

TITLE:	U.S. Treasury Checks					
TERM:	April 1, 2017 thru March 31, 2018					
	Dept. of the Treasury					
	Program 249-S					
III.	STATEMENT PERSONALIZED IMPRINTING:					
(a)	Printing on Face					
(1)	Makeready and /or Setup	8	N/C		N/C	
(2)	Running Per 1,000 Copies	100	N/C		N/C	
(3)	Running Per 100 Copies	9	N/C		N/C	
(b)	Printing on back					
(1)	Makeread and /or Setup	6	360.00	2,160.00	360.00	2,160.00
(2)	Running Per 1,000 Copies	50	320.00	16,000.00	270.00	13,500.00
(3)	Running Per 100 Copies	1	320.00	320.00	320.00	320.00
IV.	PAPER:					
(a)	Check paper (with watermark & Fibers)					
	per 1,000 check-size leaves -----(1)	55,000	8.22	452,100.00	6.98	383,900.00
	per 100 check-size leaves----- (2)	9	9.40	84.60	9.40	84.60
(b)	white laser printer paper					
	per 1,000 check-size leaves -----(1)	1	7.03	7.03	5.37	5.37
	per 100 check-size leaves----- (2)	1	8.44	8.44	8.44	8.44
V.	PACKING:					
(a)	Packing and sealingshipping containers					
	(Domestic)-----per container-----	2,000	9.74	19,480.00	8.86	17,720.00
(b)	Packing & sealing containers					
	(Foreign)-----per container-----	10	14.90	149.00	12.96	129.60
(c)	Palletizing-----per pallet-----					
		809	27.95	22,611.55	24.30	19,658.70
	CONTRACTOR SUBTOTALS			\$1,552,426.76		\$845,443.16
	CONTRACTOR PAPER TOTALS			\$452,200.07		\$383,998.41
	SUBTOTALS LESS PAPER			\$1,100,226.69		\$461,444.75
	ACCELERATED SCHEDULE	10%		\$110,022.67		\$46,144.48
	PERCENTAGE INCREASE		25.00%	\$27,505.67	25.00%	\$11,536.12
	SUBTOTALS PLUS PERCENTAGE INCREASE			\$1,579,932.43		\$856,979.28
	DISCOUNT					
	DISCOUNTED TOTALS			\$1,579,932.43		\$856,979.28
	AWARDED					

U.S. GOVERNMENT PUBLISHING OFFICE
Washington, DC

GENERAL TERMS, CONDITIONS, AND SPECIFICATIONS

For the Procurement of

U.S. Treasury Checks

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

Department of the Treasury

TERM OF CONTRACT: The term of this contract is for the period *beginning April 1, 2017*, and *ending March 31, 2018* plus up to **Three 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 publicly opened at 11 a.m., prevailing Washington, DC time, on February 13, 2017.

BID SUBMISSION: Submit bid in pre-addressed envelope furnished with solicitation, or send to: U.S. Government Publishing Office, Bid Section, Room C-848, Stop: CSPS, 732 North Capitol Street, NW, Washington, D.C. 20401. Facsimile bids in response to this solicitation are permitted. Facsimile bids may be submitted directly to the GPO Bid Section, Fax No. (202) 512-1782. The Program number and bid opening date must be specified with the bid. Refer to Facsimile Bids in Solicitation Provisions of GPO Contract Terms, GPO Publication 310.2 as revised June, 2001. Hand delivered bids are to be taken to: GPO Bookstore, 710 North Capitol Street, NW, Washington, DC, between the hours of 8:00 a.m. and 4:00 p.m., prevailing Eastern Time, Monday through Friday. Contractor is to follow the instructions in the Bid Submission/Opening area. If further instruction or assistance is required, call (202) 512-0526.

RESTRICTION ON LOCATION OF PRODUCTION FACILITIES: Due to the security requirements set forth in these specifications, all checks and all blank check paper must be produced in the United States. Treasury has no jurisdiction outside of the United States and would not be able to oversee and enforce these security requirements.

This contract has been **EXTENSIVELY** revised; therefore, all bidders are cautioned to familiarize themselves with all provisions of this contract before bidding.

Abstracts of contract prices are available at <https://www.gpo.gov/gpo/abstracts/abstract.action?region=DC>.

For information of a technical nature, contact Bernice Mack at bmack@gpo.gov.

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. 6-01)) and GPO Contract Terms, Quality Assurance through Attributes Program for Printing and Binding (GPO Publication 310.1, effective May 1979 (Rev. 8-02)).

GPO Contract Terms (GPO Publication 310.2) – <http://www.gpo.gov/pdfs/vendors/sfas/terms.pdf>.

GPO QATAP (GPO Publication 310.1) – <http://www.gpo.gov/pdfs/vendors/sfas/qatap.pdf>.

DISPUTES: GPO Publication 310.2, GPO Contract Terms, Contract Clause 5. Disputes, is hereby replaced with the June 2008 clause found at www.gpo.gov/pdfs/vendors/contractdisputes.pdf.

SUBCONTRACTING: Subcontracting for printing, numbering, or waste destruction will **NOT** be permitted.

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

Product Quality Levels:

- (a) Printing (page related) Attributes--Level II.
- (b) Finishing (Item related) Attributes--Level II.

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

- (a) Nondestructive 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:

<u>Attribute</u>	<u>Specified Standard</u>
P-7. Type Quality and Uniformity	OK Press Sheets
P-8. Halftone Match (Single and Double Impression)	OK Press Sheets
P-9. Solid and Screen Tint Color Match	OK Press Sheets
P-10. Process Color Match	OK Press Sheets

Special Instructions: In the event that inspection of press sheets is waived by the Government the following listed alternate standards (in order of precedence) shall become the Specified Standards:

- P-7. Government Furnished Samples and/or Electronic Media.
- P-8. Government Furnished Samples and/or Electronic Media.
- P-9. Government furnished sample, color swatch, Pantone Matching System color.
- P-10. Government Furnished Samples.

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 this contract may not exceed **four (4) 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).

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 April 1, 2017 to March 31, 2018 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 3 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 **December 31, 2016** 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.

ASSIGNMENT OF JACKETS, PURCHASE AND PRINT ORDERS: 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.

PAPER PRICE ADJUSTMENT: Paper prices charged under this contract will be adjusted in accordance with "Table 6 - Producer Price Indexes and Percent Changes for Commodity Groupings and Individual Items" in Producer Price Indexes report, published by the Bureau of Labor Statistics (BLS), as follows:

1. **BLS Code 0913-01** for "Offset & Text" will apply to all paper required under this contract.
2. The applicable index figures for the month of **April 2017** will establish the Base Index.
3. There shall be no price adjustment for the first three (3) months of the contract.
4. Price adjustments may be monthly thereafter, but only if the index varies by an amount (plus or minus) exceeding 5 percent by comparing the Base Index to the index for that month which is two (2) months prior to the month being considered for adjustment.
5. Beginning with order placement in the fourth month, index variances will be calculated in accordance with the following formula:

$$\frac{X - \text{Base Index}}{\text{Base Index}} \times 100 = \text{___}\%$$

where X = the index for that month which is two months prior to the month being considered for adjustment.

6. The contract adjustment amount, if any, will be the percentage calculated in 5 above less 5 percent.
7. Adjustments under this clause will be applied to the Contractor's bid prices for line Items IV. (a) and (b) in the SCHEDULE OF PRICES and will be effective on the first day of any month for which prices are to be adjusted.

The Contracting Officer will give written notice to the Contractor of any adjustments to be applied to invoices for orders placed during months affected by this clause.

In no event, however, will any price adjustment be made which would exceed the maximum permissible under any law in effect at the time of the adjustment. The adjustment, if any, shall not be based upon the actual change in cost to the Contractor, but shall be computed as provided above. The Contractor warrants that the paper prices set forth in this contract do not include any allowance for any contingency to cover anticipated increased costs of paper to the extent such increases are covered by this price adjustment clause.

REQUIREMENTS FOR CONTRACTOR:

Contractor's Responsibility: The Contractor shall be responsible for all blank paper, U.S. Treasury checks, plates, negatives, electronic media, proofs or photocopies thereof, and all other materials necessary to produce this product, while in his custody and control. The Contractor agrees to pay the Government the amount of any loss or losses, not in excess of \$1,000,000 sustained by misappropriation or improper use of blank paper, checks, plates, negatives, electronic media, or proofs in the custody and control of the Contractor. The \$1,000,000 limit applies to each occurrence during the term of the contract.

The Contractor shall be responsible for adherence to Check 21 Law as stated by the Federal Reserve Bank. The Check Clearing for the 21st Century Act (Check 21 Act) facilitates significant change in the way checks are processed in the United States. All banks will be affected by this law even if they do nothing to change their current check processing operations. All customers (consumers and businesses) are affected by the Check 21 Act in that they have the potential to receive a substitute check. The Accredited Standards Committee X9B (www.x9.org) focused on the development of industry standards for the financial services industry and developed the technical specification for substitute checks (DSTU X9.90-2003) in support of Check 21. (DSTU is an acronym for Draft Standard for Trial Use.) All checks, except foreign checks, are eligible to become substitute checks, including, U.S. Treasury checks. Substitute Check: A paper reproduction of the original check that: Contains an image of the front and back of the original check; Bears a MICR line containing all the information appearing on the MICR line of the original check, except as provided under generally applicable industry standards for substitute checks to facilitate the processing of substitute checks (regulations may contain exceptions). The vendor will conform, in paper stock, dimension, and otherwise, with generally applicable industry standards for substitute checks; and is suitable for automated processing in the same manner as the original check. There are no special exceptions for Treasury Checks.

The Contractor's responsibility for finished U.S. Treasury Checks shall continue until distribution is made in accordance with this contract. The Contractor's responsibility for imperfect checks, blank paper, plates, negatives, electronic media, and proofs shall continue until other disposition is accomplished in accordance with these specifications.

Reimbursement for Defective Checks: The Contractor shall reimburse the Government for any costs incurred, not in excess of \$250,000 per incident, from the use of checks furnished by the Contractor which do not conform to the specifications or to checks rendered defective or damaged due to spillage during shipment. Reimbursement shall cover such additional costs, as determined by the Contracting Officer in coordination with the Contractor, in excess of costs normally incurred for machine rental, the services of personnel, supplies, and replacement of checks.

Indemnity Bond: The Contractor will be required to execute an indemnity bond with a company holding a Department of the Treasury certificate of authority as an acceptable surety on Federal bonds, to cover any losses sustained by the Government by reason of the loss, misappropriation, or improper use of any of the items specified in the paragraph above, which are in the custody of the Contractor. A \$500,000 indemnity bond will be required.

Performance Bond: The Contractor will be required to execute a performance bond on Standard Form 25, with a company holding a Department of the Treasury certificate of authority as an acceptable surety on Federal bonds, for the faithful performance of this contract, including adherence to all applicable conditions and requirements contained herein. The amount of the bond will be one-half the estimated amount of the contract as shown for the items therein and awarded, but rounded to the nearest thousand, provided that such bond amount for the contract is not to exceed \$500,000.

Plant Capacity Requirements: All manufacturing, production, and waste destruction of the products covered under these specifications must be accomplished at the same facility. The Contractor must be able to manufacture and deliver, in any one calendar month, at least 20 million checks in various formats.

Prohibition Against Similar Printing: The Contractor shall not make or sell to any person other than the U.S. Government Printing Office, any products that resemble the general appearance of U.S. Treasury Checks or which contain such features as may cause confusion in processing.

PRE-AWARD SURVEY: In order to determine the responsibility of the Contractor, the Government reserves the right to conduct a Pre-Award Survey or to require other evidence of technical, production, managerial, financial, and similar abilities to perform, prior to the award of this contract.

SECURITY REQUIREMENTS:

Pre-award Security Inspection: Because of the **stringent** security requirements, PRIOR TO AWARD of this contract, a security survey will be conducted at the prospective Contractor's plant by Treasury Department/GPO personnel.

NOTE: *The Contractor will evaluate all suggestions made by the Treasury Department/GPO and provide a written response to GPO indicating whether the changes will be implemented as suggested, will be implemented with modification, or will not be implemented and why. All financial responsibilities for compliance to the security requirements of the Treasury Department/GPO inspection must be borne by the Contractor.*

All security requirements must be in place and operational by **April 1, 2017**. If the Contractor cannot demonstrate that they will have all security requirements in place by **April 1, 2017**, they may be declared non-responsible.

The Contractor must *submit in writing* to the Contracting Officer the details of their security plan within **10 calendar days** from the notification that they are in line for award. All security measures shall be subject to approval by the Government. The following specific areas shall be addressed:

The Contractor shall provide a written Security Plan of the entire production facility and surrounding areas. This plan must encompass every detail, including floor plan(s). Floor plans may not be posted in public areas of the facility unless required by

fire or other codes and ordinances and then only if secure storage and production areas are not specifically identified. Treasury check images may not be used, in whole or in part, for marketing or decorative purposes.

The Contractor shall also provide a written Security Plan for any qualified watermarked paper manufacturer that they intend to use during the term of this contract. This plan must contain the same requirements stated above. In addition, it must detail plans for the transportation of the paper to the Contractor's printing facility as well as the handling of material (dandy rollers, artwork, etc.) to produce the paper stock in and around the paper manufacturer's facility.

These security plans MUST be submitted to the Contracting Officer as part of the Pre-Award Survey.

The Contractor shall take all necessary precautions to insure against loss of plates, negatives, electronic files, or other reproducibles at any time prior to delivery by him to a transportation agent or delivery to destination. The Contractor will be held responsible for maintaining proper control and handling to prevent any information or materials required to produce the product ordered under these specifications from falling into unauthorized hands. Unless otherwise indicated herein, all extra copies, materials, waste, etc. must be destroyed.

Plates and Negatives: Plates or negatives damaged or worn out during the term of the contract and all plates and negatives in the possession of the Contractor at the time of expiration of the contract shall be disposed of as directed by the Contracting Officer. All plates and negatives must be stored in a secure room (see Page 8 for storage requirements). When requested by the Government, the Contractor must have the capability to provide a printed inventory list of all Government material in his possession.

Manufacture of Plates: The Contractor will be required to submit a detailed plan for the accountability of plates, negatives, and electronic files.

DIGITAL FILE (ELECTRONIC MEDIA) SECURITY: The GPO will provide the contractor with a digital version of the check. The contractor will provide encrypted secured data storage device with an integrated USB interface of final files if Treasury makes any changes to the original digital files. Device will be shipped directly to Treasury using an overnight traceable courier. Tracking numbers will be provide via email to Treasury before shipment is completed.

The contractor shall protect the digital file at all stages of the production process, from receipt, until all traces of the file have been removed from the contractor's active files, backup files, and/or archival storage.

The digital file will be transmitted to the contractor with a full security characterization and specification of any special handling requirements (either explicitly or by reference to an approved source, such as a Digital File Security Plan, the contract, etc.) The contractor should not accept any digital file for which this controlling information is absent.

Electronic Media Protection:

- The contractor shall lock any electronic media received from the Government in a work area safe when not being used or reviewed.
- The electronic media will be logged in and out of the safe by designated users only
- Material produced that could be used to create an original form, such as a master digital file, will be logged in and out by designated user only.
- The contractor shall ensure that the digital file has been removed from all systems across the contractor's network. Within 10 workdays of notification to do so, the contractor must furnish an affidavit to the Contracting Officer confirming final cleanup.

Workstation Access:

- All persons entering or leaving the work area must log in and out with the time and date of entry and exit.
- The access log will remain in the work area and must be maintained by the person responsible for that area. The log may be subject to review and inspected by the Government at any time.
- Workstations must be password protected.

Securing Digital Files:

- Digital files will be saved either to a removable hard drive or a secure server.
 - Hard drives will be locked in the safe in the work area when the room is vacated, and/or at the end of each workday.
- If the contractor intends to store files on a secure server, the contractor must submit their plans for secure file storage to the Contracting Officer.

System and Communications Protection:

- The contractor shall specify how digital files provided by the Treasury Department will be protected from change and/or theft.
- The contract shall specify how electronic systems are protected from virus, malicious code, or unintended change.

Defective Checks: Defective checks shall be held in the check manufacturing area in a secure, lockable container which shall be constructed of wood, metal, or any substance which deters easy access or must be immediately destroyed. The key to the container should be held by a department supervisor who will periodically transfer the defective checks to the vault for storage until they are delivered to the person charged with their destruction. Such checks shall be destroyed by shredding or hydro-pulping, after which the residue may be disposed of by the Contractor as waste. The width of the shreds shall not be more than 1/4 of an inch. Waste/defective check destruction must be performed on site.

Carton and inner box sealing: To permit easy detection of an opened box, the Contractor is required to print or stamp a design lengthwise on the sealing tape. The design must be approved by the Government.

Secure Production Area: The Contractor shall provide a designated secure production area for the manufacture of plates, electronic files, negatives, checks, and the final packing into cartons. The Contractor shall provide security for the designated area to assure protection against theft. Security shall include:

Access Control: The Contractor shall provide the means to prevent unauthorized personnel into the secure production area on a twenty-four hour basis. No personnel can access this area unless authorized by the Production Manager/Security Officer. A current list of personnel authorized by the Production Manager/Security Officer must be retained by the Contractor at all times and copies forwarded to the Department of the Treasury whenever changes occur. A copy of this list must be retained by the Contractor for future reference during regular security reviews by Treasury. Before authorizing an employee to enter such an area, the Contractor must conduct a background investigation to establish the employee's financial integrity.

In addition, personnel shall not be permitted to carry lunch/personal containers or jackets/sweaters of any kind into the secure production area unless such items are in full view of security personnel and/or surveillance cameras at all times and their contents are made available for inspection upon leaving the area. The Treasury Department will review this procedure on a regular basis and reserves the right to modify this requirement.

Working Hours: A security system shall be implemented to prohibit the entry of unauthorized personnel into the secure area.

Non-working Hours: The Contractor shall provide approved intrusion alarms to detect any unauthorized entry into the secure areas with a three-minute response capability by company security personnel. The intrusion alarms will also sound in the nearest police facility.

Accountability: When requested by the Contracting Officer, the Contractor shall provide a record of accountability which includes all personnel, dates, and movement throughout all phases of production to include (1) finished product, (2) the destruction of defective work, and (3) production materials.

The Contractor shall take all necessary precautions to insure against loss of checks, negatives, electronic files, or other reproducibles at all times prior to delivery to their destination. The Contractor will be held responsible for maintaining proper control and handling to prevent any information or materials required to produce the product

ordered under these specifications from falling into unauthorized hands. Unless otherwise indicated herein, all extra copies, materials, production waste, etc. must be destroyed within five (5) days after production.

During the term of this contract, all plates, electronic files, and negatives which are not damaged or worn out shall remain in the custody of the Contractor, who will be held strictly accountable to the Government for the amount, not in excess of \$100,000 which may be sustained by reason of loss, misappropriation or improper use of the plates, electronic files or negatives. Any theft or loss of items as defined in these specifications shall be reported immediately by the Contractor to Fiscal Service Security Division (202) 874-7030 or (304) 480-8125 and to the Contracting Officer, U.S. Government Publishing Office, (202) 512-1239.

Security Precautions Required:

Alarm and Security System: The contractor shall maintain in operation, an effective security system where products covered by these specifications, are manufactured and/or stored (awaiting shipment or disposal) to assure against theft and/or the product falling into unauthorized hands. The alarm system shall be on operational at all times (24 hours a day, 7 days a week). Upon request, a printout shall be provided to the Government (within five (5) workdays) which documents all facility alarm status changes and alarm conditions. The contractor shall also furnish with its Security Control Plan, a floor plan detailing the locations of intrusion detection systems, emergency lighting, and fire suppression equipment for review and approval by the Government. Closed circuit television and video recording coverage will be required during printing, packing, storage, and destruction of any excess or spoiled materials. A minimum of six (6) months will be required for storage of historical media (e.g., video tapes). Historical media must be kept in a secure location.

Armed Guards: The contractor must station armed guards when the Treasury Checks are being manufactured and/or stored outside of the vault to insure against theft. Access control to the secured area(s)/vault must be maintained on a 24-hour round the clock basis.

Unauthorized persons shall not be permitted within areas where these items are in process of manufacture and/or storage. Before authorizing any employee to enter such area, the Contractor must review records and known facts concerning such employee and make a positive determination as to his/her acceptability from the standpoint of security and good moral character. New employees may not be so authorized until they have undergone an adequate investigation to develop the necessary information in this respect.

Personnel Screening: Before authorizing any employee to enter any of the secure areas, or to participate in any way in the manufacture, storage, or shipment of any of the items covered by this contract, the Contractor shall submit to the Government the name, address, date and place of birth, Social Security Number, race, sex, and fingerprints of the employee for screening purposes. The Government will retain the prerogative for granting access to any of the secure areas.

The Contractor will be required to conduct a financial background investigation on all employees granted access to the secure production and storage areas. The Contractor will retain the results of these investigations for review by the U.S. Secret Service or the Department of the Treasury's Office of the Inspector General. The Contractor is responsible for notifying employees of these investigations and for obtaining the employees' consent for release of information to conduct these investigations.

NOTE: After award, Fingerprint Charts (SF 87) will be provided to the Contractor by the Contracting Officer.

Government Access: The Contractor grants the Government the right to have representatives inspect the plant prior to the beginning of production, and at any time or times it may elect during the term of the contract, to ascertain whether the checks and check formats are being produced, shipped, and delivered in accordance with the requirements and that facilities are suitable, secure and safe for storage of checks, plates and related material. The Contracting Officer will supply the Contractor with the names of the Government personnel authorized admittance to the facility.

Secure Storage Room: The Contractor shall provide a designated **secure storage room** for the storage of plates, negatives, and electronic files used for the production of checks, as well as old plates and negatives awaiting destruction and Quality Assurance Samples.

A secure storage room is a room with no windows that has been upgraded to accommodate the storage of checks through structural modifications. These modifications will include the installation, on the walls and ceiling, of slab-to-slab drywall with 10-gauge expanded steel in the core area and the floor constructed of reinforced concrete. If the area above the false ceiling is a return air plenum, required openings in the drywall will be permitted provided that 10-gauge expanded steel cover these openings.

The entrance(s) to this room will include installation of a metal door(s). The metal door(s) shall be fire rated, hollow core, 18-gauge metal (standard industrial door). Door(s) shall have a minimum amount of glassed area whenever feasible. If glassed area is used, it will be break/shatter resistant and each glassed area shall not exceed 75 square inches. Door(s) shall meet the requirements of NFPA 80 - Doors and Windows, e.g., shall maintain the integrity of fire resistance of the walls. Door(s) shall be hung on butt hinges with non-removable hinge pins, or the hinges, if exposed to the exterior of the secure room, shall be spot welded to preclude easy removal of the door(s).

The entrance door(s) shall have a high quality security lock, dead-bolt type, mortise, with a minimum of one inch throw for use when unoccupied. Secure storage room door shall not be placed on any building grand master, master, or sub-master lock system. This lock must be keyed differently.

The secure room shall also have controlled access and electronic security/intrusion detection devices.

*NOTE: At the Contractor's discretion, the **secure production area** and the **secure storage room** may be combined to accomplish both requirements.*

Secure Vault Area: The Contractor shall provide a **secure vault area** for the storage of printed check rolls, check formats, defective checks, and check production waste. A vault area is a room that may vary in size; but regardless of size, the four exterior walls, floor, and ceiling are constructed of a concrete, masonry, or composite material (exception - vault door(s), emergency air vents, and air plenum) to provide significant attack resistance as defined in the following paragraphs:

No exterior wall of the overall building structure near the check production location will be considered as an exterior wall for the vault. The vault wall may abut the exterior wall, but the building exterior wall thickness cannot be considered part of the vault wall exterior.

The four walls, ceiling, and floor, must be constructed of a concrete, masonry, or composite material that is rated Underwriters Laboratories (UL) #608-Class 2, November 2004 standard for attack resistance. Use of composite materials must meet local building codes for fire resistance. The steel rebar reinforcement of concrete walls, floor and ceiling must meet local building codes as to spacing and number of steel rebar grids and comply with construction/attack resistance standards referenced in these specifications. Multiple layers of steel rebar grids will be staggered in each direction.

If masonry walls are constructed, they must be constructed of mortar filled concrete block reinforced with #6 rebar steel in each concrete block core and #6 rebar reinforced in the horizontal joints on each course. Regardless of what composite construction is utilized, the construction must comply with the UL #608 - Class 2, November 2004 Standard for Attack Resistance.

Pre-stressed or poured concrete shall develop ultimate compression strength of at least 3,000 lbs. per square inch, per the American Concrete Institute Standards.

All air plenums, required openings in the vault walls (except vault door) will be permitted provided that a 10-gauge expanded steel mesh would cover these openings. The 10-gauge steel mesh must be permanently affixed. There should be no single opening in the expanded steel mesh area which exceeds 100 square inches.

All electrical conduits for the alarm system, security equipment, lighting, telephone, etc., shall be in accordance with the local building and national electrical and applicable codes. The vault door will also require a 1/2" EMT installed in the frame for the installation of a recessed alarm switch.

The vault door must be equal to, or exceed, the UL "Burglary Resistant Vault Doors and Modular Panels Standards" UL #608, Class 2, November 2004.

The vault entrance shall also contain an alarmed, lockable day gate. The vault door shall contain a combination lock classified as Group 1R, complying with the requirements for combination locks, UL "Standard for Combination Locks" UL #768, January 2006. The combination lock should be mounted no more than 50 inches above the finished floor, and should meet the requirement of the American Disabilities Act (ADA).

The vault interior shall contain the following: smoke detector, 360 degree motion detector, panic pull station, and vault vibrators located on the four walls, floor, and ceiling.

The Contractor must submit to the Contracting Officer specifications of the vault door and construction of walls, floor and ceiling with written security plan; or if Contractor's vault is currently inferior to the above specifications, he must submit a detailed written plan for compliance to the vault standards when submitting security plan.

CONTINGENCY PLAN: The failure to deliver U.S. Treasury Checks in a timely manner would have a profoundly negative impact on the Government and the general public. Therefore, if for any reason(s) (Act of God, labor disagreements, etc.) the Contractor is unable to perform at the said location, the Contractor must have a backup facility with the capability of producing U.S. Treasury Checks. The backup facility must be operated by the Contractor and must be fully operational within **90 days of actual incident**. The contractor could lose their performance bond if they can't meet these terms.

Plans for this contingency production must be prepared and submitted to the Contracting Officer as part of the Pre-Award Survey. These plans **must include the location of the facility to be used**, security plans at that facility, and a timetable for the start of production at that facility. Part of this plan must also include the transportation of Government materials from one facility to the other.

In case of a Government disaster, the contractor must show how they will be able to produce approximately 63 Million checks per month for an undetermined amount of time until the disaster is fixed. The pricing for this would fall under an accelerated rate.

Restrictions on Movement: Government property, including U.S. Treasury Checks, shall not be transferred between plants except upon the formal authorization of responsible officials of the Contractor and the Contracting Officer. Such transfer shall be at the Contractor's expense unless other arrangements are mutually agreed upon.

PRE-AWARD TEST: The prospective Contractor will be supplied with materials, such as negatives or electronic files and printed samples, and is required to produce sample checks in accordance with these specifications. The Contractor must ensure that the product meets the parameters established by the Government.

Format D: 1,000 checks

Format GS 1,000 Check/statements

Format H: 160,000 total checks (1 Roll of 80,000 checks to each Financial Center)

Format M: 1,000 checks/statements

The numbering sequence will be provided prior to production of the test samples. Format H test rolls must be delivered to the Kansas City and Philadelphia Financial Centers (one roll to each center). All other formats must be delivered to the Treasury Department in Washington, DC.

The Pre-Award Test may be waived by the Government for Contractors who have previously performed on this contract and have demonstrated their ability to meet all contract requirements.

The samples must be produced using the ink, paper, equipment, and method of production which will be used in producing the finished product and must be of the kind, size, and quality the Contractor will furnish. All samples must have the legend "SPECIMEN - NOT NEGOTIABLE" printed in the area extending 2-3/4" from the right side of the check and starting 5/8" from the bottom of the check and extending at least 1/2" above that.

These samples will be inspected and tested for compliance with the specifications and must be provided in a timely manner after bid so as to allow proper testing and approval prior to placement of the first print order.

The Government will approve, conditionally approve, or disapprove the samples within 10 workdays of the receipt thereof. 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 testing 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 compliance with the specifications cannot be demonstrated by the prospective Contractor, they shall be declared non-responsible. Contractors found to be non-responsible will be required, under Government supervision, to destroy all plates, negatives, electronic images, or other media produced by the Contractor that might be used to produce checks described in these specifications.

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 (Pub. 310.2, effective December 1, 1987, Rev. June 2001).

Manufacture of the final product prior to approval of the samples 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 costs such as, but not limited to, making press plates, stock/paper, makeready and setup, and shipment incurred by the Contractor in order to satisfactorily meet the requirements of the Pre-Award Test and furnish an acceptable product in accordance with these specifications, shall be borne by the Contractor.

All printed test samples shall be manufactured at the facility in which the contract production quantities are to be manufactured.

POSTAWARD CONFERENCE: The total requirements of the job as indicated in these specifications will be reviewed by Government representatives with the Contractor's representatives at GPO, Washington, DC, immediately after award.

CONTRACTOR'S QUALITY CONTROL PROCEDURES: Prior to start-up, the Contractor must put into effect and maintain, within his own organization, an independent quality assurance organization of sufficient size and expertise to monitor the operations performed and inspect the products of each operation to a degree and extent that will insure the Government's quality assurance, inspection, and acceptance provisions herein are met. The Contractor shall perform the process controls, inspections, and tests required to substantiate that the checks provided under this contract conform to the specifications and contract requirements. The Contractor shall submit in writing, during the Pre-Award Survey, the details of their Quality Control Program describing how, when, where, and by whom the above process controls and inspections will be performed.

The system shall include, as a *minimum*, the following elements:

1. Quality assurance of all materials, e.g., check paper and inks. Each homogeneous lot of check paper and inks shall be tested for compliance with specification requirements. Records of all materials tests and inspections shall be maintained and made available to the Government upon request. These records include tests and inspections performed by the Contractor and/or by third party laboratories. If the Contractor is receiving test and inspection data from his materials suppliers, these records shall also be maintained and made available to the Government upon request.
2. Process controls, inspections, and tests during ALL phases of production.
3. Targets for control and measurement of color register and of register of marginal aligning holes with the image.
4. Use of standard specimens for color and printing matching purposes when printing checks.
5. Independent inspections during the printing process of printed checks for conformance to the standard.
6. A computerized number verification system which has the capability to detect any missing, skipped, or duplicated numbers within any type of numbering range during all phases of check printing. There must also be a system to detect a mismatch between OCR and MICR numbering in pre-printed checks.
7. Use of equipment in the manufacture of checks which will reject, or identify for rejection, those with defects which cause incorrect operation of high speed printing equipment, high speed MICR reader/sorter, post print verification, or other equipment used in the disbursement and payment of checks.
8. Examination of each order to assure that pre-printed serial numbers or ICNs run consecutively from order to order, without gaps, and are not duplicated from previous orders. The Contractor shall immediately notify the Treasury Department of any discrepancy in numbering sequence.
9. Independent verification of the machine set-up as to disbursing office symbol and check serial number or ICNs at the beginning of the numerical printing operations and prior to resuming such operations after each machine stoppage.
10. Audit of each batch of checks involved in a machine jam or malfunction during numerical printing or MICR encoding to verify the accuracy of such printing and MICR encoding.

11. Independent inspection and approval of checks made up specifically to replace defective checks and of their insertion in numerical sequence within the related batches.
12. All records covering the manufacturing, packing, and shipping of the checks must identify the ICN numbers or symbol and serial numbers of the checks. At a minimum, the records should also contain:
 - A. Employee(s) handling the checks.
 - B. Description of any production difficulties.
 - C. Date.
 - D. Time
 - E. Machine identification.
13. Records of all tests and inspections. When quantitative results are available they shall be recorded. Results of non-quantitative inspections (e.g. visual matches) shall also be recorded.
14. Records of process controls sufficient to validate their effectiveness.
15. All quality systems records shall be maintained throughout production and be made available to the Government upon request.
16. Appointment of an official who shall be responsible for the operation of the quality control system and for investigating and ascertaining the causes of deficiencies found in checks shipped as reported by the Department of the Treasury or other agencies.
17. Inspection of each printed roll for conformance to color standard, integrity of numbers, and presence of excess chad.
18. Performance of Finished Product: All check formats produced under these specifications must be guaranteed to function properly when processed. Check formats require precision spacing, printing, perforating, trimming, and marginal aligning hole punching.

NOTE: A Certificate of Inspection of each shipment certifying that the checks were tested and inspected and found to comply with all requirements and giving the number of the final inspection may be required by the Contracting Officer.

DEPARTMENT OF THE TREASURY'S QUALITY ASSURANCE PROCEDURES:

Press Sheet Review: When in production, weekly press sheets shall be submitted to the Treasury Department for inspection of conformance to the pre-established color standard. Four sheets containing at least eight (8) two-up check images each will be required. Treasury will forward two (2) of these press sheets to the Physical Security in Philadelphia, PA for their review.

Paper Stock Inspection: Each time the Contractor receives a shipment of the check paper from the paper manufacturer, samples representative of the mill run must be submitted to the Treasury Department for review.

WARRANTY: Contract clause 15, "Warranty," of GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01) is amended for the solicitation to the effect that the warranty period is EXTENDED from 120 days to **180 calendar days** from the date of final payment. **NOTE: The warranty for the materials stored in the vault as described on page 33 of the specifications under "storage" is extended to 180 days after product is delivered. All other provisions remain the same.**

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* April 1, 2017 *through* March 31, 2018, 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 takes precedence 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.

PAYMENT: Submit all invoices, via fax, utilizing the GPO barcode coversheet program application. Instructions for the GPO barcode coversheet program application 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.

NOTE: Contractor's billing invoice must be itemized in accordance with the items in the "SCHEDULE OF PRICES.

SECTION 2. – SPECIFICATIONS

SCOPE: These specifications cover the production of U.S. Treasury Checks, with and without statements, requiring such operations as composition, film making, printing, numbering, packing, and distribution. Due to the numerous number of Exhibit pages (11) in this specification, the exhibits will not be put on the internet. A complete copy of the specifications with exhibits may be obtained from the bid room by request. Telephone 1-800-368-5762.

TITLE:U.S.Treasury checks.

FREQUENCY OF ORDERS: Approximately **105 orders** per year (number of orders may vary greatly) not to exceed 13% of the yearly quantity of checks per month.

QUANTITY: Approximately **100 to 10,000,000** checks per order. A total of approximately **60,000,000*** checks will be ordered per contract year. Roll stock orders for the Department of the Treasury's Regional Financial Centers will be for monthly, quarterly, or one year's total production with incremental shipments (October through September).

* Due to Electronic Funds Transfer (EFT) and consolidation of disbursing locations, the estimated annual quantities may decrease during the term of this contract.

QUANTITY VARIATION ALLOWED: None.

TRIM SIZES: Various trim sizes will be ordered and paid for in their respective "Format" classification as follows:

- | | |
|-------------------------|---|
| Format D: | 8-1/2 x 3-1/4", includes 9/16" marginal aligning strip left and right |
| Formats E and I: | 15-7/8 x 3-1/4", includes 9/16" marginal aligning strip left and right |
| Format GS: | 8-1/2" wide includes 9/16" marginal aligning strip left and right. GS is 13" deep. Detached size of 1 check and statement is 7-3/8 x 6-1/2" |
| Format H: | 15-7/8" wide includes 9/16" marginal aligning strip left and right. A leaderstrip a minimum of five (5) feet in length and a trailing strip of five (5) feet minimum will be required. (80,000 checks per roll) |
| Format J: | 8-1/2 x 13" sheet, includes 9/16" marginal aligning strip left and right |
| Format K: | 15-7/8" wide includes 9/16" marginal aligning strip left and right. A leader strip a minimum of five (5) feet in length and a trailing strip of five (5) feet minimum will be required. (40,000 checks/statements per roll) |
| Format M: | 8-1/2 x 11" or 8-1/2 x 13", includes 9/16" marginal aligning strips left and right |

Formats D, E, GS I, J, and M may be ordered with the marginal aligning strip on the right and left removed.

NOTE: Check sizes may be ± 0.010 "

SAMPLES: Printed samples will be available for inspection at the Government Publishing Office.

ANSI STANDARDS: The following American National Standards are referenced in various parts of these specifications and are included in the requirements to the degree(s) specified.

ANSI INCITS 86-1980 (R.2002) Inks, Optical Character Recognition (OCR)

ANSI INCITS 99-1983 (R.2002)	Guideline for Optical Character Recognition (OCR) Print Quality
ANSI X3.93M-1981 (R1995)	Optical Character Recognition Positioning
ANSI X3.49-1975 (R1995)	Character Set For Optical Character Recognition (OCR-B) ANSI
X9.100-20:2006	Print and Test Specifications for Magnetic Ink Printing (MICR)
ANSI X9.100-160:2009	Specifications for the Placement and Location of MICR Printing
ANSI X9.7:1999 (R2007)	Bank Check Background and Numerical Convenience Amount Fields
ASTM-D5118/D5118M-05ae1	Standard Practice for Fabrication of Fiberboard Shipping Boxes
TAPPI T400 sp-06	Sampling and Accepting a Single Lot of Paper, Paperboard, Containerboard, or Related Product.

The revisions of these standards which are effective as of the date of this contract are those which shall apply.

The ANSI and ASTM Standards may be obtained in electronic form from the American National Standards Institute, 25 W 43rd Street, New York, NY 10036, or www.ansi.org. The TAPPI Standards may be obtained from TAPPI, P.O. Box 105113, Atlanta, GA 30348, or www.tappi.org.

GOVERNMENT TO FURNISH: Film, electronic files, camera copy/illustrations, manuscript copy, distribution and contact lists, samples of all check formats for color match and construction, and locks and seals for all roll stock shipments.

Identification markings such as register marks, commercial identification marks of any kind, etc., carried on copy or film, must not print on finished product. Registration or other markings on marginal pin-feed strips must not interfere with check imaging at disbursing locations.

CONTRACTOR TO FURNISH: All materials and operations, other than those listed under "Government to Furnish," necessary to produce the product(s) in accordance with these specifications including, but not limited to microprinting, security design for carton tape, and reports detailing every check order produced during the term of the contract, etc.

COMPOSITION: The entirety of all composition must be identical throughout the products ordered under these specifications.

Typefaces and Sizes: The Contractor is required to furnish the following:

OCR-B, Size I

MICR characters per ANSI-X9.27-1988

In addition, the successful bidder must provide the ordering agency with specimens and a complete listing of typefaces and sizes available for use under this contract.

Text Matter: Imprint Lines.

Statement Face (See EXHIBIT 3 for example): The Contractor will be required to set type as well as vertical and horizontal rules for the face of statements. Payment will be made on a per square inch basis which shall be measured by multiplying the image width by the image depth in inches. Trim marks, if ordered, will not be considered part of the image.

Statement Back (See EXHIBIT 4 for example): The Contractor will be required to set type for the backs of statements, if ordered. Typefaces and sizes will be selected from the list provided by the Contractor. Payment will be made on a per line basis.

Author's alterations will be measured and paid for on the same basis as "Text matter" or "Statements" in SECTION 4.- SCHEDULE OF PRICES.

FILMS: Furnished color films will have to be adjusted by the Contractor. The Contractor will be responsible for any intermediate films that are necessary to produce the checks.

PROOFS: The Contractor will be required to establish and maintain a computerized proofing system compiled from hard copy furnished by the Treasury Department. The system must be capable of being updated throughout the term of the contract as a result of new information provided.

The Contractor will be required to use the furnished media to create a proof to show the exact position of imprint on checks (see EXHIBIT 1). The imprint information contained on each proof will be overprinted onto the respective check format. The Contractor will produce generic stock for overprinting the information from each proof (except Formats H and K) as well as the numbering sequence.

All proofs must be uniform in size and contain a single imprint to a sheet. Proofs will be submitted to the Treasury Department via email in PDF format. Email address will be provided after award. The Contractor will be notified if corrections to the proof are necessary. All proofs must be certified by both the ordering Agency and the Treasury Department before they are considered approved.

Each proof has a unique proof number assigned to it by the Treasury Department which will be used for the life of that proof. The proof number indicates the ordering Agency's number, sequential number within each Agency's grouping, and format. The proof number will be cited on the Print Order for pick up of the corresponding file when a check order is placed.

NOTE: The Government will issue a Print Order (GPO Form number 2341) for all proofs and/or revisions to existing proofs whether it is a change to the imprint of a check or a change in check format.

When the Government requests a change in formats (D through M) a Print Order will be issued to do so. This change constitutes a revision to the proof, which requires the Contractor submit a revised proof. However, the Contractor will not be entitled to a composition charge for this revision as the base check image is generic and these changes will be considered as part of the make-ready/setup charges.

When the Government requests a change to an imprint the Contractor will be entitled to a composition charge.

Contractor's errors will require revised proofs and are to be provided at no expense to the Government. No extra time will be allowed for reproofing and must be accomplished within the original production schedule allotted in the specifications.

The Contractor must not print prior to receipt of an "OK TO PRINT."

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. 12" dated February 2011.

Color of paper furnished shall be of a uniform shade and a close match to samples provided after award. The Contracting Officer reserves the right to reject shipments of any order printed on paper the color of which, in his opinion, materially differs from that of the color sample(s).

Check and statement stock: 100% bleached chemical pulp, free from groundwood or unbleached pulp.

No fluorescent (optical) brighteners shall be added to the pulp or paper during manufacture. Fluorescence, due to residual white water, broke, or natural fibers, is permissible, provided the increase in reflectance, measured with and without the ultraviolet component of a light source of 3100 Kelvin in combination with a C.I.E. (International Commission on Illumination) Z (blue) filter, does not exceed 2.0 percent.

NOTE: The Contractor shall not change, enhance, or modify any of the offered products, raw materials, manufacturing processes (including equipment) and/or subcontractors without written approval of the Government.

Note: Postconsumer fiber, in any percentage, is encouraged provided that the requirements of this standard are met.

Moisture content:	percent.	4.8 min to 6.0 max
pH: pH value, not less than		5.5
Basis Weight: 17 x 22 inches, 500 sheets.....	pounds	28
A tolerance of ±5 percent shall be allowed.		
Stiffness: Minimum, each direction (CD and MD),	milligrams	150
Bursting strength: minimum.....	lb/in ²	30
Tearing strength: Minimum, each direction (CD and MD),.....	mN	580
Equivalent.....	grams	60
Pick resistance: Average, each side, not less than 14-A Dennison wax number.		
Opacity: Minimum, not less than	percent	90
Thickness: Average	inch	0.0052
A tolerance of 0.0004 inches shall be allowed.		
Paper shall be uniform and shall not vary more than 0.0004 inch from one edge to the other.		
Porosity: Minimum, not less than.....	seconds	20
Sheffield smoothness: Average, each side	units	100 to 160
Writing quality: Characters written with pen and ink shall be clear cut and free from excessive feathering.		

General appearance: Shall conform to the following requirements.

Color: Paper shall be white and match the sample furnished by the Government. The color variation in the order and deviation from the agreed upon color standard shall not exceed DE (CIELAB) = 1.0. The reflectance (ASTM D985-97(2007)) in the visible region when measured using the Moore Model 082A, MacBeth PCM-II, or equivalent testing equipment, shall not be less than 80%.

Formation and cleanliness: The paper shall have a uniform formation. The dirt content (foreign material) for each side shall not exceed 8 parts per million.

Chemical sensitivity: The paper shall be surface treated or impregnated with chemicals so as to produce an obvious visual reaction when attempted alterations are made with the following classes of chemicals: (A) organic solvents, such as ketones, esters, glycols, glycol ethers, alcohols, chlorinated hydrocarbons, and aromatic hydrocarbons; (B) acids; (C) bases; and (D) bleaches. See test Method A below.

Watermark: Paper shall contain a watermark of a Fourdrinier-type quality or equal. The watermark will be a random pattern manufactured in the “Cross Machine Direction”, and will be a combination of shade and reverse wire

watermarks. One (1) full image of the watermark MUST appear in each check and/or statement. The mark shall be distinct and legible in all respects. See EXHIBIT 10 for example of watermark coverage.

Treasury will establish a mill run standard for the watermark at the beginning of this contract and if a new supplier is acquired during the contract term. This standard must be used as a guide for all subsequent mill runs. Samples of this standard will be retained by Treasury and the Contracting Officer.

Fibers: Paper shall contain ultraviolet fluorescing fibers, which are 1/8" in size, with an approximate density of two (2) fibers per square inch of surface area. These fibers shall NOT interfere with optical and magnetic readers/sorters NOR be capable of being reproduced using any photocopying or scanning equipment. The reflectance characteristics and color of the fiber will be provided to the contractor after award. **Contractor shall provide samples plus the names and colors of various fibers available by the paper manufacturer of contractor's choice.**

Testing and samples: Shall be conducted in accordance with standards in Parts 2 and 4, Government Paper Specification Standards, No. 11, except when otherwise noted.

Testing for chemical sensitivity: Compliance to this requirement is determined by observing the paper's reaction to chemicals as listed below:

One (1) drop of each chemical is dispensed with a glass dropper from a dropper bottle (Fisherbrand Cat. No. 02-983A or equal) onto the surface of five (5) separate, designated areas of the specimen. This procedure is repeated on 5 consecutive specimens.

The reaction shall be judged as present (positive) or absent (critical defect) for each specimen after the chemical has dried, approximately 18 and 36 hours after the test was made. A positive reaction is one where there has been an obvious and permanent color change at the spot where the chemical came in contact with the paper surface. The contrast shall be distinct and visible when viewing the specimen at a distance of 12 to 18 inches from the sample at a 45 degree angle from the perpendicular of the paper surface in a well lit room. *It is not necessary to lift or rotate the specimen to see the reaction.*

The paper shall react to the following chemicals and at the indicated concentrations prepared as a weight-volume solution using reagent grade chemical.

- Acetone or Methyl ethyl ketone
- Ethyl acetate or Butyl lactate
- Ethylene glycol
- Ethylene glycol monoethyl ether or Ethylene glycol monobutyl ether
- Benzyl alcohol or N-butyl alcohol
- Trichloroethylene, Chloroform, or Carbon tetrachloride
- Toluene or Xylene
- 5% Sulfuric acid solution
- 2% Potassium hydroxide solution
- 5% Sodium hypochlorite solution

Samples: The Contractor's paper manufacturer shall submit outturn samples from each manufacturing run to the Government Printing Office (GPO) for testing and approval prior to the print production. For each manufacturing run, the manufacturer shall submit 50 pieces of paper, approximately 8-1/2 x 11", randomly taken and representing the entire manufacturing run. Sampling shall be conducted in accordance with the current edition of the standard method TAPPI T-400, Sampling and accepting a single lot of paper, paperboard, containerboard, or related product.

Documentation: A covering document shall accompany the sample set with the following information: (A) the GPO Jacket Number and Program Number (249-S); (B) the mill or manufacturing run number; (C) the manufacturer's test data at regular intervals throughout the manufacturing run (e.g. for each reel or for each manufacturing hour, as appropriate); (D) a description of the paper; and (E) a statement certifying that the sampling was conducted in accordance with TAPPI T-400. The document shall be signed by the manufacturer's official responsible for sampling, quality control, and quality assurance.

Blank paper (Format H): White Plain Copier, Xerographic, Laser Printer, Basis Weight 28 lbs per 500 sheets, 17 x 22", equal to JCP Code O-63.

Grid Stock (Formats D, F, and J): White, Plain Copier, Xerographic, Laser Printer, Basis Weight 28 lbs per 500 sheets, 17 x 22", equal to JCP Code O-63.

PRINTING AND INKS:

Face of check: Pantograph prints in five (5) colors of various tones blended to create a rainbow effect; black type, rules, and line art overprint the colors. Colors are as follows: Pantone inks: 571 Green, 388 Light Green, 136 Orange, 545 Blue and reflective and non-reflective Black. Ink colors can be changed at the option of the Treasury Department.

Pantograph Inks: *The ink shall have appropriate safety characteristics among which shall be sensitivity to any kind of tampering whether by use of hard or soft erasers, rubbing, scraping, treatment with water or any bleaching agent. The surface shall not fade, nor shall other properties be affected under ordinary conditions of storage, and the surface tint shall not smear or rub off under normal handling.*

Pantograph inks, after printing, must meet the following tests to insure sensitivity to tampering.

1. Water Leach Test: A cotton swab dampened with distilled water is gently rubbed over the printed area of the ink color tested (avoid the blend zone of the adjacent ink color). When the swab is examined, it should show the color of the ink, thus indicating water leach. This test is repeated for each pantograph color of ink.
2. Alcohol Leach Test: A drop of ethyl alcohol is placed on each color of ink. The ink must dissolve showing evidence of this reagent.
3. Bleach Test: A drop of 5% hypochlorite solution (household bleach) is placed on each color of ink. The color of each ink must bleach away or perceptively change color.
4. Erasure: Prepare a printed specimen check by typing characters in each color zone. Use either a hard or soft eraser and erase the typewritten characters in each color zone. The background pantograph inks must show visible evidence of erasure before the typewritten characters are erased.
5. Light Stability: Ink colors must not show more than 10% color fade after two (2) hours in Fadeometer.

In addition to the pantograph inks, the following inks are required:

Fluorescent Ink: The face of the check shall be manufactured with a single invisible luminescent ink designed to fluoresce when exposed to a UV light source. Color and image will be provided after award.

Bleeding Ink: An ink which reacts to moisture, giving a contrasting bleed or colored smudge when touched with water. Color and image will be provided after award.

Light Stability: Ink colors must not show more than a 10% color fade after two (2) hours in Fadeometer.

Face of statement: Prints in reflective Black ink.

Back of check and statement: The backs of checks and statements with a blank face, print in Process Blue. This ink color can be changed at the option of the Treasury Department.

Grid check: Prints face only in Process Blue.

PRESS SHEET INSPECTION: Press sheets will be inspected at the Contractor's plant for quality conformance. Inspections will be made on a routine schedule by Government (Treasury or GPO) representatives - exact schedule will be supplied to the Contractor after award. These representatives will establish new "Color OK Press Sheets" on a regular basis, which are to be used as the standard for conformance between inspections. Occasional unannounced plant visits by the Government will be made during the term of this contract.

ADHERENCE TO CHECK STANDARDS: All checks supplied shall conform to the standards in quality of printing and color set forth in this contract; provided, however, that any detail of a given standard check which may appear to be a deviation from the written specifications herein shall not excuse any correctable defect in the manufacture of checks. The standard checks shall remain in the control of the Government Printing Office, and these, along with the written standards, shall be the basis for acceptance or rejection of checks manufactured by the Contractor. The Contractor may be called upon from time to time to furnish new specimen checks for designation as standards.

The surface tint design on the face shall be clear, complete, and uniformly inked. Initials, words, and other details of the design shall be readable or detectable, but not so boldly printed as to lose the effect of serving as a background for the printing of the check and for the data to be added by the disbursing office.

The face of the check, including the seal of the United States Treasury, shall be clearly and sharply printed. Type faces and other details shall have a solid and continuous deposit of ink without excessive spots, without excessive breaks in fine lines, and without mottle, smearing, slurring, or fill-in of closely spaced lines or of small open elements of type faces. The back of the check shall meet the specifications approved by the Government.

Color register: The misregister between ANY two (2) colors measured on a color register target shall not exceed .010 inches.

Register between marginal holes and black image: The misregister between any marginal hole and the black image measured on a target shall not exceed .040".

OCR Requirements: The OCR read inks shall have a maximum reflectance of 18% throughout the spectral region of 400 to 800 nanometers when tested as specified in ANSI X3.86-1980 (R1998), Section 4.

The OCR ink will render print of such quality as to be fully readable by standard OCR equipment. No print contrast signal degradation resulting in OCR misread or non-read due to poor inking shall be tolerated. Particular reading problems caused by the effects of voids or spots due to smudging and splattering resulting from ink related problems, shall not be encountered. Character outline limits shall not be exceeded due to ink feathering, smudging, or ink shading. There shall be no allowable voids due to ink fill problems. There shall be no occurrence of unallowable spots due to ink splattering, feathering, or smudging.

The check area designated OCR (see EXHIBIT 2) extends from the right edge of the check to 5-5/8 inches from the right edge of the check and 1 inch from the bottom of the check to 2-5/8 inches from the bottom of the check. This area shall have no black extraneous marks (ink spots) larger than .006 inches in its greatest dimension.

Except as otherwise specified in these specifications, OCR printing shall conform to the requirements of ANSI X3.93M-1981 (R1995), ANSI X3.99-1983 (R1997) "Range Y" quality, and ANSI X3.49-1975 (R1995).

MICR Requirements: Certain checks will contain information encoded in magnetic ink within the clear band at the bottom of the check. Except as otherwise specified in these specifications, MICR printing shall conform to the requirements of ANSI X9.27-2000 and ANSI X9.13-1999.

The MICR area (see EXHIBIT 2) extends from the bottom edge of the check to 9/16" from the bottom edge of the check and across the entire 7-3/8" length of the check. This area shall have no black extraneous marks (ink spots) larger than .006" in its greatest dimension.

MICR ink extraneous marks shall conform to the requirements of ANSI X9.27-2000. There shall be no extraneous marks caused by foreign matter in any location on a check.

Numbering: All checks shall have consecutive check numbers. There shall be **NO** breaks or splices in the numerical series *regardless* of the format of checks. The Contractor shall certify that all deliveries contain the complete set of numbers specified on the Print Order.

Checks bearing no live serial numbers shall have Inventory Control Numbers (ICN). ICNs must be consecutive and there shall be **NO** missing ICNs.

There shall be no duplicate check symbol/serial number or ICN number ranges on any checks produced during the life of the contract, unless specifically requested in writing by the Contracting Officer. Should the Contractor encounter a check order that requires such duplicate number ranges, he shall *immediately* notify the Department of the Treasury.

Pre-Printed Check Symbol and Serial Numbers: Checks with pre-printed check symbol and serial numbers (also referred to as symbol/serial number) shall have the numbers printed in the upper right hand corner in OCR B, size I font. The pre-printed symbol/serial numbers shall be in the exact same location on all checks. The area shall be above the "Check No." legend, starting at 1/4" from the right edge of the check and extending to the left 13 spaces at 10 spaces to the inch and in an area starting 1/8" from the top of the check and extending no more than 3/8" down. The check symbol/serial number shall be a 13- space number. The first four (4) spaces will contain the symbol, the 5th space will contain a hyphen and the next eight (8) spaces will contain the check number. Check numbers not filling the eight (8) spaces will be zero filled to the left. There will be no commas or other punctuation. The symbol/serial number shall be printed in non-reflective black ink. Check symbol/serial number ranges will be specified on each Print Order.

Magnetic Ink Character Recognition (MICR) Encoding: The following information shall be pre-printed in magnetic ink in the specified MICR positions, within the clear band at the bottom of the checks as specified by ANSI X9.27-2000, for those check types requiring a pre-printed MICR encoded line which are referred to as pre-printed checks.

Transit Number: The transit number and check digit of the United States Treasury shall appear as "000000518". The transit number and check digit shall be pre-printed in MICR positions 42 through 34. The transit number symbol (stroke 10) shall be pre-printed in MICR positions 33 and 43.

Symbol Numbers: Unless otherwise indicated, the symbol specified in each Print Order shall be pre-printed in MICR positions 53 through 50 for all checks. The checking account symbol will have a check digit in MICR position 49. This digit shall be computed using a Modulus "11" Divide-Remainder System. When the remainder is 10, the dash symbol (stroke 13) shall be printed. The "ON US" symbol (stroke 12) shall be pre-printed in MICR positions 48 and 54.

Serial Numbers: All checks, unless otherwise ordered, will be serially numbered in the sequence (either upward or downward) designated on each Print Order. This number shall be pre-printed in MICR positions 31 through 24. In MICR position 23 a check digit will be pre-printed. This digit will be computed based on the Serial Number using a Modulus "11" Divide-Remainder System. When the remainder is 10, the dash symbol (stroke 13) shall be printed. In MICR position 22 the "ON US" symbol (stroke 12) shall be printed.

Inventory Control Numbers (ICN): All check types designated as other than pre-printed shall contain Inventory Control Numbers (ICN) rather than pre-printed symbol/serial numbers. The ICN shall be in OCR-B, size I font and shall be located in the top center portion of check in an area starting 3-5/8" from the left edge of the check to 5-1/4" from the left of the check and starting 1/8" from the top of the check to 3/8" from the top of the check. The ICN shall be printed in non-reflective black ink. The ICN will consist of alpha and numeric characters with commas after each third numeric character.

An example of how a NTDO ICN looks is: B000,010,000

An Example of how a TDO ICN looks which ships to Kansas City Financial Center is: K000,010,000

An Example of how a TDO ICN looks which ships to Philadelphia Financial Center is: P000,010,000

The specific ICNs to be assigned shall be indicated on the Print Order provided to the Contractor. All ICNs on all checks for which they are required shall be in the exact same location.

DURABILITY REQUIREMENTS: All printing – including all numbering, MICR printing, OCR printing, or laser printing by the Contractor or by the Government must adhere to surface tint design. Printing will be tested using various rubbing, scratching, or abrasion materials to include erasers, fingernail, metal object, or plastic card, etc.

DEFECTIVES: The Contractor shall examine finished checks, to the extent necessary, to eliminate imperfect work prior to delivery.

Defective work includes, but is not limited to, the following defects: not color specified; scuffs or tears; broken corners; split, ragged or crushed edges; wrinkles; grain not long and/or short; encoding quality not equal to the standard; slime spots, dirt spots, knots, lumps, or blisters in excess of standard; improper registration; incorrect printing; defective tinting; printing quality not equal to the standard; checks not in number sequence; missing checks; mismatched OCR/MICR numbering; and duplicate checks. The requirements as to number sequence, exact count, and absence of duplicate checks apply regardless of whether checks are printed with serial numbers or ICNs. In the event the Contractor furnishes defective work as described above, the Contractor will be required to file a complete report on the reasons for the defective work and the steps being taken to prevent future occurrences.

The Contracting Officer reserves the right to require the Contractor to replace any defective checks and any related copies or statements found in any order or to replace all checks within a continuous series if, in his opinion, segregation of the defective items would not be feasible. The determination by the Contracting Officer as to defective workmanship in a particular check or check lots shall be final and conclusive, subject to normal appeal procedures as outlined in the Disputes Clause as indicated in GPO Contract Terms.

A single check is defective if it fails to conform to ANY applicable requirements of this specification.

A roll is defective if it contains more than one half of one percent defective checks (excluding excess chad). An entire shipment of rolls will be rejected if **6.5% of the shipment** is deemed defective.

Testing and Inspection by Contracting Officer: The Contracting Officer will, at his option, make tests from time to time to determine that the checks being manufactured adhere to the specifications and standards prescribed herein. He may use either or both of the following methods for obtaining samples:

- A. An authorized representative may periodically visit the Contractor's manufacturing plant to inspect quality of printing, shade of tint, the methods of packing, etc., and will select or require the Contractor to furnish samples of blank stock, printed work, ink, packing material, etc. for laboratory testing.
- B. The Contracting Officer may request the Contractor take samples of the paper, checks, ink, packing material, etc. and promptly forward them by registered mail, secure carrier, or hand delivery with appropriate receipt to GPO. All photo prints or specimens of checks shall be voided in an approved manner before being permitted to leave the Contractor's plant.

MARGINS: Margins for statements will be indicated on electronic file or sample copy.

Check Face:

Format D	Bleeds left and right onto marginal aligning strip; prints to edge top and bottom
Format E	Bleeds left onto marginal aligning strip; prints to edge top and bottom and to edge of center perforation
Format GS	Bleeds left and right onto marginal aligning strip; prints to edge on bottom and to bottom of statement at check top
Format H	Bleeds left and right onto marginal aligning strip; prints to edge top and bottom and to right edge of check on left and to left edge of check on right
Format I	Bleeds right onto marginal aligning strip; prints to edge top and bottom and to edge at center perforation
Format J	Bleeds left and right onto marginal aligning strip; prints to edge top and bottom
Format K	Bleeds left and right onto marginal aligning strip; prints to edge top and bottom and to right edge of check on left and to left edge of check on right
Format M	Bleeds left and right onto marginal aligning strip; prints to edge top and bottom and to top of statement at check bottom

Check Back: 1/4" top, bottom, and left.

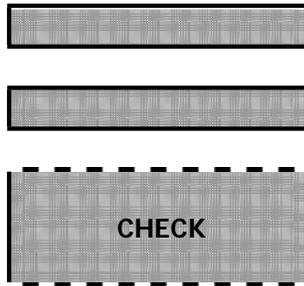
CONSTRUCTION: Unless noted otherwise, all formats print on white security check paper, 28 lb. Occasionally orders of 100 checks will be ordered for Formats D, E, F, GS, I, J and M.

- Format D** One-up marginally punched continuous. Overall width 8-1/2", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. Horizontal perforation every 3-1/4". Fanfolded every fourth check in unbroken strips, no splices. Will be ordered packed in cartons of 1,000, 2,000 or 4,000 checks.
- Format E** One-up marginally punched continuous with statement on right. Overall width 15-7/8", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. An additional vertical perforation will be required 7-15/16" from left and right edge (center). Horizontal perforation every 3-1/4". Fanfolded every fourth check/statement in unbroken strips, no splices. Will be ordered packed in cartons of 2,000 checks/statements or 4,000 checks/statements.

- Format F** (Grids only) Two-up marginally punched continuous. Overall width 15-7/8", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. An additional vertical perforation will be required 7-15/16" from left and right edge (center). Horizontal perforation every 3-1/4". Fanfolded every fourth check in unbroken strips, no splices. Will be ordered in cartons of 2,000 (4,000 total grids) or 4,000 (8,000 total grids).
- Format GS** One-up marginally punched sheet of check and statement, with option of having check above or below statement. Overall width 8-1/2", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping, depth 13". Horizontal perforation every 3-1/4". Each sheet will yield two (2) checks and two (2) statements. Will be ordered packed in cartons of 1,000 or 2,000 checks/statements.
- Format H** Two-up marginally punched continuous roll. Overall width 15-7/8", includes a 9/16" marginal aligning strip left and right. Each roll contains a leader strip (with alignment marks) minimum of five (5) feet, 80,000 total checks, and a trailing strip of five (5) feet minimum. Maximum roll size 30" in diameter with a 5" (inside diameter) suitable core. **NOTE: All splices, including mill splices and flying splices, are unacceptable.**
- Format I** One-up marginally punched continuous with statement on left. Overall width 15-7/8", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. An additional vertical perforation will be required 7-15/16" from left and right edges (center). Horizontal perforation every 3-1/4". Fanfolded every fourth check/statement in unbroken strips, no splices. Will be ordered packed in cartons of 2,000 or 4,000 checks/statements.
- Format J** One-up marginally punched sheet. Overall size 8-1/2 x 13", includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. Horizontal perforations every 3-1/4". Each sheet will yield four (4) checks, detached size 7-3/8 x 3-1/4". Will be ordered packed in cartons of 1,000, 2,000 or 4,000 checks.
- Format K** Two-up marginally punched continuous roll with statement below check. Overall width 15-7/8", includes a 9/16" marginal aligning strip left and right. Horizontal perforations at the bottom of each check, every 6-1/2". Each roll to contain a leader strip (with alignment marks) a minimum of five (5) feet, 40,000 checks and 40,000 statements, and a trailing strip of five (5) feet minimum **NOTE: All splices, including mill splices and flying splices, are unacceptable.**
- Format M** One-up marginally punched sheet of check and one (1) statement, with option of having check above or below statement. Overall size is 8-1/2" x 13" or 11". Includes a 9/16" perforated marginal aligning strip left and right, with the option of having the marginal aligning strips removed prior to shipping. A Horizontal perforation is at the bottom edge of the check when above statement and at the top edge of the check when below statement. Each sheet will yield one (1) check, 7-3/8 x 3-1/4", and one (1) statement. Will be ordered packed in cartons of 1,000 checks and statements.

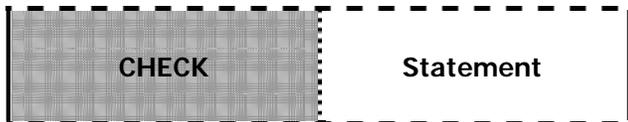
NOTE: On all roll stock Formats, including Specimens, (H, and K) the first full 3-1/4" check image appearing after the leader strip and before the trailing strip must be live checks bearing ICN numbers. For security reasons, **NO checks** will be allowed at the beginning or end of a roll that do not contain these numbers.





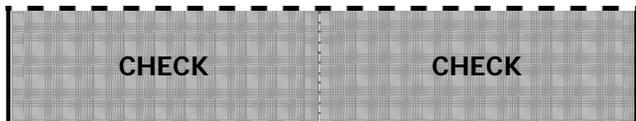
Format "D"

One-up, marginally punched fanfold



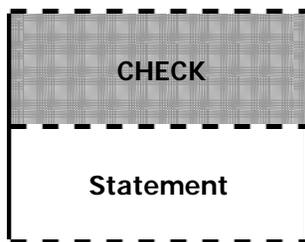
Format "E"

One-up with statement, marginally punched fanfold



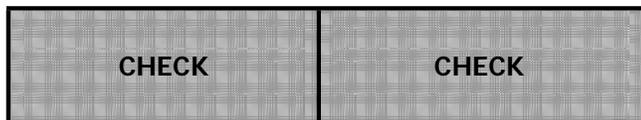
Format "F" (Grids Only)

Two-up, marginally punched fanfold



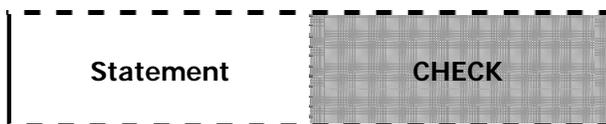
Format "GS"

One-up with statement, marginally punched fanfold
(option of check above or below)



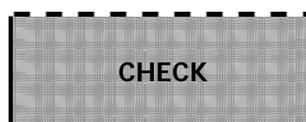
Format "H"

Two-up, marginally punched roll
80,000 checks per roll



Format "I"

One-up with statement, marginally punched fanfold



Format "J"

One-up, marginally punched sheet
4 checks per sheet

CHECK
CHECK
CHECK

CHECK	CHECK
Statement	Statement

Format "K"

Two-up, marginally punched roll
Statement below check, 40,000 checks/40,000 statements per roll

CHECK
Statement
Statement
Statement

Format "M"

One-up with statement, marginally punched sheet (option of check above or below statement) (option of 11" or 13" length)

Occasionally Print Orders will be also placed for the following items to be used for testing on check printing/bursting equipment:

TEST GRID CHECKS: Test grid checks will be ordered only in Formats D, F, or J. Grid checks will be an exact representation of check construction in their respective format. (See EXHIBITS 6 and 7).

SPECIMEN CHECKS: The words "SPECIMEN NOT NEGOTIABLE" must print in black ink in a minimum type size of 18 points (see EXHIBIT 8). The ICN Alpha prefix will be "X" in the numbering sequence. The beginning of the numbering sequence will be provided with the first order and continue ascending consecutively through the term of the contract. Specimen checks will be ordered only in the following formats:

- Format H** minimum order of 240,000 checks (3 rolls)
Format K: minimum order of 120,000 checks (3 rolls)

BLANK PAPER (No Check Image): Blank paper will only be ordered in Formats H with a minimum order of 240,000 check-sized leaves (3 rolls). Blank H will contain ICN numbers with a “W” Alpha prefix. The beginning of the numbering sequence will be provided on the first order and continue ascending consecutively through the term of the contract. Some unnumbered rolls possibly will be ordered.

STATEMENT PERSONALIZED IMPRINTING AND/OR NUMBERING: On formats E, GS, I, K, and M, Agencies have the option of additional printing and/or numbering on the statements as follows:

1. Number: Printing the check number on the face of the statement in OCR black.
2. Personalized imprint: Printing personalized information on the face of the statement in OCR black.
3. Statement back: Printing information on the back of statement in Process Blue.

The items and combinations of items above are listed as the following options:

- Option a:** Number only
Option b: Personalized imprint only
Option c: Statement back only
Option d: Number and personalized imprint
Option e: Number and statement back
Option f: Personalized imprint and statement back
Option g: Number, personalized imprint and statement back

MARGINAL PUNCHING--ALIGNING HOLES:

- (a) The parts shall be punched along the left and right sides of form with round holes 5/32 inch in diameter, spaced 1/2 inch center to center, 1/4 inch from center of holes to sides of form with center of top aligning holes located 1/4 inch from top edge.
- (b) The marginal holes shall extend in a straight line parallel to the sides of the continuous strip perpendicular to the horizontal tear line perforations between sets.
- (c) All holes must be clean cut and the formats, as delivered, completely free of waste.

Marginal pin-feed hole dies must be properly maintained and replaced frequently so that they are sharp enough to produce a clean cut. Quality Assurance procedures must be performed on all rolls to ensure that there is no hanging or clustered chad. Any rolls containing chad will be rejected.

- (d) Any variation from these marginal punching specifications shall be limited to the tolerance of the equipment specified herein.

MARGINAL PERFORATIONS:

- (a) Marginal perforations shall be provided for the purpose of removing marginal aligning strips from the formats. Marginal perforations will be located 9/16" from left and/or right sides (+/- 1/16").
- (b) Cuts in vertical perforations must not intersect cuts in horizontal tear line perforations.

- (c) For purposes of this contract, a combination of marginal aligning holes and marginal perforations shall be defined as marginal aligning strips.

PERFORATIONS OTHER THAN MARGINAL: Horizontal tear line perforations shall be provided between checks and/or statements on Formats D, E, F, GS, I, J, and M and shall be at a 90-degree angle to a straight line extending through the center of the marginal aligning holes. They shall fall halfway between the marginal aligning holes when the form depth is a multiple of 1/2 inch. Cuts in horizontal perforations must not extend to left and/or right edge of format and must not intersect cuts in vertical perforations. Formats requiring perforations shall be perforated in such a manner that will facilitate bursting thereof, either manually or mechanically, into individual checks and/or statements.

Checks produced in Formats D through K must be suitable for continuous operation on, but not limited to, the following equipment:

AGENCY

EQUIPMENT

1. Treasury

IBM Infoprint 4100 with a Videk 0105
Vision Verification System
Kern Inserter, Model K3000/K3500
Unwinder, Model 800174; Rewinder, Model 800190
; Pitney Bowes Flowmaster

2. Army & Navy

Troy/HP Model P3005d (Q7813A)
(with MICRO)
HP LaserJet Model P4015TN(with MICRO)

PACKING AND PALLETS: All formats pack in shipping containers in quantities as follows (**Occasionally orders of 100 checks will be ordered for Formats D, E, F, GS, I, J and M**):

:

Format D	-	1,000, 2,000, and 4,000 checks
Format E	-	2,000 and 4,000 checks/statements
Format GS	-	1,000 and 2,000 checks/statements
Format I	-	2,000 and 4,000 checks/statements
Format J	-	1,000, 2,000, and 4,000 checks
Format M	-	1,000 checks/statements

Formats H, and K: Each roll must be individually wrapped in plastic and individually packaged in cartons, with the roll being edgewise on the bottom of the carton.

Container requirements: All inner boxes shall have a minimum bursting strength of 125 lbs. PSI.

All shipping containers must be shrink film or plastic wrapped.

Domestic Shipment (Special Requirements - Hazardous Storage and Shipping Conditions):

Checks shall be packed flat in snug-fitting fiberboard shipping containers conforming to Federal Specification PPP-B-636, and any amendments thereto, Type CF or SF, class domestic, variety SW, grade 275 psi bursting strength, style RSC. Top and bottom fiberboard or open-cell pads shall be provided for each shipping container. Suitable water resistant adhesive must be adequately applied over not less than 50 percent of the surface area

between the inner and outer flaps or, at the option of the Contractor, containers may be sealed in a manner to insure safe delivery with a suitable waterproof, reinforced asphaltic tape, a minimum of three inches wide. Tape must be completely cover the butted edges of the outer flaps and extend a minimum of two (2) inches down on each end of the container. Reinforcing tape must be applied to the edge seams (in a cross direction to the closure) of the container and must overlap the sides at least three (3) inches (see EXHIBIT 9). The bottom flaps may be stapled instead of sealing provided this is done *before* the container is packed.

Foreign Shipment:

Checks shall be packed flat in snug-fitting fiberboard shipping containers conforming to Federal Specification PPP-B-636, and any amendments thereto, Type CF or SF, class weather-resistant, variety SW, grade V3c, or V3s, style RSC. Top and bottom fiberboard or open-cell pads shall be provided for each shipping container. After closing top flaps, each shipping container shall be waterproofed by having all seams, corners, and manufacturer's joint taped with a minimum three inch wide suitable waterproof tape. The tape shall be centered over the seams and joints and shall extend over all the corners and edges of the box a minimum of 2 inches onto the adjacent box panels. Tape shall be applied over the lengthwise seams of the outer flaps closing the openings of the box and over the manufacturer's joint prior to tape being applied to the edge seams of the box. At the Contractor's option, a suitable waterproof plastic or waterproofed Kraft paper case liner, waterproof sealed, may be substituted for the tape. Reinforcing tape must be applied to the edge seams (in a cross direction to the closure) of the container and must overlap the sides at least three (3) inches (see EXHIBIT 9). Suitable water resistant adhesive must be adequately applied over not less than 50 percent of the surface area between the inner and outer flaps. Each container must be reinforced with flat steel strapping or adhesive filament tape banding.

Formats H and K: Pallets shall be 30 x 30". Stringers shall be 3-3/4" high and clearance between the two stringers must be at least 27". Two-way entry is sufficient. At Contractor's option, the top board may be solid.

Three (3) cartons (consisting of a total of 240,000 checks for Formats H and 120,000 checks and 120,000 statements for Format K) will be stacked on each pallet. Rolls are to lay flat (edgewise) in the carton and a corner pieces inserted inside each carton to prevent the roll from shifting during transit. Each roll is to be identified as roll A, B and C on every pallet. ICN numbering is to be sequential with the highest number on roll C and the lowest on roll A; therefore, roll C will be on the bottom of the pallet and roll A will be on the top. The entire pallet must be wrapped in plastic and must contain two steel bands, both in the same direction (see EXHIBIT 8). *NOTE: No mixing of formats on a pallet will be allowed.*

The pallets shall be loaded into the trailer or other conveyance in sequence with the lowest numbers loaded first. Double stacking of pallets is not allowed.

LABELING AND MARKING: Sample of shipping label format will be provided after award.

MARKING REQUIREMENTS FOR OVERSEAS SHIPMENTS: All shipments entering the Defense Transportation System must comply with MILSTAMP regulations. The following information must be clearly marked on all packages destined for overseas shipment: Transportation Control Number (TCN), Department of Defense Activity Address Code (DODAAC), and Water Port of Debarkation (WPOD). The required information will be shown on the GBL's and Distribution List furnished for this contract. Your compliance is mandatory. Any questions should be referred to the DOD Contracting Officer who placed the order.

DISTRIBUTION: Approximately 80% of all the checks will ship f.o.b. destination to the following addresses:

TREASURY:

Kansas City Financial Center
4241 NE 34th Street
Kansas City, MO 64117

Philadelphia Financial Center
13000 Townsend Road
Philadelphia, PA 19154

MILITARY:

ARMY:

Defense Finance & Accounting Service-Indianapolis
8899 E. 56th Street
Indianapolis, IN 46249

NAVY:

Defense Finance & Accounting Service-Columbus
3990 East Broad Street, Building 21
Columbus, OH 43213

NOTE: See EXHIBIT 10 for example of Treasury's monthly schedule and quantity breakdown.

Shipping of checks in Formats H and K for the Department of the Treasury, U.S. Army, or U.S. Navy must be made in a locked and sealed truck(s) carrying two (2) armed personnel, who must never leave their truck unattended. The tractor must be armored and the trailer must be constructed with the front, sides, top, and doors of materials that do not allow for easy access by exterior force. Trailers with exteriors constructed of wood, canvas or any other tarpaulin-type material are not acceptable. The truck(s) must be equipped with communication equipment that enables the two personnel to be in constant contact with their base station, and thus allows for the tracking of each truck. This communication system will enable the personnel to report delays, breakdowns; or, in case of emergency, to request immediate assistance from the nearest law enforcement agency. Locks and seals for the trailer(s) will be furnished by the Government. All shipping documents will contain the seal numbers, total number of checks, containers and pallets, but will not bear any reference to the type of material being shipped. Return receipts are a requirement.

NOTE: Do not break seals except in case of emergency or on prior authority of the Government. If found broken, or if broken for emergency reasons, apply carrier's seal as soon as possible and immediately notify the Government.

Large truck shipments to Treasury's Regional Financial Centers will not be scheduled for delivery during the first two (2) or the last five (5) working days of the month and shall be between 8:00 a.m. and 2:00 p.m. The Contractor shall not deviate from the established schedule of deliveries without prior approval of the Contracting Officer.

The Contractor will be required to call Treasury's Regional Financial Centers no less than three (3) workdays prior to shipment to provide the delivery date. No less than 48 hours before delivery, the Contractor must provide each Center with the names of delivery personnel, as well as information from their driver's license such as license number and the state the license was issued from, and the truck's description and tag number. Names of contacts and phone numbers for each Center will be furnished after award.

NOTE: On monthly shipments to Treasury's Regional Financial Centers the Contractor should combine formats in large truck shipments, if possible, to maximize the load going to a destination without incurring the cost of an additional truck to do so.

Balance of orders f.o.b. Contractor's city by a traceable small package carrier to arrive at destination within three (3) days or by registered mail for those locations that cannot accept any other method. The small package carrier must be insured/bonded and liable for any checks that are lost or stolen while in their system.

EMERGENCY SHIPMENTS: Due to the extremely low inventory of an ordering Government Agency, an order may require the Contractor to ship f.o.b. Contractor's city utilizing the "overnight service" of a small package carrier. NO roll stock checks will ship via a small package carrier.

No deviations from shipping instructions will be permitted.

All expenses incidental to returning materials, submitting proofs, and furnishing sample copies must be borne by the Contractor.

The Contractor's itemized billing invoice for all shipments to Treasury's Regional Financial Centers and roll stock to Army and Navy plus NTDO shipments must be submitted to the Department of the Treasury; address will be provided after award. The approved invoice will be returned to the Contractor to be forwarded to the Comptroller, FMCE, U.S. Government Printing Office.

SCHEDULE: Adherence to this schedule must be maintained. Contractor must not start production of any job prior to receipt of the individual print order. Furnished material shipped or delivered to the Contractor.

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.

The numbers under the column headed "WD After" represent the number of workdays allowed to complete that certain part of the schedule after completion of the preceding part.

	<u>WD After</u>
Contractor submit proofs	5
Contractor submit revised proofs	2
Contractor must make complete delivery and/or shipment after receipt of "OK to print" for D & J formats.	15*

* **Exception:** Treasury will provide a minimum of 90 days notice before roll stock orders are due to allow contractor sufficient time to order paper.

Accelerated Schedule: It is anticipated that approximately 20% of the check orders must be completed in 10 to 15 workdays due to low inventory at a Government agency. In extreme emergencies, an occasional order may require delivery in five (5) days or less. These orders will be paid for at a premium rate.

Unscheduled material such as Government bills of lading, shipping 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.

Upon completion of each order, the Contractor is to notify the U.S. Government Publishing Office of the date of shipment (or delivery, if applicable). Call (202) 512-0516 or (202) 512-0517; callers outside the Washington, DC area may call toll free 1-800-424-9470 or 1-800-424-9471.

Approximately 1-5 orders a year will contain quantities of 100 checks. Other than roll stock (Formats K and H) the majority of the quantities will be in thousands.

STORAGE: The contractor will be required to store on a rotating basis of approximately 960,000 Format K Checks and 7.2 million Format H Checks at their facility in a Class I vault at all times throughout the tenure of the contract, as follows –

When the first order on the contract is issued, the contractor must store 960,000 Format K Checks and 7.2 million Format H Checks in their facility's vault.

When each subsequent order is placed, the contractor must use the stored checks in their vault (from the previous order) as the initial shipment on the new order, replace the 960,000 Format K Checks and/or 7.2 million Format H Checks in the contractor's vault from the new order's quantity which might be more or less than the stored quantities, and then complete the distribution of the balance of the new order in accordance with the "SCHEDULE."

The contractor must always have 960,000 Format K Checks and 7.2 million Format H Checks stored in their facility's vault at all times throughout the term of the contract in accordance with "STORAGE" above.

NOTE: Numerical sequences must be strictly adhered to. Contractor will be allowed to bill for the checks that will be stored in their vault prior to delivery.

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 that are the estimated requirements to produce one (1) year’s production 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 as a like period of time.

The following Item designations correspond to those listed in the “SCHEDULE OF PRICES”.

PREMIUM PAYMENT: Orders requiring an accelerated schedule will be offered and paid for at the premium rate in accordance with the Contractor’s offered percentage in the “SCHEDULE OF PRICES”.

All other orders will be paid for at the basic prices offered.

It is estimated that 10% of the orders placed on this contract will be for the accelerated schedule. Therefore, premium payments will enter into the determination by applying the percentage increase offered for the accelerated schedule in the “SCHEDULE OF PRICES” (Item VI) to 10% of the total price offered for all Items except Item VI. “Paper”. This additional cost will be included in the total bid and will be used to determine the lowest bid.

Failure of the Contractor to deliver work at the time specified will result in disallowance of premium payments that were anticipated and the Contractor will not list such items on his invoices.

- I. (a) 100
- (b) 5
- (c) 3

- II. (a) (1) 70 (2) 1,134 (3) 8
- (b) 1 12
- (c) 1 6
- (d) 6 50,000
- (e) 2 180
- (f) 2 4 1
- (g) 3 640
- (h) 1 6
- (I) 120
- (j) 240
- (k) 36
- (l) 240(m)
- (m) 4
- (n) 240

- III. (a) (1) 8 (2) 100 (3) 9
- (b) 6 50 1

- IV. (a) (1) 55,000 (2) 9
- (b) 1 1

- V. (a) 2,000
- (b) 10
- (c) 809

SECTION 4. – SCHEDULE OF PRICES

Bids offered are **f.o.b. Contractor’s city** for all shipments sent under Government bills of lading and/or Reimbursable Registered Mail and **f.o.b. destination** for all other shipments.

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 nonresponsive.

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) or blank spaces for an Item may be declared nonresponsive.

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.

Prices must be submitted for the entire term of the contract and bids qualified for a lesser period will not be considered.

All vouchers submitted to 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. Fractional parts under 1,000 will be prorated at the per 100 rate.

Cost of all required paper must be charged under Item V.

I. COMPOSITION: Prices offered below shall include the cost of all required materials and operations necessary for the complete production and delivery of final reproduction proofs (including PDF proof) in accordance with these specifications.

- (a) Text matter **per line**\$ _____
- (b) Earning Statement (Face)* **per square inch**\$ _____
- (c) Earning Statement (Back) **per line**\$ _____

* Payment will be made on the per square inch basis which shall be measured by multiplying the image width by the image depth in inches. Trim marks will not be considered part of the image.

(Initials)

II. PRINTING AND CONSTRUCTION:

CHECKS:

	<u>Makeready and/or Setup</u>	<u>Running Per 1,000 Copies†</u>	<u>Running Per 100 copies</u>
	(1)	(2)	(3)
(a) Format "D" (single stream, fanfold)	\$ _____	\$ _____	\$ _____
(b) Format "E" (1 check/1 statement, fanfold)	\$ _____	\$ _____	\$ ___XXX___
(c) Format "GS" (single stream, 1 check/1 statement, fanfold)	\$ _____	\$ _____	\$ ___XXX___
(d) Format "H" (double stream, roll)	\$ _____	\$ _____	\$ ___XXX___
(e) Format "I" (1 check/1 statement, fanfold)	\$ _____	\$ _____	\$ ___XXX___
(f) Format "J" (sheet of 4 checks)	\$ _____	\$ _____	\$ _____
(g) Format "K" (double stream, 1 check/1 statement, roll)	\$ _____	\$ _____	\$ ___XXX___
(h) Format "M" (sheet of 1 check and 1 statement)	\$ _____	\$ _____	\$ ___XXX___

Prices offered for Item II. (a) must include the cost of inner containers, including the packing and sealing of same.

Prices offered for II. (b), (c), (e), (g) and (h) must be for the check with statements.

Prices offered for II. (a), (d) and (f) must be per check.

NOTE: On orders requiring shipments in increments only one makeready will be allowed per Print Order.

SPECIMEN CHECKS:

- (i) Format "H" (double stream, roll)..... **per 1,000 checks**.....\$ _____
- (j) Format "K" (double stream, 1 check/1 statement, roll)..... **per 1,000 checks**.....\$ _____

TEST GRID CHECKS:

- (k) Format "D" (single stream, fanfold)..... **per 100 checks**.....\$ _____
- (l) Format "F" (double stream, fanfold)..... **per 100 checks**.....\$ _____
- (m) Format "J" (4 grid checks on a sheet)..... **per 100 checks**.....\$ _____

(Initials)

BLANK PAPER:

(n) Format "H" (double stream roll)..... **per 1,000 checks**.....\$ _____

Charges for Specimen Checks, Test Grid Checks and Blank Paper to include all charges except paper and shipping.

III. CHECK AND/OR STATEMENT PRINTING PERSONALIZED IMPRINTING AND/OR NUMBERING:

	<u>Makeready and/or Setup</u> (1)	<u>Running Per 1,000 Copies</u> (2)	<u>Running Per 100 copies</u> (3)
(a) Printing on Face	\$ _____	\$ _____	\$ _____
(b) Printing on back	\$ _____	\$ _____	\$ _____

IV. PAPER: Payment for all paper supplied by the Contractor under the terms of these specifications, as ordered on the individual Print Orders, will be based on the net number of check-size leaves furnished for the product(s) ordered. The cost of any paper required for makeready or running spoilage must be included in the prices offered.

- (a) Check paper (with watermark & fibers)**per 1,000 check-size leaves**.....(1) \$ _____
 **per 100 check-size leaves**.....(2) \$ _____
- (b) White laser printer paper***per 1,000 check-size leaves**.....(1)\$ _____
 **per 100 check-size leaves**.....(2) \$ _____

* Only used for Grid Formats D, F, and J, and Blank (Unprinted) Format "H".

V. PACKING:

- (a) Packing and sealing shipping containers (Domestic)..... **per container** \$ _____
- (b) Packing & sealing shipping containers (Foreign) **per container** \$ _____
- (c) Palletizing **per pallet** \$ _____

Price offered for Item (c) above must include corner pieces, shrink wrapping, and steel banding.

(Initials)

VI. PREMIUM PAYMENTS: Premium payments will apply to all Items except Item IV. "Paper" required to produce the product ordered. This is only authorized for orders placed on the "Accelerated Schedule" as defined in these specifications.

Percentage increase.....%

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

Post Office located at Street Address _____,

City _____, State _____, Zip Code _____.

INSTRUCTIONS FOR BID SUBMISSION: Fill out "SECTION 4.- SCHEDULE OF PRICES", initialing or signing each page in the space(s) provided. Submit two (2) copies (original and one (1) exact duplicate) of the "SCHEDULE OF PRICES" with two (2) copies of GPO Form 910, "BID" form. Do not enter bid prices on GPO Form 910; prices entered in the "SCHEDULE OF PRICES" will prevail.

Bidder _____

(City - State)

By _____

(Signature and title of person authorized to sign this bid)

(Person to be contacted)

(Telephone Number)

(Email Address)

EXHIBIT I

Check Proof

Program No. A-249-S

U.S. DEPARTMENT OF STATE
GLOBAL FINANCIAL SERVICES CHARLESTON
USDO, SYMBOL 8769

ProofNo. 16-041-XID (6/06)
Symbol No. 8769

 <p>L=J£</p> <p>O</p> <p>Pay to the order or</p>	<p>-----, . -Jts-51</p> <p>GLOBAL FINANCIAL SERVICES CHARLESTON (GFSC) P.O. BOX 150008 CHARLESTON, SC 29415-5008</p>	<p>8769 -12345678</p> <p>Check No.</p>
	<p>_____</p>	

AGENCY APPROVAL

TREASURY APPROVAL

PRINTED
SIGNATURE _____

PRINTED
SIGNATURE _____

SIGNATURE _____

SIGNATURE _____

DATE _____

DATE _____

EXHIBIT 2

Designated OCR area and MJCR area

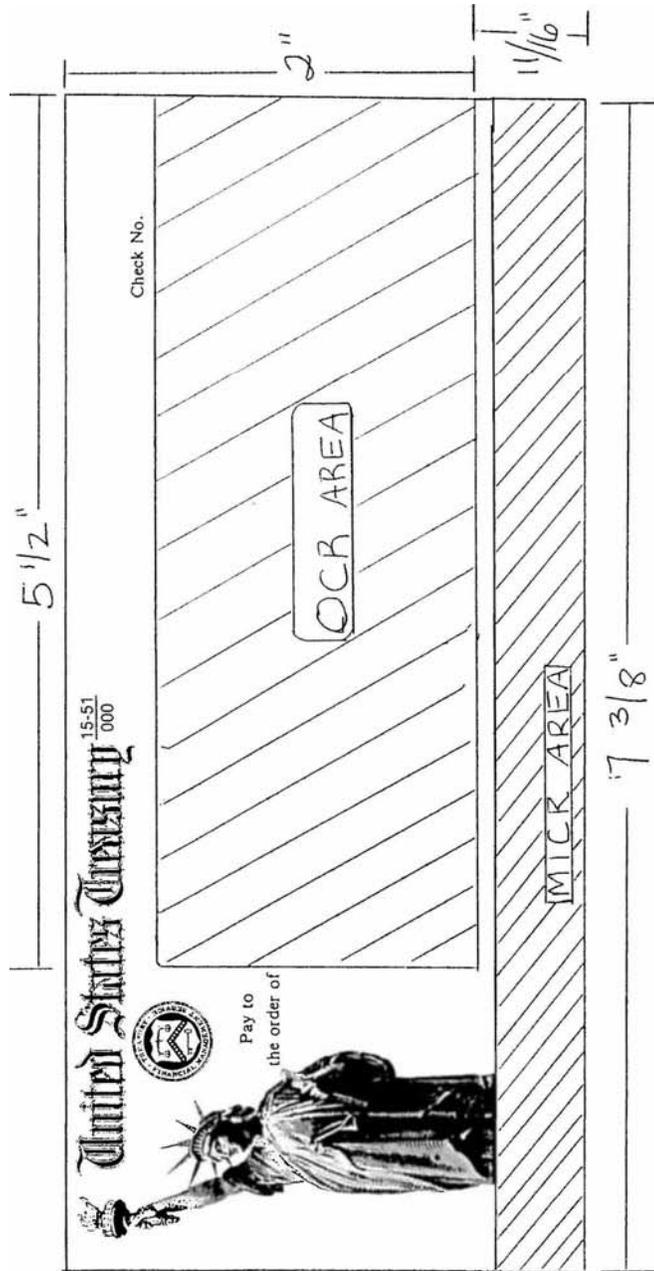


EXHIBIT 3

EXAMPLE OF STATEMENT FACE
(FORMATS E, GS, I AND M)

_____ ADVICE OF PAYMENT 8768-
BY U.S. DISBURSING OFFICER, BANGKOK

EXHIBIT 4

EXAMPLE OF STATEMENT BACK
(FORMATS E, GS, I AND M)

-----		+
PAY		
c.o.D.E.		
1.	PAID AS BILLED.	
2.	PAID AS BILLED LESS PROMPT PAYMENT DISCOUNT.	
3.	ADJUSTED AS SHOWN ON COPY OF INVOICE RETURNED TO YOU.	
4.	ADJUSTED AS SHOWN ON COPY OF INVOICE RETURNED TO YOU LESS PROMPT PAYMENT DISCOUNT.	

EXHIBIT 5

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United States Treasury 15-51
000

Month Day Year

Check No.

Pay to the order of

DOLLARS CTS

SPECIMEN SPECIMEN NOT NEGOTIABLE

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United States Treasury 15-51
000

Month Day Year

Check No.

Pay to the order of

DOLLARS CTS

SPECIMEN SPECIMEN NOT NEGOTIABLE

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United States Treasury 15-51
000

Month Day Year

Check No.

Pay to the order of

DOLLARS CTS

SPECIMEN SPECIMEN NOT NEGOTIABLE

EXAMPLE OF GRID CHECKS TN FORMAT "O" AND "J"
(This page has been photostatically reduced.)

EXHIBIT 8
CHECK PALLET APPROXIMATE BANDING POSITION
FORMATS HAND K (3 ROLLS PER PALLET)
PALLET SIZE 30" X 30"

FORMAT H: 240,000 CHECKS PER PALLET
FORMAT K: 120,000 CHECKS/120,000 STATEMENTS PER PALLET

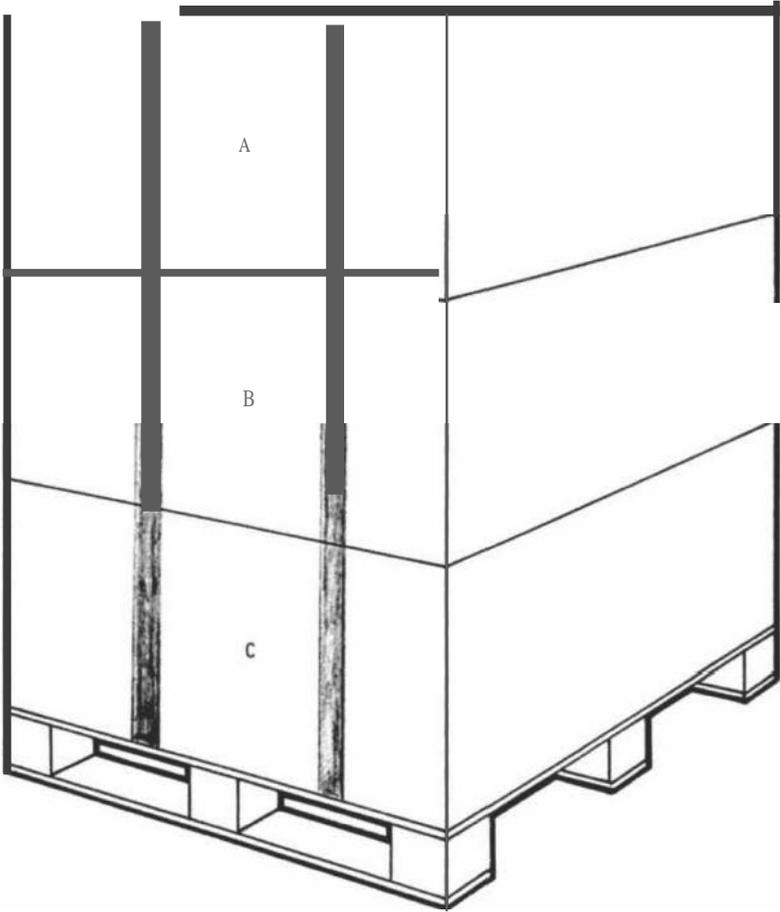


EXHIBIT 9

TREASURY CHECK TAPING REQUIREMENT FOR OUTER CARTONS

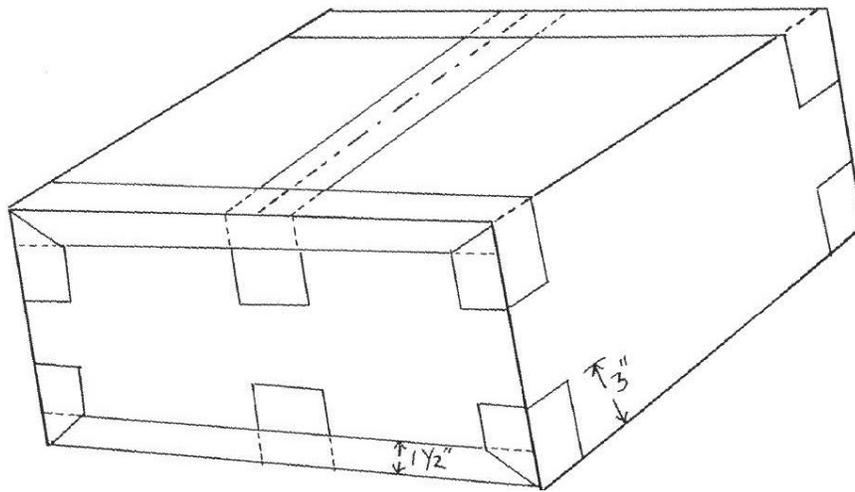
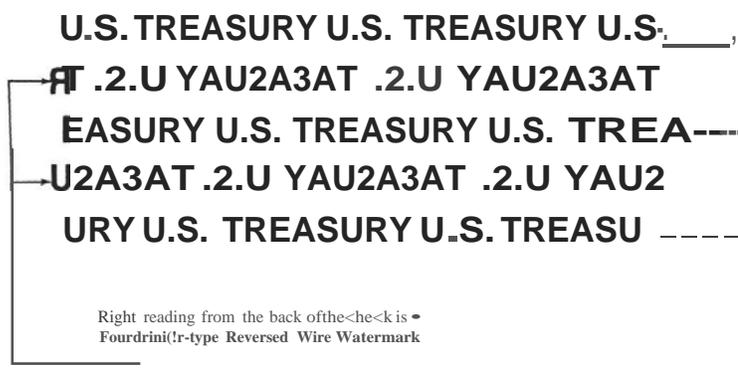


EXHIBIT 10
 DELIVERY SCHEDULE FY16
 TREASURY'S REGIONAL FINANCIAL CENTERS
 FORMATS H AND K ROLL STOCK

RFC	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	June 16	July 16	Aug 16	Sept 16	TOTALS
KFC H Stock		7,200,000			7,200,000					9,600,000			24,000,000
KFC K Stock		720,000			720,000								1,440,000
PFC H Stock		9,600,000			9,600,000					4,800,000			24,000,000
PFC K Stock		960,000								480,000			1,440,000
TOTALS													50,880,000

EXHIBIT 11

Example of continuous-design watermark showing approximate coverage and design. Exact design will be furnished after award.



Right reading from the face of the check is a
Fourdrinier-type Shaded Watermark