

# STATE OF MONTANA TERM CONTRACT

Department of Administration  
 State Procurement Bureau  
 165 Mitchell Building  
 PO Box 200135  
 Helena, MT 59620-0135  
 Phone: (406) 444-2575 Fax: (406) 444-2529  
 TTY Users-Dial 711  
<http://gsd.mt.gov/default.mcp>

**T.C. #: SPB07-1346J**  
**Title: SHREDDING SERVICES – HELENA AREA**  
**This is an exclusive contract.**

CONTRACT TERM	FROM	January 1, 2012	CONTRACT STATUS	NEW ( )
	TO	December 31, 2012		RENEW (XXX)
VENDOR ADDRESS	Recall Secure Destruction Services, Inc. 19203 70th Ave South Kent WA 98032		ORDER ADDRESS	Same as Vendor Address
ATTN:	Doug McFarlane		ATTN:	
PHONE:	(253) 437-5101, Ext. 10		PHONE:	
FAX:	(253) 437-2170		FAX:	
E-MAIL:	doug.mcfarlane@recall.com		E-MAIL:	

PRICES: Per Contract  
 DELIVERY: Per Contract  
 F.O.B.: Per Contract  
 TERMS: Net 30 Days

**REMARKS:**

Please note the following regarding this term contract:

- This is the fifth renewal, sixth year of this contract.
- There are no cost increases for this contract renewal period.
- Contractor Contact Changes – See Attachment A

Updated: 12/30/2011

IFB/RFP No.:		
SPB07-1346J	BONNY BELLING, CONTRACTS OFFICER	DATE:

**AUTHORIZED SIGNATURE**

**SHREDDING SERVICES – HELENA AREA**  
**SPB07-1346J**

**1. PARTIES**

THIS CONTRACT, is entered into by and between the State of Montana, Department of Administration, State Procurement Bureau (hereinafter referred to as "the State"), whose address and phone number are PO Box 200135, Helena MT 59620-0135, (406) 444-2575 and Recall Secure Destruction Services, Inc., (hereinafter referred to as the "Contractor"), whose address and phone number are 180 Technology Parkway, Norcross GA 30092 and (770) 776-1200.

THE PARTIES AGREE AS FOLLOWS:

**2. EFFECTIVE DATE, DURATION, AND RENEWAL**

**2.1 Contract Term.** The initial contract period was December 1, 2006 through December 31, 2007. The contract is renewed for one year beginning January 1, 2012 and terminating on December 31, 2012 unless terminated earlier in accordance with the terms of this contract. This is the fifth renewal, sixth year of this contract.

**2.2 Contract Renewal.** This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of seven years.

**3. COST/PRICE ADJUSTMENTS**

**3.1 Cost Increase by Mutual Agreement.** After the initial term of the contract, each renewal term may be subject to a cost increase by mutual agreement.

\*\*There are no cost increases for this contract renewal period (fifth renewal, sixth year of the contract).

**4. SERVICES AND/OR SUPPLIES**

Contractor agrees to provide to the State the following on-site shredding service for state agencies located in the Helena area only (those agencies located within a ten-mile radius of the State Capitol). The contractor shall furnish all material, labor, secured vehicles, equipment, personnel, and supplies necessary to perform the minimum specifications stated.

Due to the lack of historical data, the State does not guarantee any minimum usage totals.

**4.1 Contractor Duties.**

**4.1.1 Confidentiality of Shredded Material.** Confidentiality of all information is required. Therefore, the contractor and all personnel shall not inspect, view, peruse, copy, or examine any confidential material or documents designated for shredding or disposal. In addition, the contractor will not otherwise disclose, release or communicate any confidential information to any third person, individual, organization or entity not employed by the state agency. Should any violation or breach of this provision occur, such will constitute cause for immediate termination of the contract upon receipt of written notice of such termination.

Contractor shall maintain the confidentiality in accordance to industry standards and in compliance at the federal level with the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Contractor is expected to adhere to the same standards as the state agency as to Protected Health Information (PHI) and the Financial Modernization Act of 1999.

The contractor's personnel designated to work with confidential records shall be required to sign a statement of confidentiality guaranteeing non-disclosure of information prior to performing any work described in this term contract. The confidentiality statement shall be designed, implemented and maintained by the contractor. If necessary, the statement of confidentiality shall be made available for viewing by any requesting agency. If specifically requested by an agency, the contractor shall not use any employee with whom the agency is not satisfied to provide the services specified.

**4.1.2 Containers.** Contractor will be required to supply containers, locking or non-locking, in both 32- and 64-gallon sizes, to accommodate paper/records collection at each agency location at no charge to the agency. Contractor shall not limit the number of containers at any particular site.

Quantity, size, and type of containers at each location shall be at individual agency's request. Contractor shall place containers in the locations requested by the agency, provided the placement is in accordance with applicable fire codes. Contractor must be aware of these regulations and supply the agency with the appropriate containers.

The contractor shall retain ownership of the containers. The contractor shall agree that the State shall not be responsible for any liability incurred by the contractor or the contractor's personnel arising out of the possession, use, maintenance, delivery, return, and/or collection from the containers provided by the contractor.

Containers must have either a top slot or side slot near the top designed to prevent theft of materials by reaching in. Containers must have a tamper evident locking system and be made of a fire resistant material. The contractor will supply an agency representative with a key for all locking containers provided. If a key is lost, the contractor will supply a new key at no additional charge to the agency. Any keys replaced after the first initial loss will be subject to a charge by the contractor.

All containers provided by the contractor must be clearly marked for their intended use.

**4.1.3 Shredding Equipment.** Contractor shall only use premium, industrial-grade shredders that use Hammermill Process, Pierce and Tear, or an equivalent process that meets or exceeds the shredding requirements for shredding all records, confidential or otherwise.

The contractor shall be able to shred or disintegrate any type of paper items, regardless of color, finish (e.g., color photocopies, magazine-weight papers), or size of page. Agencies should not have to remove items such as staples, tape, "post-it notes", label tape, rubber bands, most types of paper clips, etc.

**4.1.4 Contractor Personnel.** The contractor's personnel assigned to perform shredding services under this term contract must, at all times, have a photo identification badge prominently displayed.

**4.2 Agency Duties.** Each using agency will designate an agency representative. This representative will assist the contractor in determining the number and location of containers in addition to serving as agency contact person. The agency representative will also be responsible for all keys issued for locking containers.

The using agency may wish to establish shredding services either on a regularly scheduled or "as needed" basis. Dates and time for on-site services will be arranged between the using agency and the contractor.

Agencies must ascertain that all documents/records designated for destruction, **BEFORE** being destroyed, have complied with all appropriate retention schedules.

**4.3 Shredding Services.** The contractor must provide on-site shredding services as requested by the agency. The contractor shall perform all services during the hours of 8:30 a.m. – 4:30 p.m., Monday

through Friday, excluding official state holidays. Dates and times for on-site services will be arranged between the using agency and the contractor.

The contractor shall understand and agree that the State requires flexibility in the arrangements and methods for the collection of records on an agency-by-agency basis. The contractor shall coordinate and work in good faith with each agency in seeking and obtaining the most appropriate shredding services arrangements and methods of collection.

#### **4.3.1 On-Site Shredding.**

- a) The contractor shall provide mobile shredding services to agencies requiring on-site shredding. The shredding is to be completed in a totally self-contained vehicle to handle the agency's most secure material.
- b) Contractor will charge by either a 32- or 64-gallon container.
- c) Documents/records for destruction shall be collected and stored by the agency in the containers provided by the contractor. If requested, any agency-provided containers shall be returned to the agency after destruction of the contents.
- d) The contractor shall perform all on-site shredding services as close to each using agency's office as possible. The contractor shall transport the documents/records on carts or other method from each container area to the contractor's truck on-site without the assistance from any state agency personnel.
- e) All documents/records designated for destruction shall be securely contained during transfer from the agency location to the contractor's vehicle in such a way as to insure that no records are lost or mislaid. Materials shall remain secured while in the immediate custody of the contractor's personnel until the shredding process has destroyed them.
- f) At the completion of the on-site shredding process, the contractor shall present a "Certificate of Destruction " to the using agency representative for signature. In addition to providing invoicing information, the Certificate will guarantee the using agency that the confidentiality of all records were maintained from the time of collection until the records were destroyed and that none of the records were read or copied by the contractor or contractor's personnel prior to destruction. A copy of the Certificate will be retained by the agency. The contractor will also submit copies of the Certificates with invoices for shredding services provided. The Certificate will contain, at a minimum:
  - Location and name of the agency for whom the on-site shredding services were provided;
  - Date of shredding,
  - Number of containers emptied;
  - Term contract number;
  - Signature and title of contractor's employee providing services; and
  - Signature of agency representative.
- g) If requested by the agency, the contractor shall allow an agency representative to witness the shredding process. Contractor shall also allow authorized state agency personnel to inspect vehicle and equipment before, during, and after completion of shredding services.
- h) The contractor shall clean up the immediate shredding area and ensure that all loose particles are collected and removed each time shredding services are performed.
- i) To ensure that material contained in a bin is collected for secure destruction during every visit, the Contractor will service ALL user agency bins on each visit. The Contractor can document bin volumes electronically at all locations in an effort to "right size" activities. At the agency request, the Contractor will use the data collected to best determine the number of bins, bin sizes and service frequency required at the agency location(s).

**4.4 Pricing.** Contractor will charge for shredding per container, whether full or not, in either a 32 gallon or 64 gallon size. The price is all inclusive for the service, including lockable container rental, labor, and time at one location.

Container size	Quantity	Price per each container
32 gallon	1-5	\$12
32 gallon	6 or >	\$12
64 gallon	1-5	\$20
64 gallon	6 or >	\$19

**4.4.1 Billing.** Invoicing received from the contractor will show the amount for all bins serviced since the contractor is, starting with this contract renewal (fifth renewal, sixth year), servicing ALL bins each visit. Reference Section 4.3.1 (i).

## **5. CONSIDERATION/PAYMENT**

**5.1 Payment Schedule.** In consideration for the on-site shredding services provided, the ordering agency will pay within 30 days of receipt of a properly executed invoice. The contractor will bill each agency directly for services provided. All invoices will reference the Term Contract number and will also include a copy of each signed Certificate of Destruction.

**5.2 Purchasing Card.** The State of Montana has a Purchasing Card Program in place that gives agencies the ability to charge purchases made from these contracts. The State of Montana prefers this method of payment.

**5.3 Withholding of Payment.** The State may withhold payments to the Contractor if the Contractor has not performed in accordance with this contract. Such withholding cannot be greater than the additional costs to the State caused by the lack of performance.

## **6. COOPERATIVE PURCHASING**

Under Montana law, public procurement units, as defined in section 18-4-401, MCA, have the option of cooperatively purchasing with the State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to the State Procurement Bureau prior to the award of this contract, the prices, terms, and conditions of this contract will be offered to these public procurement units. However, the State Procurement Bureau makes no guarantee of any public procurement unit participation in this contract.

## **7. TERM CONTRACT REPORTING**

Term contract holder(s) shall furnish annual reports of term contract usage. Each report shall contain the product description, total quantity sold of each item, total dollars expended, and the name of the agency purchasing the item. The first report for this term contract will be due **July 31, 2007**.

Reported volumes and dollar totals may be checked by the State Procurement Bureau against state records for verification. Failure to provide timely or accurate reports is justification for cancellation of the contract and/or justification for removal from consideration for award of contracts by the State.

## **8. EXCLUSIVE CONTRACT**

The intent of this contract is to provide state agencies within a ten mile radius of the State Capitol with an expedited means of procuring on-site shredding services. This contract is considered to be an "Exclusive " use contract and state agencies must obtain the specified product/service from the contract holder(s), unless the contract allows otherwise. However, the State Procurement Bureau does not guarantee any minimum usage totals and it is the individual agency's responsibility to comply with the terms of the contract.

**8.1 Exceptions.** Exceptions to this exclusivity are as follows: sheltered workshops, agencies of the State of Montana who provide shredding services (e.g. Secretary of State's Records Management Bureau, Montana Developmental Center) and small portable office shredders.

In addition, any agency whose shredding requirements are not met by the contractor may be granted an exception from use of this term contract by the State Procurement Bureau.

## **9. ACCESS AND RETENTION OF RECORDS**

**9.1 Access to Records.** The Contractor agrees to provide the State, Legislative Auditor or their authorized agents access to any records necessary to determine contract compliance. (Mont. Code Ann. § 18-1-118)

**9.2 Retention Period.** The Contractor agrees to create and retain records supporting the on-site shredding services rendered for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this contract taken by the State of Montana or a third party.

## **10. ASSIGNMENT, TRANSFER AND SUBCONTRACTING**

The Contractor shall not assign, transfer or subcontract any portion of this contract without the express written consent of the State. (Mont. Code Ann. § 18-4-141) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

## **11. HOLD HARMLESS/INDEMNIFICATION**

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

## **12. REQUIRED INSURANCE**

**12.1 General Requirements.** The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

**12.2 Primary Insurance.** The Contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

**12.3 Specific Requirements for Commercial General Liability.** The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of **\$1,000,000** per occurrence and **\$2,000,000** aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

**12.4 Additional Insured Status.** The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations; premises owned, leased, occupied, or used.

**12.5 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

**12.6 Certificate of Insurance/Endorsements.** A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages has been received by the State Procurement Bureau, P.O. Box 200135, Helena MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

### **13. COMPLIANCE WITH WORKERS' COMPENSATION ACT**

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena MT 59620-0135, upon expiration.

### **14. COMPLIANCE WITH LAWS**

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

### **15. CONTRACT TERMINATION**

**15.1 Termination for Cause.** The State may, by written notice to the Contractor, terminate this contract in whole or in part at any time the Contractor fails to perform this contract.

**15.2 Termination for Convenience.** The State may, by written notice to the Contractor, terminate this contract without cause. The State must give notice of termination to the Contractor at least **30** days prior to the effective date of termination.

**15.3 Reduction of Funding.** The State, at its sole discretion, may terminate or reduce the scope of this contract if available funding is reduced for any reason. (See Mont. Code Ann. § 18-4-313(4).)

## 16. LIAISON AND SERVICE OF NOTICES

All project management and coordination on behalf of the State shall be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaison and the Contractor's liaison.

Bonny Belling will be the liaison for the State.

(Address): State Procurement Bureau  
PO Box 200135  
(City, State, ZIP): Helena MT 59620-0135  
Telephone: (406) 444-3322  
Fax: (406) 444-2529  
E-mail: bbellings@mt.gov

Doug McFarlane will be the liaison for the Contractor.

(Address): Recall  
19203 70th Ave South  
(City, State, ZIP): Kent WA 98032  
Telephone: (253) 437-5101, Ext. 10  
Fax: (253) 437-2170  
E-mail: doug.mcfarlane@recall.com

The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints will first be directed to the liaison.

## 17. MEETINGS

The Contractor is required to meet with the State's personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the contract or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. Meetings will occur as problems arise and will be coordinated by the State. The Contractor will be given a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired. However, at the Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two consecutive missed or rescheduled meetings, or to make a good faith effort to resolve problems, may result in termination of the contract.

## 18. CONTRACTOR PERFORMANCE ASSESSMENTS

The State may do assessments of the Contractor's performance. This contract may be cancelled for one or more poor performance assessments. Contractors will have the opportunity to respond to poor performance assessments. The State will make any final decision to cancel this contract based on the assessment and any related information, the Contractor's response and the severity of any negative performance assessment. The Contractor will be notified with a justification of contract cancellation. Performance assessments may be considered in future solicitations.

## 19. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide for a reasonable period of time after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

**20. CHOICE OF LAW AND VENUE**

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Mont. Code Ann. § 18-1-401.)

**21. SCOPE, AMENDMENT AND INTERPRETATION**

**21.1 Contract.** This contract consists of nine numbered pages, any Attachments as required, IFB #SPB07-1346J, as amended and the Contractor's IFB response as amended. In the case of dispute or ambiguity about the minimum levels of performance by the Contractor the order of precedence of document interpretation is in the same order.

**21.2 Entire Agreement.** These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

**22. EXECUTION**

The parties through their authorized agents have executed this contract on the dates set out below.

**State Procurement Bureau  
Department of Administration  
State of Montana  
PO Box 200135  
Helena MT 59620-0135**

**Recall Secure Destruction Services, Inc.  
180 Technology Parkway  
Norcross GA 30092**

BY: \_\_\_\_\_  
(Name/Title)

BY: \_\_\_\_\_  
(Name/Title)

BY: \_\_\_\_\_  
(Signature)

BY: \_\_\_\_\_  
(Signature)

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Approved as to Legal Content:

\_\_\_\_\_  
Legal Counsel (Date)  
Agency: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Procurement Officer (Date)  
Agency: \_\_\_\_\_

**Attachment A**  
**State of Montana - Helena**  
**Montana Service Structure**

C.A.R.E. Team	Responsibility	Contact Info
<p><b>Doug McFarlane</b> Area Operations Manager - Recall</p>	<ul style="list-style-type: none"> <li>• 1st level escalation</li> <li>• New multi-location roll outs</li> <li>• Special work requests</li> <li>• Service inquiries</li> <li>• New account setup</li> <li>• General questions</li> </ul>	<p>Main: (253) 437-5101 x 10            Fax: (253) 437-2170            E-mail: <a href="mailto:doug.mcfarlane@recall.com">doug.mcfarlane@recall.com</a></p>
<p><b>Monte Joyce</b> Account Manager</p>	<ul style="list-style-type: none"> <li>• 2nd level escalations</li> <li>• Corporate level support or sponsorship</li> </ul>	<p>Fax: (253) 272-4954            Mobile: (253) 426-2956            E-mail: <a href="mailto:monte.joyce@recall.com">monte.joyce@recall.com</a></p>

