

STATE OF ALASKA

INVITATION TO BID (ITB)



THIS IS NOT AN ORDER

DATE ITB ISSUED: July 9, 2018

ITB TITLE: SCANNING & DIGITIZATION

IMPORTANT NOTICE: If you received this solicitation from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to receive notification of subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your offer.

BIDDER'S NOTICE: By signature on this form, the bidder certifies that:

- (1) the bidder has a valid Alaska business license or will obtain one prior to award of any contract resulting from this ITB. If the bidder possesses a valid Alaska business license, the license number must be written below or one of the following forms of evidence must be submitted with the bid:
 - a canceled check for the business license fee;
 - a copy of the business license application with a receipt date stamp from the State's business license office;
 - a receipt from the State's business license office for the license fee;
 - a copy of the bidder's valid business license;
 - a sworn notarized statement that the bidder has applied and paid for a business license;
- (2) the price(s) submitted was arrived at independently and without collusion and that the bidder is complying with:
 - the laws of the State of Alaska;
 - the applicable portion of the Federal Civil Rights Act of 1964;
 - the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and
 - all terms and conditions set out in this Invitation to Bid (ITB).

If a bidder fails to comply with (1) at the time designated in the ITB for opening the state will disallow the Alaska Bidder Preference. If a bidder fails to comply with (2) of this paragraph, the state may reject the bid, terminate the contract, or consider the Bidder in default. Bids must be also submitted under the name as appearing on the bidder's current Alaska business license in order to receive the Alaska Bidder Preference.

ERIC VERRELLI CONTRACTING OFFICER	_____ COMPANY SUBMITTING BID	*DOES YOUR BUSINESS QUALIFY FOR THE ALASKA BIDDER PREFERENCE? [] YES [] NO
	_____ AUTHORIZED SIGNATURE	*DOES YOUR BUSINESS QUALIFY FOR THE ALASKA VETERAN PREFERENCE? [] YES [] NO
TELEPHONE NUMBER	_____ PRINTED NAME	*SEE ITB FOR EXPLANATION OF CRITERIA TO QUALIFY
	_____ DATE	_____ E-MAIL ADDRESS
_____ ALASKA BUSINESS LICENSE NUMBER	_____ FEDERAL TAX ID NUMBER	_____ TELEPHONE NUMBER

SECTION I - INTENT OF CONTRACT

- 1. CONTRACT INTENT:** This Invitation to Bid (ITB) is intended to result in a non-mandatory, multiple award term contract to provide document scanning and digitization services with indexing capabilities for the locations specified in this solicitation document. This solicitation can potentially award up to two separate scanning and digitization contracts, one for the Anchorage area and one for the Fairbanks area. The contract established shall be on an as-needed basis for all Executive Branch State Agencies. All other State of Alaska governmental entities may purchase from the contract, including entities such as the Alaska Legislative Branch, the Alaska Court System, the University of Alaska, Boards and Commissions, and all State of Alaska political subdivisions; cities, boroughs, and school districts. All agencies are herein after referred to as participating agencies.
- 2. CONTRACT PERIOD:** The initial term for the resulting contract will be from the award date, approximately, July 30, 2018, through July 31, 2020, with three one-year renewal options through August 1, 2023. Renewal options will be exercised at the sole discretion of the State of Alaska.

SECTION II - SOLICITATION INSTRUCTIONS

- 1. REQUIRED REVIEW:** Bidders shall carefully review this ITB for defects and questionable or objectionable material. Bidders' comments concerning defects and questionable or objectionable material in the ITB must be made in writing and received by the purchasing authority at least 10 days before the deadline for receipt of bids. This will allow time for an amendment to be issued if one is required. It will also help prevent the opening of a defective bid, upon which awards cannot be made, and the resultant exposure of bidders' prices. Bidders' original comments should be sent to the purchasing authority listed on the front of this ITB.
- 2. BID FORMS:** Bidders shall use this and attached forms in submitting bids. A photocopied bid may not be submitted.
- 3. SUBMITTING BIDS:** Envelopes containing bids must be sealed, marked, and addressed as shown in the example below. Do not put the ITB number and opening date on envelopes that have questions or are requesting bid information. Envelopes with ITB numbers annotated on the outside will be identified as a bid and not be opened until scheduled date and time.

The sealed proposal package (s) must be addressed as follows:

Department of Administrations
Statewide Contracting Office
Attention: Eric Verrelli
Solicitation: 180000069
Scanning & Digitization

If using U.S. mail, please use the following address:

PO Box 110210
Juneau AK 99811-0210

If using a delivery service, please use the following address:

333 Willoughby, 8th Floor
Juneau AK 99801

Note: There is no overnight delivery service to Alaska. Please give yourself sufficient time for shipping.

The Statewide Contracting Office reserves the right to reject any bid submission or portion(s) thereof determined to have been altered/modified from the original format by the Bidder.

- 4. ELECTRONIC BID SUBMISSION:** Bids may be emailed to doa.dgs.info@alaska.gov, no later than the date and time listed on the ITB "DEADLINE FOR RECEIPT OF BIDS," and must contain the ITB number and name in the subject line of the email to be identified. Do not send your emailed bid to Eric Verrelli, only send your bid to doa.dgs.info@alaska.gov.

Emailed bids must be submitted in PDF format. The maximum size of a single email (including all text and attachments) that can be received by the state is 20mb (megabytes). If the email containing the bid exceeds this size, the bid must be sent in multiple emails that are each less than 20 megabytes and each email must comply with the requirements described above. The state is not responsible for unreadable, corrupt, or missing attachments. Do not include advertising or images. These unnecessary items may put your email over the 20-megabyte limit.

It is the bidder's responsibility to contact the issuing office at (907) 465-2250 to confirm that the bid has been received. Failure to follow the above instructions may result in the bid being found non-responsive and rejected.

5. **FAX BID SUBMISSION:** Faxed bids **WILL NOT** be accepted
6. **IRIS:** Submission of bids through VSS (Vendor Self-Serve) to IRIS (Integrated Resource Information System) **WILL NOT** be accepted.
7. **DEADLINE FOR RECEIPT OF BIDS:** Bids must be received no later than **2:30 P.M. prevailing Alaska Time on July 30, 2018.**
8. **LATE BIDS:** Late bids are bids received after the time and date set for receipt of the bids. Late bids will not be accepted.
9. **PRE-BID Meeting:** There will be a pre-bid meeting on **July 13, 2018, at 9:00 AM Alaska Time.** This meeting agenda is to provide an overview of the contract sections and individual provisions. Participants should read the ITB to become familiar with the solicitation. Attendance is not mandatory, bidders may attend in person at physical location provided on page 1 of the solicitation document or via teleconference. To dial into the teleconference, please use **1-800-315-6338**, access code **00502#**.

Technical questions may be asked, but an official answer will not be given at the Pre-bid teleconference. All Technical questions must be received in writing no later than **July 17, 2018, at 4:00 pm**, in the form of an email to eric.verrelli@alaska.gov. Technical questions will be answered in a written amendment that will be posted on the Online Public Notices and IRIS-VSS.

10. **VENDOR TAX ID NUMBER:** If services procured through this ITB are of a type that is required to be included on a Miscellaneous Tax Statement, as described in the Internal Revenue Code, a valid tax identification number must be provided to the State of Alaska before payment will be made (see Attachment #1 – Bid Schedule & Submission Cover Sheet).

11. SCHEDULE OF EVENTS:

Solicitation Posted:	July 9, 2018
Pre-Bid Conference:	July 13, 2018 9:00 AM AST
Review/Questions due:	July 17, 2018 4:00 PM AST
Questions Answered:	July 19, 2018
Bids Due By:	July 30, 2018 2:30 PM AST
Notice of Intent Issued:	July 31, 2018
Contract Awarded:	August 10, 2018

SECTION III – STANDARD CONTRACT TERMS & CONDITIONS

1. **AUTHORITY:** This ITB is written in accordance with AS 36.30 and 2 AAC 12.
2. **ASSIGNMENT(S):** Assignment of rights, duties, or payments under a contract resulting from this ITB is not permitted unless authorized in writing by the State of Alaska, Department of Administration, Statewide Contracting Office. Bids that are conditioned upon the State's approval of an assignment will be rejected as nonresponsive.
3. **BIDDERS WITH DISABILITIES:** The State of Alaska complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, and/or special modifications to participate in this procurement should contact the SSoA at one of the following numbers no later than March 13, 2017, to make any necessary arrangements.

Telephone: (907) 465-5674
TDD: (907) 465-2205

4. **COMPLIANCE WITH ADA:** By signature of their bid the bidder certifies that they comply with the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government.

Services or activities furnished to the public on behalf of the state must be fully accessible. This is intended to ensure that agencies are in accordance with 28 CFR Part 35 Section 35.130 and that services, programs or activities furnished to the public through a contract do not subject qualified individuals with a disability to discrimination based on the disability.

5. **COMPLIANCE:** In the performance of a contract that results from this ITB, the Bidder must comply with all applicable federal, state, and borough regulations, codes, and laws; and be liable for all required insurance, licenses, permits and bonds; and pay all applicable federal, state, and borough taxes.
6. **SUBCONTRACTOR:** The use of subcontractors in performance of services under this contract shall not be allowed.
7. **CONTRACT PERFORMANCE LOCATION:** By signature on their bid, (see Attachment #1 – Bid Submission Cover Sheet), the bidder certifies that all services provided under this contract by the Bidder shall be performed in the State of Alaska. If the bidder cannot certify that all work will be performed in the State of Alaska, the bidder must contact the contracting officer in writing to notify so. Failure to comply with these requirements may cause the state to reject the bid as non-responsive or cancel the contract.
8. **DEFAULT:** A Bidder's failure to comply with any of the terms and conditions of this contract may result in default action by the state. In case of default by the Bidder, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the Bidder responsible for any resulting excess cost and may seek other remedies under law or equity. It is generally the state's policy to provide Bidders the opportunity to correct deficiencies through the cure process before declaring default.
9. **DISPUTES:** If a Bidder has a claim arising in connection with a contract resulting from this ITB that it cannot resolve with the State by mutual agreement, it shall pursue a claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.
10. **CONFLICT OF INTEREST:** An officer or employee of the State of Alaska may not seek to acquire, be a party to, or possess a financial interest in, this contract if (1) the officer or employee is an employee of the administrative unit that supervises the award of this contract; or (2) the officer or employee has the power to take or withhold official action so as to affect the award or execution of the contract.
11. **FORCE MAJEURE (Impossibility to perform):** The Bidder is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the Bidder. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.
12. **FEDERAL DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION:** Expenditures from the contract may involve federal funds. The U.S. Department of Labor requires all State agencies that are expending federal funds to have a certification filed in the bid, by the bidder, that they have not been debarred or suspended from doing business with the federal government. The Certification regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions form is attached to this ITB and must be completed and submitted with your bid.

In addition to this form, the bidder may have additional contractual requirements or certifications that must be satisfied at the time the order is placed or upon delivery. These federal requirements may be proposed by the ordering agencies for incorporation in orders placed under this contract.

Failure to provide the required certification before submitting a quote or failure to satisfy other federal requirements will not impact the evaluation of quotes received in response to this ITB, however, it may delay award of the contract and/or any orders placed under the contract until certification is submitted to the contracting agency or the federal requirements satisfy the ordering agency.

- 13. GOVERNING LAW; FORUM SELECTION:** A contract resulting from this ITB is governed by the laws of the State of Alaska. To the extent not otherwise governed by section 8 of these Standard Terms and Conditions, any claim concerning the contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.
- 14. HUMAN TRAFFICKING:** By signature on their bid, (see Attachment #1 – Bid Submission Cover Sheet), the bidder certifies that the bidder is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report. The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/>. Failure to comply with this requirement will cause the state to reject the bid as non-responsive or cancel the contract.
- 15. SEVERABILITY:** If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.
- 16. SPECIFICATIONS:** Unless otherwise specified in the ITB, product brand names or model numbers specified in this ITB are examples of the type and quality of product required and are not statements of preference. If the specifications describing an item conflict with a brand name or model number describing the item, the specifications govern. Reference to brand name or number does not preclude an offer of a comparable or better product, if full specifications and descriptive literature are provided for the product. Failure to provide such specifications and descriptive literature may be cause for rejection of the offer.
- 17. SUITABLE MATERIALS, ETC.:** Unless otherwise specified, all materials, supplies or equipment offered by a bidder shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.
- 18. CONTINUING OBLIGATION OF BIDDER:** Notwithstanding the expiration date of a contract resulting from this ITB, the Bidder is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.
- 19. FIRM OFFER:** For the purpose of award, offers made in accordance with this ITB must be good and firm for a period of 90 days from the deadline for receipt of bids.
- 20. EXTENSION OF PRICES:** In case of error in the extension of prices in the bid, the unit prices will govern; in a lot bid, the lot prices will govern.

SECTION IV - CONTRACT INFORMATION

- 1. ESTIMATED ANNUAL USE:** Currently, the state estimates spend of approximately \$100,000 annually on scanning and digitization services. The state anticipates this spend might increase due to various factors including allowing non-executive branch state agencies and political subdivisions access to this contract, however, the state does not guarantee a minimum number of purchases. Orders will be issued throughout the contract period on an as-needed basis.
- 2. FIRM, UNQUALIFIED AND UNCONDITIONAL OFFER:** For the purpose of this award, offers made in accordance with this ITB must be good and firm for a period of 90 days from the date of bid opening. Bidders must provide enough information with their bid to constitute a definite, firm, unqualified and unconditional offer. To be responsive a bid must constitute a definite, firm, unqualified and unconditional offer to meet all of the material terms of the ITB. Material terms are those that could affect the price, quantity, quality, or delivery. Also included as material terms are those which are clearly identified in the ITB and which, for reasons of policy, must be complied with at risk of bid rejection for non-responsiveness.
- 3. PRICES:** The bidder shall state prices in the units of issue on this ITB. Prices quoted for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging. Prices submitted by offerors on cost sheet will not be increased. Prices quoted in bids must be exclusive of federal, state, and local taxes. If the bidder believes that certain taxes are payable by the State, the bidder may list such taxes separately, directly below the bid price for the affected item.

The State is exempt from Federal Excise Tax except the following:

- Coal - Internal Revenue Code of 1986 (IRC), Section 4121 - on the purchase of coal;

- "Gas Guzzler" - IRC, Section 4064 - on the purchase of low m.p.g. automobiles, except that police and other emergency type vehicles are not subject to the tax;
- Air Cargo - IRC, Section 4271 - on the purchase of property transportation services by air;
- Air Passenger - IRC, Section 4261 - on the purchase of passenger transportation services by air carriers.
- Leaking Underground Storage Tank Trust Fund Tax (LUST) - IRC, Section 4081 - on the purchase of Aviation gasoline, Diesel Fuel, Gasoline, and Kerosene.

The State of Alaska is also exempt from State Motor Fuel Taxes. The appropriate exemption forms will accompany a contract(s) resulting from this ITB. The state is not exempt from the Federal Superfund Tax.

4. **EXTENSION OF PRICES:** In case of error in the extension of prices in the bid, the unit prices will govern; in a lot bid, the lot prices will govern.
5. **CONTRACT FUNDING:** Payment for the contract is subject to funds already appropriated and identified.
6. **BID PREPARATION COSTS:** The State is not liable for any costs incurred by the bidder in bid preparation.
7. **FILING A PROTEST:** AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

8. **LATE BIDS:** Late bids are bids received after the time and date set for receipt of the bids. Late bids will not be accepted.
9. **NOTICE OF INTENT TO AWARD:** After the responses to this ITB have been opened and evaluated, a tabulation of the bids will be prepared. This tabulation, called a Notice of Intent to Award, serves two purposes. It lists the name of each company or person that offered a bid and the price they bid. It also provides notice of the state's intent to award a

contract(s) to the bidder(s) indicated. Bidders identified as the apparent low responsive bidders are instructed not to proceed until a Purchase Order, Contract Award, Lease, or some other form of written notice is given by the contracting officer. A company or person who proceeds prior to receiving a Purchase Order, Contract Award, Lease, or some other form of written notice from the contracting officer does so without a contract and at their own risk.

10. **METHOD OF AWARD:** An award will be made per location specified in the cost schedule, to the lowest responsive and responsible bidder.
11. **CONTRACT CANCELLATION:** The state reserves the right to cancel a contract resulting from this ITB at its convenience upon 30 calendar days written notice to the Bidder. The state is liable only for payment in accordance with the payment provisions of this contract for services provided before the effective date of termination.
12. **CONTRACT EXTENSION:** Unless otherwise provided in this ITB, the State and the successful Bidder agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30 days before the desired date of cancellation.
13. **ALTERATIONS:** The Bidder must obtain written approval from the contracting officer prior to making any alterations to the specifications contained in this ITB. The state shall not pay for alterations that are not approved in advance and in writing by the contracting officer.
14. **ORDER DOCUMENTS:** Except as specifically allowed under this ITB, an ordering agency will not sign any vendor contract. The State is not bound by a vendor contract signed by a person who is not specifically authorized to sign for the State under this ITB. The State of Alaska Purchase Order, Contract Award and Delivery Order are the only order documents that may be used to place orders against the contract(s) resulting from this ITB. Agencies may also use a purchasing/credit card to place orders.

15. **DEFINITIONS:**

Optical Character Recognition (OCR): Is the recognition of printed or written text characters by a computer. This involves photo scanning of text character-by-character, analysis of the scanned image, and then translation of the character image into character codes.

Document: a piece of written, printed or electronic matter that provides information or evidence or that serves as an official record.

Document Preparation: All documents must be in archive boxes with the lids taped shut. A box list must be attached to each box.

Document destruction: All documents containing personal information, and confidential information, must be shredded, burned, pulverized, or otherwise rendered unreadable in such a manner that the document is not recoverable

Box List: List showing which document belong to which box. Each box should have a box list stating the documents that are inside.

DPI: Dots Per Inch

PPI: Pixels per Inch

BAA: Business Associate Agreement

Criminal Justice Information Systems (CJIS): FBI security guidelines that any CJIS organization must follow.

Media File: Once documents are scanned they will be placed on media files of the agency choosing (i.e. DVD, thumb drive)

SECTION V – PREFERENCES

- 1. ALASKA BIDDER PREFERENCE:** An Alaska Bidder preference of five percent (5%) may be applied for evaluation purposes. The preference will be given to a person who:

- 1) holds a current Alaska business license at the time designated in the invitation to bid for bid opening;
- 2) submits a bid for goods or services under the name on the Alaska business license;
- 3) has maintained a place of business within the state staffed by the bidder, or an employee of the bidder, for a period of six months immediately preceding the date of the bid;
- 4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and,
- 5) if a joint venture, is composed entirely of ventures that qualify under (1) - (4) of this subsection.

Bids must also be submitted under the name as appearing on the bidder's current business license in order to receive the Alaska Bidder Preference.

Alaska Bidder Preference Statement: In order to receive the Alaska Bidder Preference, the bid must also include a statement certifying that the bidder is eligible to receive the Alaska Bidder Preference or check the applicable box on Attachment #1 – Bid Submission Cover Sheet.

If the bidder is an LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner and include a statement certifying that all members or partners are residents of the state.

If the bidder is a joint venture which includes an LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the state.

- 2. ALASKA VETERAN PREFERENCE:** If a bidder qualifies for the Alaska bidder preference under AS 36.30.321(a) and AS 36.30.990(2) and is a qualifying entity as defined in AS 36.30.321(f), they will be awarded an Alaska veteran preference of five percent (5%). The preference will be given to:
- 1) sole proprietorship owned by an Alaska veteran;
 - 2) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
 - 3) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
 - 4) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans, and may not exceed \$5,000.
- 3. ALASKANS WITH DISABILITIES PREFERENCE:** If a bidder qualifies for the Alaska bidder preference under AS 36.30.321(a) and AS 36.30.990(2), and is a qualifying entity as defined in AS 36.30.321(d), they will be awarded an Alaskans with Disabilities Preference of ten percent (10%) in accordance with AS 36.30.321(d). A bidder may not receive both an Employment Program Preference and an Alaskans with Disabilities Preference.
- 4. PREFERENCE QUALIFICATION:** In accordance with AS 36.30.321(i), in order to qualify for an Alaska Veterans Preference, Employment Program Preference, or Alaskans with Disabilities Preference, a bidder must *add value* by actually performing, controlling, managing, and supervising the services provided, or for supplies, a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

Regarding preference 3 above, the Division of Vocational Rehabilitation in the Department of Labor and Workforce Development maintains a list of those who qualify for the preference.

As evidence of an individual's or a business' right to the preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the preference, an individual or business must be on the Division of Vocational Rehabilitation list at the time the bid is opened and must attach a copy of their certification letter to their bid. The bidder's failure to provide this certification letter with their bid will cause the state to disallow the preference.

SECTION VI - INSURANCE REQUIREMENTS

- 1. INDEMNIFICATION:** The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.
- 2. INSURANCE:** Without limiting Bidder's indemnification, it is agreed that Bidder shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits.

If the Bidder's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Procurement Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of updated insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Bidder's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

- 3. INSURANCE TYPES:** Proof of the following Insurance documents is required:
 - Commercial General Liability Insurance: covering all business premises and operations used by the Bidder in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.
 - Workers' Compensation Insurance: The Bidder shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.
 - Commercial Automobile Liability Insurance: covering all vehicles used by the Bidder in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

NOTE: Copies of Certificates of Insurance may be supplied with the bid and must be provided to the Contracting Officer prior to the award of a contract. Failure to supply satisfactory proof of insurance within the time required will cause the state to declare the bidder non-responsible and to reject the bid.

- 4. INSURANCE UPDATES:** It is the responsibility of the bidder to maintain updated insurance documents with the Statewide Contracting Office contract administrator. During the contract, failure to provide proof of all insurance within 30 days of an insurance expiration or insurance update is a material breach of contract and may be grounds for suspension or termination of the contract.

Bidders should list the State of Alaska as a Certificate Holder:

State of Alaska
Department of Administration
Statewide Contracting Office
PO Box 110210
Juneau Alaska, 99801

SECTION VII - REQUIRED LICENSING AND STATUTES

- 1. ALASKA BUSINESS LICENSE:** Prior to the award of a contract, a bidder must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaskans with Disabilities Preference; a bidder must hold a valid Alaska business license at the time designated for

bid opening. Bidders should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing for information on these licenses.

Website: <https://www.commerce.alaska.gov/web/cbpl/>
Phone: (907) 465-2550
Email: license@alaska.gov

Acceptable evidence that the bidder possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license;
- (b) certification on the bid that the bidder has a valid Alaska business license and has included the license number in the bid (see Attachment 1);
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized statement that the bidder has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time bids are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

At the time designated for bid opening, all bidders must hold any other necessary applicable professional licenses required by Alaska Statute.

2. ALASKA STATUTES

- AS 45.48.500 Disposal of Records.

SECTION VIII - SCOPE OF WORK AND SPECIFICATIONS

****This solicitation is for scanning and digitization of paper documents only. Documents may be confidential and/or non-confidential.***

Using Agency Requirements:

1. AGENCY PREPERATION

- Using agencies must insure that all boxes are taped shut before sending them to the contractor to be scanned.
- All boxes must have a box list with identification names and numbers listed per box.
- Using agencies are responsible for prepping documents for scanning.
 - Remove all paperclips, staples, binders, etc.
 - Any document smaller than 5.5"x8.5" must be taped to a larger piece of paper.

NOTE: Documents not prepared correctly may result in preparation charges by the contractor at the price submitted on bid schedule.

2. AGENCY DOCUMENT SHIPPING/ DROP OFF

- **Agency Drop-off**
 - Agencies can have their boxes picked up by the contractor at the price specified on bid schedule. Agencies will have the option to drop boxes off to awarded contractor to have documents scanned.
 - Once the job is complete agencies may request documents to be mailed back to them or will be able to pick up the documents if they desire.
- **Shipping and Delivery**

- An agency may ship documents to the contractor if desired. Agencies are responsible for shipping costs to the contractor.
- Once documents are digitized the contractor will ship them back to the agency via the shipping method requested by the agency. Shipping costs must be billed to the agency as a pass-through charge and identified as a separate line item on the invoice.
- If the agency wants the documents delivered by the contractor, it will be at the price specified on the bid schedule. If the agency is located out of the delivery area of the contractor, the contractor shall ship the documents as specified above.

Contractor Requirements:

3. SCANNING REQUIREMENTS:

- All services provided under this contract by the contractor shall be performed in the State of Alaska.
- There will be no agency on-site scanning.
- All pages will be scanned in the same order as presented.
- Scanned images shall be placed on a DVD, CD, thumb drive, external hard drive, or other appropriate approved media for delivery to the agency.
- The contractor must follow naming conventions that the state identifies on their box list. This will be established before documents are scanned, the naming convention will be specified by the using agency.
- The scanning services must include the capability to scan single-sided and double-sided documents. Paper sizes including but not limited to, 5.5"x8.5" 8.5"x11" 8.5"x14" 5"x8" 11"x17".
- Documents may contain handwritten and/or printed text and/or graphics. Graphics may include, but not be limited to, drawings, plans, photographs, icons, graphs, charts and signatures. Each scanned image should reflect the color properties of the original document. contractor must offer color, grayscale, and bitonal scanning.
- Upon request the contractor shall perform Document Preparation as necessary to scan all files at the price submitted on the bid schedule. This includes but is not limited to removing all staples, paperclips, repair all torn documents, straighten all folded plans and mount any irregular size memorandum on standard 5.5"x8.5" 8.5"x11" 8.5"x14" 5"x8" 11"x17" paper.
- Documents are stored in multiple formats, including loose pages, sewn-in bindings, stapled and 3-ring binders. Document preparation may require separation of documents from their binding prior to scanning.
- The condition of most documents is reasonably good; however, some older documents shall require special handling.

4. DOCUMENT SECURITY REQUIREMENTS:

- Contractor will handle confidential information according to State of Alaska laws and regulations. I.E. documents and digitized information will be kept in a locked area, and documents will be held out of public view.
- No unauthorized personnel will have access to the state files while under contractor jurisdiction.
- Contractor will notify the state when the scanned electronic files are completed and will be returned to the state with an estimated time of arrival.
- Contractor will need to confirm the state has received the scanned electronic files and the state must confirm, in writing (email) the hard copy files can be destroyed or shipped back to the agency.
- Contractor's employees handling state documents must pass a criminal background check and follow the FBI Security Policy for CJIS organizations.

5. INDEXING REQUIREMENTS:

- Optical Character Recognition (OCR) must be available for all document types.
- Intelligent Character Recognition (ICR) must be available for all document types.
- The contractor must be able to perform:
 - Accurate indexing or attribution of metadata to each file and record scanned;
 - Ability to correct OCR/ICR read errors;
 - Manual Keying;
 - Double-Blind Keying;

- Edit checks to ensure that index field formats, values, etc. are correct;
- Barcode Recognition;
- Auto-Indexing Capabilities;

6. QUALITY REQUIREMENTS:

- A quality control process shall be in place to ensure that scanned images are complete and accurate. The contractor will perform a 100% frame by frame inspection and rescan any documents where:
 - There is substantial loss of detail when compared to the original
 - The tonal values are uneven
 - The contrast is too low or too high
 - There are skewed or misaligned images
- All data must be preserved in a form identical to, or functionally equal to, the original record.
- Upon request documents shall rotate to provide maximum readability (e.g. letters shall be in proper orientation when document is displayed without rotation.)
- Scanned documents must be viewable in PDF or TIF format at a minimum of 600 dpi, including greyscale or color scanning. Other format types may be requested.;

7. DOCUMENT SHIPPING AND DROP-OFF/PICK-UP

- **Contractor Pick-up/drop-off**
 - Contractor will pick-up boxes containing documents to be scanned at the price listed per box on the bid schedule.
 - In the event an agencies documents are on a retention schedule, the contractor may need to drop off the scanned documents along with the media files back to the agency, at the price listed on the bid schedule.
- **Shipping**
 - Media files can be dropped off or mailed back to using agency as a passthrough cost.

8. DOCUMENT DESTRUCTION

- After the documents are scanned and digitized the contractor will destroy the documents within 30 days of the agency's request.
- Contractors will be held to the cost of destruction submitted on bid schedule.
- If the agency would like to have their documents sent back to them, the contractor can also do so. Please note shipping charges will be the responsibility of the agency.
- When documents are requested to be destroyed, all documents containing personal and confidential information must be shredded, burned, pulverized, or otherwise rendered unreadable in such a manner that the document is not recoverable.

9. PROCESS:

1. Authorizing Staff: Each Participating agency will appoint a member of their staff to be the point of contact and will be responsible for notifying the contractors of any concerns, re-scheduling pickups, document retrieval needs, etc.
2. Preparation: Agencies must keep their documents in standard archive boxes, sized 15 x 12 x 10, 24 x 12 x 10, or 24 x 15 x 10 and must be taped shut. These boxes will either be mailed or dropped off to the contractor. Agencies must create document lists, showing what documents are in each box, these lists will be provided to the contractor to insure boxes remain in same order they arrived in.
3. Quote: Once an agency has an order ready, they will notify the contractor via email or telephone of the number of boxes and documents to be scanned. The contractor will then give the agency a quote based directly on the contract rates. If the agency's document count is not accurate or the agency does not provide the actual number of documents, the quote will be an estimate only. Once scanning is complete, the contractor shall send the agency a final quote based on the actual number of documents scanned at contract rates.
4. Shipping: If contractor is located in a different city, the ordering agency will be responsible for arranging and paying for shipping costs to and from the contractor.
5. Scanning: Once the contractor has received the documents, they will scan them into the desired form and will then notify the agency once the job is complete.
6. Destruction: Once all scanning is complete the contractor will destroy the documents if destruction is approved by the agency. File destruction must meet conditions for confidential destruction as commonly defined in AS 45.48.500 Disposal of Records.

7. Documents needing to be returned for storage: Once all documents are scanned and electronic files are ready, the contractor will send them back to the using agency or will call using agency for them to be picked up. Shipments to the ordering agency will be arranged by the contractor using the shipping method requested by the agency and shall be billed to the agency as a passthrough cost. Such costs must be identified on invoices as a separate line item.

SECTION IX – GENERAL REQUIREMENTS

- **Minimum requirements:**
 - Bidder must have been in business for at least three years doing similar services contained in this scope of work.
 - Bidder must fill out entire bid schedule for location they wish to be awarded.
 - In order to claim preferences Bidder must sign Bid Schedule/Submission Coversheet and indicate the preferences they are claiming.
- **Qualified Bidders or Offerors:** Per 2 AAC 12.875 To qualify for award of a contract, the bidder must add value in the contract by performing, controlling, managing, or supervising the services to be provided, or be in the business of selling and have actually sold on a regular basis the supplies that are the subject of this solicitation. If a bidder leases services or supplies or acts a broker or agent in providing the services or supplies in order to meet these requirements, the procurement officer may not accept the bidder as a qualified bidder under AS 36.30.
- **Nondisclosure and Confidentiality:** Bidder agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The Bidder shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the Bidder with all applicable federal and state law, including the Social Security Act and HIPAA. The Bidder must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.
- **Confidential information,** As used herein, is defined as any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines (i) provided by the state to the Bidder or a Bidder agent or otherwise made available to the Bidder or a Bidder agent in connection with this contract, or (ii) acquired, obtained or learned by the Bidder or a Bidder agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).
- **Business Associate Agreement:**
 - A. Covered Entity (CE) wishes to disclose certain information to Business Associate (BA), some of which may constitute Protected Health Information ("PHI");
 - B. It is the goal of CE and BA to protect the privacy and provide for the security of PHI owned by CE that is disclosed to BA or accessed, received, stored, maintained, modified or retained by BA in compliance with HIPAA (42 U.S.C. 1320d – 3120d-8) and its implementing regulations at 45 C.F.R. 160 and 45 C.F.R. 164 (the "Privacy and Security Rule"), the Health Information Technology for Economic and Clinical Health Act of 2009 (P.L. 111-5) (the "HITECH Act"), and with other applicable laws;
 - C. The purpose and goal of the HIPAA Business Associate Agreement ("BAA") is to satisfy certain standards and requirements of HIPAA, HITECH Act, and the Privacy and Security Rule, including but not limited to 45 C.F.R. 164.502(e) and 45 C.F.R. 164.504(e), as may be amended from time to time;

- D. CE may operate a drug and alcohol treatment program that must comply with the Federal Confidentiality of Alcohol and Drug Abuse Patient Records law and regulations, 42 U.S.C. 290dd-2 and 42 C.F.R. Part 2 (collectively "Part 2"); and
- E. BA may be a Qualified Service Organization ("QSO") under Part 2 and therefore must agree to certain mandatory provisions regarding the use and disclosure of substance abuse treatment information.

Therefore, in consideration of mutual promises below and the exchange of information pursuant to the BAA, CE and BA agree as follows:

1. Definitions.

- a. General: As used in this BAA, the terms "Protected Health Information," "Health Care Operations," and other capitalized terms have the same meaning given to those terms by HIPAA, the HITECH Act and the Privacy and Security Rule. In the event of any conflict between the mandatory provisions of HIPAA, the HITECH Act or the Privacy and Security Rule, and the provisions of this BAA, HIPAA, the HITECH Act or the Privacy and Security Rule shall control. Where the provisions of this BAA differ from those mandated by HIPAA, the HITECH Act or the Privacy and Security Rule but are nonetheless permitted by HIPAA, the HITECH Act or the Privacy and Security Rule, the provisions of the BAA shall control.
- b. Specific:
 - 1) Business Associate: "Business Associate" or "BA" shall generally have the same meaning as the term "business associate" at 45 C.F.R. 160.103.
 - 2) Covered Entity: "Covered Entity" or "CE" shall have the same meaning as the term "covered entity" at 45 C.F.R. 160.103.
 - 3) Privacy and Security Rule: "Privacy and Security Rule" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

2. Permitted Uses and Disclosures by Business Associate.

- a. BA may only use or disclose PHI for the following purposes:
- b. BA may use or disclose PHI as required by law.
- c. BA agrees to make uses and disclosures and requests for PHI consistent with CE's minimum necessary policies and procedures.
- d. BA may not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by CE, except for the specific uses and disclosures set out below.
- e. BA may disclose PHI for the proper management and administration of BA or to carry out the legal responsibilities of BA, provided the disclosures are required by law, or BA obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notified BA of any instances of which it is aware in which the confidentiality of the information has been breached.
- f. BA may provide data aggregation services related to the health care operations of CE.

3. Obligations of Business Associate.

- a. Permitted uses and disclosures: BA may only use and disclose PHI owned by the CE that it creates, receives, maintains, or transmits if the use or disclosure is in compliance with each applicable requirement of 45 C.F.R. 164.504(e) of the Privacy Rule or this BAA. The additional requirements of Subtitle D of the

HITECH Act contained in Public Law 111-5 that relate to privacy and that are made applicable with respect to Covered Entities shall also be applicable to BA and are incorporated into this BAA.

To the extent that BA discloses CE's PHI to a subcontractor, BA must obtain, prior to making any such disclosure: (1) reasonable assurances from the subcontractor that it will agree to the same restrictions, conditions, and requirements that apply to the BA with respect to such information; and (2) an agreement from the subcontractor to notify BA of any Breach of confidentiality, or security incident, within two business days of when it becomes aware of such Breach or incident.

- b. Safeguards: 45 C.F.R. 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies, procedures and documentation requirements) shall apply to BA in the same manner that such sections apply to CE, and shall be implemented in accordance with HIPAA, the HITECH Act, and the Privacy and Security Rule. The additional requirements of Title XIII of the HITECH Act contained in Public Law 111-5 that relate to security and that are made applicable to Covered Entities shall also apply to BA and are incorporated into this BAA.

Unless CE agrees in writing that this requirement is infeasible with respect to certain data, BA shall secure all paper and electronic PHI by encryption or destruction such that the PHI is rendered unusable, unreadable or indecipherable to unauthorized individuals; or secure paper, film and electronic PHI in a manner that is consistent with guidance issued by the Secretary of the United States Department of Health and Human Services specifying the technologies and methodologies that render PHI unusable, unreadable or indecipherable to unauthorized individuals, including the use of standards developed under Section 3002(b)(2)(B)(vi) of the Public Health Service Act, as added by Section 13101 of the HITECH Act contained in Public Law 111-5.

BA shall not use personally owned devices to create, receive, maintain or transmit PHI. Devices the BA uses to create, receive, maintain or transmit CE's electronic PHI shall be owned and managed by BA or CE.

BA shall patch its operating system and all applications within two weeks of the release of any patch. BA shall keep its antivirus and antimalware installed and active. BA shall limit its use of administrative accounts for IT operations only.

- c. Reporting Unauthorized Disclosures and Breaches: During the term of this BAA, BA shall notify CE within 24 hours of discovering a Breach of security; intrusion; or unauthorized acquisition, access, use or disclosure of CE's PHI in violation of any applicable federal or state law, including security incidents. BA shall identify for the CE the individuals whose unsecured PHI has been, or is reasonably believed to have been, breached so that CE can comply with any notification requirements if necessary. BA shall also indicate whether the PHI subject to the Breach; intrusion; or unauthorized acquisition, access, use or disclosure was encrypted or destroyed at the time. BA shall take prompt corrective action to cure any deficiencies that result in Breaches of security; intrusion; or unauthorized acquisition, access, use, and disclosure. BA shall fulfill all breach notice requirements unless CE notifies BA that CE will take over the notice requirements. BA shall reimburse CE for all costs incurred by CE that are associated with any mitigation, investigation and notice of Breach CE undertakes or provides under HIPAA, HITECH Act, and the Privacy and Security Rule as a result of a Breach of CE's PHI caused by BA or BA's subcontractor or agent.

If the unauthorized acquisition, access, use or disclosure of CE's PHI involves only Secured PHI, BA shall notify CE within 10 days of discovering the Breach but is not required to notify CE of the names of the individuals affected.

- d. BA is not an agent of CE.
- e. BA's Agents: If BA uses a subcontractor or agent to provide services under this BAA, and the subcontractor or agent creates, receives, maintains, or transmits CE's PHI, the subcontractor or agent shall sign an agreement with BA containing substantially the same provisions as this BAA and further identifying CE as a third-party beneficiary with rights of enforcement and indemnification from the subcontractor or agent in the event of any violation of the subcontractor or agent agreement. BA shall mitigate the effects of any violation of that agreement.

- f. Availability of Information to CE: Within 15 days after the date of a written request by CE, BA shall provide any information necessary to fulfill CE's obligations to provide access to PHI under HIPAA, the HITECH Act, or the Privacy and Security Rule.
- g. Accountability of Disclosures: If BA is required by HIPAA, the HITECH Act, or the Privacy or Security Rule to document a disclosure of PHI, BA shall make that documentation. If CE is required to document a disclosure of PHI made by BA, BA shall assist CE in documenting disclosures of PHI made by BA so that CE may respond to a request for an accounting in accordance with HIPAA, the HITECH Act, and the Privacy and Security Rule. Accounting records shall include the date of the disclosure, the name and if known, the address of the recipient of the PHI, the name of the individual who is subject of the PHI, a brief description of the PHI disclosed and the purpose of the disclosure. Within 15 days of a written request by CE, BA shall make the accounting record available to CE.
- h. Amendment of PHI: Within 30 days of a written request by CE or an individual, BA shall amend PHI maintained, transmitted, created or received by BA on behalf of CE as directed by CE or the individual when required by HIPAA, the HITECH Act or the Privacy and Security Rule, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. 164.526.
- i. Internal Practices: BA shall make its internal practices, books and records relating to the use and disclosure of CE's PHI available to CE and all appropriate federal agencies to determine CE's and BA's compliance with HIPAA, the HITECH Act and the Privacy and Security Rule.
- j. Risk Assessment: BA shall biennially conduct a thorough assessment of the potential risks to and vulnerabilities of the confidentiality, integrity, and availability of CE's PHI that BA receives, stores, transmits, or has access to. BA shall provide CE, upon request, with a written report detailing the results of the risk assessment within 5 days.
- k. To the extent BA is to carry out one or more of CE's obligations under Subpart E of 45 C.F.R. Part 164, BA must comply with the requirements of that Subpart that apply to CE in the performance of such obligations.
- l. Audits, Inspection and Enforcement: CE may, after providing reasonable notice to the BA, conduct an inspection of the facilities, systems, books, logs and records of BA that relate to BA's use of CE's PHI, including inspecting logs showing the creation, modification, viewing, and deleting of PHI at BA's level. Failure by CE to inspect does not waive any rights of the CE or relieve BA of its responsibility to comply with this BAA. CE's failure to detect or failure to require remediation does not constitute acceptance of any practice or waive any rights of CE to enforce this BAA.

Notwithstanding BA's obligation to report under paragraph 3.c of this BAA, BA shall provide a monthly report to CE detailing the unauthorized, or reasonable belief of unauthorized, acquisition, access, use, or disclosure of CE's PHI, including any unauthorized creation, modification, or destruction of PHI and unauthorized login attempts. BA shall include privileged and nonprivileged accounts in its audit and report, indicating the unique individual using the privileged account. BA shall also indicate whether CE's PHI subject to unauthorized activity was encrypted or destroyed at the time of the unauthorized activity.

BA shall provide a yearly report to CE that lists the names of all individuals with technical or physical access to CE's PHI and the scope of that access.

- m. Restrictions and Confidential Communications: Within 10 business days of notice by CE of a restriction upon use or disclosure or request for confidential communications pursuant to 45 C.F.R.164.522, BA shall restrict the use or disclosure of an individual's PHI. BA may not respond directly to an individual's request to restrict the use or disclosure of PHI or to send all communication of PHI to an alternate address. BA shall refer such requests to the CE so that the CE can coordinate and prepare a timely response to the requesting individual and provide direction to the BA.

- n. Indemnification: BA shall indemnify and hold harmless CE for any civil or criminal monetary penalty or fine imposed on CE for acts or omissions in violation of HIPAA, the HITECH Act, or the Privacy or Security Rule that are committed by BA, a member of its workforce, its agent, or its subcontractor.
4. Obligations of CE. CE will be responsible for using legally appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to BA under the BAA until the PHI is received by BA. CE will not request BA to use or disclose PHI in any manner that would not be permissible under HIPAA, the HITECH Act or the Privacy and Security Rule if done by CE.
5. Termination.
 - a. Breach: A breach of a material term of the BAA by BA that is not cured within a reasonable period of time will provide grounds for the immediate termination of the contract.
 - b. Reasonable Steps to Cure: In accordance with 45 C.F.R. 164.504(e)(1)(ii), CE and BA agree that, if it knows of a pattern of activity or practice of the other party that constitutes a material breach or violation of the other party's obligation under the BAA, the nonbreaching party will take reasonable steps to get the breaching party to cure the breach or end the violation and, if the steps taken are unsuccessful, terminate the BAA if feasible, and if not feasible, report the problem to the Secretary of the U.S. Department of Health and Human Services.
 - c. Effect of Termination: Upon termination of the contract, BA will, at the direction of the CE, either return or destroy all PHI received from CE or created, maintained, or transmitted on CE's behalf by BA in any form. Unless otherwise directed, BA is prohibited from retaining any copies of PHI received from CE or created, maintained, or transmitted by BA on behalf of CE. If destruction or return of PHI is not feasible, BA must continue to extend the protections of this BAA to PHI and limit the further use and disclosure of the PHI. The obligations in this BAA shall continue until all of the PHI provided by CE to BA is either destroyed or returned to CE.
6. Amendment. The parties acknowledge that state and federal laws relating to electronic data security and privacy are evolving, and that the parties may be required to further amend this BAA to ensure compliance with applicable changes in law. Upon receipt of a notification from CE that an applicable change in law affecting this BAA has occurred, BA will promptly agree to enter into negotiations with CE to amend this BAA to ensure compliance with changes in law.
7. Ownership of PHI. For purposes of this BAA, CE owns the data that contains the PHI it transmits to BA or that BA receives, creates, maintains or transmits on behalf of CE.
8. Litigation Assistance. Except when it would constitute a direct conflict of interest for BA, BA will make itself available to assist CE in any administrative or judicial proceeding by testifying as witness as to an alleged violation of HIPAA, the HITECH Act, the Privacy or Security Rule, or other law relating to security or privacy.
9. Regulatory References. Any reference in this BAA to federal or state law means the section that is in effect or as amended.
10. Interpretation. This BAA shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy and Security Rule and applicable state and federal laws. The parties agree that any ambiguity in BAA will be resolved in favor of a meaning that permits the CE to comply with and be consistent with HIPAA, the HITECH Act, and the Privacy and Security Rule. The parties further agree that where this BAA conflicts with a contemporaneously executed confidentiality agreement between the parties, this BAA controls.
11. No Private Right of Action Created. This BAA does not create any right of action or benefits for individuals whose PHI is disclosed in violation of HIPAA, the HITECH Act, the Privacy and Security Rule or other law relating to security or privacy.
12. Privacy and Security Point of Contact. All communications occurring because of this BAA shall be sent to HSS-Security@alaska.gov in addition to the CE.

In witness thereof, the parties hereto have duly executed this BAA as of the effective date.

- **Criminal Justice Information Systems (CJIS) Compliance:** Bidder must follow CJIS security policy. Located at <https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center> If you require a hardcopy contact the Procurement Officer of record.

SECTION X - INVOICING AND PAYMENTS

1. **PAYMENT FOR STATE PURCHASES:** Payment for agreements under \$500,000 for the undisputed purchase of goods or services provided to a state agency, will be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.
2. **PROMPT PAYMENT FOR STATE PURCHASES:**
The State of Alaska is eligible to receive a 5% discount for all invoices paid within 15 business days from the date of receipt of the commodities or services and/or a correct invoice, whichever is later. The discount shall be taken on the full invoice amount. The State of Alaska shall consider payment being made as either the date a printed warrant is issued or the date an electronic funds transfer (EFT) is initiated.
3. **BILLING INSTRUCTIONS:** Invoices must be sent directly to the ordering agency's address shown on the individual Purchase Order, Contract Award or Delivery Order. The ordering agency will only make payment after the service is completed and they receive an invoice. Questions concerning payment must be addressed to the ordering agency. Payment shall be made as authorized by the state and in accordance with the terms and conditions of this contract.

SECTION XI - ADMINISTRATIVE AND REPORTING REQUIREMENTS

1. **CONTRACT ADMINISTRATION:** The administration of the resulting contract will be the responsibility of the Contracting Officer appointed by the Department of Administration, Shared Services of Alaska.
2. **REQUIRED USAGE/SPEND REPORTS:** Bidder must submit quarterly reports to the Contracting Officer assigned by the State to manage this contract. The Bidder shall provide the State of Alaska with an electronic usage report, which will list the following information at the minimum: purchasing entity/state agency, date of purchase, state contract price, retail price, savings and any additional fees for each transaction. Purchases by non-state agencies, political subdivisions and others authorized by law shall be reported in the same report and indicated as required.

These usage reports are due 30 days after the end of the quarter.

<u>Reporting Period</u>	<u>Due Date</u>
State Fiscal Quarter 1 (Jul 1 - Sept 30):	Oct 31
State Fiscal Quarter 2 (Oct 1 - Dec 31):	Jan 31
State Fiscal Quarter 3 (Jan 1 - Mar 31):	Apr 30
State Fiscal Quarter 4 (Apr 1 - Jun 30):	Jul 31

Sample Usage Report Spreadsheet– Attachment #2 - An electronic version of Attachment #2 (Excel spreadsheet) will be provided to the Bidder. This spreadsheet will be used in reporting usage and spend.

3. **ADMINISTRATIVE FEE:** Bidders shall provide a quarterly administrative fee of 1.5% to the State of Alaska. Bidders shall submit a check, payable to the State of Alaska, Department of Administration, Shared Services of Alaska, for the calculated amount equal to 1.5% of the total sales for the quarterly period. Bidders must include the contract number on the check. Checks submitted to the state without the contract number will be returned to the Bidder for the required information. Administrative fee checks shall be submitted to:

State of Alaska
Department of Administration
Shared Services of Alaska
PO Box 110210
Juneau, AK 99811-0210
ATTN: Purchasing Section – Contract #170007288

The administrative fee shall not be invoiced to a purchasing agency. Payment of the administrative fee is due irrespective of payment status on any orders. Administrative fee checks are due for each quarter as follows:

<u>Reporting Period</u>	<u>Due Date</u>
State Fiscal Quarter 1 (Jul 1 - Sept 30):	Oct 31
State Fiscal Quarter 2 (Oct 1 - Dec 31):	Jan 31
State Fiscal Quarter 3 (Jan 1 - Mar 31):	Apr 30
State Fiscal Quarter 4 (Apr 1 - Jun 30):	Jul 31

NOTE: Any quarter with *zero sales* must be reported as zero sales. This may be done electronically via email to the contracting officer.

ATTACHMENTS

- 1. Attachment #1 – Bid Schedule & Cover sheet** (Separate Attachments, *Mandatory Return)
- 2. Attachment #2 – Sample Usage Report Spreadsheet** (Separate Attachment, Informational only)

***Attachment 1 must be returned with your bid. Failure to do so will cause your bid to be rejected.**