



**Specifications for
SWC #419 Digital Mailing Systems**

A. Scope of Contract

The purpose of this Contract is to provide mailing equipment and services including, but not limited to, mailing systems, scales, postage meters, and mail and mail room related products, equipment, supplies, and services, offered as a lease, rental, or purchase option. All equipment and services offered must meet the approval of the United States Postal Service (USPS). The Contract will provide these products and services to the State of Tennessee and other governmental bodies within the State of Tennessee, members of the University of Tennessee or Tennessee Board of Regents systems, public institutions of higher education, nonprofit institutions of higher education chartered in the State, and eligible nonprofit entities identified in Tenn. Code Ann. § 33-2-1001 (“Authorized Users”). Contractor agrees to extend this Contract to Authorized Users.

Scope of work for the State of Tennessee’s mailing equipment and services includes:

- Postage meters
- Ultra-low volume mailing systems
- Low volume mailing systems
- Medium volume mailing systems
- High volume mailing systems
- Mailing system accessories (e.g. inserters, folders/inserters)
- Mailing system supplies (e.g. ink, tape)
- Mailing system software license and subscriptions
- Mailing system and software maintenance

B. Definitions

Agency	Each State of Tennessee board, commission, committee, department, officer, or any other unit of State government except for those governmental entities identified in Tenn. Code Ann. § 12-3-102(a).
Contract Administrator	Contractor’s main point of contact at the Central Procurement Office.
CPO	Central Procurement Office of the Tennessee Department of General Services.
DMM	Domestic Mail Manual issued by the USPS; more information can be found at http://pe.usps.gov/text/dmm300/dmm300_landing.htm
End User	Using Agency, local government, or other entity who is authorized to and elects to purchase off of this statewide

	contract.
Normal State Operating Hours	Monday through Friday 8:00AM – 4:30 PM, excluding legal State holidays. A listing of State holidays can be found at http://tn.gov/main/article/state-holidays . Any work conducted outside of the normal State operating hours must have prior written approval from an authorized agency personnel.
Other Governmental Bodies	Other Governmental Bodies within the State of Tennessee, members of the University of Tennessee or Tennessee Board of Regents systems, public institutions of higher education and nonprofit institutions of higher education chartered in the State, and eligible nonprofit entities identified in Tenn. Code Ann. § 33-2-1001 (“Authorized Users”) who may utilize the awarded Contract.
Postage Meter	A device that can print one or more denominations of postage onto a mail piece or meter tape. Postage meters are available for lease/rent only through designated manufacturers approved by the USPS.
PC Postage	USPS-approved third-party vendor software that mailers can use to pay for and print their postage using a computer, printer, and internet connection.
USPS	United States Postal Service.

C. **Exclusions**

The following items are excluded from this Contract, unless otherwise specified:

- PC Postage – Exclusively PC Postage solutions are excluded from this contract.
- Postage – End Users have the option to purchase postage through the Contractor or the USPS at their discretion.
- Printers – Only specialty printers whose sole use is related to mail room equipment may be acquired through the Contract. If the mail function of the specialty printer can be performed by a standard printer, then the specialty printer may not be purchased through the Contract.
- Furniture – Only furniture that is specific to mail rooms or mail equipment may be acquired through the Contract.

D. **General Requirements**

D.1. **USPS Authorization** Contractor must be authorized as a postage meter manufacturer by the USPS in accordance with Domestic Mail Manual (DMM) 604.4.

D.2. **Rental, Lease, and Purchase Terms** End Users may enter into rental or lease agreements for terms of 12-months, 24-months, 36-months, 48-months, or 60-months or purchase the equipment (note: postage meters are not available for purchase). The Unit of Measure (UOM) for leases and rentals is a quarter (QI). A 12-months lease would be for four quarters (4 QI), 24-months for eight quarters (8 QI), 36-months for twelve quarters (12 QI), 48-months for 16 quarters (16 QI), and 60-months for twenty quarters (20 QI).

- a. **Contract Term** Contract will be for a maximum of ten (10) years if all renewal options are exercised, with End Users entering into new rental or lease terms through the end of the fifth (5th) contract year only. Beyond the end of the fifth (5th) year of the

Contract, End Users cannot make new purchases or enter into new lease or rental agreements. Years six through ten (6-10) are for End Users to continue to pay on existing leases or rentals and receive maintenance and service on those existing leases or rentals.

- b. End of Lease or Rental Terms At the end of a lease or rental term, the End User shall have the following options:
- i. Return the equipment at the Contractor's expense.
 - ii. The End User may purchase leased equipment at the end of the lease term for a nominal fee in accordance with the lease term length and as set in the contract pricing. Postage meters may not be purchased. After purchase, End User will be responsible for maintenance, rate change, and software subscription costs.
 - iii. Upgrade to current equipment provided that there is no penalty to the End User for the upgrade and no carry forward dollars can exist from the previous lease or rental. Upgrades may not extend beyond the expiration date of the contract and are not entered into beyond the end of the fifth (5th) year of the contract.
- c. Termination of Lease or Rental Terms
- i. Early Termination End Users shall not be required to pay any termination charges for early termination of a lease or rental. For example, in the event that an agency no longer requires the use of a machine due to office closure, office restructuring, misjudgment of need, or lack of funding, the agency may, with a sixty (60) day written notification, return the machine without penalty. The Contractor shall be required to pick-up the machine at no additional cost to the End User.

If an agency misjudges the need for a machine, it will not be allowed to return such machine and cancel its lease or rental without prior approval of the Central Procurement Office. The agency should first determine if another section of its own agency has a need for the machine. If a new location is determined, the Contractor shall move the machine to the new location and set it up. The moving date shall be mutually agreed upon by the End User and the Contractor.
 - ii. Equipment Relocation/Transfer End User shall be allowed to move or transfer the Equipment from one location to another as deemed necessary with no change to lease or rental, maintenance plans nor loss of equity. No installation or removal charges will be billed based on changes in location.
 - iii. Equipment Removal Upon termination of an equipment lease or rental, Contractor shall take required action to have all equipment removed at no additional cost to the End User. Equipment shall be removed within ten (10) business days from lease or rental termination or the expiration date, unless the State makes arrangements to continue the lease or rental temporarily on a month to month basis. Equipment not removed within the allotted time frame, shall be shipped to Contractor at Contractor's expense.

E. Mailing Equipment Product Requirements

- E.1. Machine Condition All products, materials, supplies and equipment offered and furnished must be new (not used, remanufactured, or refurbished), of current manufacturer production, and must have been formally announced by the manufacturer as being commercially available as of the offer date. All new products shall be Energy Star certified, where an Energy Star option is available.
- E.3. Mailing Equipment Specifications The equipment specified below must be available for lease, rental, and purchase (with the exception of postage meters) per section D.2.
- a. Postage Meter (Lease/Rental only)
- i. Digital postage meter must have display that provides date, piece-count, postage used, and postage unused
 - ii. Must imprint postage from \$0.01 to \$99.99
 - iii. Must be refillable by phone or electronically and may be linked to a master account
 - iv. Must include maintenance
- b. Mailing Systems – Ultra-Low Volume
- i. Digital or Information Based Indicia (IBI) Operation to conform with all USPS requirements
 - ii. Manual feed or automatic feed speed of up to 29 pieces/minute
 - iii. Minimum capability for 10 departmental accounts
 - iv. Must have a moistener
 - v. Must meter, date, and seal envelopes
 - vi. Handles standard mail envelopes from 3"x5" to 9"x12"
 - vii. Interfaces with postage scales
 - viii. Must include a 2lb. or 5lb. scale (if both a 2lb. and 5lb. scale are available, there will be options for the system with a 2lb. scale and the system with a 5lb. scale)
 - ix. Must include locking key or security feature
 - x. Must imprint postage from \$0.01 to \$99.99
 - xi. Must have replaceable ink cartridge
 - xii. Must have tape system (strip or sheet) for oversized packages
 - xiii. Must include maintenance
- c. Mailing Systems – Low Volume
- i. Automatic
 - ii. Digital or IBI Operation to conform with all USPS requirements
 - iii. Minimum feed speed of 30 pieces/minute
 - iv. Minimum capability for 10 departmental accounts
 - v. Must have a moistener
 - vi. Must meter, date, and seal envelopes
 - vii. Handles standard mail envelopes from 3"x5" to 9"x12"
 - viii. Interfaces with postage scales
 - ix. Must include a 2lb. or 5lb. scale (if both a 2lb. and 5lb. scale are available, there will be options for the system with a 2lb. scale and the system with a 5lb. scale)
 - x. Must include locking key or security feature
 - xi. Must imprint postage from \$0.01 to \$99.99
 - xii. Must have replaceable ink cartridge
 - xiii. Must have tape system (strip or sheet) for oversized packages
 - xiv. Must include maintenance

d. Mailing Systems – Medium Volume

- i. Automatic
- ii. Digital or IBI Operation to conform with all USPS requirements
- iii. Minimum feed speed of 110 pieces/minute
- iv. Minimum capability for 50 departmental accounts
- v. Must meter, date, and seal envelopes
- vi. Handles standard mail envelopes from 3/8" thick and 7-1/2" wide
- vii. Interfaces with postage scales
- viii. Must include a 5lb. scale or higher
- ix. Must include locking key or security feature
- x. Must imprint postage from \$0.01 to \$99.99
- xi. Must have replaceable ink cartridge
- xii. Must have tape system (roll or strip) for oversized packages
- xiii. Must include water reservoir with water-level indicator
- xiv. Must have sealed and non-sealed modes
- xv. Must include maintenance

e. Mailing Systems – High Volume

- i. Automatic
- ii. Digital or IBI Operation to conform with all USPS requirements
- iii. Minimum feed speed of 200 pieces/minute
- iv. Minimum capability for 100 departmental accounts
- v. Must meter, date, and seal envelopes
- vi. Handles standard mail envelopes from 3"x5" to 13"x13"
- vii. Interfaces with postage scales up to 100lbs.
- viii. Must include a 15lb. scale or higher
- ix. Must include locking key or security feature
- x. Must imprint postage from \$0.01 to \$99.99
- xi. Must have replaceable ink cartridge
- xii. Must have tape system (roll) for oversized packages
- xiii. Must include water reservoir with water-level indicator
- xiv. Must have sealed and non-sealed modes
- xv. Must have conveyor stacker
- xvi. Must allow for in-motion weighing
- xvii. Must provide shape-based rating
- xviii. Must include maintenance

f. Postal Scales (to be included with mailing system)

- i. Must be capable of interfacing with postage meters offered through this Contract
- ii. Must include a variety of rates including: standard, first class, priority mail, certified mail, return receipt registered, C.O.D., insured, registered, bulk rates, etc.
- iii. Must include keyboard graphics, operator prompts, and menu selections
- iv. Must include special carrier weights
- v. Must be capable of weighting to a 32nd of an ounce, displaying in increments of 0.5 ounces
- vi. Must electronically set postage meter by the touch of one button
- vii. Must include postal rate changes at no additional cost through the lease or rental or maintenance agreement

g. Letter Folders – Low Volume

- i. Automatic
 - ii. Folds 15,000 sheets per hour minimum
 - iii. Must complete standard or custom folds
 - iv. Handles paper from 3-1/8" x 4" x 9-1/2" x 14" at a minimum
- h. Letter Folders – High Volume
- i. Automatic
 - ii. Folds 25,000 sheets per hour minimum
 - iii. Must complete standard or custom folds
 - iv. Handles paper from 3-1/8" x 4" x 9-1/2" x 14" at a minimum
 - v. Able to process multiple folds
- i. Inserters
- i. Processes 5,500 sheets per hour minimum
 - ii. Feeds, collates, folds, and inserts material into envelopes
 - iii. Must be able to pre-program jobs
- j. Folders/Inserters – Low Volume
- i. Automatic
 - ii. Processes 1,500 sheets per hour minimum
 - iii. Feeds, collates, folds, and inserts material into envelopes
 - iv. Must complete standard or custom folds
 - v. Handles paper from 3-1/8" x 4" x 9-1/2" x 14" at a minimum
 - vi. Must be able to pre-program jobs
- k. Folders/Inserters – Medium Volume
- i. Automatic
 - ii. Processes 1,501-4,999 sheets per hour minimum
 - iii. Feeds, collates, folds, and inserts material into envelopes
 - iv. Must complete standard or custom folds
 - v. Handles paper from 3-1/8" x 4" x 9-1/2" x 14" at a minimum
 - vi. Must include a minimum of 2 sheet feeders and 1 insert feeder
 - vii. Must be able to pre-program jobs
- l. Folders/Inserters – High Volume
- i. Automatic
 - ii. Processes 5,000 sheets per hour minimum
 - iii. Feeds, collates, folds, and inserts material into envelopes
 - iv. Must complete standard or custom folds
 - v. Handles paper from 3-1/8" x 4" x 9-1/2" x 14" at a minimum
 - vi. Must include a minimum of 4 feeders
 - vii. Must be able to pre-program jobs
- m. Letter Openers – Low Volume
- i. Must include feeder and stacker with variable trim control
 - ii. Minimum processing speed up to 25,000 pieces per hour
 - iii. Must include self-sharpening trim blade that adjusts to allow for a narrow or wide cut
 - iv. Must include tray that collects opened envelopes and trimmings
- n. Letter Openers – High Volume

- i. Must include feeder and stacker with variable trim control
- ii. Minimum processing speed of 25,000 pieces per hour
- iii. Must include self-sharpening trim blade that adjusts to allow for a narrow or wide cut
- iv. Must include tray that collects opened envelopes and trimmings

F. Mailing Equipment Services

F.1. Maintenance

- a. Contractor must have the resources, distribution capabilities, inventory of parts, consumable supplies, and staff to meet the requirements of this Contract. Contractor's Authorized Dealers/Partners shall maintain at a minimum enough spare parts and basic components to ensure downtime, for the purpose of ordering basic components, is kept extremely minimal.
- b. Maintenance costs shall be inclusive of all costs for full preventative maintenance, emergency calls, parts, labor and time, and all other charges required to keep the equipment fully operational and maintained in good working condition.
- c. Maintenance shall include both preventative maintenance and remedial maintenance (unscheduled repair service). Maintenance shall be performed during Normal State Operating Hours.
- d. Contractor shall schedule maintenance based on the specific needs of the individual machine as determined by the manufacturer. Contractor shall schedule any preventative maintenance in advance with the office where the machine is located. The preventative maintenance calls shall include, but not be limited to, routine cleaning, lubrication, necessary adjustments, and replacement of unserviceable parts.
- e. Contractor must provide certified manufactured parts, supplies, service and support as allowed by the original manufacturer.
- f. Maintenance shall be included on leased and rented equipment for the duration of the lease or rental term. Maintenance shall be available on purchased equipment for five years beyond the initial purchase date.
- g. All annual maintenance plans shall meet the following requirements:
 - i. Include any and all technical support.
 - ii. Twenty-four (24) hour response time to all written or oral notices of a service requirement due to an equipment breakdown.
 - iii. A service technician, if required, shall be onsite within two (2) business days.
 - iv. For maintenance requests deemed as emergency calls by the End User, Contractor shall respond and have a service technician onsite, if required, within twenty-four (24) hours.
 - v. All return service calls and onsite responses shall be made during Normal State Operating Hours unless otherwise mutually agreed to in writing by the Contractor and the End User.
 - vi. Replacement parts shall be received within two (2) business days.

- vii. All parts that require maintenance by a service technician are to be included and considered part of the service maintenance plan. Defective parts shall be replaced at no additional charge to the End User. (Routine consumable supplies shall be billed separately from service maintenance payments).
- viii. If the equipment includes licensed software, Contractor shall provide software support.
- ix. All payments for maintenance service shall be invoiced by and made to the Contractor.
- h. Legacy Maintenance Contractor shall provide maintenance on legacy devices already sold to an End User. Pricing will be provided through a quote process. Maintenance shall be available for equipment that is up to ten (10) years old from date of purchase.

F.2. Software and Software Upgrades

- a. All connected machines must come fully equipped with all necessary software.
- b. Software purchases shall be for the manufacturer's most recent release model or version of the product at the time of the order, unless the End User specifically requests in writing a different model or version and the Contractor is willing to provide such model or version.
- c. Maintenance shall be available for all software license purchased. Software maintenance shall include all future software updates, minor enhancements, patches, and new releases/versions and shall be available to all End Users. Machines with maintenance agreements that utilize licensed software shall receive software maintenance at no additional cost. It is the Contractor's responsibility to communicate all updates, patches, and new releases/versions to all End Users. No additional fee shall be charged for installation of the same. The Contractor shall be responsible for Postage Scale licensing.

F.3. Training and Support Services

- a. Contractor shall conduct basic equipment training to personnel designated by the End User within two (2) business days of installation or at the discretion of the End User. Such training shall cover the basic operational functions of equipment, user maintenance (e.g. replenishment of toner) and any additional training requested by the End User specific to their operational needs until the End User personnel are able to operate the equipment independently. The amount of training is determined by the complexity of the equipment purchased, leased, or rented. The Contractor shall provide additional training at the request of an agency within seven (7) business days of the request through the length of the equipment lease or rental or maintenance agreement at no additional cost.
- b. Contractor shall provide a toll-free technical support telephone line accessible to End User personnel who need to obtain competent technical assistance regarding the installation or operation of the equipment. The toll-free support line shall be available during Normal State Operating Hours.

- c. Instruction manuals, in print and/or electronic formats, shall be included for each piece of equipment that is purchased, leased, or rented. The instruction manual shall contain, but not be limited to:
 - i. A section defining the capabilities of the equipment (specifications).
 - ii. A general section describing the technical operation of the equipment.
 - iii. A section describing the installation and use criteria of the equipment.
 - iv. A section on the primary points of contact for sales, training, and maintenance or service.
- d. Contractor personnel shall be able to assist End User in selecting digital mailing systems in accordance with the End User's needs and shall provide quotes based on purchase, lease, or rental options and comparisons as requested.

F.4. Installation

- a. All equipment prices shall include freight, delivery, and installation. Installation is not necessary for all items, but for any equipment requiring installation it shall be included.
- b. For production equipment, Contractor will provide a quote for the total number of hours needed to be agreed to in writing before installation begins. Contractor may charge an hourly rate for actual hours worked only.
- c. Contractor shall affix a label or decal to the equipment at the time of installation showing warranty period by dates, and the name, address, and telephone number of the Contractor responsible for warranty service of the equipment.
- d. Contractor shall, prior to delivery, survey and review the particular installation location to ensure the existing proposed location meets the manufacturer's established installation criteria. If special installation is required, the Contractor and End User shall agree in writing to the total cost of the special installation. Should the proposed installation location not meet established installation criteria, the Contractor and End User will attempt to locate an alternate mutually agreeable location for the equipment.
- e. All equipment identified as Energy Star certified shall be delivered and installed with the Energy Star or similar power management features enabled.

F.5. Equipment Performance

- a. In the event that any equipment is inoperable due to equipment failure, through no fault or negligence of the End User, and the total number of hours of downtime exceeds five percent (5%) of the total productive use of time for three (3) consecutive calendar months, the End User reserves the right to require the Contractor to replace the equipment or terminate the order with no termination or removal charges being assessed to the End User. The End User will notify the Contractor in writing of the deficiency. After such notice, the Contractor must remove and replace the defective product(s) within ten (10) business days, at no cost to the End User. Failure to respond in good faith may result in termination of the Contract. The effectiveness

level for any equipment is computed by the following formula: subtract the total number of downtime hours, divided by the total productive time in the month. The total productive time shall be computed by multiplying 7.5 hours per day by the number of business days in the month. It is understood and accepted that equipment failure may not be attributed to the use of recycled paper and/or recycled/remanufactured supplies, as long as those products meet the specifications set by the USPS.

- b. Replacement of Unsatisfactory Equipment Contractor shall grant a credit to the End User for any equipment currently in the warranty period or on a maintenance plan, which fails to perform at an effectiveness level of ninety-five percent (95%) during any month, or equipment out of service for more than three (3) consecutive business days. The credit shall be the equivalent to the percentage of downtime experience in the month.
- i. During the warranty period, unsatisfactory equipment performance requires an even exchange of replacement equipment of equal or greater performance at no additional cost.
 - ii. After the warranty period, the credit value shall be either the amount paid at the time of purchase or the dollar amount paid multiplied by the number of lease or rental payments made at the time of the identified poor performance.
 - iii. If equipment, and software, is not functional within sixty (60) days of delivery, the End User may return for full refund or cancel the lease or rental agreement with no fees or charges of any kind due.