

| TITLE: <i>Statement of Annuity Paid Mailers and Statement of Survivor Annuity Paid Mailers</i> | | P R O G R A M 4 1 7 - S | | | | | | | |
|--|--|---------------------------|--|------------------------|--|---------------------|--|---------------------------|--------------------|
| TERM: | Date of Award thru December 31, 2013 | | | | | | | CURRENT CONTRACTOR | |
| U.S. Office of Personnel Management Program 417-S | | BASIS OF AWARD | BETTER LISTS, INC. Stamford, CT | | VERTIS COMMUNICATIONS North Brunswick, NJ | | VERTIS COMMUNICATIONS North Brunswick, NJ | | |
| | | | UNIT RATE | COST | UNIT RATE | COST | UNIT RATE | COST | |
| I. | PRINTING/IMAGING, BINDING/CONSTRUCTION, AND DELIVERY TO THE U.S. POST OFFICE: | | | | | | | | |
| (a) | Mailer 1 . . . per mailer | | | | | | | | |
| (1) | MAKEREADY/SETUP----- | 1 | 41.08 | 41.08 | 21052.63 | 21,052.63 | 21052.63 | 21,052.63 | |
| (2) | RUNNING/1,000 COPIES----- | 2100 | 23157.00 | 48,629,700.00 | 40.17 | 84,357.00 | 41.03 | 86,163.00 | |
| (b) | Mailer 2 . . . per mailer | | | | | | | | |
| (1) | MAKEREADY/SETUP----- | 1 | 41.08 | 41.08 | 4210.53 | 4,210.53 | 4210.53 | 4,210.53 | |
| (2) | RUNNING/1,000 COPIES----- | 630 | 4206.00 | 2,649,780.00 | 40.17 | 25,307.10 | 41.03 | 25,848.90 | |
| II. | PAPER: (PER 1,000 LEAVES) | | | | | | | | |
| | White High Quality Xerographic Copier, Laser Printer (24-lb.)----- | 5460 | 19.29 | 105,323.40 | 23.11 | 126,180.60 | 19.31 | 105,432.60 | |
| CONTRACTOR TOTALS | | | | \$51,384,885.56 | | \$261,107.86 | | \$242,707.66 | |
| DISCOUNT | | | | 0.00% | \$0.00 | 5.00% | \$13,055.39 | 5.00% | \$12,135.38 |
| DISCOUNTED TOTALS | | | | \$51,384,885.56 | | \$248,052.47 | | \$230,572.28 | |
| | | | | | (A W A R D E D) | | | | |
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U.S. GOVERNMENT PRINTING OFFICE

Washington, DC

GENERAL TERMS, CONDITIONS, AND SPECIFICATIONS

For the Procurement of

*Statement of Annuity Paid Mailers
and
Statement of Survivor Annuity Paid Mailers*

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

U.S. Office of Personnel Management
(OPM)

Single Award

TERM OF CONTRACT: The term of this contract is for the period beginning Date of Award and ending December 31, 2013, plus up to four (4) optional 12-month extension period(s) 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 11:00 a.m., prevailing Washington, DC time, on December 21, 2012.

BID SUBMISSION: Submit bid in pre-addressed envelope furnished with solicitation or send to: U.S. Government Printing Office, Bid Section, Room C-161, Stop: PPSB, 36 H Street, NW, Washington, DC 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.

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

For information of a technical nature *before* award, call Linda Giacomo at (202) 512-0307. For contract administration *after* award, call Darlene Workcuff at (202) 512-1239. (No collect calls.)

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. This June 2008 clause also cancels and supersedes any other disputes language currently included in existing contractual actions.

SUBCONTRACTING: The predominant production function of this contract is the imaging (jet spray or laser/ion deposition) of data from electronically transmitted files and the printing of forms. Any bidder who cannot perform the imaging/ printing portions of the contract will be declared non-responsible.

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

Product Quality Levels:

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

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

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

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

| <u>Attribute</u> | <u>Specified Standard</u> |
|--|---------------------------|
| P-7. Type Quality and Uniformity | O.K. Press Sheets |
| P-9. Solid and Screen Tint Color Match | O.K. 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. Average Type Dimension; Electronic Media.

P-9. Pantone Matching System.

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

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

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

For the purpose of this clause, performance under this contract will be divided into successive periods. The first period will extend from Date of Award to December 31, 2013, and the second and any succeeding period(s) will extend for 12 months from the end of the last preceding period, except that the length of the final period may vary. The first day of the second and any succeeding period(s) will be the effective date of the economic price adjustment for that period.

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

The Economic Price Adjustment will be the percentage difference between Index averages as specified in this paragraph. An index called the Variable Index will be calculated by averaging the monthly Indexes from the 12-month interval ending three (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 September 30, 2012, 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.

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 for All Paper will apply to all paper required under this contract.
2. The applicable index figures for the month of December 2012 will establish the base index.
3. There shall be no price adjustment for the first three (3) production 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% 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 (2) 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%.
7. Adjustments under this clause will be applied to the contractor's bid price(s) for line item under II. PAPER 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.

PREAWARD SURVEY: In order to determine the responsibility of the prime contractor or any subcontractor, the Government reserves the right to conduct an on-site preaward survey of all of the contractor's/subcontractor's computer, printing, and mailing equipment which will be used on this contract or to require other evidence of technical, production, managerial, financial, and similar abilities to perform, prior to the award of a contract.

If the Government considers it necessary to conduct the preaward survey, it will include a review of all subcontractors involved, along with their specific functions, and the contractor's/subcontractor's mail, material, personnel, production, quality control/recovery program, security, and backup facility plans as required by this specification.

If a subcontractor for these operations is added at any time after award, the subcontractor must be approved by the Government prior to production starting in that facility. If the subcontractor is not approved by the Government, the contractor has two (2) workdays to submit to the Government, for approval, a new subcontractor.

THE PROPOSED PLANS ARE SUBJECT TO REVIEW AND APPROVAL BY THE GOVERNMENT AND AWARD WILL NOT BE MADE PRIOR TO APPROVAL OF SAME.

Within three (3) workdays after Government request, the contractor (*and any subcontractor*) shall present in writing to the contracting officer detailed plans for each of the following:

Mail Plan: This plan should include sufficient detail as to how the contractor will comply with all applicable U.S. Postal Service (USPS) mailing requirements as listed in the USPS Domestic and International Mail Manuals in effect at the time of the mailing and other USPS instructional material. In addition, the plan will explain how the contractor will use the most cost effective means available to accomplish the mailing in this contract.

Material Handling and Inventory Control: This plan should explain in detail how the following materials will be handled: incoming raw materials; work-in-progress materials; quality control inspection materials; USPS inspection materials; and all outgoing materials cleared for USPS pick-up/delivery.

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

Production Plan: This plan should include items such as a projected commencement date and a detailed listing of all production equipment and equipment capacities to be utilized on this contract, as well as capacities currently being utilized. If new equipment is to be utilized, documentation of the source, delivery schedule, and installation dates are required. This plan should also include how officials will execute the electronic transmission of data and should list the current inventory of software/hardware available to the contractor to accomplish the required tasking.

Quality Assurance Plan: This plan should include the names of all quality assurance officials with a description of their duties. A detailed description of the number and types of inspections that will be performed as well as the records that will be maintained documenting these activities will be required.

Back-Up Facility: The failure to deliver these mailers in accordance with the schedule specified under “SCHEDULE” would have major impact on the operation of the Office of Personnel Management. Therefore, if for any reason(s) (acts of God, labor disagreements, etc.) the contractor is unable to perform at the location specified in his bid papers for a period longer than five (5) workdays, the contractor must have a back-up facility with the capability of producing the mailers in accordance with the requirements specified in this contract. The back-up facility must be operated by the contractor. The back-up facility plans must include the location of the facility to be used, security at the facility, equipment available at the facility, and a timetable for the start of the production at that facility.

Recovery of Damaged and Missing Pieces and Sequential Numbering: This plan should include sufficient detail to fulfill the contract requirements that there are no missing or duplicate pieces. An explanation of the contractor’s sequential numbering system is required to understand the required audit trail required for each and every piece.

Security Control Plan: The proposed Security Control Plan must address, at a minimum, the following:

Materials – The contractor must explain how all accountable materials will be handled throughout all phases of production. This plan shall also include the method of disposal of all production waste materials.

Production Area – The contractor must provide a secure area(s) dedicated to the processing and storage of data for the Statement of Annuity Paid Mailers and Statement of Survivor Annuity Paid Mailers (either a separate facility dedicated to this product or a walled-in limited access area within the contractor’s existing facility). Access to the area(s) shall be limited to security-trained employees involved in the production of these mailers.

POSTAWARD CONFERENCE: Unless waived by the contracting officer, the total requirements of the job as indicated in these specifications will be reviewed by Government representatives with the contractor’s representatives at the U.S. Government Printing Office, Washington, DC, immediately after award. (NOTE: A representative from all subcontractors must be in attendance.)

At Government’s option, postaward conference may take place via teleconference.

SECURITY REQUIREMENTS: Protection of Confidential Information –

- (a) The contractor shall restrict access to all confidential information obtained from the OPM in the performance of this contract to those employees and officials who need it to perform the contract. Employees and officials who need access to confidential information for performance of the contract will be determined at the postaward conference between the contracting officer and the responsible contractor representative.
- (b) The contractor shall process all confidential information obtained from OPM in the performance of this contract under the immediate supervision and control of authorized personnel and in a manner that will protect the confidentiality of the records in such a way that unauthorized persons cannot retrieve any such records.
- (c) The contractor shall inform all personnel with access to the confidential information obtained from OPM in the performance of this contract of the confidential nature of the information and the safeguards required to protect this information from improper disclosure.

- (d) For knowingly disclosing information in violation of the Privacy Act, the contractor and the contractor's employees may be subject to the criminal penalties as set forth in 5 U.S.C Section 552a (i)(1) which is made applicable to contractors by 5 U.S.C. 552a (m)(1) to the same extent as employees of the OPM. For knowingly disclosing confidential information as described in 5 U.S.C. 552a (m)(1), the contractor and contractor's employees may also be subject to the criminal penalties as set forth in that provision.
- (e) The contractor shall assure that each contractor employee with access to confidential information knows the prescribed rules of conduct, and that each contractor employee is aware that he/she may be subject to criminal penalties for violations of the Privacy Act
- (f) All confidential information obtained from OPM for use in the performance of this contract shall, at all times, be stored in an area that is physically safe from unauthorized access.
- (g) Performance of this contract may involve access to tax return information as defined in 26 U.S.C. Section 6103(b) of the Internal Revenue Code (IRC). All such information shall be handled as confidential and may not be disclosed without the written permission of OPM. For willingly disclosing confidential tax return information in violation of the IRC, the contractor and contractor employees may be subject to the criminal penalties set forth in 26 U.S.C. Section 7213.
- (h) The Government reserves the right to conduct on-site visits to review the contractor's documentation and in-house procedures for protection of confidential information.

DISPOSAL OF WASTE MATERIALS: The contractor is required to dispose of all waste materials used in the production of sensitive OPM records (i.e., burning, pulping, shredding, macerating, or other suitable similar means). Electronic records must be definitively destroyed in a manner that prevents reconstruction. *Definitively* destroying the records means the material cannot be reassembled and used in an inappropriate manner in violation of law and regulations. *Sensitive* records are records that are national security classified or exempted from disclosure by statute, including the Privacy Act or regulation.

If the contractor selects shredding as a means of disposal, it is preferred that a cross cut shredder be used. If a strip shredder is used, the strips must not exceed one-quarter inch. The contractor must provide the location and method planned to dispose of the material. When a subcontractor is used, the same information is required, as well as how the material will be transported from the contractor's plant to the subcontractor. The plan must include the names of all contract officials responsible for the plan and describe their duties in relationship to the waste material plan.

ON-SITE GOVERNMENT REPRESENTATIVES: The Government will send a representative to the contractor's plant to perform periodic quality control checks. The Government representative will stay on-site until assured that the contractor has a total understanding of the requirements and adequate control processes in place. The Government representative will be performing quality control checks on the random samples by checking the imaged data against live data from their home duty station. (See RANDOM SAMPLING.)

The Government representative may stay during the entire imaging process and will require a work area with a telephone line and wireless access or appropriate Internet connectivity that will be used to verify variable imaged data via a Government-issued laptop computer system.

On-site representative will not have contractual authority, and cannot make changes in the specifications or in contract terms, but will bring any and all defects detected to the attention of the company Quality Control Officer. The representative must have full and unrestricted access to all production areas where work on this program is being performed.

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.

ORDERING: Items to be furnished under the contract shall be ordered by the issuance of print orders by the Government. Orders may be issued under the contract from Date of Award through December 31, 2013, plus for such additional period(s) as the contract is extended. All print orders issued hereunder are subject to the terms and conditions of the contract. The contract shall control in the event of conflict with any print order. A print order shall be "issued," for purposes of the contract, when it is either deposited in the U.S. Postal Service mail or otherwise furnished to the contractor in conformance with the schedule.

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

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

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

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

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

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

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

PRIVACY ACT NOTIFICATION: This procurement action requires the contractor to do one or more of the following: design, develop, or operate a system of records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

PRIVACY ACT

(a) The contractor agrees:

- (1) to comply with the Privacy Act of 1974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system or systems of records and (ii) the work to be performed by the contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation;
- (2) to include the solicitation notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and
- (3) to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system of records.

- (b) In the event of violations of the Act, a civil action may be brought against the agency involved where the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.
- (c) The terms used in this clause have the following meanings:
- (1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.
 - (2) "Record" means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
 - (3) "System of records" on individuals means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

CRIMINAL SANCTIONS: It is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1) which is made applicable to contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of an agency, who by virtue of his/her employment of official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$10,000.00.

SECTION 2. - SPECIFICATIONS

SCOPE: These specifications cover the production of two (2) separate mailers consisting of static text and variable data requiring such operations as the receipt and processing of transmitted data; printing/variable imaging; perforating; folding; presorting; and mailing.

TITLE:

- Mailer 1 – Statement of Annuity Paid Mailers.
- Mailer 2 – Statement of Survivor Annuity Paid Mailers.

TRIM SIZES: 8-1/2 x 14” (flat) plus 1-1/8” sealing flap (folded to 8-1/2 x 3-1/2”).

The flat trim size includes a 1/2” perforated edge on each side.

At contractor’s option, the width may be from 8-3/8” to 8-1/2”.

At contractor’s option, Form 1 of both mailers can be 8-1/2 x 14” or 8-1/2 x 10” plus 1-1/8” sealing flap.

Form 2 must be 8-1/2 x 14”.

FREQUENCY OF ORDERS:

- Mailer 1 – One order per year.
- Mailer 2 – One order per year.

Both orders will be placed at the same time between the months of December and January of each contract year. Contractor must be prepared to accept orders immediately upon contract award.

QUANTITY:

- Mailer 1 – Approximately 2,000,000 to 2,300,000 self-mailers per order.
- Mailer 2 – Approximately 600,000 to 900,000 self-mailers per order.

The above quantities are estimates only and the Government reserves the right to increase or decrease by up to 10% the total number of mailers ordered annually. Exact quantities will be determined by the contractor from the furnished data.

Quantities specified above for both mailers include both domestic and foreign self-mailers. It is estimated that approximately one percent of the quantity specified for each mailer will be for foreign destinations. However, the exact numbers will be determined by the live data that the Government furnishes prior to production.

NUMBER OF PAGES: Two forms (leaves) per mailer.

GOVERNMENT TO FURNISH: *Electronic media for the forms will be furnished as follows –*

Platform: IBM (or compatible) using Windows 2000.

Storage Media: Zip disk (100 MB); Email.

Software: Adobe Acrobat 7.0 Professional; Corel Ventura 8; FormFlow 2.1.

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

Fonts: All printer and screen fonts will be furnished/embedded.

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

Additional
Information: Files will be furnished in native application, PostScript, or PDF format.
Visual(s) of furnished files will be provided.
Visual(s) will show color breaks.
Color identification system used is Pantone.
GPO Form 952 (Desktop Publishing – Disk Information) will be furnished.

Electronic transmission for the test data and production (variable) data will be furnished as follows –

Electronic
Transmission: Connect: Direct (file transfer); Secure+ (TLS/SSL Session Encryption).

Platform: UNIX/LINUX/AIX Servers; Windows Servers (Intel based); Windows PC;
IBM Enterprise/zEnterprise Servers; IBM i-Series; IBM p-Series.

Additional
Information: Transport: IP Connection over the public Internet.
Requires Port 1364 be opened in Firewall.
Contacts for data transmission are:
Jonathan Garber (Data Exchange Coordinator at jonathan.garber@opm.gov or (202) 606-1436;
or Jim Marshall (Systems Software Engineer) at james.marshall@opm.gov or (202) 606-1261.
Digital Certification from a Government approved Certificate Authority is required (Verisign, Entrust, RSA, etc.).

The sending and receiving of electronic data coming from the CIO, Operations Technology Management, Data Center (DC) IBM z9BC Enterprise Servers shall use the file transfer products from IBM (recently Sterling Commerce) called Connect: Direct. The Connect: Direct file transfer software product is implemented with its companion product called Secure+ which uses TLS/SSL encryption of the session level transmission. The Connect: Direct Server version of the file transfer software requires a Digital Certificate from a U.S. Government-approved Certificate Authority (e.g. Verisign, Entrust, RSA). IBM offers the Connect: Direct with Secure+ file transfer software which can be used on Windows Servers, UNIX/LINUX/AIX Servers, IBM Enterprise Servers, and IBM zEnterprise Servers. This software entitles the licensee to use the software with all other trading partners including OPM. IBM also has a lower priced alternative called Connect: Direct SELECT with Secure+, Windows PC based, which is manually configurable to only exchange files with one trading partner at a time before reconfiguration is required.

The communication transport is Internet Protocol (IP) over the public Internet using an Internet Service Provider (ISP); a network firewall Port 1364 must be opened for either in-bound or out-bound traffic depending on the requirement. The Data Exchange partner will be required to supply an IP address to OPM. The Data Exchange partner may require additional security be implemented using a Site-to-Site Virtual Private Network (VPN) connection. This additional security may augment and will not replace all other security mechanisms.

Before the data exchange process can be placed into production, there may be a requirement for a Memorandum of Understanding (MOU) signed with the OPM application area requesting the transfer. There will be a requirement to complete an Interconnection Security Agreement (ISA) with the DC. DC can supply a draft ISA document for review.

For data which contains Personally Identifiable Information (PII), an additional requirement of data encryption is mandated using IBM's Encryption Facility product. The IBM Encryption Facility is used to encrypt the data on the IBM Enterprise Server prior to file transfer to external sources. These external sources who also have an IBM Enterprise Server (mainframe) can use a no charge program which can be installed into z/OS which is used to decrypt the file once it is received using Connect:Direct/Secure+ or Connect: Direct-SELECT/Secure+. For companies who do not have an IBM Enterprise/zEnterprise server (z/OS), a free IBM JAVA Encryption Client is available for download from IBM and installs onto Windows or UNIX/LINUX/AIX systems which can be used to decrypt a file received. For files which need to be sent to OPM, the IBM JAVA Encryption Client has the capability to encrypt a file. The IBM JAVA Encryption Client also has the capability to run on a z/OS IBM Enterprise/zEnterprise Server to encrypt and decrypt files.

The Data Exchange partner will be responsible for generating a Public/Private Encryption Key pair. Any PII files which are to be sent to the Data Exchange partner from OPM will have the file encrypted using the Data Exchange partner's Public Key. Upon receipt of the file, the Data Exchange Partner will decrypt the file using its own Private Key. If there are any files to be sent to OPM, the Data Exchange partner will encrypt the file using the IBM JAVA Encryption Facility Client using OPM's provided Public Key.

The Data Exchange partner will be required to configure the partner's Connect: Direct with Secure+ software to connect to the two Data Center's Connect: Direct Servers. One of the servers is used for testing and Disaster Recovery testing, and the other is the Connect: Direct with Server+ production server.

OPM has eliminated the use of external media for exchanging data. This media includes magnetic cartridges, CD-ROMs, DVDs, disks, etc. If there are extreme extenuating circumstances which require using these forms of media, it will be evaluated on a case-by-case basis. All data files delivered by OPM using Connect: Direct will be sequential files as indicated below. These files will be delivered encrypted and in EBCDIC format.

The test and production data/address runs supplied will be in zip code sequence and are NCOA Certified. The NCOA certification will be furnished with production data. The contractor will be required to reformat data, if necessary, to suit his equipment.

Two (2) visuals for each mailer will be furnished.

Test data contains approximately 100 sample addresses. The contractor will use test data to determine record layout and order of actual files for printing and sorting purposes and to complete the validation test. (See VALIDATION TEST.)

Data containing addresses for production run: One (1) set for domestic and foreign mailing in the following format:

| | |
|----------------|---------------------------------|
| File Name: | BRMC26X1 – file name may change |
| Media: | Electronic Transmission |
| File Format: | Fixed Block |
| Block Size: | 25,450 |
| Record Size: | 509 |
| Sequence: | Zip Code |
| Label Records: | Standard IBM |

(See print file format herein – ATTACHMENT A.)

The Government will supply the contractor with four test files and four production files. The test files and production files each consist of one domestic file and one foreign file for Mailer 1 and one domestic file and one foreign file for Mailer 2.

All files provided by the Government or duplicates made by the contractor, or his/her representatives, and any resultant printouts, must be kept accountable and under reasonable security to prevent their release to any unauthorized persons. Files may not be duplicated in whole, or in part, for any other purpose than to create material to be used in the performance of this contract. All duplicate files, or resultant printouts, shall be destroyed by the contractor pursuant to subsequent directions of the contracting officer or his/her representative.

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

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

Digital Certification from a Government approved Certificate Authority is required.

All files will be electronically transmitted to the contractor. Any programming or other format changes necessitated due to the contractor method of production will be the full responsibility of the contractor and must be completed prior to each of Government validations.

NOTE: Files may not be duplicated in whole or in part for any other purpose than to create material to be used in the performance of this contract. All duplicate files, or resultant printouts, shall be destroyed by the contractor pursuant to subsequent directions of the contracting officer or his/her authorized representative.

PROOFS: Two (2) sets of digital color content proofs for each mailer. Direct to plate must be used to produce the final product with a minimum of 2400 x 2400 dpi. Proofs must be created using the same Raster Image Processor (RIP) that will be used to produce the product. Proofs shall be collated with all elements in proper position (not pasted up), imaged face and back, trimmed and folded to the finished size of the product, as applicable. (NOTE: Proofs must show perforations.)

Two (2) sets of digital one-piece composite laminated proofs of each mailer on the actual production stock (Kodak Approval, Polaroid PolaProof, CreoSpectrum, or Fuji Final Proof) with a minimum resolution of 2400 x 2400 dpi. Proofs must contain color control bars (such as Brunner, GATF, GRETAG, or RIT) for each color of ink on the sheet. Control bars must be placed parallel to the press’s ink rollers and must show areas consisting of minimum 1/8 x 1/8” solid color patches; tint patches of 25, 50 and 75%; dot gain scale; slur targets; and gray balance patches for process color (if applicable). These areas must be repeated consecutively across the sheet. Proofs must show dot structure.

In lieu of digital one-piece laminated proofs, at contractor’s option, two (2) sets of inkjet proofs that are G7 profiled and use pigment-based inks may be submitted. A proofing RIP that provides an option for high quality color matching such as Device Links Technology and/or ICC Profiles Technology, and meets or exceeds industry tolerance to ISO 12647-7 standard for Graphic Technology (as of 3/19/09 and future amendments) must be utilized. Output must be a minimum of 720 x 720 dpi on a GRACoL or SWOP certified proofing media. Proofs must contain the following color control strip to be evaluated for accuracy: IDEAlliance ISO 12647-7 (2009 or later).

The make and model number of the proofing system utilized shall be furnished with the proofs. These proofs must contain all elements, be in press configuration, and indicate margins. Proofs will be used for color match on press. Direct to plate must be used to produce the final product with a minimum of 2400 x 2400 dpi.

If the contractor furnishes digital one-piece composite laminated color proofs, the Pantone color may be substituted with a similar color. This requirement does not apply to inkjet proofs. Contractor to submit ink draw downs on actual production stock of Pantone color used.

NOTE: The Government may require two (2) or more sets of revised proofs before rendering an “O.K. to Print.”

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

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

VALIDATION TEST: The contractor shall use the furnished test data to provide an “image proof” showing the variable data in the exact position the data will be imaged on the final printed mailers. No printing required. (See ATTACHMENT B for visual of the imaging areas.)

Government will furnish approximately 100 different records. Contractor must submit 100 different image proofs. (NOTE: At contractor’s option, an Adobe Acrobat PDF (Version 7) file may be submitted for the image proofs.)

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 March 2011.

Government Paper Specification Standards No. 12 – http://www.gpo.gov/pdfs/customers/sfas/vol12/vol_12.pdf.

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

White High Quality Xerographic Copier, Laser Printer, basis weight: 24 lbs. per 500 sheets, 17 x 22”, equal to JCP Code O-61.

PRINTING/VARIABLE IMAGING: Form 1 prints face and back. Form 2 prints face only. All static printing consists of text matter, line matter, and a screened area in black and Pantone 032 (red). All variable data imaging consists of text matter and barcode in black only. (See ATTACHMENT B.)

Contractor may convert 6-line addresses to a lesser number of lines provided the addresses are acceptable for mailing and include a delivery point barcode and mail sorting scheme line at the top of the address. Contractor must NOT change house numbers, street names, city, or state for addresses.

Computerized imaging (jet spray or electrostatic) of variable data with a minimum of 240 dpi is required. “Electrostatic” means laser or ion-deposition.

PRESS SHEET INSPECTION: Final makeready press sheets may be inspected and approved at the contractor’s plant for the purpose of establishing specified standards for use during the actual press run. Upon approval of the sheets, contractor is charged with maintaining those standards throughout the press run (within QATAP tolerances when applicable) and with discarding all makeready sheets that preceded approval. When a press sheet inspection is required, it will be specified on the individual print order. See GPO Publication 315.3 (Guidelines for Contractors Holding Press Sheet Inspections) issued June 2003. NOTE: A press sheet inspection is for the purpose of setting specific standards that are to be maintained throughout the entire run. It does not constitute a prior approval of the entire run.

Press sheets must contain control bars for each color of ink on the sheet. Control bars must be placed parallel to the press’s ink rollers. The control bars (such as BRUNNER, GATF, GRETAG, or RIT) must show areas consisting of 1/8 x 1/8” minimum solid color patches; tint patches of 25, 50, and 75%; dot gain scale; and gray balance patches for process color (if applicable). These areas must be repeated across the entire press sheet.

MARGINS: Margins will be indicated on print order or furnished media.

BINDING/CONSTRUCTION: Perforations are to be slit or slot without ink; contractor’s standard instructions for extracting form must appear on exposed stub.

Perforate Form 2 of each mailer horizontally in three places along the entire 8-1/2” dimension. Perforations are to be 3-1/2”, 7” and 10-1/2” from top edge of sheet.

Perforate both forms of each mailer vertically in two places along the entire 14” dimension. Perforations are to be 1/2” from left and right edges of sheets.

Firm glue back of Form 1 to face of Form 2 (for each mailer) along the entire 14" dimension within both left and right 1/2" wide stubs.

Fold both forms (face-in) along the horizontal perforations of Form 2 from 8-1/2 x 14" to 8-1/2 x 7" secured with an additional application of firm glue within both left and right 1/2 x 7" stubs.

Fold from 8-1/2 x 7" to 8-1/2 x 3-1/2", with imaged mailing indicia panel up.

Wrap 1-1/8" sealing flap around at top edge of finished piece and seal with a temporary glue that will hold securely during mailing and handling but will permit easy opening without damage to the body of the mailer.

MAILING: All copies must be mailed as self-mailers.

MAILING INSPECTIONS: Mailing preparation operations will be inspected at the contractor's plant for conformity to specifications.

QUALITY CONTROL: The contractor must maintain a thorough quality assurance program to guarantee not more than 2/5 of 1% (.004) of the total quantity contains critical defects and that computerized printing is clear, legible, and that a copy of the finished product is mailed to all addresses contained in the Government furnished production data files.

RANDOM SAMPLING: Random sampling is required. The contractor must generate two (2) random samples for each of the two mailers every 10,000 copies during the production run and at all press breaks/stops.

Samples must be duplicates of live pieces.

Samples must be pulled and marked to show date and time of sample.

Samples must be submitted to the on-site Government representative. At the request of the Government representative, the contractor may be required to ship/deliver the samples to: OPM, Attn: Cyrus Benson, Room 4332, 1900 E Street, NW, Washington, DC 20415-3430, within 24 hours of completion of the entire production run.

DISTRIBUTION: Mail f.o.b. contractor's city all self-mailers to domestic and foreign addresses.

All mailing shall be made at the First Class rate.

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

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

When using permit imprint mail, contractor must complete GPO Form 712 - Certificate of Conformance (Rev. 2-91), supplied by GPO, and the appropriate mailing statement or statements, supplied by USPS.

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

To maximize automation discounts, POSTNET bar coding and delivery address verification and placement are among the items that must comply with the USPS requirements for automation compatible-mail in effect at the time of the mailing.

The contractor will be required to reformat data, if necessary, to suit his equipment. The addresses of the furnished data will be in zip code sequence and are NCOA certified. The NCOA certification will be furnished with production data. The contractor must use Coding Accuracy Support system (CASS) and Carrier Route Information System (CRIS), or a certified software program licensed by the USPS, to correct addresses, add ZIP+4 to the addresses, add the Deliver Point Barcodes (11-digit barcodes) to the addresses, and add any required mail sorting schemes above the key line of the address label (optional endorsement line – OEL), so as to obtain maximum postage discount in accordance with the USPS' latest First Class automated and non-automated mail discount structure: (a) Automation (carrier route); (b) Automation (5-digit); (c) Automation (3-digit); (d) Automation (basic); (e) Non-automation (presorted); and (f) Non-automation (single piece). On prebarcoded mail pieces, the barcode must be positioned in an area specified by the USPS as the address field. The contractor must not change any OPM provided city and state information.

NOTE: If any mail is rejected by the USPS, the contractor must notify OPM within 12 hours of rejection.

Upon completion of the mailing, the contractor must furnish OPM an electronic file (Excel or PDF) of the total number of pieces mailed to each state by zip code.

Upon completion of mailing, contractor must furnish 25 printed, non-imaged sample copies of each mailer, and completed copies of the appropriate USPS forms (with USPS stamp showing date, number of pieces, and cost) to: U.S. Office of Personnel Management, Attn: Cyrus Benson, Room 4332, 1900 E Street, NW, Washington, DC 20415-3430.

Upon termination of this contract, all furnished material (if applicable) must be returned to: U.S. Office of Personnel Management, Attn: Cyrus Benson, Room 4332, 1900 E Street, NW, Washington, DC 20415-3430.

All expenses incidental to picking up and returning materials (if applicable), submitting proofs, and furnishing test samples and sample copies must be borne by the contractor.

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

Unless waived by the contracting officer, the postaward conference will be held within five (5) workdays of notification of award.

Proofs must be picked up from and delivered to: U.S. Office of Personnel Management, Attn: Cyrus Benson, Room 4332, 1900 E Street, NW, Washington, DC 20415-3430.

Furnished electronic media must be returned with proofs, if applicable.

Validation test samples must be submitted directly to: U.S. Office of Personnel Management, Attn: Cyrus Benson, Room 4332 1900 E Street, NW, Washington, DC 20415-3430, via overnight delivery or via email, to: cyrus.benson@opm.gov.

Proof Schedule –

The proof 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.

- Contractor must submit proofs within two (2) workdays of receipt of notification of availability of print order and furnished material.
- Proofs will be withheld no more than one (1) workday from their receipt at the ordering agency until they are made available for pickup. (The first workday after receipt of proofs at the ordering agency is day one (1) of the hold time.)

- If required, the contractor must submit revised proofs, due to author's alterations, within one (1) workday of notification.
- Revised proofs will be withheld no more than one (1) workday from receipt thereof until they are made available for pickup.

Validation Test Schedule –

Immediately upon award, the contractor must contact the Government to facilitate the electronic transfer of test data.

The validation test schedule begins the workday after receipt of test data; the workday after receipt will be the first workday of the schedule.

- Validation test samples must be submitted within three (3) workdays of receipt of test data. *(The validation test is an image proof with the test data in the appropriate position as it would appear on the forms. At contractor's option, a PDF file may be submitted to the email address specified on the print order.)*
- Test samples will be withheld no more than one (1) workday from their receipt at the ordering agency until approval/disapproval is given. (The first workday after receipt of samples at the ordering agency is day one (1) of the hold time.)

Production Schedule –

Immediately upon approval of the validation test samples, the contractor must contact the Government to facilitate the electronic transfer of production data.

The production schedule begins the workday after receipt of production data; the workday after receipt will be the first workday of the schedule.

- Contractor must complete production and distribution within six (6) workdays of receipt of production data.

The contractor must notify the U.S. GPO of the date and time the press sheet and mailing inspections can be performed. In order for proper arrangements to be made, notification must be given at least 72 workhours prior to the inspection. Notify the U.S. Government Printing Office, Quality Control for Procured Printing, Washington, DC 20401 at (202) 512-0542. Telephone calls will only be accepted between the hours of 8:00 a.m. and 2:00 p.m., prevailing Eastern Time, Monday through Friday. NOTE: See contract clauses, paragraph 14(e)(1), Inspections and Tests of GPO Contract Terms (GPO Publication 310.2, effective December 1, 1987 (Rev. 6-01)). When supplies are not ready at the time specified by the contractor for inspection, the Contracting Officer may charge to the contractor the additional cost of the inspection.

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

Unscheduled material such as shipping documents, receipts or instructions, delivery lists, and labels will be furnished with the 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 Printing Office of the date of shipment or delivery. Call (202) 512-0516 or (202) 512-0520; callers outside the Washington, DC area may call toll free 1-800-424-9470 or 1-800-424-9471.

SECTION 3. - DETERMINATION OF AWARD

The Government will determine the lowest bid by applying the prices offered in the "SCHEDULE OF PRICES" to the following units of production which are the estimated requirements to produce the 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 under this contract for a like period of time.

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

| | | |
|--------|-----|-------|
| | (1) | (2) |
| I. (a) | 1 | 2,100 |
| (b) | 1 | 630 |

II. 5,460

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SECTION 4. - SCHEDULE OF PRICES

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

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

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

An entry of NC (No Charge) shall be entered if bidder intends to furnish individual items at no charge to the Government.

Bids submitted with NB (No Bid) or blank spaces for an item may be declared non-responsive.

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

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

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

Cost of all required paper must be charged under II. PAPER.

I. PRINTING/IMAGING, BINDING/CONSTRUCTION, AND DELIVERY TO THE U.S. POST OFFICE:
 Prices offered must include the cost of all materials and operations necessary (including proofs and validation test samples) for the complete printing/imaging, binding/construction, and delivery to the U.S. Post Office of the products listed in accordance with these specifications.

| | <u>Makeready and/or Setup</u> (1) | <u>Running Per 1,000 Copies</u> (2) |
|------------------------------------|--|--|
| (a) Mailer 1 per mailer..... | \$ _____ | \$ _____ |
| (b) Mailer 2 per mailer..... | \$ _____ | \$ _____ |

II. 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 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.

Computation of the net number of leaves will be based on the following:

Forms – A charge will be allowed for each trim/page-size leaf.

Per 1,000 Leaves

White High Quality Xerographic Copier, Laser Printer (24-lb.)\$ _____

(Initials)

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 copies (original and one exact duplicate) of the "SCHEDULE OF PRICES" with two copies of the 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)

ATTACHMENT A

Print Tape Layout 12/3/2012

This new record layout has increased from 404 to 450 characters.

```
01 WS-PRINT-TAPE-LAYOUT.
05 WS-ZIP-CODE PIC X(5) VALUE SPACE.
05 WS-SSN.
   10 WS-SSN-X1 PIC X(3) VALUE SPACE.
   10 FILLER PIC X VALUE '-'.
   10 WS-SSN-X2 PIC X(2) VALUE SPACE.
   10 FILLER PIC X VALUE '-'.
   10 WS-SSN-X3 PIC X(4) VALUE SPACE.

05 WS-SOC-NBR REDEFINES WS-SSN PIC X(11).

05 WS-TAX-WH PIC X(9) VALUE SPACE.
05 WS-GRS-ASK PIC X VALUE SPACE.
05 WS-GROSS PIC X(9) VALUE SPACE.
05 WS-STATE-CODE1 PIC XX VALUE SPACE.
05 WS-STATE-AMT1 PIC X(8) VALUE SPACE.
05 WS-HB-AMT PIC X(8) VALUE SPACE.
05 WS-ADDR1 PIC X(22) VALUE SPACE.
05 WS-STATE-CODE2 PIC XX VALUE SPACE.
05 WS-STATE-AMT2 PIC X(8) VALUE SPACE.
05 WS-ADDR2 PIC X(22) VALUE SPACE.
05 WS-CSA-CSF PIC XX VALUE SPACE.
05 WS-CLM-NBR PIC X(9) VALUE SPACE.
05 WS-ADDR3 PIC X(22) VALUE SPACE.
05 WS-ORIG-CONTRB PIC X(9) VALUE SPACE.
05 WS-ADDR4 PIC X(22) VALUE SPACE.
05 WS-DIST-CODE PIC X(15) VALUE SPACE.
05 WS-ADDR5 PIC X(22) VALUE SPACE.
05 WS-ADDR6 PIC X(22) VALUE SPACE.
05 WS-NOTE1 PIC X(55) VALUE SPACE.
05 WS-NOTE2 PIC X(55) VALUE SPACE.
05 WS-NOTE3 PIC X(55) VALUE SPACE.
05 WS-TAX-FREE-AMT PIC X(9) VALUE SPACE.
05 WS-STATECODE-NUM1 PIC X(16) VALUE SPACE.
05 WS-STATECODE-NUM2 PIC X(16) VALUE SPACE.
05 FILLER PIC X(14) VALUE SPACE.
```


Backer, Form 1

Important Tax Information - CSA 1099R, Statement of Annuity Paid

General — The 2012 tax year includes the 12 monthly annuity payments dated January 2 through December 1, 2012, as well as any adjustments made through December. It does *not* include the payment you received in January 2013.

Filing Instructions — Your annuity is reportable on your income tax return every year, unless your total income is below the amount required to file a return. If your total income is below that amount and you had tax withheld, you should file a return in order to get a refund. Read your IRS Form 1040 instructions carefully. Then, if you have questions, contact your local IRS office. The retirement system does not provide tax advice and does not supply IRS publications.

Taxable Annuity Amount — If your annuity starting date is after November 18, 1996, and you did not retire on disability, we have used the Simplified Method to figure the taxable amount of your CSRS or FERS annuity. For your convenience, this amount is reported on your 1099R. For all other retirees and those receiving former spouse benefits, the Taxable Annuity Amount box will show "unknown." You can choose to use either the Simplified Method or the General Rule if your annuity starting date is after July 1, 1986, but before November 19, 1996. For a detailed explanation of how to determine the taxable portion of your annuity, request Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*, from the IRS. If, after reviewing Publication 721, you need assistance in determining the taxable portion of your annuity, follow the directions in Publication 721 for obtaining assistance from the IRS.

Lump Sum Payments — If, during 2012, you received a lump sum payment equal to all or a portion of your retirement contributions, the lump sum is included in the gross annuity amount shown on this form. The lump sum payment and the monthly annuity payments you received during the tax year are subject to different IRS tax rules.

For your convenience in filing your income tax return, we have shown the lump sum payment amount and the total amount of annuity paid during the tax year separately. The amount of the lump sum credit on which your tax liability is based will be greater than the amount actually paid to you if you owed deposits for service not subject to retirement or redeposits for monies you withdrew from the retirement system and had not paid back. Subject to the exception below, any outstanding deposits and redeposits were deemed paid if you elected to receive the lump sum payment. These deemed amounts are taxable as though they were paid to you in 2012, since these deposit and redeposit amounts deemed paid increased your monthly annuity payments. We provided the dollar amounts deemed paid, (if any) on form RI 37-8, that was sent to you with your alternative annuity election letter. All monies deemed paid in 2012 are a part of your 2012 tax liability, even if you have not been paid the total lump sum. **Exception:** *If your annuity commenced on or after December 2, 1990, and you received a refund of Civil Service Retirement contributions for a period of service that ended before October 1, 1990 (or ended before March 1, 1991, if your annuity commenced on/after October 28, 2009), the amount of the redeposit is not included in the amount of the lump sum credit.*

All tax withheld from your annuity and your lump sum payment is shown as a combined amount on your statement. Refer to IRS Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*, for information on how to calculate the taxes on your annuity and lump sum payment or how to ask the IRS to make the computation for you. If you were not age 55 in the year in which you retired, the taxable portion of the lump sum payment may be subject to a tax penalty, even if you attained age 55 in the year you received the lump sum.

Voluntary Contributions — If you are receiving additional payments resulting from voluntary contributions to the retirement fund, the additional portion of your annuity due to the voluntary contributions must be reported separately for tax purposes and is shown at the bottom of your statement.

Disability Payments — If you retired on disability, payments you receive are fully taxable as ordinary income until you reach minimum retirement age.

Beginning on the day after you reach minimum retirement age, your payments are treated, for tax purposes, as a retirement annuity. At that time, you begin to recover an amount equal to your contributions as tax-free income under the IRS General Rule as explained in IRS Publication 721.

Minimum Retirement Age — This is the age at which you first could have received a non-disability annuity. If you need assistance in reporting your disability annuity on your tax return, you should consult IRS Publication 721 or contact the IRS.

How to Start, Stop, or Change Monthly Federal Income Tax Withholding — Call OPM's Retirement Information Office at 1-888-767-6738. If you have TTY/TDD equipment, call 1-800-878-5707.

How to Start, Stop, or Change State Income Tax Withholding — You may have State Income Tax withheld from your monthly annuity only if your State elects to participate in the Voluntary State Income Tax Withholding Program. These States *do not* participate in the program or do not have State income tax:

| | | |
|----------|---------------|----------------|
| Alabama | Massachusetts | Tennessee |
| Alaska | Nevada | Texas |
| Florida | New Hampshire | Virgin Islands |
| Hawaii | New York | Washington |
| Illinois | Pennsylvania | Wyoming |
| Kansas | Puerto Rico | |
| Kentucky | South Dakota | |

If you live in one of these states, you should contact your State tax office for information on the tax liability of your retirement annuity.

If you live in the District of Columbia or in a state that participates in the program and you wish to have income taxes withheld from your annuity, please call 1-888-767-6738.

Services Online — Visit our interactive web site at www.opm.gov/retire. This site allows you to make changes to your Federal and State income tax withholdings and compute your Taxable Annuity Amount using the Simplified Method. This site also allows you to view and/or print your current year CSA 1099R and two prior years.

Missing or Incorrect Social Security Numbers We are required to report your Social Security Number to the IRS with your income information. If your Social Security Number is not shown on your tax statement or is incorrectly shown on your tax statement, you should put your correct number (in ink) on the CSA 1099R form if you are required to attach it to your return. Then inform OPM's Retirement Operations Center, P.O. Box 45, Boyers, PA 16017 of your correct Social Security Number. Be sure to include your CSA number and a copy of your Social Security card when you contact OPM.

Useful Items — You may want to see:

- Publication 524, *Credit for the Elderly or the Disabled*
- Publication 575, *Pensions and Annuity Income*
- Publication 590, *Individual Retirement Arrangements (IRAs) (Including ROTH IRAs and Education IRAs)*
- Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*
- Publication 939, *General Rule for Pensions and Annuities*

These publications are free and may be obtained from the IRS by calling 1-800-TAX-FORM (1-800-829-3676).

Reminder — Not complying with Federal retirement tax obligations could mean penalties, interest, and potential levy of your retirement income. Call the IRS at 1-800-829-3676 for Publication 1798, *"Retiring Qs & As"*. It gives answers to "retiring" tax questions.

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RETIREMENT OPERATIONS
P.O. BOX 45
BOYERS, PA 16017-0045

STATEMENT OF ANNUITY PAID
Copy B - File with Federal tax return

2012

Face, Form 2
Back is Blank
OMB No. 1545-0119
Form 1099-R
Distributions From
Pensions, Annuities,
Retirement or Profit-
Sharing Plans, IRAs,
Insurance Contracts, etc.

| | | | | | |
|--|--|---|---------------------------------------|-------------------------|-----------------------------|
| Form CSA 1099R (Rev. 1/2013) This information is being furnished to the Department of Treasury - Internal Revenue Service | PAYER's Federal Identification | Recipient's ID No. (Annuitant) | Account number (Retirement Claim No.) | 1. Gross distribution | |
| | 52-6083699 | XXX-XX-XXXX | XX XXXXXXXXXX | XXXXXX . XX | |
| | 5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums | PAID TO → XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX | 2a. Taxable amount | | XXXXXX . XX |
| | XXXXXX . XX | | 4. Federal Income Tax Withheld | | XXXXXX . XX |
| | 7. Distribution Code(s) | | 12. State tax withheld | | XXXX . XX |
| XXXXXXXXXXXXXXXXXXXX | 12. State tax withheld | | XXXX . XX | XX/XXXXXXXXXXXXXXXXXXXX | |
| 9b. Total Employee Contributions | XXXXXX . XX | 12. State tax withheld | | XXXX . XX | 13. State/Payer's state no. |
| XX | | | | XX/XXXXXXXXXXXXXXXXXXXX | |

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RETIREMENT OPERATIONS
P.O. BOX 45
BOYERS, PA 16017-0045

STATEMENT OF ANNUITY PAID
Copy 2 - To be filed with annuitant's
state or local return

2012

OMB No. 1545-0119
Form 1099-R
Distributions From
Pensions, Annuities,
Retirement or Profit-
Sharing Plans, IRAs,
Insurance Contracts, etc.

| | | | | | |
|--|--|---|---------------------------------------|-------------------------|-----------------------------|
| Form CSA 1099R (Rev. 1/2013) This information is being furnished to the Department of Treasury - Internal Revenue Service | PAYER's Federal Identification | Recipient's ID No. (Annuitant) | Account number (Retirement Claim No.) | 1. Gross distribution | |
| | 52-6083699 | XXX-XX-XXXX | XX XXXXXXXXXX | XXXXXX . XX | |
| | 5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums | PAID TO → XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX | 2a. Taxable amount | | XXXXXX . XX |
| | XXXXXX . XX | | 4. Federal Income Tax Withheld | | XXXXXX . XX |
| | 7. Distribution Code(s) | | 12. State tax withheld | | XXXX . XX |
| XXXXXXXXXXXXXXXXXXXX | 12. State tax withheld | | XXXX . XX | XX/XXXXXXXXXXXXXXXXXXXX | |
| 9b. Total Employee Contributions | XXXXXX . XX | 12. State tax withheld | | XXXX . XX | 13. State/Payer's state no. |
| XX | | | | XX/XXXXXXXXXXXXXXXXXXXX | |

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RETIREMENT OPERATIONS
P.O. BOX 45
BOYERS, PA 16017-0045

STATEMENT OF ANNUITY PAID
Copy C - For annuitant's records.
This information is being furnished
to the U.S. Internal Revenue

2012

OMB No. 1545-0119
Form 1099-R
Distributions From
Pensions, Annuities,
Retirement or Profit-
Sharing Plans, IRAs,
Insurance Contracts, etc.

| | | | | | |
|--|--|---|---------------------------------------|-------------------------|-----------------------------|
| Form CSA 1099R (Rev. 1/2013) This information is being furnished to the Department of Treasury - Internal Revenue Service | PAYER's Federal Identification | Recipient's ID No. (Annuitant) | Account number (Retirement Claim No.) | 1. Gross distribution | |
| | 52-6083699 | XXX-XX-XXXX | XX XXXXXXXXXX | XXXXXX . XX | |
| | 5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums | PAID TO → XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX | 2a. Taxable amount | | XXXXXX . XX |
| | XXXXXX . XX | | 4. Federal Income Tax Withheld | | XXXXXX . XX |
| | 7. Distribution Code(s) | | 12. State tax withheld | | XXXX . XX |
| XXXXXXXXXXXXXXXXXXXX | 12. State tax withheld | | XXXX . XX | XX/XXXXXXXXXXXXXXXXXXXX | |
| 9b. Total Employee Contributions | XXXXXX . XX | 12. State tax withheld | | XXXX . XX | 13. State/Payer's state no. |
| XX | | | | XX/XXXXXXXXXXXXXXXXXXXX | |

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RETIREMENT OPERATIONS

STATEMENT OF ANNUITY PAID

2012

OMB No. 1545-0119
Form 1099-R