

# INVITATION TO BID NUMBER

2014-0200-2306

**RETURN THIS BID TO THE ISSUING OFFICE AT:**



Department of Administration  
Division of Administrative Services  
550 W. 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, Alaska 99501

**THIS IS NOT AN ORDER**

**DATE ITB ISSUED: December 6, 2013**

**ITB TITLE: COMMISSION AGENT SERVICES FOR DMV IN PETERSBURG, ALASKA.**

**SEALED BIDS MUST BE SUBMITTED TO THE DIVISION OF ADMINISTRATIVE SERVICES OFFICE FROM WHICH THEY WERE ISSUED AND MUST BE TIME AND DATE STAMPED BY THE PURCHASING SECTION PRIOR TO 1:30 PM ON JANUARY 14, 2014, AT WHICH TIME THEY WILL BE PUBLICLY OPENED.**

**DELIVERY LOCATION:** SEE ABOVE ADDRESS    **DELIVERY DATE:** JANUARY 14, 2014    **F.O.B. POINT:** FINAL DESTINATION

**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 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, submits a bid under the name as appearing on the person’s current Alaska business license and has written the license number below or has submitted one of the following forms of evidence of an Alaska business license 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 affidavit 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 reject the bid. If a bidder fails to comply with (2) of this paragraph, the State may reject the bid, terminate the contract, or consider the contractor in default. Bids must be submitted under the name as appearing on the person’s current Alaska business license in order to be considered responsive.

FRANK BERLEN PROCUREMENT SPECIALIST III  PHONE: (907) 269-5785 FAX: (907) 269-0391 TDD: (907) 465-2205 EMAIL: <a href="mailto:Frank.Berlen@alaska.gov">Frank.Berlen@alaska.gov</a>	_____ 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
	_____ PRINTED NAME	*SEE ITB FOR EXPLANATION OF CRITERIA TO QUALIFY
	_____ DATE	_____ E-MAIL ADDRESS
_____ ALASKA BUSINESS LICENSE NUMBER	_____ FEDERAL TAX ID NUMBER	_____ TELEPHONE NUMBER

**INSTRUCTIONS TO BIDDERS:**

**1. INVITATION TO BID (ITB) 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 ten (10) days before the bid opening date. 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 award 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 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 the envelope of a request for bid information. Envelopes with ITB numbers annotated on the outside will not be opened until the scheduled date and time.

Bidder's Return Address	
Department of Administration Division of Administrative Services 550 W. 7 <sup>th</sup> Avenue, Suite 1600 Anchorage, Alaska 99501	
ITB No.:	2014-0200-2306
Opening Date:	January 14, 2014 at 1:30 P.M.

**4. 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, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices quoted for services must be quoted in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost. 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.

**5. VENDOR TAX ID NUMBER:** If goods or 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.

**6. FILING A PROTEST:** A bidder may protest the award of a contract or the proposed award of a contract for supplies, services, or professional services. The protest must be filed in writing and include the following information: (1) the name, address, and telephone number of the protester; (2) the signature of the protester or the protester's representative; (3) identification of the contracting agency and the solicitation or contract at issue; (4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and (5) the form of relief requested. Protests will be treated in accordance with Alaska Statutes (AS)36.30.560-36.30.610.

**CONDITIONS:**

**1. AUTHORITY:** This ITB is written in accordance with AS 36.30 and 2 AAC 12.

**2. COMPLIANCE:** In the performance of a contract that results from this ITB, the contractor 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.

**3. 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.

**4. 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.

**5. FIRM OFFER:** For the purpose of award, offers made in accordance with this ITB must be good and firm for a period of ninety (90) days from the date of bid opening.

**6. 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.

**7. BID PREPARATION COSTS:** The State is not liable for any costs incurred by the bidder in bid preparation.

**8. CONSOLIDATION OF AWARDS:** Due to high administrative costs associated with processing of purchase orders, a single low bid of \$50 or less may, at the discretion of the State, be awarded to the next low bidder receiving other awards for consolidation purposes. This paragraph is not subject to the protest terms enumerated in "INSTRUCTION TO BIDDERS", "FILING A PROTEST" above.

**9. CONTRACT FUNDING:** Bidders are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

**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. 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, Division of General Services. Bids that are conditioned upon the State's approval of an assignment will be rejected as nonresponsive.

**12. SUBCONTRACTOR(S):** Within five (5) working days of notice, the apparent low bidder must submit a list of the subcontractors that will be used in the performance of the contract. The list must include the name of each subcontractor and the location of the place of business for each subcontractor and evidence of each subcontractor's valid Alaska business license. Subcontractors can only be changed per AS 36.30.115 (b).

**13. FORCE MAJEURE:** (Impossibility to perform) The contractor 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 contractor. 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.

**14. LATE BIDS:** Late bids are bids received after the time and date set for receipt of the bids. Late bids will not be accepted.

**15. CONTRACT EXTENSION:** Unless otherwise provided in this ITB, the State and the successful bidder/contractor 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 thirty (30) days before the desired date of cancellation.

**16. DEFAULT:** In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

**17. DISPUTES:** Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.

**18. CONSUMER ELECTRICAL PRODUCT:** AS 45.45.910 requires that "...a person may not sell, offer to sell, or otherwise transfer in the course of the person's business a consumer electrical product that is manufactured after August 14, 1990, unless the product is clearly marked as being listed by an approved third party certification program." Electrical consumer products manufactured before August 14, 1990, must either be clearly marked as being third party certified or be marked with a warning label that complies with AS 45.45.910(e). Even exempted electrical products must be marked with the warning label. By signature on this bid the bidder certifies that the product offered is in compliance with the law. A list of approved third party certifiers, warning labels and additional information is available from: Department of Labor and Workforce Development, Labor Standards & Safety Division, Mechanical Inspection Section, P.O. Box 107020, Anchorage, Alaska 99510-7020, (907)269-4925.

**19. SEVERABILITY:** If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

**SPECIAL CONDITIONS:**

**1. 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.

**2. BILLING INSTRUCTIONS:** Invoices must be billed to the ordering agency's address shown on the individual Purchase Order, Contract Award or Delivery Order, not to the Division of General Services. The ordering agency will make payment after it receives the merchandise or service and the invoice. Questions concerning payment must be addressed to the ordering agency.

**3. CONTINUING OBLIGATION OF CONTRACTOR:** Notwithstanding the expiration date of a contract resulting from this ITB, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

**PREFERENCES:**

**1. ALASKA BIDDER PREFERENCE:** Award will be made to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent (5%) has been applied. The preference will be given to a person who: (1) holds a current Alaska business license; (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 32.05 or AS 32.11 and all partners are residents of the state; and, (5) if a joint venture, is composed entirely of venturers that qualify under (1) - (4) of this subsection. AS 36.30.170(b).

**2. ALASKA VETERAN PREFERENCE:** If a bidder qualifies for the Alaska bidder preference, under AS 36.30.170(b), and is a qualifying entity as defined in AS 36.30.175, they will be awarded an Alaska veteran preference of five percent (5%). The preference will be given to a (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.

**3. USE OF LOCAL FOREST PRODUCTS:** In a project financed by state money in which the use of timber, lumber and manufactured lumber is required, only timber, lumber and manufactured lumber products originating in this state shall be used unless the use of those products has been determined to be impractical, in accordance with AS 36.15.010.

**4. LOCAL AGRICULTURAL AND FISHERIES PRODUCTS PREFERENCE:** When agricultural, dairy, timber, lumber, or fisheries products are purchased using state money, only those products harvested in Alaska, or in the case of fisheries products harvested or processed within the jurisdiction of Alaska, will be purchased, provided they are available, of comparable quality, and priced no more than seven percent (7%) higher than products harvested outside the state, or in the case of fisheries products harvested or processed outside the jurisdiction of the state, in accordance with AS 36.15.050.

**5. ALASKA PRODUCT PREFERENCE:** A bidder that designates the use of an Alaska Product which meets the requirements of the ITB specification and is designated as a Class I, Class II or Class III Alaska Product by the Department of Community & Economic Development shall receive a preference in the bid evaluation in accordance with AS 36.30.332 and 3 AAC 92.010.

**6. EMPLOYMENT PROGRAM PREFERENCE:** If a bidder qualifies for the Alaska bidder preference, under AS 36.30.170(b), and is offering goods or services through an employment program, as defined under 36.30.990(10), and is the lowest responsive and responsible bidder with a bid that is no more than fifteen percent (15%) higher than the lowest bid, the procurement officer will make the award to that bidder, in accordance with AS 36.30.170(c) and 2 AAC 12.050.

**7. ALASKANS WITH DISABILITIES PREFERENCE:** If a bidder qualifies for the Alaska bidder preference, under AS 36.30.170(b), is a qualifying entity as defined in AS 36.30.170(e) and (j), and is the lowest responsive and responsible bidder with a bid that is no more than ten percent (10%) higher than the lowest bid, the procurement officer will make the award to that bidder, in accordance with AS 36.30.170(e).

**8. EMPLOYERS OF PEOPLE WITH DISABILITIES PREFERENCE:** If a bidder qualifies for the Alaska bidder preference, under AS 36.30.170(b), and, at the time the bid is submitted, employs a staff that is made up of fifty percent (50%) or more people with disabilities, as defined in AS 36.30.170(j), and submits a responsive and responsible bid that is no more than ten percent (10%) higher than the lowest responsive and responsible bid, the procurement officer will make the award to that bidder, in accordance with AS 36.30.170(f).

**9. PREFERENCE QUALIFICATION LETTER:** Regarding preferences 5, 6, and 7 above, the Division of Vocational Rehabilitation in the Department of Labor and Workforce Development maintains lists of Alaskan; [1] employment programs that qualify for preference, [2] individuals who qualify for preference as Alaskan's with disabilities, and, [3] employers who qualify for preference as employers of people with disabilities. In accordance with AS 36.30.170(j), in order to qualify for one of these preferences, 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.

As evidence of an individual's or a business' right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the preferences 5, 6, or 7 above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list, at the time the bid is opened, and must provide the procurement officer a copy of their certification letter. Bidders must attach a copy of their certification letter to their bid. The bidder's failure to provide the certification letter mentioned above, with their bid, will cause the State to disallow the preference.

**ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES:** 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, P. O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses.

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 front page);
- (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 affidavit that the bidder has applied and paid for the Alaska business license.

*(Note: Out-of-state business may obtain a business license online, through the Division of Corporations, Business, and Professional Licensing located here: <http://commerce.alaska.gov/dnn/cbpl/Home.aspx>. If any questions in regards to licensing occur, it is the sole responsibility of the bidder to make certain the proper license has been obtained).*

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.

**ALASKA BIDDER PREFERENCE:** An Alaska Bidder Preference of five percent will be applied prior to evaluation. The preference will be given to a bidder who:

- (1) holds a current Alaska business license at the time designated for bid opening;
- (2) submits a proposal for goods or services under the name appearing on the bidder's current 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 (LLC) 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.

**Alaska Bidder Preference Affidavit**

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.

If the bidder is a LLC or partnership as identified in (4) of this subsection, the affidavit 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 a LLC or partnership as identified in (4) of this subsection, the affidavit 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.

**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 Division of Administrative Services at one of the following numbers no later than January 15, 2010 to make any necessary arrangements.

Telephone: 907-269-5785  
Fax: 907-269-0391  
TDD: 907-465-2205

**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 general 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.

**PREFERENCE QUALIFICATION:** In order to qualify for an Employment Program Preference, an Alaskans With Disabilities Preference or an Employers Of People With Disabilities Preference, a bidder must add value by actually performing, controlling, managing, and supervising the services provided, or a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

**CONTRACT PERFORMANCE LOCATION:** By signature on their bid, the bidder certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the bidder cannot certify that all work will be performed in the United States, the bidder must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of bids.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with this requirement or obtain a waiver may cause the state to reject the bid as non-responsive, or cancel the contract.

**HUMAN TRAFFICKING:** By signature on their bid, 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

**CONTRACT INTENT:** This Invitation to Bid (ITB) is intended to result in a contract to provide motor vehicle title, registration, and registration renewals for the State of Alaska, Department of Administration, and Division of Motor Vehicles in Petersburg, Alaska.

**CONTRACT ADMINISTRATION:** The administration of this contract is the responsibility of Coleen Greenshields, Administrative Officer for the Division of Motor Vehicles.

**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 to the bidder indicated. A copy of the Notice of Intent will be mailed to each company or person who responded to the ITB. 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 procurement 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 procurement officer does so without a contract and at their own risk.

**PAYMENT FOR STATE PURCHASES:** The payment for services shall be the monthly total as submitted on the attached bid schedule and the Contractor shall be paid by retaining a daily portion of the DMV fees collected. Bids priced over \$3,600 per month shall be considered nonresponsive and rejected. The daily portion will be determined by dividing the yearly contract amount by the number of days the office is scheduled to be open for the fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>).

The daily portion will be computed as follows:

[Contract Amount ÷ (Number of Weeks in the Year X Number of Regularly Scheduled Days per Week)]

The initial daily portion will be computed using 49 weeks in the year (52 weeks minus 3 weeks permitted closure).

Adjustments to the daily portion will be made each time a change is made in the number of regularly scheduled days per week. The balance of the contract amount will be divided by the number of days the office is scheduled to be open for the remainder of the fiscal year.

If total office closures exceed three weeks, the contract amount will be reduced by one daily portion for each day closed. The reduction will be the amount of daily portion established at the time the office closure occurred.

In April of each year, DMV will prepare a mid-term true up, taking into account the number of weeks closed to-date and the number of weeks the office is anticipated to be closed through June 30<sup>th</sup>.

In July of each year, DMV will prepare a final true up. If insufficient fees were retained to pay the entire contract amount, DMV will issue a warrant for the difference. If excess fees were retained, the Contractor will refund the excess within two business days as instructed by DMV Fiscal.

**INVOICES:** Invoices must be sent directly to the Project Manager identified at time of award of a contract. Questions concerning payment must be addressed to DMV. Payment will be made as authorized by the state and in accordance with the terms and conditions of this contract.

**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.

**INSURANCE:** Without limiting Contractor's indemnification, it is agreed that Contractor 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 Contractor'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 contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.



**Proof of insurance is required for the following:**

Workers' Compensation Insurance: The Contractor 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 General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

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.

**SUPPORTING INFORMATION:** The state strongly desires that bidders submit all required technical, specification, and other supporting information with their bid, so that a detailed analysis and determination can be made by the contracting officer that the product offered meets the ITB specifications and that other requirements of the ITB have been met. However, provided a bid meets the requirements for a definite, firm, unqualified, and unconditional offer, the state reserves the right to request supplemental information from the bidder, after the bids have been opened, to ensure that the products offered completely meet the ITB requirements.

The requirement for such supplemental information will be at the reasonable discretion of the state and may include the requirement that a bidder will provide a sample product(s) so that the state can make a first-hand examination and determination. A bidder's failure to provide this supplemental information or the product sample(s), within the time set by the state will cause the state to consider the bid non-responsive and reject the bid.

**FIRM, UNQUALIFIED AND UNCONDITIONAL OFFER:** 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.

**ALASKA PRODUCT PREFERENCE:** Bidders who offer products which have received certification by the Department of Commerce and Economic Development and that are listed in the current published edition of the "Alaska Products Preference List" will receive this preference. In order to qualify for the Alaska Product Preference, a Bidder must provide the qualified product on a 100% basis. There are no provisions under Alaska Statutes or regulations that allow for product exchanges/substitutions, or permit the product to be co-mingled with other products. Rather, AS 36.30.330 provides for a penalty for failing to use the designated Alaska products.

Products are classified in one of three categories:

- Class I products receive a three percent preference.
- Class II products receive a five percent preference.

- Class III products receive a seven percent preference.

Bidders must check the correct preference box beneath each line item. When the bids are evaluated, the preference percentage will be deducted from the bid price. If a Bidder fails to check one of the product preference boxes, no preference will be given.

**EXAMPLE**

**BID SCHEDULE**

ITEM NO.	QTY.	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1.	60	DOZ.	Ajax Eggs	\$ _____	\$ _____

I certify that the product offered is entitled to the local agricultural, timber, or fisheries product preference in accordance with AS 36.15.050.  YES  NO

2.	20	EACH	Ajax Aluminum Widgets	\$ _____	\$ _____
----	----	------	-----------------------	----------	----------

I certify that the product offered is entitled to a:

- (1) CLASS I @ 3%
- (2) CLASS II @ 5%
- (3) CLASS III @ 7%

Alaska Products Preference in accordance with 3 AAC 92.

**NONDISCLOSURE AND CONFIDENTIALITY:** Contractor 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 Contractor 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 Contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The Contractor 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, means 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 Contractor or a Contractor agent or otherwise made available to the Contractor or a Contractor agent in connection with this contract, or (ii) acquired, obtained or learned by the Contractor or a Contractor 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).

**CONTRACT PERIOD:** The length of the contract will be from August 1, 2014 through July 31, 2016, with the option to renew for three additional one-year terms, under the same terms and conditions as the original contract. Renewals are to be exercised solely by the state

**CONTRACT PRICE ADJUSTMENTS:** Prices shall remain firm through July 31, 2016. Contractors may request price adjustments, in writing, thirty (30) days prior to the anniversary date of the contract each year. If a Contractor fails to request a price adjustment thirty (30) days prior to the adjustment date, the adjustment will be effective thirty (30) days after the State receives their written request.

Price adjustments will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-W) for Urban Wage Earners and Clerical Workers, All Items, Anchorage Area.

The price adjustment rate will be determined by comparing the percentage difference between the CPI in effect for the base year six (6) month average January through June 2014; and each January through June six (6) month average thereafter. The percentage difference between those two (2) CPI issues will be the price adjustment rate. No retroactive contract price adjustments will be allowed.

**PRICE DECREASES:** During the period of the contract, all price decreases experienced by the Contractor *must be passed on to the state*. The state may request the same documentation as required for price increases on each anniversary date of the contract. A Contractor's failure to strictly and faithfully adhere to this clause, within the time required, will be considered a breach of contract, and may be cause for termination of the contract.

**WORK SITE:** This ITB *does NOT include a designated work site*. The successful Bidder shall be responsible for all costs associated with providing a work site.

**ALTERATIONS:** The Contractor must obtain the written approval from the contracting officer prior to making any alterations to the specifications contained in this ITB. The state will not pay for alterations that are not approved in advance and in writing by the procurement officer.

**METHOD OF AWARD:** Award will be made to the lowest responsive and responsible bidder. In order to be considered responsible, bidders must bid an amount not to exceed the amount described in the bid schedule.

**RESPONSIBILITY:** The State expects to award a contract to the Bidder whose bid is responsive, responsible and the most advantageous as determined by the State in its sole discretion. In determining responsibility and as allowed in 2 AAC 12.500; the State reserves the right to request supplementary information to assure prospective contractors have a satisfactory record of performance, are qualified legally to contract with the State, and have supplied all necessary information in connection with an inquiry concerning responsibility. Additionally, the State reserves the right to require prospective contractors to demonstrate they have the necessary financing, equipment, facilities, expertise, and personnel.

**SERVICE CONTRACT DEFICIENCIES:** The contractor's failure to provide a service required by this contract will be grounds for the state to issue a Service Deficiency Claim (SDC) to the contractor. The

SDC will be provided to the contractor in writing. The contractor will advise the state, in writing, of the corrective action being taken.

If a deficiency is not corrected within 7.5 working hours from the time it is issued, the state may issue another SDC and procure, from another contractor, the services necessary to correct the problem. The contractor will then be obligated to reimburse the state for the amount required to correct the problem.

If a contractor gets more than two substantiated SDCs in a 30-day period or a total of five substantiated SDCs in a 60-day period, it will be grounds for the state to declare the contractor in default.

**CONTRACT CANCELLATION:** After six months, either party may cancel the contract for any reason upon ninety (90) calendar days written notice to the other party. 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. See Attachment 1 Section IV for additional cancellation terms to be applied under the contract

**IN ORDER TO BE CONSIDERED RESPONSIVE, THE SUCCESSFUL BIDDER MUST:**

1. Must sign and return the cover page provided.
2. Copy of or proof of current Alaska business license.
3. Fill in and submit Bid Schedule.

**MINIMUM EXPERIENCE REQUIREMENTS:**

1. Have two (2) years of customer service experience in either a professional or voluntary capacity. Bidder must provide a resume documenting the experience.
2. Sign a release for, and pass, a background check to be conducted by the State of Alaska.

## SPECIFICATIONS

### **The successful Bidder shall:**

1. Process motor vehicle titles, boat, snow machine and motor vehicle registrations.
2. Maintain a store front and have regularly scheduled business days and hours during which services under this Contract are available to the public. Business hours must be between 7 a.m. and 7 p.m. The office must be opened a minimum of 20 hours, for at least 2 consecutive hours each day, three days per week. Changes to business days and/or hours may be made no more than once every three months and must be approved, in advance, by DMV. Office closure is permitted a total of three weeks per year but no more than two consecutive weeks, and only one week between May 1 and August 31. State holidays do not count towards the three-week office closure allowance. One-day closures are counted as part of the three week total. Office closures in excess of three weeks will result in a prorated reduction of contract amount to the Contractor.
3. Sign and adhere to the Contract Agent Participation Agreement (Attachment 1). The terms of this agreement may be modified periodically during the term of the contract to reflect necessary changes in DMV policy, procedures, or legal requirements.
4. Sign and adhere to the Security Clearance Agreement (Attachment 2).
5. Comply with Alaska laws, regulations, and DMV's Standard Operating Procedures (SOP) manual, as well as any revisions to the manual, that govern document processing under this Contract. Establish procedures to ensure that employees comply with the laws, regulations, and SOP manual, as well as any revisions to the manual, that govern document processing under this Contract. In performing services under this Contract, the Contractor must comply with all federal, state, and local statutes, ordinances, regulations, and codes relating to the conduct of business and the operation of business premises, including the Americans with Disabilities Act.
6. Assure that, before employees conduct DMV business, they have signed a Security Clearance Agreement, have received a unique logon and password, and are trained by either DMV or a Representative approved by DMV to conduct training. Traveling expenses for training will be the responsibility of the Contractor.
7. Be responsible for all costs of participation in the program including the cost of office space, office equipment, software upgrades required by DMV, utilities, insurance, installation expenses, repairs, computer system and support, desktop printer and supplies, copy paper, and on-going telecommunications charges. DMV shall provide the Contractor with specific equipment necessary to conduct DMV transactions (see Attachment 1, item II.B.2). The reference equipment is property of the State of Alaska and therefore shall not be used for anything other than what is specified in this Contract. Misuse of equipment or downloading files from the Internet is cause for immediate termination of the contract.
8. Be responsible for any and all losses or shortages in the proceeds and fees to be collected and for all of its costs of doing business including, without limitation, credit card fees, costs of collection of checks received without sufficient funds, other bad debts, taxes, and operating expenses.
9. Maintain appropriate security to prevent theft, loss, or destruction of accountable documents and equipment provided by DMV.
10. Transfer funds collected on behalf of DMV per Contract Agent Participation Agreement procedures.

11. Have adequate bandwidth connection to the Internet to support accessing DMV application, SOP manual, and email.
12. Pay any and all costs incurred by the State of Alaska in enforcing the terms of this Contract including, but not limited to, full reasonable attorney's fees, court costs, pre-judgment and post-judgment interest at the highest rate allowed by law under AS 45.45.010.

## BID SCHEDULE

DMV estimates the office will process approximately 2,500 transactions annually. The quantities referenced in this ITB are the state's estimated annual usage and may vary more or less from the quantities actually transacted. The state does not guarantee any minimum or maximum annual usage.

DESCRIPTION	PRICE PER MONTH *
Contract Agent	\$ _____

**\*AMOUNT NOT TO EXCEED \$3,600.00 PER MONTH TO PROVIDE ALL THE SERVICES DESCRIBED IN THIS ITB. IF A BIDDER EXCEEDS THIS AMOUNT, THEIR BID MAY BE CONSIDERED NON-RESPONSIVE AND MAY BE REJECTED.**

**\*\* Contract is a Firm Fixed Price for the first two years, based on what is offered in Bid Schedule. Subsequent years will be allowed a CPI price increase. Initial term of contract is two (2) years, with three (3) one (1) year renewal options.**

**Contact:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Documents to be included with bid:**

- Cover Page
- Current Alaska Business License copy
- Resume showing minimum two (2) years customer service
- Valid Alaska Driver's License copy
- Bid Schedule page

# ATTACHMENT 1

## Commission Agent Participation Agreement

### DMV Business Partner Commission Agent Participation Agreement

**THIS AGREEMENT IS BETWEEN**

**[INSERT AGENCY NAME]**, hereafter “DMV”

**AND**

**[INSERT NAME]**

hereafter “Commission Agent”

**LOCATED AT**

**[INSERT ADDRESS]**

**I. GENERAL PROVISIONS**

**A. Term.**

1. This Agreement will be in effect from the date signed by both parties until **[INSERT DATE]**.

**B. Definitions.** In this Agreement,

1. “Commission Agent” means a DMV Business Partner that is authorized to do all DMV transactions and receives a commission for services.
2. “Agent DMV Representative” means the Commission Agent staff trained by DMV, or a person designated by DMV, to do DMV transactions and procedures.
3. “Accountable Inventory” means documents owned by the DMV but utilized by the Commission Agent in processing DMV transactions for the general public and includes, but may not necessarily be limited to, driver license/ID card stock, temporary permits, license plates, titles, validation tabs, snowmachine/ATV and boat year tabs, and decals.
4. “ALVIN” means the Alaska License and Vehicle Information Network, the database of the DMV.
5. “VPN” means Virtual Private Network and is the software that allows use of a third-party computer system to bypass the State’s firewall and to access the DMV’s information on ALVIN.
6. “Batch” means all transactions and supporting documentation completed under a Batch Control Number.
7. “Batch Control Number” means a number assigned by ALVIN to designate a data entry batch.



## **II. RESPONSIBILITIES OF DMV**

### **A. Authorization for the DMV Business Partnership Program.**

1. DMV will permit the Commission Agent to process DMV transactions on line as specified in this Agreement. The authority granted under this Agreement is not transferable.

### **B. Administration**

DMV will:

1. Provide the Commission Agent with forms, accountable documents, and information necessary to: issue driver licenses and identification cards; process motor vehicle titles, boat, snowmachine/ATV and motor vehicle registrations; and conduct performance road tests.
2. Provide the Commission Agent with start-up equipment necessary to conduct DMV transactions, (computer, software, printer, camera, and vision testing device). This equipment is property of the State of Alaska and therefore shall not be used for anything other than what is specified in this Agreement.
3. Provide the Commission Agent's designated employee(s) with initial training as a prerequisite to employee(s): Issuing and/or processing documents under this Agreement; conducting performance road tests; updating existing information in ALVIN; and performing all other duties and obligations of the Commission Agent under this Agreement. Training should be scheduled 30 days in advance, and DMV may provide training sooner than 30 days, depending on availability of trainers.
4. Provide the Commission Agent's designated employee(s) with follow-up training as deemed necessary by DMV and/or Commission Agent. Training should be scheduled 30 days in advance, and DMV may provide training sooner than 30 days, depending on availability of trainers.
5. Provide the Commission Agent with access to on-line Standard Operating Procedures (SOP) manual containing written standards relating to processing documents under this Agreement. The SOP manual will establish system operations, data reporting, accounting for funds collected, and revenue transmission to the State. The SOP manual will be revised as determined necessary by the DMV.
6. Evaluate the Commission Agent on a continuing basis to ensure compliance with this Agreement and adherence to state statutes, regulations, and DMV policies and procedures. DMV may conduct on-site audits for the duration of this Agreement.
7. Reimburse Commission Agent for postage to mail the following items: Batchwork, personalized license plate applications, return of supplies to DMV; titles to lienholders, and; boat and snowmachine/ATV registration and decals, from dealer sales, to registered owner.

Requests for reimbursement must be submitted monthly, no later than the 15th of the following month, on a form provided by the DMV.

8. Authorize the Commission Agent, in consideration for the services provided above, to retain the following commission from funds collected on behalf of the state.

30 % of the fees collected from boat and snowmachine/ATV transactions;

- 30 % of the fees collected from motor vehicle transactions, excluding Motor Vehicle Registration Tax and Surety Bond deposits;
- 50 % of the fees collected from driver license and identification card transactions;
- 100 % of the fees collected from road tests.

9. Such sums shall be retained by the Commission Agent from gross revenues. The remaining balance shall be remitted to DMV in accordance with Section III.C.2.b of this Agreement.
10. Commissions may not be retained on erroneous transactions such as overcharges or undercharges. If the Commission Agent overcharges a customer for a transaction, the commission will be calculated on the correct transaction fee; the difference between the amount charged and the correct fee shall be remitted to the State for refund to the customer. If the Commission Agent undercharges a customer for a transaction, the commission will be calculated on the amount charged; DMV will bill the customer for the difference between the amount charged and the correct fee. A commission will not be retained by the Commission Agent on the collection of checks returned unpaid to the State from a transaction processed at another state office. The amount collected shall be transmitted to DMV in full.

### **III. RESPONSIBILITIES OF THE COMMISSION AGENT**

Commission Agent will be responsible for having internal procedures and adhering to requirements herein to protect the privacy of ALVIN records and preserve the integrity of the ALVIN system, and for maintaining accountability for all documents received and issued by Commission Agent. Alaska Statute 28.10.505 states in part notwithstanding Alaska Statute 40.25.300, the department may not disclose personal information contained in motor vehicle records maintained by the department under this chapter. As defined by AS 28.10.505 “personal information” means information that identifies a person, including a name, address, telephone number, and medical or disability information. Contractor will conform to all requirements of AS 45.48 protecting personally identifiable information. As defined by AS 45.48.090 “personal information” includes an individual’s first name or first initial; and last name; and one or more of the following information elements: the individual's social security number; the individual's driver's license number or state identification card number; the individual's account number, credit card number, or debit card number; and passwords, personal identification numbers, or other access codes for financial accounts.

#### **A. Personnel**

1. Designate a Representative who will be responsible for compliance with this Agreement in its entirety.
2. Assure that before an Agent DMV Representative(s) issues and/or processes documents under this Agreement; conducts performance road tests; views or updates existing information in ALVIN; or performs all other duties and obligations of the Commission Agent under this Agreement, they are properly trained by either DMV or a Representative approved by DMV to conduct training. Travel expenses for training will be the responsibility of the Commission Agent.
3. Assure that an Agent DMV Representative(s) be provided with follow-up training as deemed necessary by DMV and/or Commission Agent. Travel expenses for training will be the responsibility of the Commission Agent.
4. Assure that an Agent DMV Representative(s) and performance road test examiner(s) conducts himself or herself ethically and lawfully and has not in the last 20 years been convicted of a felony offense, or in the last five years been convicted of a misdemeanor offense, and has a valid Alaska driver’s license and: (i) is

at least 21 years old; (ii) has three years of driving experience in Alaska; (iii) has not been convicted of a driving offense within the previous three years that is a six-point offense under the point system established under AS 28.15.221-261; (iv) has not accumulated eight points under the point system established under AS 28.15.221-261; (v) has not, within the previous five years, had a driver's license suspended, revoked, canceled or disqualified; (vi) is not registered as a sex offender under AS 12.63; and; (vii) is of good moral character.

5. The Commission Agent will notify the Division immediately of the resignation or termination of an Agent DMV Representative.

## **B. Protocol**

1. Customer Service – DMV is a service organization. Responsiveness and courtesy are two important elements of customer service. Listening carefully to the customers is essential for providing the excellent customer service that is expected in an office representing the DMV.
2. Conversation – Personal conversations, whether in the office or on the phone, should be appropriate to the office. Appropriate conversation is not loud, overly emotional, or offensive. Profanity, gossip and whispering are also not appropriate in the workplace.
3. Food and Drink at Workstations – Food should not be eaten at workstations where customers are directly being served. Food is acceptable at work stations when service is not being provided directly to a customer. Drinks are acceptable at all work stations; however, they must be kept away from any DMV electrical equipment.
4. Dress – Contract Agents represent the DMV, and should therefore dress in a way that projects a professional image.
5. Political Activity – Political activity in an establishment that processes DMV transactions is prohibited. This includes:
  - displaying or distributing partisan web sites or signs;
  - sending email messages using a State-sponsored email account;
  - using any State equipment for partisan purposes; and,
  - wearing political buttons, t-shirts or other partisan paraphernalia.

The Contract Agent should consult with Contract Services regarding questions or concerns about prohibited political activity.

6. Violations of State or Federal Law – A Contract Agent must report to Contract Services within one business day if the Contact Agent or any Agent DMV Representative receives a citation requiring a court appearance, or is arrested or convicted for a misdemeanor or felony.

## **C. Operations**

1. Maintain a schedule of regular working hours during which services under this Agreement are available to the public. Business hours must be between 7 a.m. and 7 p.m. Office must be open a minimum of 20 hours, three days per week, and a minimum 2 hours each day open. Changes to business days and/or hours may be made no more than once every three months and must be approved, in advance, by DMV. Office closure is permitted a total of three weeks per year but no more than two consecutive weeks, and only one week between May 1 and August 31. Scheduled office closures must be advertised in the community media, signs posted on the office door, and DMV Contract Services notified at least two

weeks prior to office closure. Unscheduled office closures must be advertised as soon as possible and DMV Contract Services notified immediately.

2. Commission Agent staff must be connected to the Internet for accessing DMV applications, SOPs, and have an email address for correspondence. Additionally, the connection must have adequate bandwidth to support accessing the DMV systems.

#### **D. Financial**

1. At the end of each business day the Agent DMV Representative will take the following actions:
  - a. Close the day's batch and record it to an ALVIN office deposit;
  - b. Generate in ALVIN a Commission Worksheet and fax a copy to DMV Fiscal.
2. At the end of the next business day, no later than 5 p.m., after closing a batch and recording it to an ALVIN office deposit:
  - a. Deposit into a Business Bank Account all funds collected on behalf of the state for DMV transactions processed;
  - b. Transfer to DMV the amount due to DMV as specified on the Commission Worksheet; transfer shall be made through Automated Clearing House (ACH) on myAlaska to DMV's account, at the state's designated bank.

3. On the first day of the business week, a Receipt for Received Batch Work and supporting documents for all transactions processed in the preceding week must be mailed to:

Division of Motor Vehicles  
Attn: Contract Services  
1300 W Benson Blvd Ste 500  
Anchorage AK 99503-3695

4. Complete a quarterly inventory report and fax to the DMV warehouse.
5. Be responsible for the cost of participation in the program such as the cost of office space, utilities, insurance, installation expenses, computer system support, laser printer supplies, copy paper, on-going telecommunications charges, and postage not specified under Section II.B.7. of this Agreement.
6. Be responsible for any and all losses or shortages in the proceeds and fees to be collected and for all of its costs of doing business, including without limitation credit card fees, costs of collection of checks received without sufficient funds, other bad debts, taxes, and operating expenses.
7. Pay any and all costs incurred by the State of Alaska in enforcing the terms of this Agreement, including but not limited to full reasonable attorney's fees, court costs, pre-judgment and post-judgment interest at the highest rate allowed by law under AS 45.45.010.

## **E. Security**

1. Not permit any employee to perform any authorized function in ALVIN until the employee has a unique password and has been properly trained per Section III.A.2.
2. Not permit any unauthorized person to have access to ALVIN or DMV supplies and documents.
3. Maintain appropriate security to prevent theft, loss, or destruction of accountable documents and equipment provided by DMV. The Commission Agent shall, at a minimum, store all such documents and equipment in a secure area. The Commission Agent will pay DMV \$100 for each missing temporary permit, title, and/or validation tab.
4. All DMV documents, forms, and funds are to be kept separate from any other business operation the Commission Agent may be conducting.

## **F. Equipment**

1. Missing, destroyed, or damaged equipment provided by DMV must be replaced or repaired by the Commission Agent at the Commission Agent's expense.
2. No computer programs or hardware shall be downloaded or installed on DMV's computer unless instructed to do so by Department of Administration Information Technology (DOA-IT) staff. If the equipment should fail, the Commission Agent will notify DMV Contract Services. DOA-IT personnel will determine the cause of the failure. DOA-IT personnel may require the Commission Agent, at the Commission Agent's expense, to hire a local IT Technician to repair the equipment. If it is determined by DOA-IT that the equipment must be repaired or replaced because of misuse, the Commission Agent will be billed for the cost of repair or replacement. Misuse of equipment is cause for immediate termination of this Agreement. Downloading files from the Internet can compromise the State mainframe computer and is cause for immediate termination of this Agreement. Contractor must adhere to State computer policies, and is prohibited from, but not limited to, engaging in use of non-State provided instant messaging technologies, use of file sharing programs, and use of streaming media technologies without prior written approval. (*See also*, Attachment 4 to this Contract: State of Alaska Computer Use Policies.) Violation of computer use policies will result in the termination of the contract.

## **G. Compliance with Laws and Regulations**

1. Comply with the laws, regulations and SOP manual, as well as any revisions to the manual, that govern document processing under this Agreement. Establish procedures to ensure that employees of the Commission Agent comply with the laws, regulations and SOP manual, as well as any revisions to the manual, that govern document processing under this Agreement. In performing services under this Agreement, the Commission Agent must comply with all federal, state, and local statutes, ordinances, regulations, and codes relating to the conduct of business and the operation of business premises, including the Americans With Disabilities Act.

## H. Insurance

1. The Government Agency will be self insured or purchase the following policies of insurance at its own expense and maintain the policies in force at all times while this agreement is in effect. Where specific limits are shown, they shall be the minimum acceptable limits.

Without limiting the Commission Agent's indemnification, the Commission Agent will purchase the following policies of insurance at its own expense, naming the State of Alaska and DMV as additional insureds, and maintain the policies in force at all times while this Agreement is in effect. Where specific limits are shown, they shall be the minimum acceptable limits. If the Commission Agent's policy contains higher limits, the State and DMV shall be entitled to coverage to the extent of the higher limits. Certificates of insurance must be furnished to DMV before DMV will permit the Commission Agent to perform services under this Agreement, and must contain a 30-day prior notice of cancellation, non-renewal or material change clause.

- a. Workers' Compensation Insurance: As required by AS 23.30.034, for all employees of the Commission Agent who perform work under this Agreement.
- b. Comprehensive Automobile Liability insurance: Coverage limits not less than \$300,000 combined single limit per occurrence, covering all owned, hired and non-owned vehicles used by the Commission Agent in performing services under this Agreement.
- c. Comprehensive Commercial General Liability insurance: Coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, broad form property damage, blanket contractual and personal injury endorsements.

Notices of insurance policy renewals or cancellations must be mailed, from the insurance company, to:

Division of Motor Vehicles  
Attn: Contract Services  
1300 W Benson Blvd Ste 500  
Anchorage AK 99503-3695

## I. Indemnification

1. The Commission Agent shall indemnify, hold harmless, and defend the State of Alaska, DMV, and their employees, from and against any claims of, or liability for, the independent negligence or intentional act of the Commission Agent. If there is a claim of, or liability for, the joint negligent error or omission of the Commission Agent and the independent negligence of the State of Alaska, DMV, or their employees the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. The term "independent negligence" is negligence other than in DMV's selection, administration, monitoring, or controlling of the Commission Agent and in approving or accepting the Commission Agent's work.

## **IV. TERMINATION OF THIS AGREEMENT**

### **A. Suspension**

1. DMV may immediately suspend this Agreement by inactivating the Agent DMV Representative's password(s) for up to 30 days to investigate any one or more of the following: suspected or alleged errors in transactions, failure to submit batch work, failure to transmit fees collected to the DMV, failure to maintain required insurance, suspected or alleged criminal misconduct, misuse of ALVIN passwords, and/or compromising the integrity of the ALVIN system.

### **B. Termination**

1. Either party may terminate this Agreement upon 30 days written notice to the other party.
  - a. Termination for Cause: DMV may terminate this Agreement by delivering, in writing to the Commission Agent, notice of intent to terminate, which clearly sets out the facts that constitute the breach or defect in performance under this Agreement.

Termination for cause includes but is not limited to: (a) violation of a provision of this Agreement, (b) failure to follow DMV's written standards, statutes, regulations, policies and procedures.

Termination for cause is effective if the breach or defect is not cured within 30 days from the date the notice of the breach was received by the Commission Agent, unless a greater time to cure is allowed.

- b. Termination for Convenience: DMV, by written notice to the Commission Agent, may terminate this Agreement, in whole or in part, when it is in the best interest of the State.
    - c. Termination for Illegal Activity: DMV may terminate or suspend this Agreement immediately if there is reasonable cause that the Commission Agent or their employee is engaged in illegal activities.
2. Upon termination, the Commission Agent:
  - a. Cannot recover any costs or damages arising from its participation in, or termination from, the Commission Agent Program, including set-up costs, lost profits or consequential or other damages.
  - b. Must immediately transfer to DMV all outstanding proceeds from DMV transactions, less commissions retained per Section III.C.2.
  - c. Shall mail to DMV, within one business day, all DMV accountable items and all remaining DMV transaction documents.

3. Notices and communications required to be submitted to the DMV shall be in writing and mailed to the following address:

Division of Motor Vehicles  
Attn: Contract Services  
1300 W Benson Blvd Ste 500  
Anchorage AK 99503-3695

Notices and communications submitted by the DMV to the Commission Agent shall be mailed to the address shown on the first page of this Contract, unless the Commission Agent notifies the DMV otherwise.

**C. Disputes**

1. The parties agree that the Trial Courts of the State of Alaska shall have jurisdiction over any dispute arising from or relating to this Agreement. The parties agree that venue shall be in the Judicial District in which the Commission Agent is located. If the Commission Agent has locations in more than one Judicial District, venue shall be in the Third Judicial District at Anchorage.

**D. Section Headings**

1. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation of this Agreement.

**IV. ENTIRE AGREEMENT**

**A. Integration and Amendment**

1. This Agreement contains the entire Agreement of the parties. There are no other agreements, express or implied, oral or written, between the parties on the subjects encompassed by this Agreement. This Agreement may only be amended by a written addendum to this Agreement signed by both parties.

**B. Effective Date**

1. This Agreement shall be effective when executed by both parties.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as follows.

\_\_\_\_\_  
Amy Erickson, Director  
Division of Motor Vehicles

\_\_\_\_\_  
[INSERT NAME AND TITLE]  
[INSERT COMMISSION AGENT NAME]

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



# ATTACHMENT 2

## Security Clearance Agreement

STATE OF ALASKA - DIVISION OF MOTOR VEHICLES  
ALASKA LICENSE AND VEHICLE INFORMATION NETWORK (ALVIN)

### PERSONNEL SECURITY ASSIGNMENT FORM

FIRST NAME	MIDDLE NAME	LAST NAME	TELEPHONE NUMBER
SSN	DOB	ALASKA DRIVER LICENSE NUMBER	
LOCATION NUMBER(S) (Starting with default location, provide all locations employee will be working.)			LOCATION CITY
EMPLOYEES SUPERVISOR			TELEPHONE NUMBER
OFFICE MANAGER			TELEPHONE NUMBER
AMVC	AMVC		MVCSRI
USERID	SAME SECURITY AS (When the new employee will be doing the same basic functions as another employee. Otherwise, you must attach a completed Menu Functions sheet.)		POSITION

### SECURITY CLEARANCE AGREEMENT

I understand that I am responsible for protecting the security and integrity during my use of the Alaska License & Vehicle Information Network (ALVIN) database in accordance with the following:

**CRIMINAL USE OF COMPUTER:** (AS 11.46.740) Criminal use of a computer is a Class C felony. Violation of this Statute is punishable by a fine of up to \$1,000 and/or by imprisonment of up to one year.

I will not:

- release any information retrieved from the database to anyone who is not lawfully entitled to the information.
- access information other than what is necessary to carry out my job duties.
- knowingly introduce false information into the database.

**PASSWORD CONFIDENTIALITY:**

- I will not discuss or disclose my ALVIN password or operator ID to anyone.
- I will immediately change my password or operator ID if I find it has been compromised.

**ALVIN INTEGRITY:**

I will not:

- disclose any information regarding the methodology, operation or internal structure of ALVIN.
- disclose information regarding security measures, access and operating procedures or details relating to the programs supporting ALVIN.

This agreement shall apply both during and after my association with ALVIN.

By signing this request, I certify that I have read and understood my responsibilities as described above.

SIGNATURE OF EMPLOYEE	DATE
SIGNATURE OFFICE MANAGER	DATE

Revised 12/08

NAT2    SEC    ETS    SUP    BF