



State Set-Aside Proposal
Document, Media, and Hard Drive Destruction Services
Mandatory

Beacon Secure
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Executive Summary

Proposal: Beacon Secure (dba of Beacon Group, Inc.) requests approval from the State Set-Aside Committee to provide document, media, and hard drive destruction to the State of Arizona. Beacon Secure is requesting that these services be mandatory for off-site document, media, and hard drive destruction at Beacon Secure's facility, 308 W. Glenn, Tucson, AZ 85705.

Benefits: The State will benefit from the convenience of consistent, regular, and dedicated service at a fair, competitive market price.

Coverage: Beacon Secure will make regular pick-ups to all State facilities Statewide, regardless of whether they are considered metro or rural.

Qualifications: Beacon Secure is a Certified Non-Profit Agency for disabled individuals, organized under Arizona law in the interest of disabled individuals and maintains the 60% employees with significant disabilities requirement in our program. In addition, Beacon Secure complies with all applicable occupational health and safety standards. Beacon Secure is AAA certified with the National Association for Information Destruction (NAID) and currently the State's preferred vendor for document and media destruction. Beacon Secure is certified specifically for paper/printed media, micro media, physical hard drive, and non-paper media destruction.

Capabilities: Beacon Secure is nationally certified and audited by our customers and NAID on a regular basis. Beacon Secure has been serving the State in the capacity of document and media destruction for ten years with a proven record of quality and security. Our state-of-the-art facility is capable of destroying 46,800 pounds per shift with the ability to expand production to a second shift to accommodate as much as 93,600 pounds in one day. We also are capable of media disintegration and hard drive destruction when requested.

Customer Satisfaction: Beacon Secure has proven our commitment to the State's satisfaction and high standards of performance.



Proposal

Beacon Secure respectfully submits this Proposal to provide the State of Arizona with off-site document, media, and hard drive destruction services through the State's Set-Aside Procurement Program. This Proposal and accompanying information requests the approval from the State Set-Aside Committee to provide the State of Arizona with mandatory off-site document, media, and hard drive destruction services.

Benefits

Approval of this Proposal will provide the State of Arizona with the following benefits:

- Convenience:
 - Every location within the service area will receive the same high-quality service, regardless of whether or not they are in a metro area or in a rural area.
 - Flat-Rate standardized pricing will simplify purchase order process.
 - All archived certificates of destruction will be available to the State of Arizona in the event of an audit. This will give the State of Arizona one source to obtain information and reports.
- Savings:
 - Beacon Secure will charge a flat rate for bins and boxes. No set-up fee.
 - Routed customers will receive will-call services at the routed rate.
 - Additional savings will be realized through the elimination of lost productivity as agencies will no longer need to spend time to search for a vendor to perform these service.
 - No additional premiums for infrequent purges in rural areas or for scheduled service to rural areas.
 - Flat rate pricing is based on a competitive fair market rate.
- Quality:
 - Assured destruction of sensitive documents by NAID AAA non-profit organizations with 15 years of experience.
 - Reliable and sustainable service with no disruptions.

Qualifications

- Beacon Secure meet all of the requirements as a set-aside provider as outlined in The Arizona Procurement Code A.R.S. § 41-2636.
- We are a Certified Non-Profit Agency for Disabled Individuals (CNADI) and organized under Arizona Law and registered with the Arizona Department of Administration.
- Beacon Secure operates in the interest of disabled individuals and not for the benefit of any shareholder or other individual.
- We comply with all applicable occupational health and safety standards as required by State and Federal law.
- Beacon Secure maintains an employment ratio of at least 60% of program employees with significant disabilities.
- We have 15 years of experience in the document and media destruction business.
- We have complied fully with the State's Uniform Terms and Conditions and all Special Terms and Conditions required, creating a mutually agreeable and binding contract with the State of Arizona over the last ten years in the area of Records Shredding and Destruction.



Capabilities

OVERVIEW: Beacon Secure has been serving the State of Arizona in this capacity for ten years, beginning in 2009. Since that time our fleet of 5 trucks has been collecting, securing, destroying and recycling confidential material from State agencies such as ADOT, DES, DOR, AZDHS and others.

QUALITY: Beacon Secure is audited annually and has received AAA NAID certifications for security and exceptional business practices for each year we were eligible for NAID certification with no gaps. Successful audits were conducted by the IRS in 2008, 2011, and 2014. The employment documents and working conditions of persons with disabilities has been evaluated by SourceAmerica through their audits and has resulted in commendations for excellence.

MANAGEMENT: Our managers are experienced professionals with backgrounds in business, information technology, sales, marketing, production, and mechanics.

STAFFING: All of Beacon Secure's employees undergo multiple background checks. Beacon Secure utilizes NAID approved "InquireHire" background service, and our Rehabilitation Supervisors possess State of Arizona DPS fingerprint clearance. Employees are fully trained on all security and safety procedures before they begin work. Annual security reviews are required and performed. Drivers must have clean MVRs and DOT medical cards, as well.

TECHNOLOGY: All employees are supervised by a manager who is in constant contact with them through cell phones and a Global Positioning System (GPS).

AVAILABILITY: Beacon Secure's customer service is available through email and telephone Monday – Friday 7:30 AM to 4 PM except State and Federal holidays. Our customer service representatives are well-trained and courteous and can quickly respond to customer questions and concerns, and resolve issues immediately in most cases.

TIMELY SERVICE: Beacon Secure guarantees service when scheduled and can make changes quickly when the customer needs an extra pick up or has a delay for whatever reason.

EXPERIENCE: Over the last ten years, Beacon Secure has serviced the records destruction requirements of the State through regular pick-up for off-site shredding. We have a fleet of trucks, well-trained material handlers, facilities that house 5/16 Alleghany 40HP 2000lb per hour, SEM Auto Hard Drive and Solid State Crusher, and SEM Disintegrator 230V/3/60- with screen settings in place to meet all the State of Arizona's needs. Beacon Secure also utilizes two other shredders to provide document destruction services to non-State customers. The capacity of Beacon Secure can accommodate up to 46,800 pounds a day.

Beacon Secure Services

DESCRIPTION OF SERVICES: Beacon Secure will furnish secured, locked bins at the requesting State agency's location. The bins are serviced as per the agency's schedule and replaced with secure empty bins. Beacon Secure can also take boxes of materials during these scheduled visits as well. Material is transported in a secured truck by trained employees to our secure state-of-the-art facility where the contents are protected at multiple perimeters by access-control and 24 hour video surveillance until it is destroyed. Witness destruction is available by appointment. Beacon Secure will provide a certificate of destruction on every invoice. Every employee has undergone a Federal background check.



EQUIVALENCY: State of Arizona contracted shredding is processed at the same high level of quality as Beacon Secure's private sector customers. Both accounts are picked up on the same routes, serviced by the same personnel, and the same security that is afforded to both government and private customers.

STATEMENT OF WORK: Beacon Secure shall be responsible for providing all materials, labor, services and equipment required to perform off-site document, media, and hard drive destruction in accordance with the terms and conditions and specifications contained herein for prices set forth on the attached price sheets.

COMPLIANCE RESPONSIBILITY: Beacon Secure shall comply with all Federal, State and Local laws, ordinances or policies and procedures that pertain to the destruction of public records when utilizing this contract. These would include, but may not be limited to: HIPPA, and the Arizona State Library and Archive statutes, rules and procedures. In the event that Federal, State and local laws, ordinances or policies and procedures require that document destruction be performed by means other than those specified herein, we shall not utilize this contract.

Public records eligible for destruction will be identified on record retention and disposition schedules (ARS § 41-1345), approved by Arizona State Library, Archives and Public Records [ASLAPR]. Beacon Secure understands that public records that may be relevant to pending litigation and/or other investigations must be protected from destruction, even if those records' retention period has elapsed.

DOCUMENT DESTRUCTION: Shall be done in accordance with the Internal Revenue Service Physical Security Standards Handbook 1.16.8, Chapter 3.3.4.2, Information Protection, and Destruction Precautions.

Documents (paper data) shall be destroyed (shredded) to a size of 5/16 inches in width or smaller strips. Protected information contained on any other form of media will be removed or obliterated, or the media will be destroyed by/or in the presence of an agency employee, or contractor employee in such a manner that the information is totally unrecoverable.

Off-site shredding shall be done within two business days of pick-up, or as mutually agreed upon by Beacon Secure and the ordering State agency, with the exception of large will-call service pickups. Will-call pickups larger than 5,000 pounds will be shredded in five business days or less.

Service Types

Off-site services- Regularly scheduled and pre-determined service schedules: These services will be mutually agreed upon by Beacon Secure and the ordering State agency at designated location(s). Service dates and locations shall be identified on the State agency contract release order and/or purchase order. Beacon Secure will perform scheduled service between the hours of 8:00 am to 5:00 pm Monday through Friday (excluding State observed holidays).

Off-Site Services - Will call schedule: Intermittent or one-time only services will be provided when the state agencies gives Beacon Secure a 72 hour notification. The service date(s) and location(s) shall be identified on the State agency's contract release order/purchase order. The service schedule shall be between the hours of 8:00 am to 5:00 pm Monday through Friday (excluding State observed holidays).

Security

Beacon Secure will ensure the security of all documents, media and hard drives from unauthorized access before destruction and ensures all documents, media and hard drives are secure and properly contained during transfer from customer custody to destruction vehicle. All transported materials remain in locked

containers and locked trucks.

All materials will remain secured and in the control and custody of authorized Beacon Secure personnel until destroyed by shredding or media destruction equipment. Multiple security systems are in place to protect all materials under this Proposal. Below outlines Beacon Secure's security systems.

Alarm System:

- All on site work areas are protected by an alarm system that utilizes a combination of door(s) and motion sensors.
- The alarm system is monitored by a security company 24 hours per day, 7 days per week, 365 days per year.

Trilogy Series Access Control System:

- This system controls access to the facility.
- Only specific staff have access to the work areas, and access times are restricted to the appropriate work hours for each group below:
Management
Truck Drivers
Material Handlers
Employees
Rehabilitation Supervisors
- The entire system has backup battery protection to ensure security in the event of a power failure
- The system logs all accesses and attempted accesses

Video Surveillance System:

- A video surveillance system is utilized to record activity within the work areas and outside dock areas.
- The use of personal cellular telephones, digital cameras, camcorders, and other recording devices are prohibited on the shredding floor. Access to equipment and materials are limited to management and employees. Policies and procedures are documented and routinely audited for compliance. All employees complete a training course when they are hired, and they complete an annual UNIX IRS Security refresher course at least once every year.

Beacon Secure Equipment

COLLECTION CONTAINERS: Secure locked document collection containers will be provided and secured by Beacon Secure for all requesting agencies. Collection containers shall comply with current and applicable Occupational Safety and Health Standards of the State of Arizona. . Collection containers shall be undamaged and neat in appearance (uniformly painted or coated). Any collection container found to be damaged, unclean and/or not kept in a safe and sanitary condition shall be replaced within 24 hours of notification.

Requesting agencies shall work with Beacon Secure to establish the number, size, and locations for all collection containers. Changes may be made as mutually agreed upon. All collection containers shall remain the property of Beacon Secure and all costs associated with their purchase, maintenance, delivery and pick-up at each agency's location shall be borne by the contractor.

Beacon Secure shall provide and maintain secured transport shredding vehicles. Beacon Secure understands that the secured vehicles shall be the only vehicles used to transport documents, hard drives and media under this contract. No personal or unsecured vehicles shall ever be used. Vehicles shall

remain locked during document transport and shall remain locked and kept in a secured area while at the Beacon Secure's facility (before records are to be destroyed).

Should any issue arise in the delivery of off-site records destruction services, the following contact information can be used:

(520)-352-9951
beaconsecure@beaongroup.org

MEDIA DESTRUCTION: Our media disintegrators meet the requirements of NSA/CSS Specification 02-02, High Security Disintegrators and NSA/CSS 04-02, Optical Media Destruction Devices. Waste is continuously cut until it is small enough to pass through a waste-sizing screen 3/32 of an inch. The media disintegrator destroys microfilm, tapes, x-rays, microfiche, pill bottles, CD-ROMs and DVRs, blueprints, laminated documents, ID cards, flash drives and any other non-paper media that needs to be securely destroyed.

HARD DRIVE DESTRUCTION: Our hard drive provides crushes hard drives per NAID standards to the point where the platters do not spin. The State has two options upon contracting Beacon Secure: 1) Serial numbers tracking or; 2) waive serial numbers tracking.

Serial Number Tracking:

- The requesting agency will be given a form to fill out with the serial numbers of each drive and provide this back to the contractors before the pickup.
- Beacon Secure will send a secure truck and team to pick up the hard drives and do a physical count to ensure the correct number of drives are placed in a secure container and to be transferred to our secure facility. If the count is short, or over, Beacon Secure will notify the agency's contact before our team takes possession of the hard drives. Upon arrival at our secure facility, we will verify all serial numbers to ensure it matches the list and store the hard drives for 24 hours. If there is a discrepancy in any of the numbers the agency's contact will be notified and we will not proceed with shredding without the agency's approval.
- After 24 hours has passed, Beacon Secure will check off the hard drive serial numbers as each hard drive is shredded.
- After all hard drives are shredded the agency will be provided a copy of the checklist, verifying each serial number was shredded.
- Beacon Secure will utilize an approved recycler to reduce the agency's carbon footprint.

Waiver of Serial Number Tracking:

- Beacon Secure will utilize our secure chain of custody.
- Hard drives will be shredded to 38mm in a secure location
- The agency will receive an itemized Certificate of Destruction
- Beacon Secure will utilize an approved recycler to reduce the agency's carbon footprint.

Certificate of Destruction

Beacon Secure shall submit, on the invoice, a Certificate of Destruction to the ordering agency for each pick-up and service location within 72 hours after document destruction is complete. The Certificate of Destruction shall contain, at a minimum, the following:

- The contract number and/or purchase order number
- Pick-up/delivery location



- Pick-up/delivery date
- Name of agency Disclosure Officer at agency(s) location(s)
- Any other information as determined necessary by the using agency

Quality Control

Beacon Secure is NAID AAA Certified to protect, control, and secure the materials outlined in this proposal. We are HIPAA, FACTA, and FERPA compliant. Beacon Secure strives to meet and/or exceed industry standards for physical and electronic security. Our company's position on security and quality has been a focal point of expanding our systems to meet and/or exceed NAID standards.

The destruction process has a method of quality control in place to ensure destroyed information is within the stated standards:

- Each shredding machine will be inspected monthly by the Beacon Secure Project Manager to ensure proper particle size.
- Hard Drive Destruction audits will be conducted monthly by the Beacon Secure Project Manager.
- Beacon Secure Project Manager will verify monthly that all Maintenance Logs are completed.
- There will be an annual Quality Management System audit ensuring compliance with all Beacon Secure Standard Operating Procedures by the Manager of Quality, Risk, and Compliance.
- Where a deficiency is identified, Beacon Secure will utilize the Corrective and Preventive Action Process to identify root causes and strategies to prevent reoccurrence.

NAID Certificate: See Exhibit A

Price

Fixed prices based on bin and box count will eliminate the need for fluctuating prices based on weight that then will require approval. The State agency will know before Beacon Secure arrives what the cost of service will be. Beacon Secure is proposing to keep the current pricing structure and is not requesting any price increases or changes. The attached Pricing Proposal chart and Fair Market Price Comparison chart (Exhibits B and C respectively) demonstrate the savings Beacon Secure provides over the fee schedules of other document destruction companies.

Customer Satisfaction

Customer satisfaction is at the heart of everything Beacon Secure does. We have employees dedicated to making certain all customer needs are met in a timely manner and with professional accuracy with no disruption to the customer's schedules. The adherence to our Quality Control Plan ensures compliance with the high standards and expectations Beacon Secure requires from all their employees.

Summary

Beacon Secure has worked over the years to develop a system of best-practices that encompass the field of secure document destruction in accordance with national certification agencies. We are confident that approval of this proposal for mandatory set-aside services for off-site document destruction, media, and hard drive destruction services will help the State of Arizona reduce the cost of shred service overall, and fulfil requirements of HIPAA and Arizona State Library and Archive statutes, rules and procedures.



Exhibit A: NAID Certificate

Beacon Secure

is Hereby Granted NAID AAA Certification
by the National Association for Information Destruction



The National Association for Information Destruction (NAID®) is the non-profit trade association recognized globally as the secure data destruction industry's standards setting and oversight body.

*The certificate holder has met the rigorous requirements of the NAID AAA Certification program and demonstrated through announced and unannounced audits that its security processes, procedures, systems, equipment, and training meet the standards of care required by all known data protection regulations.**

As a result, NAID AAA Certification also serves to meet all data controller vendor selection due diligence regulatory requirements.

The certificate holder is NAID AAA Certified for the following services and media types:

- Plant-based Operation Endorsed for Paper/Printed Media, Micro Media, Physical Hard Drive & Non-Paper Media Destruction

Applicable to the following location(s):

- 308 W Glenn St, Tucson, AZ USA

Valid Through: April 30, 2020

Katie Manning
NAID Certification Program Official

*NAID AAA Certification specifications are regularly evaluated/amended as necessary and service provider compliance is verified to ensure ongoing conformance with all known data protection regulations including The Privacy Act (Australia), GDPR (Europe), HIPAA, GLBA, FACTA, State-level requirements (USA), and PIPEDA, PIPA, PHIPA (Canada) in their relevant jurisdiction(s), as well as with related risk assessment, incident reporting and data breach reporting procedures and training as required therein or separately.

Exhibit B: Pricing Proposal

Short Description	Price	UOM
Off-Site Shredding: Flat fee - Regularly scheduled in Tucson Metro	\$ 35.00	Trip
Off-Site Shredding: Flat fee - Will call in Tucson Metro	\$ 60.00	Trip
Off-Site Shredding: Flat fee - Regularly scheduled outside Tucson Metro	\$ 55.00	Trip
Off-Site Shredding: Flat fee - Will call outside Tucson Metro	\$ 80.00	Trip
Off-Site Shredding: Addition fee per bin per visit	\$ 10.00	Each
Off-Site Shredding: Purge Bankers Box 10 x 12 x 15 (30 lbs.)	\$ 2.00	Each
Off-Site Shredding: Purge Double Bankers Box 10 x 12 x 24 (50 lbs.)	\$ 3.00	Each
Off-Site Shredding: Travel Fee - applies to special service given off schedule outside Tucson Metro or to rural area	\$ 1.00	Mile
Hard Drive Shredding Off-Site (shredded)	\$ 7.00	Each
Media Destruction - Media Pick Up - Minimum Fee	\$ 50.00	Each
Media Destruction - Mixed Media Bin Service Destruction Off-Site	\$ 200.00	Each
Media Destruction - Microfiche, Microfilm sheets Destruction Off-Site	\$ 1.00	Roll
Media Destruction - Plastic Blueprints Destruction Off-Site	\$ 5.00	Reel
Media Destruction - Video/Audio Tape, VHS/Cassette Tape Destruction Off-Site	\$ 1.00	Each
Media Destruction - LTO, DLT or other Data Tape Drive Destruction Off-Site	\$ 7.00	Dram
Media Destruction - Pill Bottle Destruction Off-Site	\$ 0.25	Bottle
Media Destruction - Laminated Documents, Plastic Sheets, ID Cards & Sticker Destruction Off-Site	\$ 15.00	Box
Media Destruction - CD/DVD Destruction Off-Site	\$ 15.00	Box
Media Destruction - Microfiche, Microfilm sheets Destruction Off-Site	\$ 15.00	Box
Shred Events - Metro Tucson 2 Hour Event with Off-Site Truck	\$ 250.00	Each
Shred Events - Metro Tucson 4 Hour Event with Off-Site Truck	\$ 500.00	Each



Exhibit C: Fair Market Price Validation

	Beacon Secure	Assured Document Destruction	Shred It	Iron Mountain
Service Every 4 Weeks w/ 2 bins in Metro Tucson	\$ 45.00	\$ 47.00	\$ 78.60	\$ 85.00
Service Every 4 weeks w/ 4 bins in Metro Tucson	\$ 65.00	\$ 77.00	\$ 109.80	\$ 160.00
Service Every 4 Weeks w/ 2 bins outside Metro Tucson	\$ 65.00	N/A	\$ 78.60	\$ 85.00
Service Every 4 weeks w/ 4 bins outside Metro Tucson	\$ 85.00	N/A	\$ 109.80	\$ 160.00
Service On Call w/ 2 bins in Metro Tucson	\$ 70.00	N/A	N/A	\$ 190.00
Service On Call w/ 4 bins in Metro Tucson	\$ 90.00	N/A	N/A	\$ 265.00
Service On Call w/ 2 bins outside Metro Tucson	\$ 90.00	N/A	N/A	\$ 190.00
Service On Call w/ 4 bins outside Metro Tucson	\$ 110.00	N/A	N/A	\$ 265.00
Additional Fee per Bin per Visit	\$ 10.00	\$ 15.00	\$ 15.60	\$ 40.00
Purge Bankers Box	\$ 2.00	N/A	N/A	\$ 5.00
Purge Double Bankers Box	\$ 3.00	N/A	N/A	\$ 5.00
Additional fees	None	None	Fule and environmental surcharges	Transportation surcharges

N/A - Beacon Secure was not able to obtain a good estimate for this item