

**STATE OF LOUISIANA
DEPARTMENT OF REVENUE**

**REQUEST FOR PROPOSALS
FOR
INFORMATION TECHNOLOGY HIGH SPEED SCANNER
PROGRAMMING SERVICES**

RFP #: 44000012110

**PROPOSAL DUE DATE/TIME: FEBRUARY 1, 2012,
4:00PM**

DATE:

DECEMBER 20, 2011

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1 GENERAL INFORMATION

1.1 Purpose

This Request for Proposals (RFP) is issued by the Louisiana Department of Revenue (herein referred to as “the State” or “LDR”) for the purpose of obtaining competitive proposals from bona fide, qualified proposers who are interested in providing high speed scanner programming services needed for the processing of new or revised tax forms on IBML ImageTrac III and ImageTrac IV scanners. The LDR seeks Proposers who must be able to supply sufficient programming and software support resources to meet timelines and services as required by task orders.

1.2 Background

The Revenue Processing Center of the Louisiana Department of Revenue is responsible for the initial processing of all paper tax returns, remittances, supporting documentation and correspondence received by LDR. The Revenue Processing Center processes approximately 4 million returns and 2.4 million remittances annually for all taxes administered by LDR. Major tax applications include: Individual Income Tax (handprint, 2D, and substitute return forms and schedules); Sales taxes; Withholding tax (monthly, semi-monthly, quarterly); Annual withholding reconciliation; Individual Income and Corporate declaration payments; Accounts Receivable payment processing; check only processing; and Key from Image applications for multiple taxes.

Equipment used to process these documents includes three (3) IBML ImageTrac III scanners and two (2) IBML ImageTrac IV scanners for ICR/OCR scanning and imaging. IBML’s SoftTrac and DocNetics software modules are used for creating programs and jobs for processing these documents. The network includes a Windows 2000/Active Directory processing platform, network servers and automated background applications to output the data and images captured by the scanners to RPC’s back end Document Processing System. The Document Processing System used by RPC is the TaxExpress product supplied by Scan Optics, LLC. Data is maintained in a SQL 2005 database. All components are networked together to form a single tax processing system.

1.3 Scope of Services

Attachment I details the scope of services and deliverables or desired results that the State requires of the selected Contractor.

2 ADMINISTRATIVE INFORMATION

2.1 Term of Contract

The period of any contract resulting from this RFP is tentatively scheduled to begin on or about April 1, 2012 and to continue through March 31, 2013. The State has the right to contract for up to three years upon approval.

2.2 Pre-proposal Conference

NOT APPLICABLE FOR THIS SOLICITATION.

2.3 Proposer Inquiries

Written questions regarding RFP requirements or Scope of Services must be submitted to the RFP Coordinator as listed below.

Louisiana Department of Revenue
Attention: Elizabeth Kunjappy
Purchasing Section
Financial Services Division
Room Number: 6-165
617 North Third St.
Baton Rouge, LA 70802

E-Mail: Elizabeth.Kunjappy@la.gov

Phone: (225)219-2123/ Fax: (225)219-2120

The State will consider written inquiries and requests for clarification of the content of this RFP received from potential proposers. Written inquiries must be received by 4:00 pm CDT on the date specified in the Schedule of Events. The State reserves the right to modify the RFP should a change be identified that is in the best interest of the State.

Official responses to all questions submitted by potential proposers will be posted at <http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp>.

Only the RFP Coordinator has the authority to officially respond to proposer's questions on behalf of the State. Any communications from any other individuals are not binding to the State.

2.4 Definitions

- A. Agency - Any department, commission, council, board, office, bureau, committee, institution, government, corporation, or other establishment of the executive branch of this state authorized to participate in any contract resulting from this solicitation.
- B. Contractor - Any person having a contract with a governmental body.
- C. Discussions- For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.
- D. LDR - Louisiana Department of Revenue.
- E. May, Can - The terms "may" and "can" denote an advisory or permissible action.
- F. Must, Will - The terms "must" and "will" denote mandatory requirements.
- G. Proposer - The term "Proposer" refers to the respondents to the RFP.
- H. RPC - The Revenue Processing Center of the Louisiana Department of Revenue.
- I. Shall - The term "shall" denotes mandatory requirements.
- J. Should - the term "should" denotes desirable.
- K. State - The State of Louisiana.
- L. Task Order - For the purposes of this RFP, a task order is the specific description of the actual work to be performed under the resulting contract, including the specific deadlines, acceptance criteria and any product or deliverables required for each specific task order. The maximum hours to be worked, the specific services required for each task order, and whether

the services will be performed remotely or on-site will be proposed by the Contractor and agreed to by LDR prior to work being performed on any task order. Multiple task orders will be issued during the term of the contract.

2.5 *Schedule of Events*

<u>Event</u>	<u>Date</u>
Advertise RFP and mail public announcements	12/20/2011
Deadline for receipt of Written inquiries	01/04/2012
Issue responses to written inquiries	01/18/2012
Deadline for receipt of proposals	02/01/2012
Announce award of contractor selection	02/22/2012
Contract execution	04/01/2012

NOTE: The State of Louisiana reserves the right to change this schedule of RFP events, as it deems necessary.

3 PROPOSAL INFORMATION

3.1 *Minimum Qualifications of Proposer*

Proposers must meet the following minimum qualifications:

- Possess prior direct experience with providing SoftTrac job development for ImageTrac III and ImageTrac IV scanners; and
- Possess prior direct experience with installation and testing of SoftTrac jobs.

Proposer personnel must have specific experience with each of the following:

- Microsoft SQL Server 2005
- IBML SoftTrac
- IBML DocNetics

3.2 *Determination of Responsibility*

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34: 136. The State must find that the selected proposer:

Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;

Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;

Is able to comply with the proposed or required time of delivery or performance schedule;

Has a satisfactory record of integrity, judgment, and performance; and

Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that their proposals contain sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the contracted services.

3.2.1 Right to Prohibit Award

In accordance with the provisions of R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

3.3 RFP Addenda

State reserves the right to change the schedule of events or revise any part of the RFP by issuing an addendum to the RFP at any time. Addenda, if any, will be posted at <http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp>. It is the responsibility of the proposer to check the website for addenda to the RFP, if any.

3.4 Waiver of Administrative Informalities

The State reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

3.5 Proposal Rejection/RFP Cancellation

Issuance of this RFP in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in the State's best interest.

3.6 Withdrawal of Proposal

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

3.7 Subcontracting Information

The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements, however, should acknowledge in their proposals total responsibility for the entire contract.

If the proposer intends to subcontract for portions of the work, the proposer should identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the proposer under the terms of this RFP is also required

for each subcontractor. The prime contractor shall be the single point of contact for all subcontract work.

Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.

3.8 Ownership of Proposal

All materials submitted in response to this request shall become the property of the State. Selection or rejection of a proposal does not affect this right.

3.9 Proprietary Information

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44:1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

3.10 Cost of Preparing Proposals

The State shall not be liable for any costs incurred by proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to this RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the State.

3.11 Errors and Omissions in Proposal

The State will not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by State or the Proposer. The State, at its option, has the right to request clarification or additional information from the proposers.

3.12 Contract Award and Execution

The State reserves the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received.

The State reserves the right to contract for all or a partial list of services offered in the proposal.

The RFP and proposal of the selected Proposer shall become part of any contract initiated by the State.

The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment III. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

If the contract negotiation period exceeds thirty (30) days or if the selected Proposer fails to sign the final contract within seven (7) business days of delivery, the State may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

3.13 Code of Ethics

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethics issues.

4 RESPONSE INSTRUCTIONS

4.1 Proposal Submission

Firms/individuals who are interested in providing services requested under this RFP must submit a proposal containing the information specified in this section. The proposal must be received in hard copy (printed) version by the RFP Coordinator on or before 4:00 pm Central Time on the date specified in the Schedule of Events. FAX or e-mail submissions are not acceptable. Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the time specified. The proposal package must be delivered at the proposer's expense to:

Louisiana Department of Revenue
Attention: Elizabeth Kunjappy
Financial Services Division
Purchasing Section
Room Number: 6-165
617 North 3rd St.
Baton Rouge, LA 70802

For courier delivery, the street address is 617 North 3rd Street, Baton Rouge, LA and the telephone number is (225)219-2123. It is solely the responsibility of each Proposer to ensure that their proposal is delivered at the specified place and prior to the deadline for submission. Proposals received after the deadline will not be considered.

The State requests that seven (7) of copies of the proposal be submitted to the RFP Coordinator at the address specified. At least 1 copy of the proposal should contain original signatures of those company officials or agents duly authorized to sign proposals or contracts on behalf of the organization. A certified copy of a board resolution granting such authority should be submitted if proposer is a corporation. The copy of the proposal with original signatures will be retained for incorporation in any contract resulting from this RFP.

4.2 Proposal Format

Proposers should respond to this RFP with a Technical Proposal and Cost Proposal. No pricing information should be included in the Technical Proposal.

4.3 Cover Letter

A cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.

4.4 Technical and Cost Proposal

Proposals should be submitted as specified in Section 5, and should include enough information to satisfy evaluators that the Proposer has the appropriate experience and qualifications to perform the scope of services as described herein. Proposers should respond to all requested areas.

4.5 Certification Statement

The Proposer must sign and submit the Certification Statement shown in Attachment II.

5 PROPOSAL CONTENT

5.1 Executive Summary

This section should serve to introduce the scope of the proposal. It should include administrative information including, at a minimum, Proposer contact name and phone number, and the stipulation that the proposal is valid for a time period of at least 90 days from the date of submission. This section should also include a summary of the Proposer's qualifications and ability to meet the State agency's overall requirements in the timeframes set by the agency.

It should include a positive statement of compliance with the contract terms. If the Proposer cannot comply with any of the contract terms, an explanation of each exception must be supplied. The Proposer must address the specific language in Attachment III Sample Contracts, and submit whatever exceptions or exact contract modifications that its firm may seek. While final wording will be resolved during contract negotiations, the intent of the provisions will not be substantially altered.

5.2 Corporate Background and Experience

The Proposer should give a brief description of their company including a brief history, corporate structure and organization, number of years in business, and copies of its latest financial statement, preferably audited.

This section should provide a detailed discussion of the Proposer's prior experience in working on projects similar in size, scope, and function to the proposed contract. Proposers should describe their experience in other states or in corporate/governmental entities of comparable size and diversity with references from previous clients including names and telephone numbers.

5.2.1 Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation

Each Proposer should address how the firm will meet the following:

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship

(LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at https://smallbiz.louisianaforward.com/index_2.asp.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at https://smallbiz.louisianaforward.com/index_2.asp. Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network <http://wwwprd.doa.louisiana.gov/osp/lapac/vendor/srchven.asp>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=671504>; and the statutes (R.S 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

5.3 Proposed Project Staff

The Proposer should provide detailed information about the experience and qualifications of the Proposer's assigned personnel considered key to the success of the project.

This information should include education, training, technical experience, functional experience, specific dates and names of employers, relevant and related experience, past and present projects with dates and responsibilities and any applicable certifications. This should also specifically include the role and responsibilities of each person on this project, their planned level of effort, their anticipated duration of involvement, and their on-site availability. Customer references (name, title, company name, address, and telephone number) should be provided for the cited projects in the individual resumes.

5.4 Approach and Methodology

Proposer should provide information that details its understanding of the nature of the project and how its proposal will best meet the needs of the LDR.

Proposer should define its approach for identifying the tasks necessary to develop, modify or configure scanner jobs for new or modified tax returns, payments, correspondence, and supporting documents.

Proposer should define its approach for developing or modifying scanner jobs.

Proposer should define its approach for testing scanner jobs.

5.5 Cost Information

Attachment IV Cost Proposal shall be submitted to provide the proposed hourly rate (inclusive of travel and all project expenses) for each resource requested by this RFP. The hourly rates provided shall be averaged and the average hourly rate shall be used for the financial evaluation.

6 EVALUATION AND SELECTION

6.1 Evaluation Team

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the state, which will determine the proposal most advantageous to the state, taking into consideration price and the other evaluation factors set forth in the RFP.

6.2 Administrative and Mandatory Screening

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be rejected from further consideration.

6.3 Clarification of Proposals

The State reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

6.4 Oral Presentations/Discussions May be Required

NOT APPLICABLE TO THIS SOLICITATION

6.5 Evaluation and Review

Proposals that pass the preliminary screening and mandatory requirements review will be evaluated based on information provided in the proposal.

The Evaluation Team will evaluate and score the proposals using the criteria and scoring as follows:

CRITERIA	MAXIMUM SCORE
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1. Approach and Methodology	15
2. Capability to Perform Contract	25
3. Staff Qualifications	25
4. Veteran Initiative and Hudson Initiative Programs Participation	10
5. Cost	25
TOTAL SCORE	100

The Evaluation Team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible proposer with the highest score.

6.5.1 Approach and Methodology

This part of the evaluation will focus on the Proposer’s understanding of the nature and scope of the project.

It will examine the Proposer’s overall approach to requirements gathering and to scanner job and program development, configuration, testing and implementation in order to determine the Proposer’s ability to respond to task orders in a timely manner and to meet deadlines established by the task orders.

6.5.2 Capability to Perform Contract

This part of the evaluation will focus on the Proposer’s documented experience in successfully performing services of a similar size and scope of those required by this RFP.

It will examine the overall ability of the Proposer to mobilize, undertake and successfully perform the services of the contract. This judgment will include, but not be limited to the following factors: the company history, financial stability of the proposer, the proposer’s past experience performing similar services, the availability and commitment of the proposer’s staff, and the ability to replace personnel as needed in a timely manner.

6.5.3 Staff Qualifications

This part of the evaluation will focus on the qualifications and experience of the proposer’s personnel to be assigned to the contract with emphasis on documented experience in successfully performing services of similar size and scope using Microsoft SQL 2005 or higher, IBML SoftTrac, and IBML DocNetics in the development of scanner jobs and programs.

6.5.4 Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation

Ten (10) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurialships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

Proposer Status and Reserved Points

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurialships to participate as subcontractors:
 - 1 participating small entrepreneurship: 2 points
 - 2 participating small entrepreneurialships: 4 points
 - 3 participating small entrepreneurialships: 6 points
 - 4 participating small entrepreneurialships: 8 points
 - 5 or more participating small entrepreneurialships: Full amount of the reserved points

6.5.5 Cost

Cost as determined on a weighted basis will be determined for each proposer based on the ratio of the lowest proposed cost to the Proposer's cost.

A proposer's cost score will be based on the Average Hourly Rate provided in Attachment IV and computed as follows:

$$CS = (LPC/PC \times 25)$$

Where: CS = Computed cost score (points) for proposer being evaluated

LPC = Lowest proposed cost of all proposers

PC = Total cost of proposer being evaluated

6.6 *Announcement of Contractor*

The State will notify the successful Proposer and proceed to negotiate terms for final contract. Unsuccessful proposers will be notified in writing accordingly.

The proposals received (except for that information appropriately designated as confidential in accordance with R.S. 44.1 et seq), selection memorandum along with list of criteria used along with the weight assigned each criteria; scores of each proposal considered along with overall scores of each proposal considered, and a narrative justifying selection shall be made available, upon request, to all interested parties after the "Notice of Intent to Award" letter has been issued.

Any contractor aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within 14 days after the award has been announced by the agency.

The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

7 SUCCESSFUL CONTRACTOR REQUIREMENTS

7.1 Corporation Requirements

If the contractor is a corporation not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate of authority pursuant to R. S. 12:301-302 from the Secretary of State of Louisiana.

If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

7.2 Billing and Payment

Billing and payment terms shall be negotiated with the successful Proposer.

7.3 Confidentiality

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the Department of Revenue.

Additional requirements for the confidentiality of tax documents and data are included in Attachment V.

ATTACHMENT I: SCOPE OF SERVICES

1 Overview

The Revenue Processing Center of the Louisiana Department of Revenue is responsible for the initial processing of all paper tax returns, remittances, supporting documentation and correspondence received by LDR. These documents vary in size and are intermingled for processing. Equipment used to process these documents includes three IBML ImageTrac III scanners and two IBML ImageTrac IV scanners for ICR/OCR scanning and imaging. IBML's SoftTrac and DocNetics software modules are used for creating programs and jobs for processing these documents. Ink jet scripts exist on the scanner and are used for serializing the front of all documents with a Document Locator Number. The network includes a Windows 2000/Active Directory processing platform, network servers and automated background applications to output the data and images captured by the scanners to RPC's back end Tax Document Processing System. The Tax Document Processing System used by RPC is the TaxExpress product supplied by Scan Optics, LLC. Data is maintained in a SQL 2005 database.

2 Tasks and Services

Services include software configuration, job development, job modification, ink jet script modifications, testing, consulting and training.

Services provided shall be determined and approved by a team of LDR personnel and defined by task orders. Each task order will include the desired result of the change to scanner processing, sample forms, field edits, business rules or other supporting documentation describing the change. The task orders will define target completion dates for final specification agreement and for implementation of the changes, budgeted hours and types of services needed to make the requested change, remote or on-site support requirements, the project plan, and deliverables and acceptance criteria.

Examples of task orders to be expected under the resulting contract are:

- Make the necessary modifications or enhancements to the scanner jobs to process income and corporate tax returns for 2012 and subsequent years;
- Modify the Key From Image (KFI) scanner job to process all new tax forms for tax year 2012 and subsequent year;
- Make the necessary modifications to sales tax jobs as dictated by legislative changes;
- Make the necessary modifications or enhancements to withholding tax jobs to process new forms for 2011 and subsequent years;
- Make the necessary code changes at the scanners to process all Payment Vouchers for tax year 2012 and subsequent years; and
- Make the necessary code changes at the scanners to process Individual and Corporation Declaration Vouchers for tax year 2013 and subsequent years.

3 Deliverables

The written task orders describing the work to be performed under the resulting contract will define the deliverables, due dates and evaluation criteria for each task order. Work assignments must be fully tested before delivery. Delivery of product shall be timely.

4 Functional Requirements

The written task orders describing the work to be performed under the resulting contract will define the requirements for each task order. Each task order will include the desired result of the change to scanner processing, sample forms, field edits, business rules or other supporting documentation describing the change.

5 *Technical Requirements*

The personnel to be assigned to the contract will have documented experience in successfully performing services requested by this RFP using Microsoft SQL 2005 or higher, IBML SoftTrac, and IBML DocNetics in the development of scanner jobs and programs.

6 *Project Requirements*

The State desires a fully integrated project team at all levels. Contractor resources are expected to provide experience and expertise in implementing state of the art solutions. State resources will bring functional knowledge of current business processes and technical knowledge of the existing systems and application environment.

Each task order will describe what services will be performed remotely or on-site. When on-site services are required, the State will provide reasonable and normal office space, basic office furniture, supplies, local telephone service, and limited usage of copiers and fax machines.

The State will make computer systems available at reasonable times and in reasonable time increments to support system development, test, and installation activities. Special facility requirements, such as stress testing shall be addressed in the service requests.

The State expects, and the contractor shall agree to provide work and deliverables, which conform to high professional standards. Each task order will provide a detailed list of deliverables including, when necessary, specifics of format and content. Standards will also be established and agreed upon, utilizing guidelines provided by the State. All deliverables will be evaluated prior to acceptance to confirm that they meet requirements.

ATTACHMENT II: CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

OFFICIAL CONTACT. The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date _____ Official Contact Name: _____

A. E-mail Address: _____

B. Facsimile Number with area code: () _____

C. US Mail Address: _____

Proposer certifies that the above information is true and grants permission to the State or Agencies to contact the above named person or otherwise verify the information provided.

By its submission of this proposal and authorized signature below, Proposer certifies that:

1. The information contained in its response to this RFP is accurate;
2. Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's quote is valid for at least 90 days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful Proposer, he/she will have _____ business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document. (Agency insert number of days to correspond to same number referenced in RFP section number 3.12 Contract Award and Execution.)
6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at www.epls.gov .)

Authorized Signature: _____

Typed or Printed Name: _____

Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

SIGNATURE of Proposer's Authorized Representative

DATE

ATTACHMENT III: SAMPLE CONTRACT

STATE OF LOUISIANA CONTRACT

On this ____ day of 20__, the State of Louisiana, [*STATE AGENCY NAME*], hereinafter sometimes referred to as the "State", and [*CONTRACTOR'S NAME AND LEGAL ADDRESS INCLUDING ZIP CODE*], hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

1 SCOPE OF SERVICES

1.1 CONCISE DESCRIPTION OF SERVICES

[COMPLETE A DESCRIPTION OF SERVICES TO BE PROVIDED OR ATTACH SOW]

1.2 STATEMENT OF WORK

[Define work/services/deliverables to be provided by contractor composed from RFP & proposer's response. May be included in an attachment if detail is lengthy.]

1.2.1. GOALS AND OBJECTIVES

[LIST GOALS AND OBJECTIVES OF THIS CONTRACT]

1.2.2. PERFORMANCE MEASURES

The performance of the contract will be measured by the State Project Manager, authorized on behalf of the State, to evaluate the contractor's performance against the criteria in the Statement of Work and are identified as:

[LIST PERFORMANCE MEASURES WHICH SHOULD BE MEASURABLE AND TIME BOUND]

1.2.3. MONITORING PLAN

[Name and Title or Position] will monitor the services provided by the contractor and the expenditure of funds under this contract. *[Name and Title or Position]* will be primarily responsible for the day-to-day contact with the contractor and day-to-day monitoring of the contractor's performance. The monitoring plan is the following:

(PROVIDE MONITORING PLAN)

1.2.4. DELIVERABLES

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

1.2.5. SUBSTITUTION OF KEY PERSONNEL

The Contractor's personnel assigned to this Contract may not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an

equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The contractor will make every reasonable attempt to assign the personnel listed in his proposal.

2 ADMINISTRATIVE REQUIREMENTS

2.1 TERM OF CONTRACT

This contract shall begin on [DATE] and shall end on [DATE]. State has the right to contract for up to a total of ___years with the concurrence of the Contractor and all appropriate approvals.

2.2 STATE FURNISHED RESOURCES

State shall appoint a Project Coordinator for this Contract identified in Section 1.2.3 who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Coordinator shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

2.3 TAXES

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is _____.

3 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

3.1 PAYMENT TERMS

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$[TO BE INSERTED]. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in Section 1.0. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of (*Name of Designee*).

During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. The payment terms are as follows:

(ENTER THE NEGOTIATED HOURLY RATES OR PAYMENT TERMS)

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

(The following paragraph may be appropriate for some contracts where retainage is withheld. Withholding of retainage is recommended whenever possible.)

Ten percent (10%) of fees approved by State Project Coordinator to be paid shall be withheld as retainage pending successful completion of each task order. Upon completion of all tasks contained in the task order defined in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid.

4 TERMINATION

4.1 TERMINATION FOR CAUSE

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the state to cure the defect.

4.2 TERMINATION FOR CONVENIENCE

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

5 INDEMNIFICATION AND LIMITATION OF LIABILITY

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits,

actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

6 CONTRACT CONTROVERSIES

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1524-26.

7 FUND USE

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

8 ASSIGNMENT

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

9 RIGHT TO AUDIT

The State Legislative Auditor, agency, and/or federal auditors and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of three (3) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

10 CONTRACT MODIFICATION

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

11 CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the

paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

12 SUBCONTRACTORS

The Contractor may, with prior written permission from the State, enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State and/or State Agency for any breach in the performance of the Contractor's duties. The contractor will be the single point of contact for all subcontractor work.

13 COMPLIANCE WITH CIVIL RIGHTS LAWS

The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

14 INSURANCE

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI.

This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such

employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

Insurance Covering Special Hazards: Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

Licensed and Non-Licensed Motor Vehicles: The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

Subcontractor's Insurance: The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

15 APPLICABLE LAW

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

16 CODE OF ETHICS

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

17 SEVERABILITY

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect

without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

18 COMPLETE CONTRACT

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

19 ENTIRE AGREEMENT & ORDER OF PRECEDENCE

This contract together with the RFP and contractor’s proposal which are incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the Contractor’s Proposal.

(Agency specific terms and conditions may be added, if needed.)

THUS DONE AND SIGNED on the date(s) noted below:

CONTRACTOR’S SIGNATURE

STATE’S SIGNATURE

DATE

DATE

ATTACHMENT IV: COST PROPOSAL

Function	Hourly Rate
Software Configuration Services (includes job and program development/modification, ink jet script development/modification, unit testing, and documentation preparation)	
Integration Services (includes job and program installation, end-to-end testing, production support, and user training)	
Average Hourly Rate	

ATTACHMENT V: CONFIDENTIALITY OF TAX DATA

1.0 CONFIDENTIALITY

All financial, statistical, personal, technical and other data and information relating to the state's operation which are designated confidential by state and made available to the Contractor in order to carry out the contract, or which become available to the Contractor in carrying out the contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements applicable to the State. In its handling of any returns of taxpayers or other records and files of the Department of Revenue, or information derived therefrom, the Contractor recognizes and acknowledges the confidential nature of said information, and shall comply with all the confidentiality restrictions embodied in La. R.S. 47:1508. Furthermore, the Contractor recognizes that La. R.S. 47: 1508.1 imposes fines and /or imprisonment upon conviction for the disclosure of information in violation of La. R.S. 47: 1508. The Contractor shall disclose or make available said confidential information only to those of its employees, agents and representatives whose duties clearly justify the need to know or be exposed to such information, and then only on the basis of a clear understanding by said employees, agents and representatives of their obligation to maintain the confidential status of such information and to restrict its use in accordance with the contract. The Contractor agrees and assures that data, material, and information gathered based upon the contract or disclosed to the Contractor for the purpose of the contract will not be disclosed to other parties or discussed with other parties without the prior written consent of the State.

2.0 PERFORMANCE

In performance of the contract, the Contractor agrees to comply, with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the contractor or the contractor's employees.
 - (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of the contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
 - (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output would be given the same level of protection as required for the source material.
 - (4) The Contractor certifies that the data processed during the performance of the contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
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(5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(6) All computer systems processing, storing, or transmitting Federal tax information must meet or exceed computer access protection controls_(C-2). To meet C2 requirements, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available (object reuse, audit trail, identification, and discretionary access control) and activated to protect against unauthorized use of and access to Federal tax information.

(7) No work involving Federal tax information furnished under the contract will be subcontracted without prior written approval of the IRS.

(8) The contract will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, the IRS reviewing office.

(9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

3.0 CRIMINAL/CIVIL SANCTIONS

Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or returns information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information of a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n). Additional criminal penalties may be imposed under state law pursuant to La.R.S.47: 1508 et. Seq.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of the contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or File No. S28048 P Solicitation No. 2244378 26

both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure by Privacy Act of 1974, 5 U.S. C 552a. Specifically, 5 U.S.C.552a (m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

4.0 INSPECTION

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under the contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be in noncompliance with contract safeguards.