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| **BUREAU OF FISCAL SERVICES**  **Procurement Unit** |  |  |

**March 27, 2024**

**Request for Proposals (RFP) 23-101**

**Cigarette Tax Stamps Manufacturing Solution**

**Responses to Second Round Bidder Questions**

To All Potential Bidders:

Attached are the Department’s Responses to Bidder Questions received for the above referenced RFP.

| **#** | **RFP Reference** | | **Question** | **Answer** |
| --- | --- | --- | --- | --- |
| **Section** | **Page** |
| 1 | Section 2.1.  Description of Stamps  Section 4.1.  Heat-Applied Stamps | 13  18 - 19 | In the previous Q&A period and Amendment 1, the State removed the chemical reagent security feature from its solicitation.  Removing this proven security feature introduces unnecessary risks to the NY tax program. During the current contract period, NY detectives, field auditors and investigators were trained to authenticate stamps using this highly effective feature with indisputable results.  Throughout the current contract, this security feature was successfully used to authenticate NY tax stamps and even to authenticate stamps on packs smuggled in from other states to avoid the high tax rate in NY. We do not recommend lowering the current security standards currently in place.  Will the State please reinstate the requirement for a chemical reagent for NY tax stamps and allow vendors to propose their own chemical reagent security feature? | **The Department/City declines to require chemical reagent. However, there is no impediment to a chemical reagent feature being included in the proposed Stamp if a Bidder elects to include it.** |
| 2 | Section 4.4.  Paper Stock  *(Amended to Section 4.4. Reserved)* | 20 | Paper is a major deterrent for counterfeit activities. The security paper and the security features applied to it make it, nearly impossible for bad actors to successfully counterfeit NY tax stamps. At first glance, the paper can be visually validated due to its unique appearance. Upon a single touch, the paper can be validated by the feel and weight of the paper. The paper is the carrier for some security features, those features are visible within the voids between stamps making the stamp easily validated by the naked eye.  Inferior paper does not contain the strength or weight to hold its shape during stamping and can often halt production for torn or misaligned paper. The state introduces risk with paper that has not be tested or evaluated by the State. Authorized distributors are trained to apply its tax stamps rapidly and efficiently. If the state elects to use a less secure, less reliable paper its vendors may encounter unexpected production delays.  The current paper in use for the NY stamp program is designed to be unusable after application, this additional security feature ensure that any discarded paper cannot be reproduced even if stolen from a waste container.  Would the State reconsider its decision to remove paper as evaluated criteria for this solicitation response? | **The Department/City declines to require distinctive security paper. Bidders should propose Stamps on paper having sufficient weight, strength and durability to retain its shape, accommodate the required transfer percentage, and not cause misalignment during production.** |