proper screen angles and screen frequency, and define file output selection for the imaging device being utilized. Furnished files must be imaged as necessary to meet the assigned quality level.

All halftones are to be 150-line screen or finer.

When required by the Government, the contractor shall make minor revisions to the electronic files. It is anticipated that the Government will make all major revisions.

Prior to making revisions, the contractor shall copy the furnished files and make all changes to the copy.

Upon completion of each order, the contractor must furnish final production native application files (digital deliverables) with the furnished material. The digital deliverables must be an exact representation of the final printed product and shall be returned on the same type of storage media as was originally furnished, unless otherwise specified. The Government will not accept, as digital deliverables, PostScript files, Adobe Acrobat Portable Document Format (PDF) files, or any proprietary file formats other than those supplied, unless specified by the Government. (The Government will accept PDF files as digital deliverables when furnished by the Government.)

DATA TEST: After award, the contractor will be required to perform a data test to allow the ordering agency to test the data among the required lockbox banks' processing equipment prior to furnishing live data.

The Government reserves the right to waive the data test. The data test is required for the first contract year. However, the Government reserves the right the request the data test in option years – if exercised.

After award, the Government will furnish, via email, an electronic file containing 5,000 dummy records, each with a dummy 2D barcode, using the same media stipulated in these specifications. The furnished material will be representative of the items that are to be produced under these specifications.

Using the furnished material and furnished dummy data, the contractor shall print and image 5,000 vouchers. (Ordering agency will specify which vouchers are to be printed/imaged.)

Test samples shall be printed and the data imaged in accordance with the specifications for printing and imaging as stated herein. Test samples are to be printed/imaged on the required stock for the vouchers as specified under "STOCK/PAPER."

The container and accompanying documentation shall be marked "DATA TEST SAMPLES" and shall include the GPO program, purchase order, jacket, and print order numbers.

Test samples must have a 99% accuracy rate for approval.

Test samples must be submitted to one of the five lockbox bank sites as specified under "PRIOR TO PRODUCTION SAMPLES." (Address will be determined at time of the data test.)

Test samples must be submitted within five (5) workdays of receipt of furnished test material.

The Government will approve, conditionally approve, or disapprove the samples within five (5) workdays of the receipt of the samples. Approval or conditional approval shall not relieve the contractor from complying with the specifications and all other terms and conditions of the contract. A conditional approval shall state any further action required by the contractor. A notice of disapproval shall state the reasons therefore.

If the samples are disapproved by the Government, the Government, at its option, may require the contractor to submit additional samples for inspection and test in the time and under the terms and conditions specified in the notice of rejection. Such additional samples shall be furnished, and necessary changes made, at no additional cost to the Government. The Government will require the time specified above to inspect and test any additional samples required.

In the event that the samples are disapproved by the Government, the contractor shall be deemed to have failed to make delivery within the meaning of the default clause in which event this contract shall be subject to termination for default, provided however, that the failure of the Government to terminate the contract for default in such event shall not relieve the contractor of the responsibility to deliver the contract quantities in accordance with the shipping schedule.

In the event the Government fails to approve, conditionally approve, or disapprove the samples within the time specified, the Contracting Officer shall automatically extend the shipping schedule in accordance with article 12 "Notice of Compliance with Schedules" of contract clauses in GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 01-18)).

Manufacture of the final product prior to approval of the samples submitted is not permitted. Samples will not be returned to the contractor. All costs, including the costs of all samples, shall be included in the contract price for the production quantity.

All samples shall be manufactured at the facilities and on the equipment in which the contract production quantities are to be manufactured.

PROOFS:

Vouchers and Instruction Booklets – One (1) set of digital color content proofs. Direct to plate must be used to produce the final product with a minimum of 2400 x 2400 dpi. Proofs must be created using the same Raster Image Processor (RIP) that will be used to produce the product. Proofs shall be collated with all elements in proper position (not pasted up), imaged face and back, trimmed, and folded to the finished size of the product – as applicable.

Envelopes – One (1) set of digital color content proofs for each service center return envelope and mailout envelope. Direct to plate must be used to produce the final product with a minimum of 2400 x 2400 dpi. Proofs must be created using the same Raster Image Processor (RIP) that will be used to produce the product. Proofs shall be collated with all elements in proper position (not pasted up), imaged face and back, trimmed, and folded to the finished size of the product – as applicable. (NOTE: Proofs must show type, trim marks, flap, and window position, if applicable.)

If any contractor's errors are serious enough in the opinion of the GPO to require revised proofs, the revised proofs are to be provided at no expense to the Government. No extra time can be allowed for this reproofing; such operations must be accomplished within the original production schedule allotted in the specifications.

The contractor must not print prior to receipt of an "O.K. to Print."

PRIOR TO PRODUCTION SAMPLES: Prior to the commencement of production of the contract production quantity, the contractor shall submit prior to production samples of the 1040-ES (OCR) and 1040-V (OCR) payment voucher sheets only.

Package 1040-ES/V (OCR) – Using furnished test CD-ROMs (containing taxpayer data) and the "O.K. to Print" copy, the contractor shall submit no less than 100 samples each of the 1040-ES (OCR) and 1040-V (OCR) payment voucher sheets for each of the five (5) lockbox banks – total of 500 sample sheets for the 1040-ES voucher and 500 sample sheets for the 1040-V (OCR) voucher.

Package 1041-ES (OCR) – Using furnished test CD-ROMs (containing taxpayer data) and the "O.K. to Print" copy, the contractor shall submit no less than 500 samples of the 1041-ES (OCR) payment voucher sheet for one (1) lockbox bank.

Payment vouchers shall be printed, as specified herein, and must be of the size, kind, and quality that the contractor will furnish. Samples will be inspected and tested for conformance of materials and must comply with the specifications as to construction, kind, and quality of materials. All samples must be printed on the paper required, as specified herein.

For the priors to production samples, at contractor's option, the 1040-ES (OCR) and 1040-V (OCR) sample vouchers sheets may be single sheets or attached as required under "BINDING/CONSTRUCTION."

The 1040-ES (OCR) and 1041-ES (OCR) payment voucher sheet prints vouchers 4-up.

The 1040-ES/V (OCR) and 1041-ES (OCR) payment vouchers must be imaged in non-magnetic black ink.

NOTE: The IMB must be imaged on prior to production samples. The contractor must contact its local postal representative for specific instructions.

Fifty of the 100 samples required for each bank address for the 1040-ES/1040-V (OCR) payment voucher sheets and 50 samples for the 1041-ES (OCR) payment voucher sheets must be produced using the scanline and data specified below. (These samples will be folded, as specified herein, and remain intact.)

Scanline:	123456789 AA TAXP 30 0 202012 610 ECRLOT **CO l7
Name and Address data:	S18 JAMES A & ANDREA A TAXPAYER l6305 Main Ave N.W. 000 [denotes tray number] ANYTOWN US 99999-9999 (include intelligent mail barcode)
IRS P.O. Box Address data:	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214 (include intelligent mail barcode)

The vouchers must be perforated – bursted (not cut) to produce single vouchers. Vouchers will be tested on bank voucher equipment Falcon Reds and (NCR9810).

Package 1040-ES/V – Ship 100 copies each of the 1040-ES voucher sheet and 1040-V voucher sheet, at the contractor's expense, by an overnight delivery service to each of the following lockbox bank addresses:

J P Morgan Chase (Austin Service Center-18 and Kansas City Service Center-11)
Attn: Phillip Porter
Suite 114
830 Tyvola Road
Charlotte, NC 28217

Bank of America (Fresno Service Center-89)
Attn: May Moy
3180 Whipple Road
Union City, CA 94587

US Bank, Cincinnati, OH (Fresno, CA - 91)
Attn: Robert Hicks
1401 Dalton Avenue
Cincinnati, OH 45214

J P Morgan Chase (Kansas City Service Center – 09)
Commerce Crossings Four
Attn: Melissa Coyle
5101 Interchange Crossings Four
Louisville, KY 40229

Bank of America (Kansas City Service Center -10)
Attn: Leon Roy
770 Marshall Phelps Road
Windsor, CT 06095-2106

Package 1041-ES – Ship all 500 samples for the 1041-ES voucher sheet, at contractor's expense, by an overnight delivery service to: US Bank, Cincinnati, OH (Fresno, CA - 91), Attn: Robert Hicks, 1401 Dalton Avenue, Cincinnati, OH 45214.

The contractor must include one Lockbox Problem Report Form per bank shipment and mark all container labels as "TEST SAMPLES for IRS Package 1040-ES/V (OCR) or 1041-E (OCR)" – as applicable. The container and accompanying documentation shall include the GPO program, purchase order, jacket, and print order numbers.

Contractor must submit samples within five (5) workdays of "O.K. to Print" on proofs.

The Government will approve, conditionally approve, or disapprove the samples within nine (9) workdays of the receipt of the samples at the control banks specified above. Approval or conditional approval shall not relieve the contractor from complying with the specifications and all other terms and conditions of the contract. A conditional approval shall state any further action required by the contractor. A notice of disapproval shall state the reasons therefore.

If the samples are disapproved by the Government, the Government, at its option, may require the contractor to submit additional samples for inspection and test in the time and under the terms and conditions specified in the notice of rejection. Such additional samples shall be furnished, and necessary changes made, at no additional cost to the Government. The Government will require the time specified above to inspect and test any additional samples required.

In the event that the samples are disapproved by the Government, the contractor shall be deemed to have failed to make delivery within the meaning of the default clause in which event this contract shall be subject to termination for default, provided however, that the failure of the Government to terminate the contract for default in such event shall not relieve the contractor of the responsibility to deliver the contract quantities in accordance with the shipping schedule.

In the event the Government fails to approve, conditionally approve, or disapprove the samples within the time specified, the Contracting Officer shall automatically extend the shipping schedule in accordance with article 12 "Notice of Compliance with Schedules" of contract clauses in GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 01-18)).

Manufacture of the final product prior to approval of the sample submitted is at the contractor's risk. Samples will not be returned to the contractor. All costs, including the costs of all samples, shall be included in the contract price for the production quantity.

All samples shall be manufactured at the facilities and on the equipment in which the contract production quantities are to be manufactured.

STOCK/PAPER: The specifications of all paper furnished must be in accordance with those listed herein or listed for the corresponding JCP Code numbers in the "Government Paper Specification Standards No. 13" dated September 2019.

Government Paper Specification Standards No. 13 – https://www.gpo.gov/docs/default-source/forms-and-standards-files-for-vendors/vol_13.pdf.

Strict adherence to the following ruling and writing qualities must be observed for the specified stocks.

All text paper used in each copy must be of a uniform shade.

1040-ES/V (OCR) Tax Payment Voucher and 1041-ES (OCR) Tax Voucher –

White Optical Character Recognition (OCR) Bond, basis weight: 24 lbs. per 500 sheets, 17 x 22", equal to JCP Code O-25.

1040-ES (OCR) and 1041-ES (OCR) Instruction Booklet (at contractor's option) –

White Bond, basis weight: 20 lbs. per 500 sheets, 17 x 22", equal to JCP Code G10; or White Writing, basis weight: 20 lbs. per 500 sheets, 17 x 22", equal to JCP Code D10; or White Uncoated Text, basis weight: 50 lbs. per 500 sheets, 25 x 38", equal to JCP Code A60; or White OCR Bond, basis weight: 24 lbs. per 500 sheets, 17 x 22", equal to JCP Code O-25; or White/Natural (MUST be light shade) Newsprint, basis weight: 27.7 or 30 lbs. per 500 sheets, 24 x 36", must be equal to JCP Code A15.

1040-ES (OCR) and 1041-ES (OCR) Return Envelopes –

White Wove, basis weight: 24 lbs. per 500 sheets, 17 x 22", 95 percent bleached chemical pulp; unbleached and/or ground wood, not to exceed 5 percent; bursting strength must not be less than 138 kPa (20 lb/in^2); average opacity not less than 86 percent (no individual opacity measurement less than 84 percent); containing a minimum of 30 percent waste paper.

Mailout Envelopes (1040-ES/V and 1041-ES) (OCR) and Extended-flap Return Envelope (1040-ES/V) (OCR) –

White Wove, basis weight: 24 lbs. per 500 sheets, 17 x 22", 95 percent bleached chemical pulp; unbleached and/or ground wood not to exceed 5 percent; bursting strength must not be less than 165 kPa (24 lb/in^2); average opacity not less than 89 percent (no individual opacity measurement less than 87 percent); containing a minimum of 30 percent waste paper.

PRINTING/VARIABLE IMAGING:

1040-ES (OCR) Tax Payment Voucher – Print face only in black ink and one Pantone ink. Contractor must match Pantone number indicated on the print order. Printing consists of text and line matter. Image face and back in black only. Imaging consists of text matter (name/address), carrier route endorsement, OCR scanline, and barcodes – including a 2D barcode. (See "IMAGING REQUIREMENTS.") Vouchers print/image four-up to a sheet. Each voucher on a sheet images with the same name/address and barcodes. (See Exhibit A.)

1040-V (OCR) Tax Payment Voucher – Print face only in black ink and one Pantone ink. Contractor must match Pantone number indicated on the print order. Printing consists of text and line matter. Image face only in black only. Imaging consists of text matter (name/address), carrier route endorsement, OCR scanline, and barcode. (See "IMAGING REQUIREMENTS.") Name/address will be imaged in two locations on the voucher sheet. (See Exhibit B.)

1041-ES (OCR) Tax Payment Voucher – Print face only in black ink and one Pantone ink. Contractor must match Pantone number indicated on the print order. Printing consists of text and line matter. Image face and back in black only. Imaging consists of text matter (name/address), carrier route endorsement, OCR scanline, and barcodes – including a 2D barcode. (See "IMAGING REQUIREMENTS.") Vouchers print/image four-up to a sheet. Each voucher on a sheet images with the same name/address and barcodes. (See Exhibit C.)

1040-ES (OCR) and 1041-ES(OCR) Instruction Booklets – Print head-to-head in black ink only. Printing consists of text and line matter. The 1040 booklets may contain halftones.

1040-ES (OCR) and 1041-ES (OCR) Return Envelopes – Print face and back (after construction) in carbon base black ink only. Printing consists of text and line matter. Envelopes also contain Facing Identification Marks (FIM). The FIM bars are printed in the upper right face of each envelope. The FIM bars are the same on all four envelopes.

1040-V (OCR) Extended-Flap Return Envelope – Print face and back (after construction) in carbon base black ink and Pantone yellow ink. Printing consists of text and line matter and an intelligent mail barcode. Envelopes also contain FIM bars. The FIM bars are printed in the upper right face of each envelope. The FIM bars are the same on all six different return envelopes. (See Exhibit D.)

Mailout Envelope (1040-ES/V (OCR) and 1041-ES (OCR)) – Print face and back (after construction) in black ink only. Printing consists of text and line matter. It is the contractor's responsibility to determine what language is required on the envelope for International mail. (There will be approximately 1,500 envelopes for the 1040-ES/V and approximately 750 envelopes for the 1041-ES that will require a copy change on the face of the envelope for International Mail.)

Printing on all envelopes (return and mailout) shall be in accordance with the requirements for the style envelope ordered. All printing shall comply with all applicable U.S. Postal Service regulations. Envelopes shall accept printing without feathering or penetrating to the reverse side.

All envelopes (return and mailout) require a security tint printed on the inside (back – before construction) in black ink. Contractor may use his/her own design but must guarantee that the design will ensure complete opacity and prevent show through of any material contained therein.

IMAGING REQUIREMENTS: Vouchers require computerized imaging, either impact or nonimpact (repetitive data on each voucher within a package) of the name/address, carrier route endorsement, scanline, and bar code directly on the product in OCR-A, Font Size 1, utilizing the furnished CD-ROMs.

The IRS will send the CD-ROMs to the contractor. CD-ROMs are to be received by the contractor between January 5th and January 10th of each contract year. One hundred percent retrieval of all necessary information is required. It is the contractor's responsibility to ensure that the imaging equipment used for this contract has the capability to image all required areas. *The imaging must be in non-magnetic black ink and cannot contain any magnetic properties such as ferrous oxide.*

Imaging must meet the following requirements:

- The size of the type must be either 10 or 12 point in height – not characters to the inch. Use the larger of the two type sizes to fit the product. The font may be Helvetica, Siemens Gothic Text, Siemens Essay Standard, Scitex Gothic International Medium, or Kodak Gothic. Any other type must be approved before the preproduction conference.
- Imaging must be black.
- All characters must align.
- No missing data or entries.
- No duplicate data or entries.
- "Labels" on the extended flap will have no more than five (5) lines – seven (7) lines including carrier route endorsement line and intelligent mail barcode.
- There will be a maximum of 39 characters per line and spaced 6 lines per inch vertically.
- No broken characters.
- No smearing.
- No visible wicking.
- No visible gloss.
- Reflectance of characters shall be visually uniform across the whole label.

SCANLINE: The scanline must print in OCR-A, alphanumeric typefont, size 1, must be vertically positioned 1/2" from the bottom of the voucher to the bottom of the scanline, and the rightmost character must end 3-1/2" from the right edge of the form. Contractor must allow a clear band of 1/4" above and below the midpoint of the scanline, and the scanline should occupy the center of the clear band.

The minimum acceptable clear space between characters is 0.014". Characters in the scanline must not run out of the Optical Reader's field of view. Over a 7-5/8" line of print, the line should not be skewed more than 1.4 degrees. The maximum allowable rotation of the character image is +1.5 degrees measured relative to the baseline of the scanline.

All scanlines on the forms must be either laser imaged or computer imaged in the specified readable OCR ink. The characters must be clean and sharp with well-defined edges. They must have uniform density, no voids or fill-ins, and the strokes must be of average thickness. The ink must be sufficiently non-reflective. In addition, there should be no extraneous ink or other marks around the characters. Non-scan information on the voucher should be printed in inks that do not absorb light to which the scanning device is sensitive.

Ensure one blank field between each element as described below –

1040-ES (OCR) Tax Payment Voucher

NNNNNNNNN AA AANN NN N NNNN NNN (Contractor to create PDF 417 barcode of scanline.)
A B C D E F G

Key: N – Numeric A - Alpha

A.	TIN/SSN	9	N	Varies
B.	Check Digit	2	N	Varies
C.	Name Control	4	A	Varies
D.	MET	2	A/N	Varies
E.	TIN Type	1	N-	Varies
F.	Tax Period	4	N	Varies
G.	Transaction Code	3	N	Varies
H.	Payment Amount	11	N	Varies

1040-V (OCR) Tax Payment Voucher

NNNNNNNNN AA AANN NN N NNNN NNN (Contractor to create PDF 417 barcode of scanline.)
A B C D E F G

Key: N – Numeric A - Alpha

A.	TIN/SSN	9	N	Varies
B.	Check Digit	2	N	Varies
C.	Name Control	4	A	Varies
D.	MET	2	A/N	Varies
E.	TIN Type	1	N-	Varies
F.	Tax Period	4	N	Varies
G.	Transaction Code	3	N	Varies
H.	Payment Amount	11	N	Varies

1041-ES (OCR) Tax Payment Voucher

NNNNNNNNN AA AANN NN N NNNN NNN (Contractor to create PDF 417 barcode of scanline.)
A B C D E F G

Key: N – Numeric A - Alpha

A.	EIN	9	N	Varies
B.	Check Digit	2	N	Varies
C.	Name Control	4	A	Varies
D.	MFT	2	N	Constant "05"
E.	TIN Type	1	N	Constant "2"
F.	Tax Period	4	N	Varies YYYYMM – where YYYY = current year plus 1
G.	Transaction Code	3	N	Constant "660"

MARGINS: Unless otherwise specified, margins will be as indicated on the print order or furnished media.

BINDING/CONSTRUCTION:

1040-ES (OCR) Tax Payment Voucher – Each voucher sheet will have three horizontal perforations (slit or slot, with black ink) located every 3" between vouchers creating four individual vouchers – each 8 x 3" in size. Vouchers must be perforated so that they are easily and cleanly separated.

1040-V (OCR) Tax Payment Voucher – Voucher sheet has one horizontal perforation (slit or slot, with black ink) located 3" from the bottom edge of voucher creating a detachable voucher – 8 x 3" in size.

The 1040-ES (OCR) Payment Voucher and 1040-V (OCR) Payment Voucher are attached. At contractor's option, the two voucher sheets can be attached in one of the following ways:

- Fold from 17 x 12" to 17" down to 8 x 12" to 17" and trim three sides. Perforate on fold (slit or slot, with black ink). When folded, the printing on both leaves will be facing out, perforated fold to left with 1040-V (OCR) voucher facing up. Voucher sheets must be perforated so that the two leaves are easily and cleanly separated.

- Fold from 8 x 12" to 17" down to 8 x 6" and trim three sides. Perforate on fold (slit or slot, with black ink). When folded, the printing on both leaves will be facing out, perforated fold at top with the 1040-V (OCR) voucher facing up. Voucher sheets must be perforated so that the two leaves are easily and cleanly separated.

  NOTE: Lead or right edge of voucher sheet must have a clean edge with no perforations.

Fold attached voucher sheets from 8 x 12" to 17" down to 8 x 3" for insertion into mailout envelope. The imaged name/address on the 1040-V Tax Payment Voucher must be facing out when folded for visibility through mailout envelope window. All folds must be on the perforations.

NOTE: It is the contractor's responsibility to assure that the recipient name/address on the 1040-ES (OCR) Tax Payment Voucher sheet corresponds to the name/address on the 1040-V (OCR) Payment Voucher sheet.

1041-ES (OCR) Tax Payment Voucher – Each voucher sheet will have four horizontal perforations (slit or slot, with black ink) located 2" from the top and then every 3" between vouchers creating four individual vouchers (each 8 x 3" in size) below the 2" top flap. Vouchers must be perforated so that they are easily and cleanly separated.

Fold voucher sheet down to 8 x 3" for insertion into mailout envelope. The imaged name/address on back of sheet must be facing out when folded for visibility through the mailout envelope window. All folds must be on the perforations.

1040-ES (OCR) Instruction Booklet – At contractor's option, the booklet can be bound in one of the following ways:

- Fold from 32 x 10-7/8" down to 8 x 10-7/8", title out, with three parallel, wraparound folds.
- Saddle-wire stitch in two places and trim three sides. Each product must contain complete four-page signatures after trimming. Single leaves connected with a lip (i.e., binding stub) to left or right side of stitches will not be allowed. (NOTE: In lieu of saddle-stitching, contractor can paste on fold.)

Letter-fold booklet suitable for insertion into mailout envelope.

1041-ES (OCR) Instruction Booklet – Fold from 16 x 10-7/8" down to 8 x 10-7/8", title out. Trim three sides. Letter fold booklet for insertion into mailout envelope.

1040-ES (OCR) and 1041-ES (OCR) Return Envelope – Envelopes are open side, with gummed fold-over flap for sealing, and contain high-cut side or diagonal seams, at contractor's option.

Flap depth is at contractor's option but must comply with all USPS requirements. Flap must be coated with suitable glue that will securely seal the envelope without adhering to contents, not permit resealing of the envelope, and permit easy opening by the recipient. The sealed seams shall not adhere to the inside of the envelope. Envelopes shall be free from cuts, folds, tears, machine marks, foreign matter, dirt, ink smears, and adhesive stains.

Face of envelope to contain one die-cut address window with slightly rounded corners. Size and location of window is to be determined by the contractor provided that the visibility of the mailing address and barcode is not obscured, and other extraneous information is not visible when material is inserted into the envelope.

Window is to be covered with a suitable transparent, low-gloss poly-type material that must be clear of smudges, lines, and distortions. Poly-type material must be securely affixed to the inside of the envelope so as not to interfere with insertion of contents. Window material must meet the current USPS readability standards/requirements.

1040-V (OCR) Extended-Flap Return Envelope – Envelopes are open side, with extended, gummed fold-over flap for sealing, and contain high-cut side or diagonal seams, at contractor's option.

Flap depth is 2-1/2" with a 1-3/4" gummed area. Envelopes must have a fold at the bottom. (The bottom may not be glued.) Perforate the flap (slit or slot, without ink) horizontally 1-1/4" from, and parallel to, the flap fold. Perforate vertically 3-7/16" from left and right edges. No perforations are allowed on the bottom and top folds. (See Exhibit D.)

Flap must be coated with suitable glue that will securely seal the envelope without adhering to contents, not permit resealing of the envelope, and permit easy opening by the recipient. The sealed seams shall not adhere to the inside of the envelope. Envelopes shall be free from cuts, folds, tears, machine marks, foreign matter, dirt, ink smears, and adhesive stains.

Mailout Envelope –

1040-ES/V (OCR) and 1041-ES (OCR): Envelopes are open side, with gummed fold-over flap for sealing, and contain high-cut side or diagonal seams, at contractor's option.

Flap is a 1-3/8" straight flap with a 5/8" to 3/4" gummed area. Flap must be coated with suitable glue that will securely seal the envelope without adhering to contents, not permit resealing of the envelope, and permit easy opening by the recipient. The sealed seams shall not adhere to the inside of the envelope. Envelopes shall be free from cuts, folds, tears, machine marks, foreign matter, dirt, ink smears, and adhesive stains.

Face of envelope to contain one die-cut address window with slightly rounded corners. Size and location of window is to be determined by the contractor provided that the visibility of the mailing address and barcode is not obscured, and other extraneous information is not visible when material is inserted into the envelope.

Window is to be covered with a suitable transparent, low-gloss poly-type material that must be clear of smudges, lines, and distortions. Poly-type material must be securely affixed to the inside of the envelope so as not to interfere with insertion of contents. Window material must meet the current USPS readability standards/requirements.

The size of the envelope (not to exceed 6-1/8 x 9-3/4) and the size and location of the envelope window are at the contractor's discretion provided that the required contents to be inserted fit properly in the mailout envelope and that the visibility of the name/address and barcode on the vouchers is not obscured and other extraneous information is not visible.

Contractor is responsible that the envelope and envelope window meet and pass all USPS requirements, including the "tap" test.

INSERTING: Gather all components of each tax package for insertion into mailout envelope as follows:

Package 1040-ES/V (OCR) Mailer –

- One 1040-ES (OCR) Tax Payment Voucher/1040-V (OCR) Tax Payment Voucher (attached)
- One copy of 1040-ES (OCR) Instruction Booklet
- Four 1040-ES (OCR) Return Envelopes (At contractor's option, the four envelopes may be paper banded together to create one insert.)
- One 1040-V (OCR) Extended-Flap Return Envelope

Insert the above components into mailout envelope with recipient's name and address on the 1040-V (OCR) Tax Payment Voucher facing out for visibility through mailout envelope window. (NOTE: As long as the recipient's name and address on the 1040-V (OCR) voucher is visible through the envelope window, the order of insertion for the remaining components is at the contractor's discretion.)

Form 1041-ES (OCR) Mailer –

- One 1041-ES (OCR) Tax PaymentVoucher
- One copy of the 1041-ES (OCR) Instruction Booklet
- Four 1041-ES (OCR) Return Envelopes (At contractor's option, the four envelopes may be paper banded together to create one insert.)

Insert the above components into mailout envelope with recipient's name and address on the 1041-ES (OCR) Tax Payment Voucher facing out for visibility through mailout envelope window. (NOTE: As long as the recipient's name and address on the 1041-ES (OCR) payment voucher is visible through the envelope window, the order of insertion for the remaining components is at the contractor's discretion.)

NOTE: For both the 1040-ES/V (OCR) and 1041-ES (OCR) mailouts, it is the contractor's responsibility to assure that only the name/address and barcode on the 1040-V (OCR) Tax Payment Voucher sheet or the 1041-ES Tax Payment Voucher sheet, as applicable, will be visible through the window of the mailout envelope and that only the required components as specified above are inserted into each mailout envelope.

CONTRACTOR REQUIRED TO COMPLETELY SEAL MAILER ENVELOPES.

QUALITY CONTROL: Vouchers will be tested on bank equipment Falcon Reds and (NCR9810).

The contractor must maintain a thorough quality assurance program to guarantee that not more than five (5) percent of the delivered vouchers contain an illegible (non-scannable) line on the voucher when run on Falcon Reds and Banc Tec Models TRP 700, 9400, 9500, DP500 or Unysis scanner models.

The contractor must provide for replacement of any damaged or mutilated voucher sets or illegibly addressed packages. The contractor must immediately replace any damaged/mutilated or illegibly addressed voucher sets during the imaging operation. Replacement must be accomplished as damage occurs in order to maintain proper zip code sequence. The contractor will be furnished a record layout.

Any packages damaged so as to be unusable during the folding and inserting operations must be replaced at end of run by using the 2-D Barcode unique number on the vouchers to re-run replacement voucher sets. These packages can go with the residual mail but must be accounted for with the IRS mail coordinator and/or mail listing. **Any damaged, mutilated, or illegibly addressed packages MUST be shredded immediately after replacement**.

NOTE: IRS quality pulls must contain the 2-D Barcode and unique number as well. The contractor must provide sufficient detail to fulfill the contract requirements ensuring that there is 100% mailing and that there are no missing pieces.

Contractor must use Perfect-Match System with a camera to read 2-D sequence number PDF 417 barcode to ensure 100% mailing. Contractor must have a system using the 2-D barcode to account for every piece of mail to prevent double stuffs and duplicates. The 2-D barcode with unique number must be imaged in the address panel and appear through the window envelope. The 2-D PDF 417 barcode with scanline information must appear on the Form 1040-ES/1040-V (OCR) vouchers and 1041-ES (OCR) vouchers.

BINDING/CONSTRUCTION, INSERTING, AND MAILING INSPECTION: The binding/construction, inserting, and mailing of the tax packages may be inspected at the contractor's/subcontractor's plant (if applicable) to ensure that these operations are in conformance with requirements of the contract.

LOCKBOX BANK ADDRESS CHANGES: The contractor will be required to perform some programming to create and image the appropriate lockbox bank address above and to the right of the voucher scanline in an area 3 x 1/4". Each IRS Service Center will have a different lockbox bank address.

If the furnished CDs do not conform to contractor's equipment, the contractor must take the IRS data and reformat it to produce all of the required information using their own equipment. The contractor will be required to develop software to edit and reposition the various data elements taken from the CD to be applied to the vouchers. The contractor will also be required to produce a unique number for each voucher set, so the contractor may retrieve and reproduce records for any unusable sets by using their equipment. If the unique number contains more than 10 characters, it must not begin with 1800, 1866, 1877, 1888, or 1900.

The contractor will be required to take information from the furnished CD and format it to create Intelligent Mail Barcodes with their Mailer ID for the return and mailing addresses. The barcode is to be positioned on the 1040-ES (OCR)/1041-ES (OCR) payment voucher below the city/state of the return address. The other barcode is to be positioned either between the endorsement line and the first name line or below the last line of the mailing address which is imaged above the instructions for the 1040-V (OCR) payment voucher (for the 1040-ES (OCR)).

It will be the contractor's responsibility to perform a further sortation to a 5-digit delivery point barcode, 3-digit delivery point barcode, and basic ZIP+4 delivery point barcode. In addition, the contractor must convert furnished address CDs from all sack-sorted mail to either all tray-sorted or a combination of the two for the purpose of the Government receiving the U.S. Postal Service's delivery point barcoded mail discounts.

DISTRIBUTION: Mail f.o.b. contractor's city each individual mailout tax package.

All mailing shall be made at the First Class rate.

The Government will furnish a permit number and mailing indicia for First Class Mail. A PS Form 3602 "Statement of Mailing with Permit Imprints" and a GPO Form 712 "Certificate of Conformance" must be completed and submitted to the entry post office for all shipments using permit imprint mailing.

NOTE: International mail pieces do not use the mailing indicia. The contractor must apply the appropriate postage to each mailout envelope and release International mail to the USPS. The contractor will be reimbursed for all International mailing costs by submitting postal receipts with billing invoice for payment.

The contractor is cautioned that the permit imprint/mailing indicia may be used only for the purpose of mailing material produced under this contract.

When using permit imprint mail, the contractor must complete GPO Form 712 – Certificate of Conformance (Rev. 10-15) and the appropriate mailing statement(s) supplied by USPS. A fillable GPO Form 712 – Certificate of Conformance can be found at: https://www.gpo.gov/how-to-work-with-us/vendors/forms-and-standards.

All copies mailed must conform to the appropriate regulations in the U.S. Postal Service manuals for "Domestic Mail" or "International Mail" as applicable.

Orders which result in mailings of less than 200 pieces or less than 50 pounds will require the contractor to apply the appropriate postage to each mailing. Contractor will be reimbursed for postage by submitting a properly completed postal service form (or equivalent) with billing invoice for payment.

The contractor must complete Form 13456 per the supplied instructions on the form and fill in the following fields: name of contractor, contractor contact person, telephone number of contact person, email of contact person, number of pages in the combined email, date the email was sent, and the wave/phase number (actual mail date). The wave/phase number is used to show the number of mailings in the event of staggered shipments for one print order/requisition.

Mailing Addresses – Mailing addresses must meet all current U.S. Postal Service requirements. The contractor must reformat the furnished CDs to image the endorsement line and literal, service center code, tax package code, name, address, city, state, and zip code, postal sack number, and break number (change indicator) in six (6) lines. The contractor will be required to use the information from the furnished CDs to format and create an intelligent mail barcode. This barcode is to be imaged in accordance with the USPS current Domestic Mail Manual (DMM).

Intelligent Mail Barcode – The contractor must be an approved Full Service USPS Intelligent Mail Barcode provider and must be able to furnish an approved copy of their IMB Mailer ID Application for verification of status. The contractor must meet all Full Service IMB preparation and postage documentation requirements as required in the DMM. All mail shall be presented under the contractor-obtained Mailer ID. The contractor must establish a Customer Reference ID (CRID) for the IRS as the mail owner. The contractor will provide all requested postage statements and reports along with the following mail data: date of mailing, USPS acceptance date, number of pieces, postage amount, and weight. Upon request, the contractor will provide access and password to Postal One for use by the IRS Print Specialist.

NCOA^{Link} Processing, LACSLink, and Delivery Point Validation (DPV) – The contractor is responsible for taking the IRS raw data file and verifying the file against the National Change of Address ^{Link} (NCOA^{LINK}), LACSLink, and Delivery Point Validation (DPV) file using a licensed USPS Full Service Provider.

The contractor must specify in his/her bid the name of the NCOA^{LINK} full service provider to be utilized.

The contractor must select the new move addresses from the mail file, verify the service center code of the new move addresses (making all necessary service center code corrections) using the furnished electronic file, and merge the new move addresses back into the mail file.

Order of Addressing – Addressing may be affected by staging considerations. Contractor may be required to image/mail tax packages for some states before other states. The IRS will provide this information shortly after award.

The furnished CD-ROMs contain raw, unedited, mail label records (taxpayer and lockbox bank addresses) and must be formatted for an address label at the contractor's expense. Computer dumps are not acceptable. The CD-ROMs are sorted by the service center. The service center code included in the record layout can be used for sorting addresses by service center. The raw data contained on these CDs has been passed through Finalist Software (equivalent to Code 1 of Group One Software) for hygiene and standardization.

Contractor must pass the entire file against a USPS Code Accuracy Support System (CASS) certified software address hygiene program. Contractor's software must also be Presort Accuracy Validation and Evaluation (PAVE) certified.

Unique Number – The contractor may be required to produce a unique number for each mailer package using their own equipment so that the contractor may retrieve and reproduce records for any unusable package or when packages are pulled as QA Samples. If the unique number contains more than 10 characters, it must not begin with 1800, 1866, 1877, 1888, or 1900. The unique number must not appear on any of the payment vouchers.

Identification Numbers – A Service Center Code and a Tax Form Code will appear in each Taxpayer's Name and Address.

Presort – Contractor must utilize a commercially prepared software package for assigning the mail file in an approved presort format. The contractor must comply with all U.S. Postal Service regulations governing the preparation of First Class rate mailings which are in effect at the time of the mailing – including the issuance of the required forms (mailing statements) and the weighing of shipments. The contractor must meet with local postal authorities before the start of production. The contractor must maximize postage savings by approved 5-digit format.

All packages must adhere to the current DMM's specific requirements regarding minimum and maximum package sizes.

Presort Palletization – As outlined by the USPS in the current DMM, the presort palletization program requires that, in most cases, depending on thickness and weight, individual packages of 10 or more pieces be prepared for 5-digit sorting. This may take the form of packages or packages in bundles presented on pallets. (See current DMM for specific requirements.)

USPS Confirm Barcode Tracking – The contractor must also create a USPS Intelligent Mail Barcode containing confirm tracking information that must be imaged in the appropriate area of address field with the taxpayer address, IRS lockbox address, correctly aligned with the address to meet USPS regulations. The contractor must provide detailed map of USPS tracking scans to be displayed in color. The contractor will provide custom mail tracking capabilities that can break IMB information down by state and dates. The contractor will track the first scan information of the IMB for the outgoing 1040-ES/V (OCR) and 1041-ES (OCR) mailers. Additionally, the contractor must track the last scan for the return of the Form 1040-V (OCR) payment voucher, all four 1040-ES (OCR) payment vouchers, and all four 1041-ES (OCR) payment vouchers to the lockbox banks. Tracking reports must be submitted on a daily basis or online via a secured web site. The IMB must be imaged on prior to production samples. The contractor must contact its local postal representative for specific instructions.

Zip Code Sequence Report – The contractor's software must provide 3-digit, 5-digit, and Zip Code count report for the contractor's use during the addressing operation. A copy must also be provided to the IRS In-Plant Liaison.

Mailing Reports – The contractor will provide daily addressing production information required to complete Report Form 9659. The liaison will email this report every workday to the IRS National Office. In the absence of the liaison, the contractor must email the report to: glenn.r.pelishek@irs.gov.

Point of Entry – The contractor will specify in his/her bid the location of their staging area(s) and their proposed point of entry for the tax package mail. (See "LOCATION OF POST OFFICE" in SECTION 4.)

Mailing Rate – The USPS will verify the total weight of the mailing. The contractor must comply with all current DMM regulations governing use of First Class Mail.

Internal Wrapping or Tying – All bundles containing mixed carrier routes or 3/5-digit zip codes require internal wrapping or tying in direct packages of 10 or more letters. (See current DMM for specific requirements.)

Postal Pallets – Upon contractor's request, the USPS will provide pallets, or the contractor may use their own pallets (at contractor's expense) that meet postal requirements. Loaded pallets must be wrapped with a shrinkable or stretchable plastic strong enough to retain the integrity of the pallet during transportation and handling. Pallets must be prepared in accordance with the requirements in the current DMM for Packages and Bundles Presented on Pallets and Palletizing Sacks. (See the current DMM for preparation requirements for palletizing First Class mail.) Packages must be palletized separately from sacks. The sack tags must be barcoded and readable by USPS equipment. Further details on pallet loading and flagging may be obtained by consulting local Postal Customer Representatives.

Pallet Staging and Storage – Loaded pallets must be assembled and stored ("staged") for eventual turn over to USPS beginning no sooner than March 8th of each contract year. The pallets are to be staged in an order so that the furthest destinations will be turned over first and the closest destinations last.

Turnover Requirements – Contractor must ensure the in-home delivery window is three (3) to 10 calendar days after completion of mailing.

International Requirements – Approximately 1,500 pieces of International mail is part of the Package 1040-ES/V mailing. Approximately 750 pieces of International mail is part of the Package 1041-ES mailing. The contractor must apply the appropriate postage to the mailout envelope and release the International mail to the USPS. The contractor will be reimbursed for all International mailing costs by submitting postal receipts with billing invoice for payment.

Postage Summary Report – The contractor is required to submit postage summary reports, for each phase of the mailing, showing the number of pieces and cost of 3/5 digit and Basic broken out by Service Center and the grand total. The reports are to be submitted following NCOA^{LINK}, LACSLink, and Delivery Point Validation processing. Reports are to be emailed to: glenn.r.pelishek@irs.gov and bartholomew.s.truitt@irs.gov. Reports must be submitted to the ordering agency by March 8th of each contract year. Failure to submit reports by the date specified may result in delay of payment processing.

The contractor must complete and submit (via email) a PDF to the IRS within three (3) workdays of the final turnover of packages to the USPS. The PDF should be sent in a single email when possible and the total file size of the email must be under 5 MB. If the size exceeds 5 MB, then multiple emails must be used. The PDF file is to be emailed to: postage@publish.no.irs.gov, glenn.r.pelishek@irs.gov, and bartholomew.s.truitt@irs.gov. For the convenience of the contractor, Form 13456 is provided as a fillable PDF file. The IRS will complete the fields in the "IRS Use Only" section of the form prior to emailing the form to the contractor. If there is any information missing or incorrect, contractor must contact the IRS print specialist.

The PDF to be submitted to the IRS should be the Form 13456 and all related postal paperwork that has been combined into a single PDF. (A scanned copy of the Form 13456 is not allowed. The contractor must fill out the provided fillable PDF file for Form 13456, add the postal paperwork (which can be scanned) to the PDF file, save, and email.)

The contractor is responsible for capturing five (5) data elements from every postage statement (i.e., USPS Form 3602, 3602-R, 3600): post office zip code, postage statement date, total pieces mailed, postage amount, and postage statement type. The form must contain only postage information for the designated IRS program, print order, and requisition.

Prior to emailing the combined PDF file, the contractor must rename the file. The file should be named using the nine (9) digits of the requisition number, post office zip code, first mailing statement date, last mailing statement date, followed by ".pdf." In the event that both mailing statement dates are the same, the first and last dates in the file name can also be the same. (For example, for Requisition Number 2014-12345, the file name will be: 2014-12345_16625_01-02-14_01-14-14.pdf.)

If the file size is too large to email, the contractor will have to create multiple PDF files and add a suffix to the file name starting with the letter "a," then "b", etc. (i.e., 2014-12345_16625_01-02-14_01-14-14a.pdf). The contractor is also responsible for the accuracy of the information returned to the IRS. Any delay or missing data could result in delay of payment.

All Postage Statements (i.e., USPS Forms 3600s, 3602s, 3605s, and USPS Form 8125, PVDS) must contain the IRS Agency Cost Code "67039" in the "Federal Agency Cost Code" box. The GPO jacket number must be included in the mailer information located in the upper portion of the postage statement.

Return/Destruction of Government Furnished Material – Furnished dummy must be destroyed either by incinerating to ash or crosscut-shredding. Contractor must submit a signed certificate of destruction to IRS on company letterhead

Postal Service will advise contractor on return of unused postal pallets – if applicable.

If CDs are furnished, the contractor must hold and store them in a secure environment for 60 calendar days after completion of each order. After 60 calendar days, the contractor must immediately destroy the furnished CDs (either by incinerating to ash or crosscut-shredding) and submit a signed certificate of destruction to IRS on company letterhead. CDs must not be returned to the IRS.

All expenses incidental to returning/destroying materials, submitting proofs and prior to production samples, and furnishing sample copies must be borne by the contractor.

SCHEDULE: Adherence to this schedule must be maintained. Contractor must not start production of any job prior to receipt of the individual print order (GPO Form 2511).

When applicable, hard copy furnished material will be sent to the contractor.

Proofs are to be delivered to and picked up from: IRS, Attn: Glenn Pelishek, Room 6235, 1111 Constitution Avenue, Washington, DC 20224.

When applicable, all furnished electronic media and visuals must be returned with proofs.

No definite schedule for pickup of material can be predetermined at this time.

The following schedule begins the workday after notification of the availability of print order and furnished material; the workday after notification will be the first workday of the schedule.

Schedule for Proofs and Prior to Production Samples –

- Contractor must submit proofs within two (2) workdays of notification of availability of print order and furnished material.
- Proofs will be withheld no more than two (2) workdays from their receipt at the ordering agency until they are made available for pickup. (The first workday after receipt of proofs at the ordering agency is day one (1) of the hold time.)
- When required, contractor must submit revised proofs within one (1) workday of receipt of changes/corrections on initial proofs.
- Revised proofs will be withheld no more than two (2) workdays from their receipt at the ordering agency until they are made available for pickup. (The first workday after receipt of revised proofs at the ordering agency is day one (1) of the hold time.)
- Contractor must submit prior to production samples within five (5) workdays of "O.K. to Print" on proofs.
- The Government will approve, conditionally approve, or disapprove the samples within nine (9) workdays of the receipt thereof.

Schedule for 1040-ES/V Production –

- Print order and copy for 1040-ES Tax Voucher Sheet, 1040-V Payment Voucher and Instructions, 1040-ES Return Envelope, 1040-V Extended-Flap Return Envelope, and the Mailout Envelope will be furnished on or about October 28th of each contract year.
- Test CD-ROMs containing addresses for prior to production samples will be furnished on or about November 10th of each contract year.
- Final quantity and address files will be furnished on or about December 5th of each contract year.
- Copy for the 1040-ES Instruction Booklet will be furnished on or about January 21st of each contract year.
- Earliest date contractor can start mailing the 1040-ES/V packages is January 31st of each contract year.
- Complete distribution must be made by no later than February 17th of each contract year.

Schedule for 1041-ES Production –

- Print order and copy for 1041-ES Payment Voucher, 1041-ES Return Envelope, and the Mailout Envelope will be furnished on or about November 14th of each contract year.
- Test CD-ROMs containing addresses for prior to production samples will be furnished on or about November 16th of each contract year.
- Copy for the 1041-ES Instruction Booklet will be furnished on or about December 12th of each contract year.
- Final quantity and address files will be furnished on or about December 15th of each contract year.
- Earliest date contractor can start mailing the 1041-ES packages is January 31st of each contract year.
- Complete distribution must be made by no later than February 7th of each contract year.

Schedules for both the 1040-ES/V and 1041-ES packages: If any "on or about" date that copy is to be received by the contractor falls on a non-Federal workday, the "on or about" date will be extended to the next Federal workday.

The contractor must notify the GPO of the date and time the binding/construction, inserting, mailing inspection can be performed when indicated on print order. In order for proper arrangements to be made, notification must be given at least 72 hours prior to each inspection unless indicated otherwise on the print order. Notify the U.S. Government Publishing Office, Quality Control for Published Products, STOP: PPSQ, Washington, DC 20401, or telephone area code (202) 512-0542. Telephone calls will only be accepted between the hours of 8:00 a.m. and 2:00 p.m., prevailing Eastern Time, Monday through Friday. When supplies are not ready at the time specified by the contractor for inspection, the Contracting Officer may charge to the contractor the additional cost of the inspection. See contract clauses, paragraph 14(e)(1), Inspections and Tests of GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 01-18).

Within 72 hours prior to the binding/construction, inserting, and mailing operations, the contractor must send an email to glenn.r.pelishek@irs.gov containing a PDF file of IRS Form 9558 with the following information:

- Print Order, Jacket, and Requisition Numbers
- Name of Company
- Location and Address of Inspection Site
- Name and Phone Number of Contact Person
- Date and Time of Inspection

The contractor will be notified at least 24 hours prior to the inspection whether the inspection will be waived. Attendance at, or waiver of, the inspection does not affect any other provisions of the contract. The contractor is not to hold up production unless specifically authorized by the GPO.

The ship/deliver date indicated on the print order is the date products ordered for mailing f.o.b. contractor's city must be delivered to the U.S. Postal Service.

Unscheduled material such as shipping documents, receipts or instructions, delivery lists, labels, etc., will be furnished with each order or shortly thereafter. In the event such information is not received in due time, the contractor will not be relieved of any responsibility in meeting the shipping schedule because of failure to request such information.

For compliance reporting purposes, the contractor is to notify the U.S. Government Publishing Office of the date of shipment or delivery, as applicable. Upon completion of each order, contractor must contact the Shared Support Services Compliance Section via email at: compliance@gpo.gov. Personnel receiving email will be unable to respond to questions of a technical nature or to transfer any inquiries.

DISPOSITION OF DAMAGED PACKAGES: The contractor must replace all damaged imaged components/packages by specified mailing date.

UNDELIVERABLE PACKAGES: For packages that are found to be undeliverable (mailing address failed NCOA verification), the contractor must assign one of the following codes:

Code 01 – foreign move; Code 02 – no forwarding address; Code 03 – closed post office box

The undeliverable packages are to be taken out of the mailing. The contractor shall provide IRS with a summary report of the NCOA^{Link} Return Codes listing the return code and the address designation. In addition, the summary report must include the number of undeliverable mail pieces and the number of good move address mail pieces.

Within three (3) workdays of completing NCOA^{LINK}, the contractor must email the report to: glenn.r.pelishek@irs.gov.

SECTION 3. – DETERMINATION OF AWARD

The Government will determine the lowest bid by applying the prices offered in the "SCHEDULE OF PRICES" to the following units of production which are the estimated requirements to produce one (1) year's production requirements under this contract. These units do not constitute, nor are they to be construed as, a guarantee of the volume of work which may be ordered for a like period of time.

The following item designations correspond to those listed in the "SCHEDULE OF PRICES."

		(1)	(2)
I.	(a)	2	1,926
	(b)	1	579
	(c)	1	963
	(d)	1	579
	(e)	2	6,168
	(f)	10	963
	(g)	2	1,542

II. 1,542

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SECTION 4. – SCHEDULE OF PRICES

Bids offered are f.o.b. contractor's city.

Prices must include the cost of all required materials and operations for each item listed in accordance with these specifications.

Bidder must make an entry in each of the spaces provided. Bids submitted with any obliteration, revision, or alteration of the order and manner of submitting bids may be declared non-responsive.

An entry of NC (No Charge) shall be entered if bidder intends to furnish individual items at no charge to the Government. Bids submitted with NB (No Bid), NA (Not Applicable), or blank spaces for an item may be declared non-responsive.

The Contracting Officer reserves the right to reject any offer that contains prices for individual items of production (whether or not such items are included in the DETERMINATION OF AWARD) that are inconsistent or unrealistic in regard to other prices in the same offer or to GPO prices for the same operation if such action would be in the best interest of the Government.

All invoices submitted to the GPO shall be based on the most economical method of production.

Fractional parts of 1,000 will be prorated at the per-1,000 rate.

Contractor's billing invoices must be itemized in accordance with the line items in the "SCHEDULE OF PRICES." Failure to submit invoices in accordance with the line items in the "SCHEDULE OF PRICES" may result in delay of payment or rejection of the contractor's invoice.

I. PRINTING/IMAGING AND BINDING/CONSTRUCTION: Prices offered must include the cost of all materials and operations necessary (including data test, proofs, prior to production samples, and paper) for the complete printing/imaging and binding/construction of the products listed in accordance with these specifications.

	Makeready and/or Setup (1)	Running Per 1,000 Copies (2)
(a) *1040-ES (OCR)/1040-V(OCR) Payment Voucher –* Printing in two ink colors and imaging in black, including binding/construction..... per leaf.....	$_____	$_____
(b) *1041-ES (OCR) Payment Voucher –* Printing in two ink colors and imaging in black, including binding/construction..... per leaf.....	$_____	$_____
(c) *1040-ES (OCR) Instruction Booklet –* Printing in black ink, including binding/construction..... per booklet.....	$_____	$_____
(d) *1041-ES (OCR) Instruction Booklet –* Printing in black ink, including binding/construction..... per booklet.....	$_____	$_____

_____
(Initials)

	Makeready and/or Setup (1)	Running Per 1,000 Copies (2)
(e) *1040-ES (OCR)/1041-ES (OCR) Return Envelope –* Printing in black ink only, including binding/construction ..... per envelope.....	$_____	$_____
(f) *1040-V (OCR) Extended-Flap Return Envelope –* Printing in two ink colors, including binding/construction ..... per envelope.....	$_____	$_____
(g) *1040-ES (OCR)/1041-ES (OCR) Mailout Envelope –* Printing in black ink only, including binding/construction ..... per envelope.....	$_____	$_____

II. INSERTING AND MAILING: Prices offered must be all inclusive and include the cost of all required materials and operations necessary for inserting and mailing of the notice(s) – including cost of collating the components in proper sequence, insertion into mailout envelope, all address verification processes, and mailing, in accordance with these specifications.

Per 1,000 mailers .....$_____

NAME OF NCOA^{LINK} FULL SERVICE PROVIDER: _____

LOCATION OF POST OFFICE: All mailing will be made from the _____

Post Office located at Street Address _____,

City_____, State_____, Zip Code _____

My production facilities are located within the assumed area of production ....._____yes _____no

NOTICE: Bidders OUTSIDE the assumed production area specified on page one of these specifications should complete the following information.

1. Proposed carrier(s) for pickup of Government furnished material .... _____

   a. Number of hours from acceptance of print order to pickup of Government furnished material..... _____

   b. Number of hours from pickup of Government furnished material to delivery at contractor's plant..... _____

2. Proposed carrier(s) for delivery of completed product .... _____

   a. Number of hours from notification to carrier to pickup of completed product ..... _____

   b. Number of hours from pickup of completed product to delivery at destination ..... _____

_____
(Initials)

SHIPMENTS: Shipments will be made from: City _____ State _____.

The city(ies) indicated above will be used for evaluation of transportation charges when shipment f.o.b. contractor's city is specified. If no shipping point is indicated above, it will be deemed that the bidder has selected the city and state shown below in the address block, and the bid will be evaluated and the contract awarded on that basis. If shipment is not made from evaluation point, the contractor will be responsible for any additional shipping costs incurred.

DISCOUNTS: Discounts are offered for payment as follows: _____ Percent _____ Calendar Days. See Article 12 "Discounts" of Solicitations Provisions in GPO Contract Terms (Publication 310.2).

AMENDMENT(S): Bidder hereby acknowledges amendment(s) number(ed) _____.

BID ACCEPTANCE PERIOD: In compliance with the above, the undersigned agree, if this bid is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the bidder) from the date for receipt of bids, to furnish the specified items at the price set opposite each item, delivered at the designated point(s), in exact accordance with specifications. *Failure to provide a 60-day bid acceptance period may result in expiration of the bid prior to award.*

BIDDER'S NAME AND SIGNATURE: Unless specific written exception is taken, the bidder, by signing and submitting a bid, agrees with and accepts responsibility for all certifications and representations as required by the solicitation and GPO Contract Terms – Publication 310.2. When responding by email, fill out and return one copy of all pages in "SECTION 4. – SCHEDULE OF PRICES," including initialing/signing where indicated. Valid electronic signatures will be accepted in accordance with the Uniform Electronic Transactions Act, §2. Electronic signatures must be verifiable of the person authorized by the company to sign bids. *Failure to sign the signature block below may result in the bid being declared non-responsive.*

Bidder _____
(Contractor's Name) (GPO Contractor's Code)

_____
(Street Address)

_____
(City – State – Zip Code)

By _____
(Printed Name, Signature, and Title of Person Authorized to Sign this Bid) (Date)

_____
(Person to be Contacted) (Telephone Number)

_____
(Email Address) (Fax Number)

THIS SECTION FOR GPO USE ONLY

Certified by: _____ Date: _____ Contracting Officer: _____ Date: _____
(Initials) (Initials)

EXHIBIT A
1040-ES Voucher

Form 1040-ES (OCR) | 2014 | Estimated Tax | Payment Voucher 1 | Calendar year— Due April 15, 2014

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0074

▶ Make your check or money order payable to **"United States Treasury."**
▶ Enter your SSN and "2014 Form 1040-ES" on your payment.
▶ If your name, address, or SSN is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 1040-ES (OCR) | 2014 | Estimated Tax | Payment Voucher 2 | Calendar year— Due June 16, 2014

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0074

▶ Make your check or money order payable to **"United States Treasury."**
▶ Enter your SSN and "2014 Form 1040-ES" on your payment.
▶ If your name, address, or SSN is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 1040-ES (OCR) | 2014 | Estimated Tax | Payment Voucher 3 | Calendar year— Due Sept. 15, 2014

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0074

▶ Make your check or money order payable to **"United States Treasury."**
▶ Enter your SSN and "2014 Form 1040-ES" on your payment.
▶ If your name, address, or SSN is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 1040-ES (OCR) | 2014 | Estimated Tax | Payment Voucher 4 | Cat. No. 61900V Calendar year— Due Jan. 15, 2015

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0074

▶ Make your check or money order payable to **"United States Treasury."**
▶ Enter your SSN and "2014 Form 1040-ES" on your payment.
▶ If your name, address, or SSN is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

EXHIBIT B
1040-V Voucher

Address block to show - thru mailer envelope window →

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999
Intelligent Mail Barcode

2013 Form 1040-V OCR-ES

Department of the Treasury
Internal Revenue Service

Use Form 1040-V only if (a) you have a balance due on the "Amount you owe" line of your 2013 Form 1040, Form 1040A, or Form 1040EZ, and (b) you make your payment by check or money order. Use the large envelope that came with this package to mail your 2013 tax return, payment, and Form 1040-V. See the instructions below and on the envelope.

Instructions for Form 1040-V

What is Form 1040-V?

It is a statement you send with your check or money order for any balance due on the "Amount you owe" line of your 2013 Form 1040, Form 1040A, or Form 1040EZ.

TIP *You can also pay your taxes online or by phone either by a direct transfer from your bank account or by credit or debit card. Paying online or by phone is convenient and secure and helps make sure we get your payments on time. For more information, go to* www.irs.gov/e-pay.

12" **You Have Additional Forms 1040-V. Which One Should You Use?**

Use this one because it has your name, address, and social security number (SSN) preprinted on it. This saves you the trouble of entering the information and allows us to process your payment more accurately and efficiently.

How To Fill In Form 1040-V

- Enter the amount you are paying by check or money order in the space provided.
- If your name or SSN is not shown correctly on Form 1040-V, cross out the incorrect information and print the correct information. Use Form 8822 to correct your address.
- Use only this original Form 1040-V. Do not use a photocopy.

How To Prepare Your Payment

- Make your check or money order payable to "United States Treasury." Do not send cash.
- Make sure your name and address appear on your check or money order.
- Enter your daytime phone number and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown first on your return. Also enter "2013 Form 1040," "2013 Form 1040A," or "2013 Form 1040EZ," whichever is appropriate.
- To help us process your payment, enter the amount on the right side of your check like this: $ XXX.XX. Do not use dashes or lines (for example, do not enter "$ XXX—" or "$ XXX $\frac{XX}{100}$").

How To Send In Your 2013 Tax Return, Payment, and Form 1040-V

- Do not staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- Mail your 2013 tax return, payment, and Form 1040-V in the large envelope that came with this package. Be sure to put the correct label on the front of the large envelope.

Note. If you do not have the large envelope, use the P.O. box address printed on Form 1040-V below. But if you moved during the year, see *Where Do You File?* on the last page of your 2013 tax return instructions.

What if you file electronically? If you file electronically and have a balance due, you can pay the balance either online or by phone either by a direct transfer from your bank account or by credit or debit card. Do not use Form 1040-V. For more information, go to *www.irs.gov/e-pay*.

If you have a balance due and you make your payment by check or money order, you must use Form 1040-V. Follow your preparer's or transmitter's instructions for mailing your payment and Form 1040-V. Do not send a paper copy of your tax return.

▼ Detach Here ▼ Cat. No. 22892G ▼ Detach Here ▼

Department of the Treasury
Internal Revenue Service

2013 OMB No. 1545-0074

Form 1040-V OCR-ES, Payment Voucher

► See instructions above.

► Use Form 1040-V when paying the balance due on Form 1040, Form 1040A, or Form 1040EZ.
► Enter your SSN on your check or money order.
► If your name, address, or SSN is incorrect, see instructions.

Amount you are paying by check or money order. Make your check or money order payable to "United States Treasury"	Dollars	Cents

For Paperwork Reduction Act Notice, see Form 1040-ES instructions.

3"

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999

INTERNAL REVENUE SERVICE
PO BOX 7704
SAN FRANCISCO CA 94120-7704
Intelligent Mail Barcode

Vendor to output this scanline ← 123456789 AA TAXP 05 2 201312 610 ← 3 1/2"

1/2"

These last 7 numeric characters will differ from the Estimated Tax voucher scanline

8"

EXHIBIT C
1041-ES Voucher (Face)

Form 1041-ES (OCR) Department of the Treasury Internal Revenue Service | 2015 OMB No. 1545-0971 | Estimated Tax | Payment Voucher 1 | Calendar year— Due April 15, 2015

▶ Make your check or money order payable to **"United States Treasury."**
▶ Write the estate's or trust's EIN and "2015 Form 1041-ES" on the payment.
▶ If the estate's or trust's information is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Paperwork Reduction Act Notice, see instructions.

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999

PO Box 804526
Cincinnati, OH 45280-4526

123456789 AB TAXP 05 2 201512 660

Form 1041-ES (OCR) Department of the Treasury Internal Revenue Service | 2015 OMB No. 1545-0971 | Estimated Tax | Payment Voucher 2 | Calendar year— Due June 15, 2015

▶ Make your check or money order payable to **"United States Treasury."**
▶ Write the estate's or trust's EIN and "2015 Form 1041-ES" on the payment.
▶ If the estate's or trust's information is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Paperwork Reduction Act Notice, see instructions.

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999

PO Box 804526
Cincinnati, OH 45280-4526

123456789 AB TAXP 05 2 201512 660

Form 1041-ES (OCR) Department of the Treasury Internal Revenue Service | 2015 OMB No. 1545-0971 | Estimated Tax | Payment Voucher 3 | Calendar year— Due Sept. 15, 2015

▶ Make your check or money order payable to **"United States Treasury."**
▶ Write the estate's or trust's EIN and "2015 Form 1041-ES" on the payment.
▶ If the estate's or trust's information is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Paperwork Reduction Act Notice, see instructions.

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999

PO Box 804526
Cincinnati, OH 45280-4526

123456789 AB TAXP 05 2 201512 660

Form 1041-ES (OCR) Department of the Treasury Internal Revenue Service | 2015 OMB No. 1545-0971 | Estimated Tax | Payment Voucher 4 | Cat. No. 63957U Calendar year— Due Jan. 15, 2016

▶ Make your check or money order payable to **"United States Treasury."**
▶ Write the estate's or trust's EIN and "2015 Form 1041-ES" on the payment.
▶ If the estate's or trust's information is incorrect, see instructions.

Amount of estimated tax you are paying by check or money order. Dollars | Cents

For Paperwork Reduction Act Notice, see instructions.

JAMES A & ANDREA A TAXPAYER
16305 MAIN AVE N.W.
ANYTOWN US 99999-9999

PO Box 804526
Cincinnati, OH 45280-4526

123456789 AB TAXP 05 2 201512 660

EXHIBIT D
1040-V Extended-Flap Return Envelope (Face)

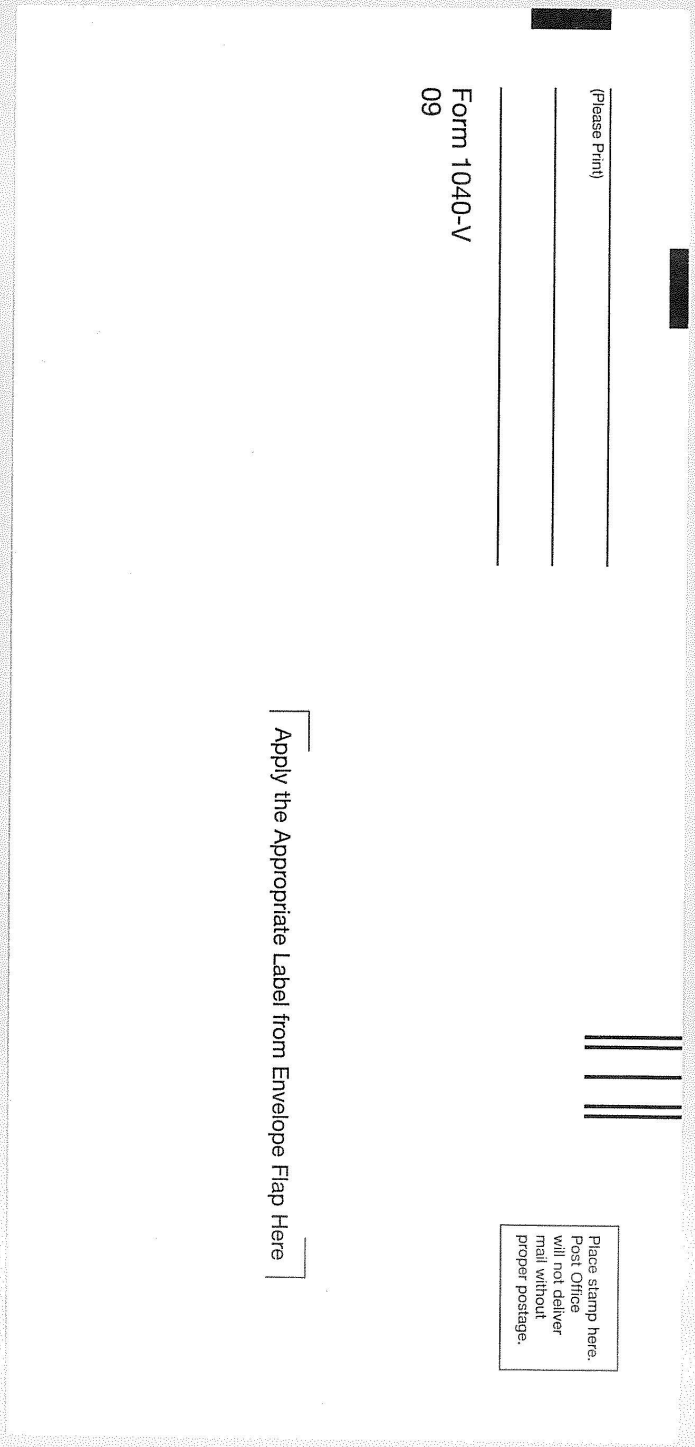


EXHIBIT D
1040-V Extended-Flap Return Envelope (Face with open flap)

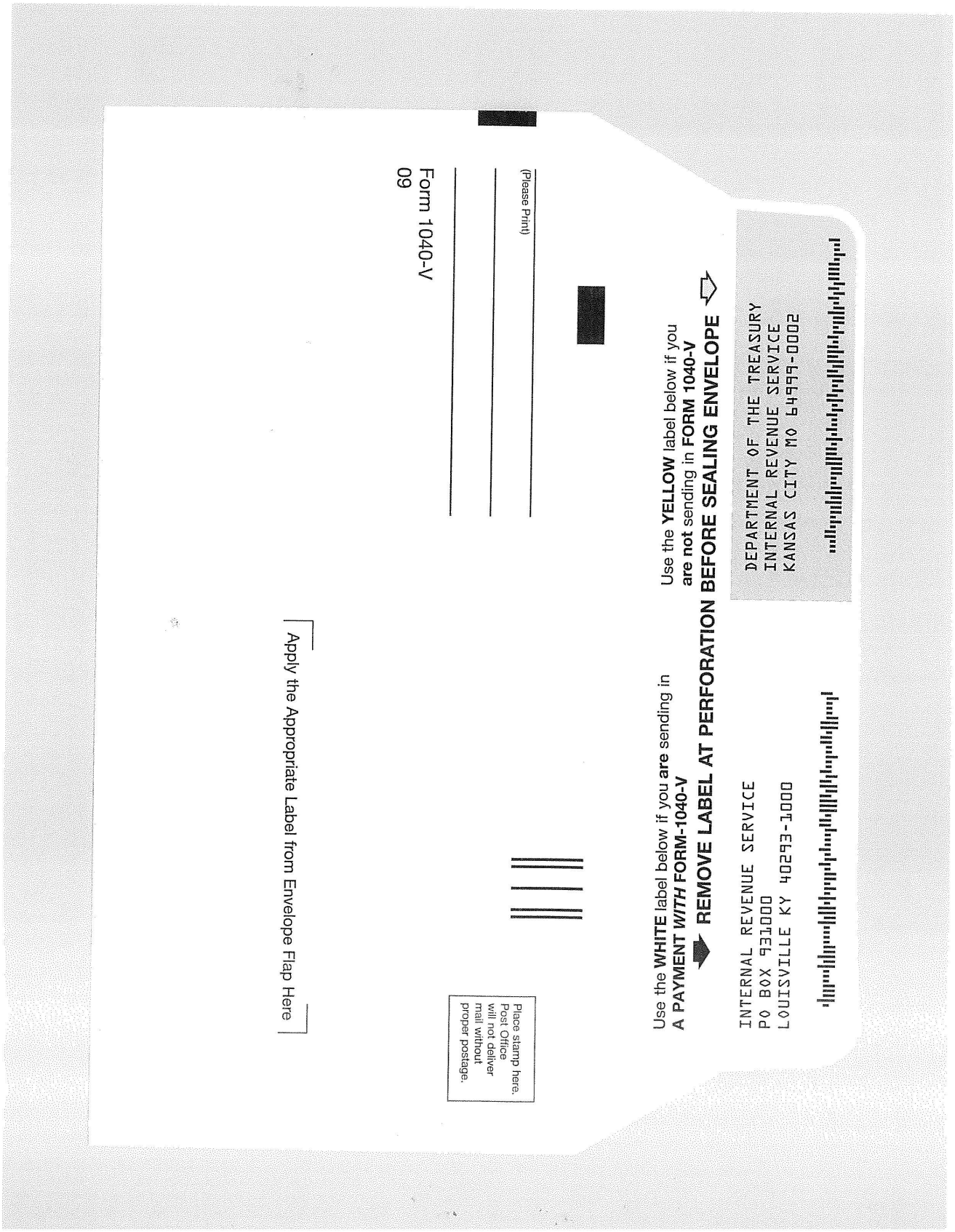


EXHIBIT D

1040-V Extended-Flap Return Envelope (Back with open flap)

If you are using this envelope to file Form 1040, have you remembered to:

- Enclose **Form 1040-V (not** Form 1040-ES) and your payment and include your **social security number (SSN)** on your payment, if you owe tax?
- **Sign** your return?
- Attach Form(s) W-2 to the front of your return? Also attach Forms W-2G and 1099-R if tax was withheld?
- Attach Schedule EIC to claim the earned income credit if you are eligible?
- Enter your **SSN** (and, if married, your spouse's) on your return?
- Include each dependent's correct SSN, as shown on the dependent's social security card?
- Apply the appropriate white or yellow address label onto the front of the envelope?
- Keep a copy of your return for your records?
- Enclose your return?

E-210 (Rev. 11-13)
Cat. No. 39130P

There is no liability under §7431 if the disclosure of the return or return information was the result of a good faith but mistaken interpretation of §6103.

Other Sensitive IRS Data

Some contractors may have access to IRS records covered by the Privacy Act or access to Sensitive But Unclassified (SBU) information. SBU information includes information once labeled Official Use Only (OUO) or Limited OUO. A new naming convention is planned for the future where SBU data will be referred to as Controlled Unclassified Information (CUI). Regardless of its designation, SBU data is protected by law. Unauthorized disclosure is subject to penalties under Title 18 of the United States Code §§641 and 3571.

Privacy Act protected information cannot be disclosed without the authority to do so. The routine use provision of Title 5 of the United States Code, §552a(b)(3), allows the disclosure of Privacy Act protected records to contractors. The published system of records notice must include language allowing contractors access to information in that system. Criminal penalties for Privacy Act violations are found in the law at Title 5 of the United States Code, §552a(i).

Avoid Disclosure – Follow These Tips:

Safeguard confidential tax information, records protected by the Privacy Act and SBU material regardless of its format, be it electronic (hard drive, tape, disk, or other portable storage device), recorded (video or audio), in databases, or on paper:

- Always follow appropriate physical and information security guidelines.
- Observe the clean desk policy. Don't leave confidential information on your desk or on computer screens when you are away.
- Protect laptop computers and removable media that contain sensitive tax information.
- Don't discuss confidential federal tax matters with others unless they have a need to know for tax administration purposes. Don't discuss confidential tax matters on coffee breaks, at home or outside the office.
- Prepare all correspondence carefully. Completely over-write the information added to any pattern letters you use. Review all correspondence before sending to ensure that the text and all enclosed materials (reports, attachments, schedules, and other inserts) are intended for the recipient.
- Use double sealed envelopes when mailing confidential tax information or take other precautions to prevent viewing of actual content.
- Use a document receipt to verify that confidential material has been properly received when information is mailed or hand carried.
- Don't put documents containing sensitive tax information in recycle bins unless the bin is labeled as acceptable for confidential information.

Incident Reporting

Immediately report all unintentional or inadvertent unauthorized disclosures of tax information to the IRS Contracting Officer or to the IRS Project Manager.

Immediately report willful unauthorized disclosures to your local TIGTA office, or call the TIGTA Hotline at 1-800-366-4484.

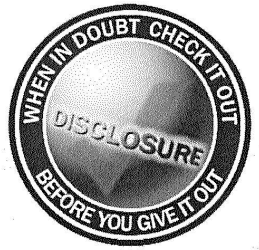
IRS Resources Available

- IRS Cybersecurity is responsible for all safeguard reviews of contractors and contractor compliance, with Agency Wide Shared Services (AWSS).
- The IRS Contracting Officer's Technical Representative (COTR) is the functional liaison primarily responsible for executing the contract and communicating with the contractor.
- The IRS Office of Disclosure provides technical guidance and support about Disclosure questions and other issues.

"When In Doubt, Check It Out Before You Give It Out!"

IRS Disclosure Awareness

Pocket Guide for Contractors



Publication 4465-A (8-2009) Catalog Number 40149Q
Department of the Treasury Internal Revenue Service www.irs.gov

IRS

Introduction

Safeguarding federal tax information is critically important.

As a contractor for the Internal Revenue Service, you and your employees are responsible for protecting all federal tax returns and return information entrusted to you. Internal Revenue Code (IRC) Section (§) 6103 sets out the requirements for protecting and for disclosing confidential returns and return information.

The law prohibits contractors from disclosing federal returns or return information unless allowed by statute. You and those who work for you have a responsibility to understand and apply the provisions of the law that relate to your job.

This guide provides you with basic information about:

- Major provisions of §6103 for protecting and disclosing confidential Federal tax returns and return information
- Laws that apply to information protected by the Privacy Act
- Laws that apply to Sensitive But Unclassified (SBU) information
- Civil and criminal penalties for making unauthorized accesses or disclosures of Federal returns and return information

The General Rule – Tax Information Is Confidential!

§ 6103 makes all returns and return information confidential. No one may access or disclose returns or return information unless specifically authorized by the IRC. A statutory exception, §6103(n), allows IRS to disclose Federal returns and return information to contractors and their employees for tax administration purposes.

Definitions You Need to Know:

Return - A return is any tax or information return, estimated tax declaration, or refund claim (including amendments, supplements, supporting schedules, attachments or lists) required by law and filed with the IRS. Examples of returns include Forms 1040, 941, 1099, 1120 and W-2. They can be filed on paper or electronically.

Return Information - The definition of return information is very broad. Return information includes, but is not limited to:

- Any other information, other than the taxpayer's return, that IRS obtained from any source or developed through any means that relates to any person's liability under the IRC for any tax, penalty, interest, etc.
- The taxpayer's name, mailing address, identification number (social security number or employer identification number), and other information from a return, including names of dependents or business location .
- Information collected by the IRS about any person's tax matters, even if there are no identifiers like name, address and identification number. Simply removing identifying information does not mean that what's left is no longer return information. It remains return information and must be protected from unauthorized access or disclosure.
- Information on transcripts of accounts.
- The fact that a return was filed or fact of examination, investigation or collection activity, or information about someone's tax balance.

Resources for Safeguarding Tax Information

Requirements for handling, storage and use of federal tax information (FTI) are published in the National Institute of Standards & Technology (NIST) Special Publication 800-53, Recommended Security Controls for Federal Information Systems, available at csrc.nist.gov, using the search term: ***Special Publication 800-53***. In general, contractors meet the standards for moderate risk systems.

Important provisions in the law, in Federal regulations and in your contract:

§6103(a) – General rule prohibiting disclosure of returns and return information unless permitted by law. This provision specifically covers contractors.

§6103(b) – Defines terms used in the statute such as return, return information and tax administration.

§6103(n) – Provision that allows disclosure of returns and return information to contractors and their employees for tax administration.

Treasury Regulation §301.6103(n)-1 - Places certain limitations on disclosures to contractors.

§6103(p)(4) – Sets out the safeguard requirements for protecting Federal tax returns and return information.

§7513 - Authorizes the use contractors to process and reproduce film, photos, and documents for tax purposes.

Treasury Regulation §301.7513-1 - Establishes safeguard requirements for contractors working with films or photo impressions.

Your contract with the IRS also contains information about your legal responsibilities for safeguarding information.

Penalties

It is a crime for a contractor or contractor's employee to knowingly and willfully disclose federal tax returns or return information to someone not authorized to receive it, or to access tax data without a business need to do so (known as UNAX).

Criminal Penalties:

Under §7213, willful unauthorized disclosure of returns or return information by a contractor or former contractor is a felony. The penalty is a maximum $5,000 fine and/or up to five years in jail plus the costs of prosecution.

Under §7213A, willful unauthorized access or inspection (UNAX) of taxpayer records, by contractor or contractor employee is a misdemeanor. The penalty is a fine of up to $1,000 and/or one year in prison.

Civil Penalties:

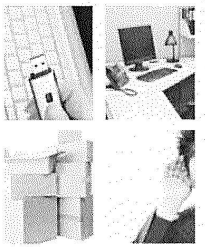
Under §7431, any taxpayer whose return or return information has been knowingly or negligently inspected or disclosed by a contractor or contractor's employee in violation of §6103 may sue for civil damages.

Penalties may include:

- damages of $1,000 for each act of unauthorized access or disclosure, or actual damages sustained, whichever is greater
- punitive damages (in the case of willful or gross negligence)
- costs of the action (which may include attorney's fees)

guide

IRS



Protecting Federal Tax Information for CONTRACTORS

When it comes to confidential tax information, remember:

"When In Doubt, Check It Out Before You Give It Out!"

This guide provides you with basic information about:

- Major provisions of §6103 for protecting and disclosing confidential federal tax returns and return information
- Laws that apply to information protected by the Privacy Act
- Laws that apply to Sensitive But Unclassified (SBU) information
- Civil and criminal penalties for making unauthorized accesses or disclosures of Federal returns and return information

Publication 4465-A (Rev. 9-2013) Catalog Number 40149Q Department of Treasury Internal Revenue Service www.irs.gov

Safeguarding federal tax information and information covered by the Privacy Act is critically important. As a contractor for the Internal Revenue Service, you and your employees are responsible for protecting all federal tax returns and return information and information subject to the Privacy Act entrusted to you. Internal Revenue Code (IRC) Section §6103 sets out the requirements for protecting and for disclosing confidential returns and return information and the Privacy Act of 1974 applies to the requirements for protecting personal information and other information protected by the Privacy Act.

The law prohibits contractors from disclosing federal returns or return information unless allowed by statute. You and those who work for you have a responsibility to understand and apply the provisions of the law that relate to your job.

The General Rule – *Tax Information Is Confidential!*

§6103 makes all returns and return information confidential. No one may access or disclose returns or return information unless specifically authorized by the IRC. A statutory exception, §6103(n), allows IRS to disclose federal returns and return information to contractors and their employees for tax administration purposes.

Definitions You Need to Know:

Return - A return is any tax or information return, estimated tax declaration or refund claim (including amendments, supplements, supporting schedules, attachments or lists) required by law and filed with the IRS. Examples of returns include Forms 1040, 941, 1099, 1120 and W-2. They can be filed on paper or electronically.

Return Information - The definition of return information is very broad. Return information includes, but is not limited to:

- Any other information, other than the taxpayer's return, that IRS obtained from any source or developed through any means that relates to any person's liability under the IRC for any tax, penalty, interest, etc.
- The taxpayer's name, mailing address, identification number (social security number or employer identification number) and other information from a return, including names of dependents or business location.
- Information collected by the IRS about any person's tax matters, even if there are no identifiers like name, address and identification number. Simply removing identifying information does not mean that what's left is no longer return information. It remains return information and must be protected from unauthorized access or disclosure.
- Information on transcripts of accounts.
- The fact that a return was filed or fact of examination, investigation or collection activity or information about someone's tax balance.

Important provisions in the law, in federal regulations, and in your contract:

§6103(a) – Prohibits dis-closure of returns and return information unless permitted by law. This provision specifically covers contractors.

§6103(b) – Defines terms used in the statute such as return, return information and tax administration.

§6103(n) – Allows disclosure of returns and return information to contractors and their employees for tax administration. (Treasury Regulation §301.6103(n)-1 - Places certain limitations on disclosures to con-tractors.)

§6103(p)(4) – Sets out the safeguard requirements for protecting federal tax returns and return information.

§7513 - Authorizes the use contractors to process and reproduce film, photos and documents for tax purposes. (Treasury Regulation §301.7513-1 - Establishes safeguard requirements for contractors working with films or photo impressions.)

Your contract with the IRS also contains information about your legal responsibilities for safeguarding information.

Penalties

It is a crime for a contractor or contractor's employee to knowingly and willfully disclose federal tax returns or return information to someone not authorized to receive it, or to access tax data without a business need to do so (known as UNAX).

Criminal Penalties:

Under §7213, willful unauthorized disclosure of returns or return information by a contractor or former contractor is a felony. The penalty is a maximum $5,000 fine and/or up to five years in jail plus the costs of prosecution.

Under §7213A, willful unauthorized access or inspection (UNAX) of taxpayer records by contractor or contractor employee is a misdemeanor. The penalty is a fine of up to $1,000 and/or one year in prison.

Civil Penalties:

Under §7431, any taxpayer whose return or return information has been knowingly or negligently inspected or disclosed by a contractor or contractor's employee in violation of §6103 may sue for civil damages.

Penalties may include:

- damages of $1,000 for each act of unauthorized access or disclosure, or actual damages sustained, whichever is greater
- punitive damages (in the case of willful or gross negligence)
- costs of the action (which may include attorney's fees)

There is no liability under §7431 if the disclosure of the return or return information was the result of a good faith but mistaken interpretation of §6103.

Other Sensitive IRS Data

Some contractors may have access to IRS records covered by the Privacy Act or access to Sensitive But Unclassified (SBU) information. SBU information includes information once labeled Official Use Only (OUO) or Limited OUO. A new naming convention is planned for the future where SBU data will be referred to as Controlled Unclassified Information (CUI). Regardless of its designation, SBU data is protected by law. Unauthorized disclosure is subject to penalties under Title 18 of the United States Code §§641 and 3571.

Privacy Act protected information cannot be disclosed without the authority to do so. The routine use provision of Title 5 of the United States Code, §552a(b)(3), allows the disclosure of Privacy Act protected records to contractors. The published system of records notice must include language allowing contractors access to information in that system. Criminal penalties for Privacy Act violations are found in the law at Title 5 of the United States Code, §552a(i).

Resources for Safeguarding Tax Information

Publication 4812 - is a "layperson's guide" to NIST SP 800-53 when access to IRS information or information systems under contracts for services on behalf of the IRS is outside of IRS controlled facilities or the direct control of the Service.

Internal Revenue Manual 10.8.1 - Information Technology (IT) Security, Policy and Guidance - applies when contractors are accessing IRS information and information systems at government controlled facilities.

Avoid Unauthorized Disclosure – *Follow These Tips:*

Safeguard confidential tax information, records protected by the Privacy Act and SBU material regardless of its format, be it electronic (hard drive, tape, disk, or other portable storage device), recorded (video or audio), in databases or on paper:

- Always follow appropriate physical and information security guidelines.
- Observe the clean desk policy. Don't leave confidential information on your desk or on computer screens when you are away.
- Protect laptop computers and removable media that contain sensitive tax information.
- Don't discuss confidential federal tax matters with others unless they have a need to know for tax administration purposes. Don't discuss confidential tax matters on coffee breaks, at home or outside the office.
- Prepare all correspondence carefully. Completely over-write the information added to any pattern letters you use. Review all correspondence before sending to ensure that the text and all enclosed materials (reports, attachments, schedules, and other inserts) are intended for the recipient.
- Use double sealed envelopes when mailing confidential tax information or take other precautions to prevent viewing of actual content.
- Use a document receipt to verify that confidential material has been properly received when information is mailed or hand carried.
- Dispose of confidential tax information appropriately, whether on paper or digital media.

Incident Reporting

- Immediately report all unintentional or inadvertent unauthorized disclosures of tax information to the IRS Contracting Officer or to the IRS Project Manager. Report incidents within one hour of detection.
- Immediately report willful, unauthorized disclosures to your local TIGTA office, or call the TIGTA Hotline at 1-800-366-4484.

IRS Contacts

IRS Cybersecurity is responsible for all safeguard reviews of contractors and contractor compliance, with Agency Wide Shared Services (AWSS).

IRS Contracting Officer's Representative (COR) is the functional liaison primarily responsible for executing the contract and communicating with the contractor.

IRS Disclosure provides technical guidance and support about Disclosure questions and other issues.

Family of Controls

Publication 4812 requires technical, operational, and managerial controls to ensure the protection of sensitive information. These include:

Technical Controls

- Access Control
- Audit and Accountability,
- Identification and Authentication, and
- System and Communications Protection.

Operational Controls

- Awareness and Training,
- Configuration Management,
- Contingency Planning,
- Incident Response,
- Maintenance,
- Media Protection,
- Physical and Environmental Protection, and
- Personnel Security.

Management Controls

- Security Assessment and Authorization,
- Planning,
- Risk Assessment,
- System and Services Acquisition, and
- System and Information Integrity.

The following control does not apply to contractors because the IRS is primarily responsible for Program Management controls.

Program Management

Reference Links

Publication 4812
http://www.irs.gov/uac/Publication-4812-—Contractor-Security-Controls

NIST 800-53 (Revision 3)
http://csrc.nist.gov/publications/PubsSPs.html

Internal Revenue Code Section 6103
http://www.gpo.gov/fdsys/pkg/USCODE-2010-title26/html/USCODE-2010-title26-subtitleF-chap61-subchapB-sec6103.htm

FISMA
http://www.gpo.gov/fdsys/pkg/PLAW-107publ347/pdf/PLAW-107publ347.pdf

Contact Us
Questions can be directed to:
Pub4812@irs.gov

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Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS Information Technology
CYBERSECURITY

Highlights of Publication 4812

Contractor Security Controls

What is IRS Publication 4812?

Publication 4812 is a new publication designed to identify security requirements for contractors and any subcontractors supporting the primary contract. This applies to contractors (and their subcontractors) who handle or manage Internal Revenue Service (IRS) information at contractor managed facilities on behalf of the IRS.

Sensitive But Unclassified (SBU) information includes all taxpayer returns and return information, as defined by Internal Revenue Code (IRC) Section 6103, all Personally Identifiable Information, where there is information that can be associated to a specific individual, and other sensitive information that should be organizationally sensitive, such as Information Technology system configurations, identification of vulnerabilities, etc.

The publication identifies requirements established by the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 (Revision 3) Recommended Security Controls for Federal Information Systems and Organizations, as amended.

Why was IRS Publication 4812 Created?

In 2001, the Office of Management and Budget (OMB) identified the security of contractor-provided services as a government-wide challenge in its information security report to Congress. When the Federal Information Security Management Act (FISMA) was enacted a year later, provisions and guidelines were included to ensure the effectiveness of information security controls that support Federal operations and assets. FISMA requirements explicitly apply to all Federal contractors that possess or have direct access to agency information, or operate Federal information systems on behalf of an agency.

Who Needs Publication 4812?

The requirements in Publication 4812 and the security controls, based on NIST SP 800-53 (Revision 3), as amended, are applicable to IRS contractors and contractor personnel who possess or have access to Federal information or information systems, or are responsible for handling or processing Federal information or information systems pursuant to or in the course of performance of a contract, order, or agreement with the IRS. Typically, this publication is incorporated into IRS contracts, agreements or orders (directly or through flow down provisions), by reference. The target date for Publication 4812 compliance is the beginning of the next FISMA year, July 1, 2013.

Contractor Responsibilities

It is the responsibility of the IRS contractors to build effective security controls into their business environment, including IT security, personnel security, and physical security, in accordance with the terms of the contracts and as outlined in this publication.

Contractors are responsible for developing policies, procedures, and processes to define the required managerial, operational, and technical security controls that will be used to secure IRS information.

Contractors must maintain ongoing awareness of their information system and related security control processes to ensure compliance with security controls and adequate security of information, and to support organizational risk management decisions.

State of Security Package

Contracts subject to Publication 4812 that are 12 months or more in duration, the contractor shall develop and submit a State of Security (SoS) package each period of performance of the contract (base and exercised option periods), or once every 12 months, whichever period is less. The SoS package is comprised of the following components:

- Contractor Statements of Security Assurance (CSSA),
- SoS Questionnaire, and
- System Security Plan.

Contractor Reviews

Contractor Security Reviews are on-site evaluations performed by the IRS to assess and validate the effectiveness of security controls established to protect IRS information and information systems. These assessments help to determine if and when additional controls or protections are necessary to protect returns and return information or personal privacy, or other SBU information, and organizational assets and operations.

The types of contractor reviews are:

- Pre-Award Reviews,
- Immediate (Probationary) Post-Award Reviews,
- Periodic Post-Award Reviews, and
- Closeout and Contractor Site Shutdowns.

1052.224-900G-Disclosure of Information-Safeguards

Disclosure of Information-Safeguards (January 1998)

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his/her employees with the following requirements:

(1) All work shall be performed under the supervision of the contractor or the contractor's responsible employees.

(2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspections or disclosures should be addressed to the IRS Contracting Officer.

(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output shall be given the same level of protection as required for the source material.

(4) The contractor certifies that the data processed during the performance of this contract shall be completely purged from all data storage components of his/her computer facility and no output will be retained by the contractor at the time the IRS work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized inspection or disclosure.

(5) Any spoilage or any intermediate hard copy printout which may result during the processing of IRS data shall be given to the IRS Contracting Officer or his/her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and shall provide the IRS Contracting Officer or his/her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(6) No work involving information furnished under this contract will be subcontracted without the specific approval of the IRS Contracting Officer.

(7) All computer systems processing, storing and transmitting federal tax information must meet the requirements defined in NIST SP 8DO-53. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to federal tax information.

(8) Should a person (contractor or Subcontractor) or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause may be invoked, and the person (contractor or subcontractor) will be considered to be In breach of this contract.

Disclosure of "Official Use Only" Information Safeguards (December 1988)

Any Treasury Department Information made available or to which access is provided, and which is marked or should be marked "Official Use Only", shall be used only for the purpose of carrying out the provisions of this contract and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Disclosure to anyone other than an officer or employee of the contractor or subcontractor at any tier shall require prior written approval of the IRS. Requests to make such disclosure should be addressed to the IRS Contracting Officer.

Disclosure of Information-Criminal/civil Sanctions (January 1998)

(1) Each officer or employee of any person (contractor or subcontractor) at any tier to whom returns or return information is or may be disclosed shall be notified in writing by the person (contractor or subcontractor) that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person (contractor or subcontractor) shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result In an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure plus in the case of willful disclosure or a disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person (contractor or subcontractor) to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose at carrying out the provisions of this contract and that inspection of any such returns or return information for a purpose or to an extent not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person (contractor or subcontractor) shall also notify each such officer and employee that any such unauthorized inspection of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of $1,000.00 for each act of unauthorized inspection with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection plus in the case of a willful inspection or an inspection which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(I)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of

his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

Disclosure of Information-Official Use Only (December 1988)

Each officer or employee of the contractor or subcontractor at any tier to whom "Official Use Only" Information may be made available or disclosed shall be notified in writing by the contractor that "Official Use Only" information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such "Official Use Only" information, by any means, for a purpose or to an extent unauthorized herein, may subject the offender to criminal sanctions imposed by 18 U.S.C. Sections 641 and 3571. Section 641 of 18 U.S.C. provides, in pertinent part, that whoever knowingly converts to his use or the use of another, or without authority sells, conveys, or disposes of any record of the United States or whoever receives the same with the intent to convert It to his use or gain, knowing it to have been converted, shall be guilty of a crime punishable by a fine or Imprisoned up to ten years or both.

Disclosure of Information-Inspection (December 1988)

The Internal Revenue Service shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, the Contracting Officer may require specific measures in cases where the contractor is found to be noncompliant with contract safeguards.

Privacy Act Notification (April 1984)

The Contractor will not be required to design, develop, or operate a system of records on individuals, to accomplish an agency function subject to the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

Privacy Act (April 1984)

(a) The Contractor agrees to

(1) Comply with the Privacy Act of 1974 (the Act) and the agency rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies

(i) The systems of records; and

(ii) The design, development, or operation work that the contractor is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and

(3) Include this clause, including this paragraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish" an agency function, and criminal penalties may be imposed upon the officers or employees of the agency when the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an agency function, the Contractor is considered to be an employee of the agency.

(c)

(1) "Operation of a system of records, II as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination 01 records.

(2) "Record," as used in this clause, means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.

(3) "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

10.11 Contactor Background Investigations

In order for IRS to measure customer satisfaction, the contractors are provided names and addresses of selected taxpayers. This data is considered federal taxpayer information (FTI). The FTI is extracted from the IRS systems of records, such as audit information, delinquent account, appeals. All IRS systems that handle or process FTI or other Sensitive but Unclassified (SBU) Information, including Personally Identifiable Information (PII), source code, etc. are categorized at the moderate risk level as required by FIPS 199, Federal Information Processing Standard Publication 199, Standards for Security Categorization of Federal Information and Information Systems. The 290-S contract handles FTI at the moderate risk level.

Not only are names and addresses provided, but each prenote contains a brief sentence about what kind of service they received from IRS, whether it is an audit of a tax return or a specific type of claim such as an Innocent Spouse claim.

Contractors are required to comply with security requirements to prevent the information from falling in unauthorized hands. They must also sign a non-disclosure agreement, undergo a background investigation, and complete the mandatory briefings. The contracting officer's representatives for this contract serve as the liaisons between Contractor Security Management (CSM), Cybersecurity, and the contractors.

Since the 290-S contract handles FTI, it's categorized at the moderate risk level. (Give Cybersecurity your contract to determine what risk level your contract is before you start background investigations.) A moderate risk investigation includes:

1) IRS account history for tax compliance;
2) Selective Service registration compliance;
3) U.S. citizenship/residency compliance;
4) Background investigation forms;
5) Credit report results (moderate and high risk investigations only);
6) Federal Bureau of Investigation fingerprint results; and,
7) If applicable, prior background investigations.

The COR's work with Contractor Security Management (CSM), who facilitates contractor on-boarding, security awareness, and separation. The COR's actively track the progress of background investigations for about 40 contractors and work with the project manager at the contractor's facility to ensure the employees complete the investigation timely. It may take up to 6 months to complete the process. The COR's can access the Automated Background Investigation System (ABIS) database to check progress. COR's should be familiar with Publications 1075, 4812 and 4812-A and Form 14054. For contracts subject to Publication 4812 that are 12 months or more in duration, the contractor shall develop and submit a State of Security (SoS) package each period of performance of the contract (base and excercised option periods), or once every 12 months, whichever period is less. The SoS package is comprised of the following

components: Contractor Statements of Security Assurance (CSSA), SoS Questionaire, and System Security Plan.

Steps to complete background Investigations

To ensure the IRS meets contractor security requirements, the COR works with Personnel Security's Contractor Security Management (CSM) and the vendor Point of contacts to ensure all forms are completed and forwarded timely to *CSM (csm@irs.gov). Personnel Security screens contractor applicants for initial eligibility prior to conducting the detailed and costly background investigations.

Refer to the Human Capital Office Personnel Security internal website for guidance: http://abis.web.irs.gov/abis/home.asp Click on the COTR's and POC's Processes and Procedures link. It lists the responsibilities of the COR, CSM and contractor and Process Steps. You can also contact Lissia Pica in Contractor Security Management, by phone 202-622-2890 or by email, Lissia.Pica@irs.gov for questions about the background investigation process.

An online 5081 must be submitted in order to give the specialist access to the Automated Background Investigation System (ABIS). The COR must also fill out the "Adding Contracts to Your Profile in ABIS" form (Official Form number forthcoming). You will designate the primary COR and back-up COR, Vendor Point of Contact and include the business unit funding investigations. Wage & Investment is funding the Customer Satisfaction Survey investigations.

Overview of Background Investigation Process:
STEP 1: The contractor point of contact must email or mail the following completed forms to *CSM with a cc: to the COR's:

1. Form 14606 (4-2014) Contractor Risk Assessment Checklist (RAC)
2. Optional Form 306 (Revised October 2011) Declaration for Federal Employment
3. Form 13340 (1-2003) Disclosure and Authorization Pertaining to Consumer Reports
4. Notice 1379 (Rev. 3-2008) Tax Record Check Notice

STEP 2: The contractor is also required to sign a Non-Disclosure Agreement (NDA) and email it to the COR only. The COR will sign the NDA also, then the COR will email it to *CSM.

STEP 3: COR to add the contractor name to an internal spreadsheet to track the progress of the investigation. The spreadsheet must be encrypted and password protected.

STEP 4: CSM processes the RAC and required forms and enters information from the submitted forms into ABIS to initiate the investigation.

STEP 5: Personnel security sends and enrollment invitation directly to contractor to complete USAccess and fingerprint enrollment. The email has a link for the contractor to schedule a finger print appointment. The fingerprints are used to check criminal history. The COR is not cc'd on the enrollment invitation. It's a good practice to email *CSM about a week after the RAC has been submitted to CSM and ask when the USAccess and

fingerprint enrollment email was sent. Once the COR finds out the date the enrollment invitation was sent, the COR should follow-up with the project manager or point of contact for personnel background investgations. The COR should ask if the contractor has made the appointment and follow through to make sure the contractor completes this part of the process. If the contractor did not go to the enrollment appointment, the investigation is halted and no progress will be made. Therefore, this is a very important step.

STEP 6: After the contractor completes the fingerprint enrollment through USAccess, personnel security emails an Electronic Questionaire for Investigation Processing (e-QIP) invitation to the contractor. The contractor has 7 days to complete the e-QIP.

COR's may will need follow up with the contractor point of contact to ensure contractors complete the e-QIP invitation in the allotted time to avoid the invitation expiration.

If the contractor does not complete it within the timeframe, the e-QIP will expire and the contractor point of contact will have to start at Step 1. If the contractor has completed the fingerprint enrollment, check with CSM for the next step.

Step 7: Contractor completes the e-QIP invitation (which is an electronic version of the Standard Form 85P.) After completion, the subject must print, sign and date the "signature form" and click the "Release to Agency" button at the end of the e-Qip.

If the contractor has any questions regarding the e-QIP invitation, they can ask the Personnel Security employee from the Work Processing Group who sent thee-QIP invitation or direct questions to the IRS Helpdesk 1-866-743-5748, Press 1 for Employee Resource Center, then Press 1 for e-QIP assistance. Personnel Security determines the subject's eligibility and suitability to work on IRS Contracts.

After the subject completes the e-QIP invitation, there may be instances when Personnel Security requires more information from the subject. If this happens, a Prescreen Due Process email will be emailed to the COR. Personnel requires the subject to respond to a proposal to deny letter sent by US Postal Service mail within a 7 days from receipt of the letter. If the subject fails to respond within the timeframe, the subject will be denied access to work on the contract. The subject must resolve the issues identified in the letter to be approved to work on the contract. The COR and the contractor's employer are not privy to additional requested information as it is a confidential matter, which cannot impact the subjects employment or it can become a legal issue.

STEP 8: Once Personnel Security has completed the background investigation and it is a favorable response, CSM will email the subject and COR a "Contractor Interim Access Memo."

STEP 9: The next memo from Personnel Security will be a "contractor COTR Approved Memo" which is approval for final staff like access to IRS facilities, information systems, etc

STEP 10: When a contract expires and/or a contractor leaves a contract for any reason, the COR emails a completed Form 14604 (4-2014) Contractor Separation Checklist to CSM. The project manager needs to inform the COR immediately when a contractor leaves a contract. If the COR fails to submit Form 14604 to CSM for separated contractors, the contractor will still show up as an active contractor during the annual Cybersecury Review, which result in a finding in need of corrective action.

10.12 Annual Contractor Briefings

Current contractors are required to complete briefings and certification requirements on an annual basis, with final verification of completion during the period of January - April. Contractors do not have access to IRS systems; therefore CSM emails the briefings in PDF format. Contact Jay Bose to receive briefings in PDF format (Jay.Bose@irs.gov). The publishing specialist forwards briefings email to the project manager at contractor's facility. The project manager ensures contractors complete the training and emails the training certificates and signed UNAX forms to the publishing specialists. The publishing specialist forwards the certificates to *AWSS CSM Training (awss.csm.training@irs.gov) who maintains a database with the most current information on the contractor work lifecycle, including and access needs.

10.13 Liaison for Cyber-Security and Contractor Security Site Visits

Publishing Specialists attend an annual Physical and Cyber Security review at printer's plant. The vendor processes Personally Identifiable Information (PII) provided by IRS systems of records. The review is conducted annually to ensure taxpayers information is protected by evaluating the vendor's system from internal and external Cyber Security threats. The review team evaluates infrastructure and networks, monitors risk and recommends solutions. The vendor must be in compliance of the Federal Information Security Management Act (FISMA) and adhere to the National Institute of Standards and Technology (NIST) Special Publication 800-53. NIST is a federal technology agency that develops and promotes measurement, standards and technology. The review team also ensures contracted employees undergo IRS background investigations and complete annual security awareness training. COR's will need to submit one PDF consisting of a compilation of security awareness training certificates and UNAX forms for contractors who are cleared to work on the contract to the Cybersecurity review coordinator upon request. The Cybersecurity review coordinator will usually request a copy of the certificates within 1-4 weeks of the site visit. The Cybersecurity reviewer coordinator will request a list of contractors cleared to work on the contract from CSM . Then, during the Cybersecurity site visit, the review coordinator will request a list of contractors working on the contract from the project manager of the contract. Both lists should match. If there are contractors working on the contract that have not undergone a background investigation and are not cleared to work on the contract, the review coordinator will note this as a finding that is in need of corrective action. About a month after the site review, Cybersecurity will release a Contractor Security Assessment Report to the COR to forward to the project manager. This report will include any findings

during the site review. For each finding, the contractor will respond with the corrective action taken and planned implementation date.

10.14 Contracting Officer's Representative Certification

The SAA servicewide COR and publishing specialists should become certified contracting officer's representatives to effectively administer the contract.

Refer to the Procurement website with more information on Contracting Officer's Representative training. Below is an excerpt from the website on how to become a Federal Acquisition COR.

HOW DO I BECOME FAC-COR CERTIFIED?

Step 1: REVIEW the most frequently asked questions about certification.

Step 2: REGISTER in the Federal Acquisition Institute Training Application System (FAITAS) – FAITAS is the official government-wide training and certification system for CORs. All employees requesting training and seeking certification must register in this system.

Step 3: COMPLETE approved COR training – There are three levels of certification. Please review the IRS Approved Training Curriculums for all levels to determine your training curriculum and options. Note: To qualify for certification, training must be completed within 2 years of submitting an application form.

Step 4: DETERMINE the certification level at which you qualify AND APPLY for certification using the application form for certification. Instructions are provided with the application form.

Step 5: COMPLETE Continuous Learning – Each level has a continuous learning requirement that must be met every 2 years.