

# REQUEST FOR PROPOSALS

## CASE MANAGEMENT

### AND

## AUDIT TRACKING SYSTEM



File No: 06-136

Proposal Opening Date: May 19, 2006

Proposal Opening Time: 4:00 PM

State of Louisiana  
Department Of Revenue  
April 5, 2006

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# **REQUEST FOR PROPOSAL FOR CASE MANAGEMENT AND AUDIT TRACKING SYSTEM**

## **PART I. ADMINISTRATIVE AND GENERAL INFORMATION**

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### **1.1 Background –**

The Louisiana Department of Revenue's mission is to administer applicable state laws and collect revenues to fund state services and programs. Within the Department of Revenue is the Tax Collection Program whose mission is to administer the state's tax regulatory statutes fairly and efficiently. This is accomplished through four core functions: education & assistance, processing, compliance and enforcement, and support. The Field Audit Services Division is the enforcement division primarily responsible for the discovery and generation of tax revenues that would otherwise go unreported and uncollected. Through the audit process, future voluntary compliance is improved by informing the taxpayer of Louisiana tax laws, rules, and regulations that are applicable to the individual's type of business. Additionally, the presence of an active audit program contributes to a higher level of voluntary tax compliance by serving as a deterrent to would-be tax evaders.

There are currently 105 auditors in the field audit program. They are located in eight regional (in-state) offices: Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, New Orleans, Shreveport, and Thibodaux, as well as two out-of-state offices, Houston and Dallas. The Department also has field auditors located in the following major metropolitan areas around the country: New York, Chicago, San Francisco, Los Angeles, Tulsa, Atlanta, and Richmond. These auditors work out of their homes and report to one of the Department's out-of-state offices.

Currently, the Louisiana Department of Revenue utilizes two stand-alone tracking systems to manage and track its field audits. These two systems are stored on the mainframe computer and house a record of approximately 50,000 field audits conducted since the systems were implemented in the 1970's. These systems were state of the art when they were developed twenty-five years ago; however, these systems are now outdated, inefficient, and difficult to maintain because of the time needed to make changes, fewer available resources, technological advances, the age of the current system and dynamic requirements.

These two systems require that certain information be manually entered into both systems by clerical staff. One of these tracking systems, the Field Audit Tracking System (FA), requires that the approximately one hundred auditors submit weekly activity reports resulting in about five thousand two hundred reports annually.

Information from these reports must be manually keyed into the tracking system. When the audit is ready to be transmitted to the Audit Review Section, a clerical employee closes the audit on the Field Audit Tracking System. Upon receipt of the audit by the Audit Review Section, another clerical employee will open the audit on the Claims Tracking System (KL), manually enter pertinent audit information, such as a breakdown of the amount of tax, interest, and penalty due or to be refunded, the date received, names of the auditors, and update the information, as necessary, until the audit is closed. A single tracking system would eliminate half of the manual keying of data.

These two systems provide reports that should enable management to monitor the progress of audits and to better utilize audit resources. However, most of these reports need to be updated or modified to give management the information necessary to assess the overall effectiveness and efficiency of the audit program.

Currently, the field auditors utilize a “stand-alone” Excel spreadsheet or an Access database template at the taxpayer’s location to capture audit data. When the audit is completed, the field auditor attaches the files to the taxpayer’s account in the Department’s integrated tax system. The billing process of the audit finding is contained in the Department’s integrated tax system. The auditor’s time is kept in a separate Access database template. The auditors utilize this database to print their weekly reports to submit to their supervisor for approval. The information on the taxpayer’s returns is contained in the Department’s integrated tax system or a legacy system (DORT).

Technology exists today that would allow the Department to more efficiently and effectively manage and track its electronic case files and field audits. The Department plans to acquire a case management and audit tracking system to track an electronic case and audit from the time of assignment until the time of closure. This will include the storage, retrieval, and management of electronic case files and field audits that will interface with the existing Department’s integrated tax system.

### **1.1.1 Purpose**

The purpose of this Request for Proposal (RFP) is to obtain competitive proposals as allowed by Louisiana Revised Statute 39:1503 from bona fide, qualified proposers who are interested in providing a case management and audit tracking system.

### **1.1.2 Goals and Objectives**

The major goals and objectives to be achieved by this project are:

1. Design, develop, install, and document a case management and audit tracking system to manage and track audits and other cases electronically that will interface with the existing Department’s integrated tax system;

2. Convert data from the existing audit tracking systems currently stored on the mainframe computer (legacy) and import or load the data into the new case management and audit tracking system;
3. Develop a stand-alone audit package that will support the tasks associated with conducting a field audit, from audit planning and preparation through report generating of audit findings and submission for review;
4. Develop management reports in accordance with LDR's specifications (See Appendix B);
5. Develop interfaces to existing internal and external input sources;
6. Provide a user-friendly interface to import and export electronic data to and from remote users;
7. Training of LDR personnel in the use of the system;
8. Provide user documentation of the system;
9. Provide maintenance and support services of the case management and audit tracking system.

The Department seeks proposers who possess a viable, pre-existing system for case management and audit tracking or the ability to modify the proposer's pre-existing system to meet the needs of the Department.

## 1.2 Definitions

- A. Shall, Must, or Will – The terms “shall”, “must”, or “will” denote mandatory requirements per R.S. 39:1556(24).
- B. May - The term “may” denotes an advisory or permissible action.
- C. Should – the term “should” denotes desirable
- D. Contractor – Any person having a contract with a governmental body.
- E. Agency- Any department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or other establishment of the executive branch of this state authorized to participate in any contract resulting from this solicitation.
- F. State- The State of Louisiana.
- G. 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.
- H. Department - The Louisiana Department of Revenue.
- I. LDR- Louisiana Department of Revenue.

- J. Proposer – Any respondent to this RFP.
- K. Ad-Hoc Queries – Reports built from scratch that allow users to select all aspects of the contents. Typically used for as-needed information, but can be saved as a “canned report.”
- L. Assignment – The process of a manager or supervisor assigning a selected audit lead to an employee or group of employees.
- M. Audit Lead – A taxpayer that has been identified for a field or desk audit based on the possibility or probability of not complying with Louisiana tax laws and/or regulations.
- N. Canned Reports – Generally, static reports that are for standard use. Fields may be identified, but sorting and filtering may be flexible.
- O. Legacy System – Typically, a database management system (DBMS) running on a mainframe or minicomputer.
- P. Department’s Integrated Tax System-A server-based system comprised of applications that receive and process taxpayer information for both business and individual taxpayers. The system is built with a VB 6.0/.Net development environment with an SQL Server database management system. The major functions of the applications of the system are registration, return and payment posting, refunds, billing, audit, revenue accounting and error correction. Ancillary applications include bankruptcy, collections standalone, discovery and taxpayer access point.

**1.3 Schedule of Events**

**Date**

1. Issue RFP to prospective proposers	April 5, 2006
2. Deadline to receive written inquiries	<i>April 14, 2006</i>
3. Deadline to answer written inquiries	April 28, 2006
4. Proposal due	May 19, 2006 4:00 PM. Central Standard Time
5. Notice of Intent to Award to be mailed	May 31, 2006
6. Contract Initiation	June 14, 2006

**NOTE: The State of Louisiana reserves the right to deviate from these dates.**

## 1.4 Proposal Submittal

This RFP is available in electronic form at the LaPAC website <http://wwwsrch2.doa.state.la.us/osp/lapac/pubmain.asp>. It is available in PDF format or in printed form by submitting a written request to the RFP Coordinator.

All proposals shall be received by the Department of Revenue **no later than the date and time shown in the Schedule of Events.**

**Important - - Proposals should be clearly marked on the outside of envelope, box or package with the following information and format:**

- X Proposal Name: LDR Audit Tracking System
- X Proposal Opening Date: May 19, 2006

Proposals may be delivered through U.S. Postal Service, delivered by hand or courier service to:

Louisiana Department of Revenue  
Attention: Elizabeth Kunjappy  
Controllers Division  
Purchasing Section  
6<sup>th</sup> Floor  
Room Number 165  
617 north 3<sup>rd</sup> street  
Baton Rouge, LA 70802

Proposer is solely responsible for ensuring that its courier service provider makes inside deliveries to our physical location. The Department of Revenue is not responsible for any delays caused by the proposer's chosen means of proposal delivery.

Proposers should be aware of security requirements for the LaSalle Building and allow time to be photographed and presented with a temporary badge.

Proposer is solely responsible for the timely delivery of its proposal. Failure to meet the proposal opening date and time shall result in rejection of the proposal.

## 1.5 Proposal Response Format

Proposals should be submitted in letter-size (8-1/2" x 11") format.

Proposals submitted for consideration should follow the format and order of presentation described below:

A. **Cover Letter**: Containing summary of Proposer's ability to perform the services described in the RFP and confirm that Proposer is willing to perform those services and enter into a contract with the State. The person signing the proposal must be:

1. A current corporate officer, partnership member, or other individual specifically authorized to submit a proposal as reflected in the appropriate records on file with the secretary of state; or
2. An individual authorized to bind the company as reflected by a corporate resolution, certificate or affidavit.

Proposers should exhibit their understanding and approach to the project and address how each element will be accomplished.

B. **Table of Contents**: Organized in the order cited in the format contained herein.

C. **Proposer Qualifications and Experience**: Proposer should describe in detail its prior experience in developing an audit and case management tracking system. The proposer must have implemented an audit tracking and case management system or similar system in at least three other state revenue agencies.

Proposer should provide three references. Each client reference should include the scope and duration of the engagement and the name, title, phone number, mailing address and email address of the client's contract administrator.

Proposer should identify those individuals who will have primary responsibility for handling the project implementation, information systems matters after implementation, and customer service matters. These individuals should be identified by including resumes that address the professional experiences of the individuals with similar clients and services

D. **Technical Proposal**: Illustrating and describing compliance with the RFP requirements.

E. **Innovative Concepts**: Present innovative concepts, if any, not discussed above for consideration.

F. **Project Schedule**: Detailed schedule of implementation plan for pilot (if applicable) and full statewide or agency implementation. This schedule is to include implementation actions, timelines, responsible parties, etc.

- G. **Cost Proposal:** Proposer's fees and other costs, if any, shall be submitted. This financial proposal shall include any and all costs the Contractor wishes to have considered in the contractual arrangement with the State.

### **1.5.1 Number of Response Copies**

Each Proposer shall submit one (1) signed original response. Six (6) additional copies of the proposal are also desired.

### **1.5.2 Legibility/Clarity**

Responses to the requirements of this RFP in the formats requested is desirable with all questions answered in as much detail as practicable. The Proposer's response is to demonstrate an understanding of the requirements. Proposals prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP are also desired. Each Proposer is solely responsible for the accuracy and completeness of its proposal.

### **1.6 Confidentiality**

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.

However, the State reserves the right to make any proposal, including proprietary information contained therein, available to Division of Administration personnel, the Office of the Governor, or other state agencies or organizations for the sole purpose of assisting the State in its evaluation of the proposal. The State shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

### **1.7 Proposal Clarifications Prior to Submittal**

#### **1.7.1 Inquiry Periods**

An initial inquiry period is hereby firmly set for all interested proposers to perform a detailed review of the proposal documents and to submit any written questions relative thereto. *Without exception*, all questions MUST be in writing and received by the close of business on the Inquiry Deadline date set forth in the Calendar of Events. Inquiries shall not be entertained thereafter.

The state shall not and cannot permit an open-ended inquiry period, as this creates an unwarranted delay in the procurement cycle and operations of our agency customers.

The state reasonably expects and requires *responsible and interested* proposers to conduct their in-depth proposal review and submit inquiries in a timely manner.

No negotiations, decisions, or actions shall be executed by any proposer as a result of any oral discussions with any state employee or state consultant. The state shall only consider written and timely communications from proposers.

Inquiries shall be submitted in writing by an authorized representative of the proposer, clearly cross-referenced to the relevant RFP section. Only those inquiries received by the established deadline shall be considered by the state. Answers to questions that change or substantially clarify the solicitation shall be issued by addendum and provided to all perspective proposers.

Inquiries concerning this RFP may be delivered by mail, express courier, e-mail, hand, or fax to :

Louisiana Department of Revenue  
Attention: Elizabeth Kunjappy  
Controllers Division  
Purchasing Section  
6<sup>th</sup> Floor  
Room Number 165  
617 north 3<sup>rd</sup> street  
Baton Rouge, LA 70802

E-Mail:Elizabeth.Kunjappy @la.gov  
Phone: (225)219-2123  
Fax: (225)219-2120

### **1.8 - Errors and Omissions in Proposal**

The State will not be liable for any error in the proposal. Proposer will not be allowed to alter proposal documents after the deadline for proposal submission, except under the following condition: The State reserves the right to make corrections or clarifications due to patent errors identified in proposals by the State or the Proposer. The State, at its option, has the right to request clarification or additional information from the Proposer.

### **1.9 Changes, Addenda, Withdrawals**

The State reserves the right to change the calendar of events or issue Addenda to the RFP at any time. The State also reserves the right to cancel or reissue the RFP.

If the proposer needs to submit changes or addenda, such shall be submitted in writing, signed by an authorized representative of the proposer, cross-referenced clearly to the relevant proposal section, in a sealed envelope, prior to the proposal opening. Such shall meet all requirements for the proposal.

### **1.10 - Withdrawal of Proposal**

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

### **1.11 - Material in the RFP**

Proposals shall be based only on the material contained in this RFP. The RFP includes official responses to questions, addenda, and other material, which may be provided by the State pursuant to the RFP.

### **1.12 – Waiver of Administrative Informalities**

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

### **1.13 - Proposal Rejection**

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 any or all proposals submitted.

### **1.14 - Ownership of Proposal**

All materials (paper content only) submitted in response to this request become the property of the State. Selection or rejection of a response does not affect this right. All proposals submitted will be retained by the State and not returned to proposers. Any copyrighted materials in the response are not transferred to the State.

### **1.15 Cost of Offer Preparation**

The State is not liable for any costs incurred by prospective Proposers or Contractors 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 the RFP are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the State of Louisiana.

### **1.16 Non-negotiable Contract Terms**

Non-negotiable contract terms include but are not limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, governing law, claims or controversies, and termination based on contingency of appropriation of funds.

### **1.17 Taxes**

Any taxes, other than state and local sales and use taxes, from which the state is exempt, shall be assumed to be included within the Proposer's cost.

### **1.18 Proposal Validity**

All proposals shall be considered valid for acceptance until such time an award is made, unless the Proposer provides for a different time period within its proposal response. However, the State reserves the right to reject a proposal if the Proposer's response is unacceptable and the Proposer is unwilling to extend the validity of its proposal.

### **1.19 - Prime Contractor Responsibilities**

The selected Proposer shall be required to assume responsibility for all items and services offered in his proposal whether or not he produces or provides them. The State shall consider the selected Proposer to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

### **1.20 - Use of Subcontractors**

Each Contractor shall serve as the single prime contractor for all work performed pursuant to its contract. That prime contractor shall be responsible for all deliverables referenced in this RFP. This general requirement notwithstanding, Proposers may enter into subcontractor arrangements. Proposers may submit a proposal in response to this RFP, which identifies subcontract(s) with others, provided that the prime contractor acknowledges total responsibility for the entire contract.

If it becomes necessary for the prime contractor to use subcontractors, the State urges the prime contractor to use Louisiana vendors, including small and emerging businesses, if practical. In all events, any subcontractor used by the prime should be identified to the State Project Manager.

Information required of the prime contractor under the terms of this RFP, is also required for each subcontractor and the subcontractors must agree to be bound by the terms of the contract.

### **1.21 Written or Oral Discussions/Presentations**

Written or oral discussions may be conducted with Proposers who submit proposals determined to be reasonably susceptible of being selected for award. The State reserves the right to enter into an Agreement without further discussion of the proposal submitted based on the initial offers received.

Any commitments or representations made during these discussions, if conducted, may become formally recorded in the final contract.

Written or oral discussions/presentations for clarification may be conducted to enhance the State's understanding of any or all of the proposals submitted. Neither negotiations or changes to vendor proposals will be allowed during these discussions. Proposals may be accepted without such discussions.

### **1.22 Acceptance of Proposal Content**

The mandatory RFP requirements shall become contractual obligations if a contract ensues. Failure of the successful Proposers to accept these obligations shall result in the rejection of the proposal.

### **1.23 Cancellation of RFP or Rejection of Proposals**

The State of Louisiana reserves the right to reject any or all proposals received in response to this RFP, or to cancel this RFP if it is in the best interest of the State to do so.

### **1.24 Evaluation and Selection**

All responses received as a result of this RFP are subject to evaluation by the State Evaluation Committee for the purpose of selecting the Proposer with whom the State shall contract.

To evaluate all proposals, a committee whose members have expertise in various areas has been selected. This committee will determine which proposals are reasonably susceptible of being selected for award. If required, written or oral discussions may be conducted with any or all of the Proposers to make this determination.

Recommendation for award shall be made to the Proposer whose proposal receives the highest number of points when scored in accordance with the evaluation criteria in the RFP. The committee may reject any or all proposals if none are considered in the best interest of the State.

### **1.25 Contract Negotiations**

If for any reason the selected Proposer does not agree to a contract, that proposal shall be rejected and the State may negotiate with the next highest scored Proposer. Negotiation may include revision of non-mandatory terms, conditions, and requirements. Negotiation shall not allow price alterations.

## **1.26 - Contract Award and Execution**

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

The RFP, and any addendums, and the proposal of the selected Contractor will become part of any contract initiated by the State.

In no event is a proposer to submit its own standard contract terms and conditions as a response to this RFP. The proposer needs to address the specific language in the sample contract and submit with their proposal with any exceptions or exact contract deviations that their firm wishes to negotiate. The terms for both of these documents may be negotiated as part of the negotiation process with the exception of contract provisions that are non-negotiable.

If the contract negotiation period exceeds 30 days or if the selected Proposer fails to sign the contract within **seven calendar** days of delivery of it, the State may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

The State intends to award to a single Proposer.

## **1.27 Notice of Intent to Award**

The Department shall notify the successful proposer of its intent to award. The Department will notify all proposers of the Department's selection.

## **1.28 Debriefings**

Debriefings may be scheduled by the participating Proposers after the Intent to Award letter has been issued by scheduling an appointment with the RFP Coordinator. Contact may be made by phone at (225) 219-2732 or E-mail to Sharon.Brouillette@la.gov

## **1.29 Insurance Requirements**

Contractor shall furnish the State with certificates of insurance affecting coverage(s) required by the RFP (see sample contract Attachment "V"). The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the State before work commences. The State reserves the right to require complete certified copies of all required policies, at any time.

### 1.30 Subcontractor Insurance

The Contractor shall include all subcontractors as insured under its policies or shall insure that all subcontractors satisfy the same insurance requirements stated herein for the contractor.

### 1.31 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 this Agreement.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State 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 in the performance of this contract, 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.

Contractor will indemnify, defend and hold the State 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, Materials, or Services 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 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) State's unauthorized modification or alteration of a Product, Material, or Service; ii) State's use of the Product, Material, or Service in combination with other products, materials, or services not furnished by Contractor; iii) State'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 state'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 Agreement 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 for products, materials, or services rendered by the Contractor under the Contract.** Unless otherwise specifically enumerated herein 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 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.

### **1.32 Payment for Services**

The Contract resulting from this Request for Proposal shall be compensated on a firm fixed price basis with progress payments upon completion of all deliverables within a series of tasks. Payments, less retainage, will be made upon successful completion and after review and written approval by the State of the tasks and deliverables. All completed work and deliverables shall be in conformity with the Request for Proposal specifications and commonly accepted industry standards.

#### Payment Schedule

State has identified certain tasks as payment tasks. Payment tasks are those that represent the completion of major milestones of the project. Payment tasks and deliverables (defined in Section 2.4 below) are as follows:

#### Task 1 – Assessment and Planning

Deliverable 1 – Technical Assessment Report

Deliverable 2 – Functional System Requirements Report

Deliverable 3 – Implementation Plan Report

Deliverable 4 – Change Control Plan

Task 2 – Software Installation, Testing, and Training

Deliverable 5 – Software Installation

Deliverable 6 – Programming and Custom Modification

Deliverable 7 – Interface Testing

Deliverable 8 – Systems Testing and Acceptance Testing

Deliverable 9 – Training Materials

Deliverable 10- Documentation

Task 3 - Implementation

Deliverable 11 – Implementation Support/Maintenance

Deliverable 12 – Final Project Report

The allowable payment amount will be multiplied by 90 percent, giving the amount that will be remitted to the Contractor. Ten percent of the allowable milestone payment will be retained until written acceptance by the State of all deliverables provided by the contract.

### **1.33 Termination**

**1.33.1 TERMINATION OF THIS AGREEMENT FOR CAUSE** – State may terminate this agreement for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Agreement, or failure to fulfill its performance obligations pursuant to this agreement, 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 corrected such failure or, in the case of failure which cannot be corrected in (30) days, begun in good faith to correct such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Agreement shall terminate on the date specified in such notice.

The 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 agreement, provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

**1.33.2 TERMINATION OF THIS AGREEMENT FOR CONVENIENCE** – The State may terminate this Agreement at any time by giving thirty (30) days written notice to contractor of such termination or negotiating with the Contractor an effective date.

The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

**1.33.3** The continuance of this contract is contingent upon the appropriation of funds 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 or 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 are not appropriated.

### **1.34 Assignment**

Assignment of contract, or any payment under the contract, requires the advanced written approval of the Commissioner of Administration.

### **1.35 Audit of Records**

The State legislative auditor, federal auditors and internal auditors of the Department of Revenue, Division of Administration, or others so designated by the DOA, shall have the option to audit all accounts directly pertaining to the resulting contract for a period of five (5) years after project acceptance or as required by applicable State and Federal law. Records shall be made available during normal working hours for this purpose.

### **1.36 Civil Rights Compliance**

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 Agreement and any contract entered into as a result of this Agreement, without regard to race, color, religion, sex, sexual orientation, 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 Agreement and any contract entered into as a result of this Agreement.

### **1.37 Record Retention**

The Contractor shall maintain all records in relation to this contract for a period of at least five (5) years after termination of contract.

### **1.38 Record Ownership**

All records, reports, documents, or other material related to any contract resulting from this RFP and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State, and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of this contract.

### **1.39 Content of Contract/ Order of Precedence**

In the event of an inconsistency between the contract, the RFP and/or the Contractor's Proposal, the inconsistency shall be resolved by giving precedence first to the final contract, then to the RFP and subsequent addenda (if any) and finally, the Contractor's Proposal.

### **1.40 Contract Changes**

No additional changes, enhancements, or modifications to any contract resulting from this RFP shall be made without the prior approval of the Office of Contractual Review.

Changes to the contract include any change in: compensation; beginning/ ending date of the contract; scope of work; and/or Contractor change through the Assignment of Contract process. Any such changes, once approved, will result in the issuance of an amendment to the contract.

### **1.41 Substitution of Personnel**

The State intends to include in any contract resulting from this RFP the following condition:

Substitution of Personnel: If, during the term of the contract, the Contractor or subcontractor cannot provide the personnel as proposed and requests a substitution, that substitution shall meet or exceed the requirements stated herein. A detailed resume of qualifications and justification is to be submitted to the State for approval prior to any personnel substitution. It shall be acknowledged by the Contractor that every reasonable attempt shall be made to assign the personnel listed in the Contractor's proposal.

### **1.42 Governing Law**

All activities associated with this RFP process shall be interpreted under Louisiana Law. All proposals and contracts submitted are subject to provisions of the laws of the State of Louisiana including but not limited to L.R.S. 39:1481-1526; rules and regulations; executive orders; standard terms and conditions; special terms and conditions; and specifications listed in this RFP.

### **1.43 Remedies for Default**

Any claim or controversy arising out of the contract shall be resolved by the provisions of LSA - R.S. 39:1524 - 1526.

## **PART II SCOPE OF WORK/SERVICES**

### **2.1 Scope of Work/Services**

The Department of Revenue seeks proposals from proposers who can provide a case management/audit tracking system, a “stand-alone” audit package for conducting field audits, and consulting services to assist with its installation and implementation. Implementation assistance includes the preparation of user procedures, training and documentation materials, the development of interfaces to existing internal input sources, the development of interfaces to external input sources, the development of management reports, and the conversion of historical data currently stored in both tracking systems on legacy into the new system.

The proposer’s solution must provide a full case management/audit tracking system from the creation of an audit lead until closure of the case for all tax types. It is intended that this system replace the two existing audit tracking systems and interface with the Department’s integrated tax system. This system must track and provide viewing capabilities of productivity of individual auditors, provide management review capabilities of the audit process, produce various reports and correspondence, and run on the Department’s existing infrastructure. The proposer’s solution must have access control to prohibit unauthorized access to audit information and must be a paperless process flowing from one system to another.

The Case Management and audit tracking system must include functionality to track cases in the business processes (workflow and statistics) for Field Audit Services. The successful proposer must conduct a full analysis of the audit process maps, audit tracking systems, and data requirements for the development of the case management/audit tracking system. The successful proposer must identify all relevant data needs, including performance measurements data, needed for the case tracking process.

#### **2.1.1 Audit Selection/Audit Assignment**

The proposer’s solution should:

- ❑ create leads through key entry or importing of data;
- ❑ import and export data from and to the integrated tax system, to support the lead creation process and financial accounting of the audit;

- ❑ add, modify, delete (or archive) and store information related to leads to be viewed by users with appropriate access. For example, adding external research notes about a lead before or after it is assigned.
- ❑ include creating case assignments. Assignments must facilitate the user specifying multiple auditors (from none to at least four) in the same or separate locations for a single case assignment.
- ❑ include assignments and lead approval functions that can either reassign case leads or make adjustments to previous assignments. A manager or supervisor will normally perform this process.
- ❑ include functionality to allow a manager or supervisor to view all assignments ready to be assigned, as well as the progress of all assignments that have been assigned.
- ❑ provide a “stand-alone” audit package to be used off-line by auditors in the field that will support the tasks associated with conducting a field audit and then uploaded into the case management/audit tracking system. It must include downloading taxpayer information electronically from the Department’s integrated tax system, creating and generating original and revised calculations showing all financial information used to generate the revised or new tax liability, work papers, computations, summary data, auditor comments regarding the reasons for findings and the records examined, and the current status of various stages in each case. The information must be in a format easily understood by the taxpayer. This information must be electronically sent to the integrated tax system to establish any audit liability. Calculations must be modifiable by the department. The solution should facilitate the users’ download of required taxpayer information to the working papers to support the audit function from the legacy system or integrated tax system. However, certain data elements must be prohibited from being included in the download to comply with appropriate state and federal laws.

### **2.1.2 Case Tracking**

The proposer's solution should:

- ❑ include the ability to create, edit, or delete (or archive) a case, as well as manage, assign and track a case throughout its entire life-cycle;
- ❑ include a case event history, including date, time, author, status, comments, event, etc. This will be used to trace what happened to each case, and will measure turn around times. It is highly desirable to display this event history at the bottom of the screen when the case is viewed;
- ❑ provide parallel case flows for multiple case types, such as field audits and office audits;
- ❑ provide functionality to assign tasks with reminders for specific cases or optionally assign reminders to various audit events. For example, when an auditor gives the taxpayer preliminary schedules, the taxpayer has 30 days to review. A reminder could be set up to notify the auditor after the 30-day period.

- ❑ provide linking functionality for cases associated to each other. For example, if a taxpayer has a field audit in progress and an office audit completed, the field auditor needs to know there was an office audit performed;
- ❑ provide functionality for storing images of scanned documents related to the case within the case folder.
- ❑ communicate with the Department's integrated tax system to provide a complete picture of a case throughout the life cycle and update the tracking system as necessary.
- ❑ include tracking from multiple views by user, management and other departmental employees. This will be used for summary and management purposes;
- ❑ contain detailed information regarding the audit lead and the auditor's production;
- ❑ include the ability to track expenses associated with an audit, such as mileage, meals, lodging costs, transportation costs, etc. For example, when an audit requires out-of-state travel, the Department tracks the costs incurred on the audit trip.

### **2.1.3 Correspondence**

The proposer's solution should:

- ❑ Have the ability to generate correspondence at any stage of the process, such as the initial letter to the taxpayer to schedule an audit (once an audit has been selected), the audit appointment letter, audit questionnaire and survey, and other correspondence, as needed.
- ❑ have the option of sending letters to one or more recipients from a list.
- ❑ provide mail merge functionality to produce personalized correspondence from a list of audit leads. For example, it may be necessary to include a taxpayer's purchase of tangible personal property within the body of a letter or list information about sources of income.
- ❑ facilitate easy management of all canned or custom correspondence. This includes creation, customization, addition, removal and update of all correspondence.
- ❑ be flexible enough for correspondence to be generated at any stage of the process. This includes from the initial audit lead until the lead is closed.
- ❑ maintain a history of all correspondence and reproduce any previous correspondence.

### **2.1.4 Reporting and Analysis Tools**

The proposer's solution should:

- ❑ analyze and create canned reports for users. Some canned reports will replace existing reports run from the legacy system;

- ❑ include the flexibility to design, create and generate multiple ad-hoc reports requested by management that employ features such as drop/drag functionality.
- ❑ produce standard reports on a regularly scheduled basis and specific reports on an ad hoc basis (see Appendix B);
- ❑ save reports. Other users must have access to the saved reports. The ease of use of running the reports must be appropriate for a novice user;
- ❑ include storage and maintenance of criteria used to perform analysis and queries for future reuse. The storage of analytical information must include all parameters, value definitions and selection options utilized;
- ❑ allow the user to define sorting criteria;
- ❑ include online views and tools to generate reports of both completed activity and activity in progress;
- ❑ include online views and tools to generate reports for each individual's production statistics as well as composite statistics for each audit office or area, unit or section, tax type or audit program;
- ❑ include online views and tools to generate reports to measure elements such as revenue per audit or lead, time per audit or lead, revenue per hour, revenue per program, time per program, individual performance and response time to correspondence.
- ❑ Include online views and tools to generate reports to compute costs related to an audit;
- ❑ provide an end-user Graphical User Interface (GUI) ad-hoc query tool that employs features such as drag/drop functionality;
- ❑ have configurable access control for reports and other output;
- ❑ provide for inclusion and creation of graphs and charts across all reporting capabilities;
- ❑ permit cancellation of long queries;

#### **2.1.4 Time Management**

The proposer's solution should:

- ❑ include entering of time in weekly time-sheets both online and offline for field auditors;
- ❑ include an electronic calendar and electronic itinerary;
- ❑ include the ability to view the electronic calendar and itinerary online;
- ❑ include the ability to upload offline time-sheets for approval by supervisor online;
- ❑ include individual time tracking functionality to track audit related time as well as non-audit related time, such as leave and training.
- ❑ include viewing of time sheets and approval of time sheets electronically by the appropriate supervisor(s).

#### **2.1.5 Training / Knowledge Transfer:**

The proposer should:

- ❑ provide trainers that possess professional training experience as well as knowledge of the products/services.
- ❑ provide complete hands-on training on-site for all components of the solution at the department's facilities;
- ❑ provide varying levels of training for different levels of users;
- ❑ provide training and training materials to "train the trainers" so that the department can develop staff resources using training classes similar to those provided by the proposer on-site.
- ❑ provide training, direction, and appropriate documentation to ensure knowledge transfer to all power users, administrators and the department's information technology support personnel responsible for maintaining, operating, using and further refining the case management and audit tracking system.
- ❑ provide customized course materials as appropriate for all trainees. This must include one copy in electronic format when training is provided. The Department will own the customized training materials.
- ❑ provide other options for training, such as instructional videos, interactive CD, videotaping training sessions, on-line tutorials, etc
- ❑ allow the department to reproduce and distribute training materials produced by the proposer;
- ❑ provide documentation for system updates.
- ❑ provide user documentation for all components and tools of the system;
- ❑ provide architectural diagram and component narrative of all system components;

### **2.1.6 Maintenance and Software Support:**

The proposer:

- ❑ Must provide support options for all software provided including telephone and on-site. Support must be available 5 days a week, Monday through Friday (excluding holidays), between the hours of 8:00 a.m. and 5:00 p.m. central time at a minimum.
- ❑ Shall be responsible for all warranty/maintenance of all software during the initial contract period and maintenance for one year following the acceptance of the final deliverable. Upon expiration of the year following the acceptance of the final deliverable, the department intends to establish a contract to include maintenance for proposer-manufactured or developed software.

While covered under warranty or maintenance, all software faults or bugs must be corrected in less than six months of identification of the fault at no cost to the department.

### **2.2 Period of Agreement**

The term of any contract resulting from this RFP is anticipated to be no longer than 18 months and shall not exceed 36 months.

## **2.3 Price Schedule**

Prices proposed by the proposers should be submitted on the price schedule furnished herein on Appendix “A”. Prices submitted shall be firm for the term of the contract.

## **2.4 Deliverables**

The deliverables listed in this section are the minimum desired from the successful proposer. Every proposer should describe what deliverables will be provided per their proposal, and how the proposed deliverables will be provided.

The Department of Revenue expects the Contractor to provide the deliverables outlined in this section.

### **2.4.1 Technical Assessment Report**

The Contractor will review those areas of the State’s data processing environment; such as standards and guidelines, development tools, technical resources, hardware capabilities, software supported, networks, and facilities; and, if warranted, prepare a memorandum identifying areas where, in the Contractor’s opinion, the State’s technical environment may materially impair Contractor from successfully completing the contract. The memorandum, if prepared, shall be submitted prior to delivery of the Project Work Plan.

### **2.4.2 Implementation Plan Report**

The Contractor will perform necessary information gathering and analysis tasks to develop an Implementation Planning Report describing the strategy for implementing the system; including software installation, acceptance testing, integration, interfaces, conversion, training, software distribution, “going live,” and support.

### **2.4.3 Project Work Plan**

The Contractor will provide a detailed Project Work Plan outlining the tasks required to successfully execute the Implementation Plan.

### **2.4.4 Change Control**

The Contractor will develop and implement with State approval, procedures and forms to provide a method for defining, reviewing, prioritizing, scheduling, and approving changes to specifications, designs, programs, procedures, and documentation that may be required within the scope of this project.

#### **2.4.5 Software Installation**

The Contractor will perform software installation tasks as applicable; such as: database setup, file sizing, software retrofitting, installation of software releases, application table setup, operation setup, file migrations, installation test, system integration, integration test, and performance tuning.

#### **2.4.6 Functional System Requirements Report**

The Contractor will perform necessary information gathering and analysis tasks to develop a Functional Systems Requirements report that incorporates the functional and technical requirements of the State according to the Statement of Work.

#### **2.4.7 Interface Testing**

The Contractor will perform interface-testing tasks such as development and testing of extract programs, input interfaces, output interfaces, and front-end programs that are identified in the Implementation Planning document.

#### **2.4.8 Systems Test and Acceptance Test Support**

The Contractor will provide Systems Test and Acceptance Test tasks such as script development and data setup, technical support on executing special jobs to facilitate testing, and assisting in the actual execution of test scripts and review of results.

#### **2.4.9 Implementation Support**

The Contractor will provide functional support as specified in the Implementation Plan, including such tasks as developing a cutover schedule, augmenting help-desk operations, and training delivery.

#### **2.4.10 Training Materials**

The Contractor will develop training materials for users, administrators, and information technology support personnel responsible for maintaining and operating the system. This includes all Computer Based Training materials, instructional videos, interactive CD, videotaping training sessions, on-line tutorials, etc. The contractor must provide documentation to system updates through either new documentation versions or addendums for system administrators.

#### **2.4.11 Documentation**

The Contractor will provide documentation material. This includes application documentation and documentation of any changes made to the existing systems, online feature manuals, user guides, error and diagnostics manuals, reports manual, which includes table names, data field names, table relationships, and any other information used to create reports, and application quick reference cards.

#### **2.4.12 Post Implementation Support/Maintenance**

The Contractor will provide Post Implementation Support to the State for a period of one hundred eighty days following the acceptance period. The contractor will provide all warranty of all software during the initial contract period and maintenance for one year following the acceptance of the final deliverable. Upon expiration of the year following the acceptance of the final deliverable, the department intends to establish a contract to include maintenance for proposer-manufactured or developed software.

#### **2.4.13 Change Control**

The Contractor will develop and implement with State approval, procedures and forms to provide a method for defining, reviewing, prioritizing, scheduling, and approving changes to specifications, designs, programs, procedures, and documentation that may be required within the scope of this project.

#### **2.4.14 Final Project Report**

At the conclusion of the project, the Contractor will provide a Final Project Report outlining the extent and manner to which the project objectives have been met, as well as follow-up recommendations.

### **2.5 Location**

The location(s) the work/delivery/service is to be performed, completed and managed in Baton Rouge, Louisiana. Training may be conducted in LDR's Headquarters, regional, and out-of-state offices.

## **2.6 Proposal Elements**

### **2.6.1 Cost**

Describe any potential charges for proposed services associated with the RFP program implementation and administration that you wish the State to consider.

## 2.6.2 Technical -

Each Proposer should address how the firm will meet all the requirements of this RFP, with particular attention to:

- The qualifications and experience requested in paragraph C of Section 1.5 of this RFP.
- Plans and/or schedule for implementation, or orientation, or installation, etc. (whichever is relevant to the RFP requirements).
- Privacy, security, backup and disaster recovery plans for the proposed system
- Plans for training,
- Provision for customer service, including personnel assigned, toll-free number, and account inquiry, etc.
- Resumes for account manager, designated customer service representative(s) and any other key personnel to be assigned to this project, including those of subcontractors, if any.
- References for at least three states, government agencies, or private firms for whom similar or larger scope services are currently being provided. Include a contact person, telephone number, and email address for each reference.
- Information demonstrating the Proposer's financial stability (financial statements, annual reports, or similar data for the last three years).
- Information demonstrating the Proposer's understanding of the nature and scope of this project.
- In-depth description of their own quality assurance program and methods.

Any other information deemed pertinent by the Proposer including terms and conditions which the Proposer wishes the State to consider.

## **PART III EVALUATION**

The following criteria shall be used to evaluate proposals.

The Evaluation Team will evaluate and score the proposals using the criteria and scoring specified in the following table:

<b>Criteria</b>	<b>Maximum Score</b>
1. Approach and Methodology	45
2. Corporate Experience and Project Staff Qualifications/Experience	20
3. Cost	35
<b>Total Score</b>	<b>100</b>

### 3.1 Cost Proposal ( Value of 35 Points)

The following cost criteria will be evaluated:

Prices proposed by the Proposers should be submitted on the price schedule furnished in Appendix “A”. Prices proposed shall be firm, fixed prices. The total cost for the payment tasks listed in Appendix A shall be evaluated and points assigned based upon the formula below.

Each proposer will receive a cost score computed as follows:

$$CS = (LPC/PC) * 35$$

Where: CS = Computed cost score for Proposer  
LPC = Lowest proposed cost of all Proposers  
PC = Proposer’s Cost

### 3.2 Technical Proposal (Value of 65 Points)

## Approach and Methodology

The evaluation of the proposer’s approach for meeting the Department of Revenue’s goals and objectives will be based on the criteria and maximum evaluation points set forth in the following table.

<b>Criteria</b>	<b>Points</b>
Proposed Approach	20
Proposed “Stand-Alone” Audit Package	15
Proposed Work Plan	5
Proposed Innovative Concepts	5
<b>Total Points Available</b>	<b>45</b>

## Corporate Experience and Project Staff Qualifications

The evaluation of the proposer's corporate experience and project staff will be based on the criteria and maximum evaluation points set forth in the following table.

<b><u>Criteria</u></b>	<b><u>Points</u></b>
Prior contract experience	16
Evidence of stability	2
Qualifications/Experience of Contract Staff	2
<b>Total Points Available</b>	<b>20</b>

### PART IV. PERFORMANCE STANDARDS

#### 4.1 Performance Requirements

The Department of Revenue expects, and the contractor shall agree to provide, work and deliverables which conform to high professional standards. Standards will be established and agreed upon for the project. All deliverables will be evaluated prior to acceptance in order to confirm that they meet expectations.

#### 4.2 Performance Measurement/Evaluation

The Department of Revenue has a quality assurance program in place and a plan to effectively utilize that program for this project. Quality assurance reviews are conducted periodically throughout the course of a systems project. While the details of an individual review are based on the current stage of the project, each review focuses on developing affirmative responses to four questions:

- Is the work program consistent with the project's scope, objectives and deliverables?
- Does the project team understand the work they have been assigned?
- Does the documentation support the analysis performed and the decisions reached?
- Have all problems affecting satisfactory completion of the project been communicated to management?

The contractor is expected to cooperate with the Department of Revenue's quality assurance team and the process in general and to abide by the results of the reviews.

# Appendix A

## Price Schedule

State has identified certain tasks as payment tasks. Payment tasks are those that represent the completion of major milestones of the project. Please provide the cost for each payment task (inclusive of travel and all project expenses) in the following table:

<b>Task No.</b>	<b>Description</b>	<b><u>Price</u></b>	<b>Explanation/Comment</b>
1	Assessment and Planning		
2	Software Installation, Testing, and Training		
3	Implementation		
	Total Cost		

### Task 1 – Assessment and Planning

- Deliverable 1 – Technical Assessment Report
- Deliverable 2 – Functional System Requirements Report
- Deliverable 3 – Implementation Plan Report
- Deliverable 4 – Finalized Work Plan
- Deliverable 5 – Change Control Plan

### Task 2 – Software Installation, Testing, and Training

- Deliverable 6 – Software Installation
- Deliverable 7 – Programming and Custom Modification
- Deliverable 8 – Interface Testing
- Deliverable 9 – Systems Testing and Acceptance Testing
- Deliverable 10 – Training & Training Materials
- Deliverable 11 – Documentation

### Task 3 – Implementation

- Deliverable 12 – Implementation Support/Maintenance
- Deliverable 13 – Final Project Report

The cost component of the scoring will be based on the Total Cost in the table above. For information purposes, provide the annual maintenance cost for the proposer's software.

The software's annual maintenance cost may be submitted in a format of the proposer's choice.

# Appendix B

## Sample of Reports (Not All Inclusive)

### Appendix B - Sample List of Reports (not all inclusive)

	By Audit	by Auditor	by tax type	by region	by trip no	by aud source	YTD total
Monthly production (Breakdown by tax, int, pen, fees)	x	x	x	x	x	x	x
Monthly collections (Breakdown by tax, int, pen, fees)	x	x	x	x	x	x	x
Monthly completed case credits	x	x	x	x	x	x	x
Monthly audit hours	x	x	x	x	x		x
Monthly refunds denied	x	x	x	x	x	x	x
Monthly NOL reductions	x	x		x	x	x	x
Monthly number of field auditors				x			
Monthly assignments		x	x	x	x	x	x
Monthly audits in progress	x	x	x	x	x	x	
Monthly total revenues audited	x	x	x	x	x	x	x
Monthly number of tax returns audited	x		x	x	x	x	x

record/assign auditor number by region

### Statistics/Performance Measurements:

No of in state audits field work completed within 60 days	x	x	x	x		x	x
No of in state audits field work completed within 61-120 days	x	x	x	x		x	x
No of in state audits field work completed within 121-365 days	x	x	x	x		x	x
No of in state audits field work completed in excess of 1 year	x	x	x	x		x	x
No of Out of state audits field work completed within 60 days	x	x	x	x	x	x	x
No of out of state audits field work completed within 61-120 days	x	x	x	x	x	x	x
No of out of state audits field work completed within 121-365 days	x	x	x	x	x	x	x
No of out of state audits field work completed in excess of 1 year	x	x	x	x	x	x	x
No of audits transmitted within 60 days of field work	x	x	x	x	x	x	x
No of audits transmitted within 61-120 days of field work	x	x	x	x	x	x	x
No of audits transmitted within 121-365 days of field work	x	x	x	x	x	x	x
No of audits transmitted in excess of 1 year of field work	x	x	x	x	x	x	x
No of audits utilizing projections	x	x	x	x			x
No of audits utilizing Computer Assisted Audit technique	x	x	x	x	x	x	x
No of audits utilizing electronic sampling	x	x	x	x	x	x	x
No of audits where taxpayer provided electronic records	x	x	x	x	x	x	x
Avg no of days to complete write up of in state audits after exit conference	x	x	x	x	x	x	x
Avg no of days to complete write up of out of state audits after exit conference	x	x	x	x	x	x	x
Avg no of days from receipt in FAS until assigned to reviewer	x	x	x	x	x	x	x
Avg number of hours per completed field audit case	x	x	x	x	x	x	x
Avg elapsed time in days to complete field review process	x	x	x	x	x	x	x

# STATE OF LOUISIANA

## CONTRACT

On this day of , 20\_, the Louisiana Department of Revenue, 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.

### **1.0 SCOPE OF SERVICES**

Contractor hereby agrees to furnish services to State as specified in Section.

### **1.1 CONCISE DESCRIPTION OF SERVICES**

To assist the Department of Revenue in implementing a case management and audit tracking system, the Contractor will perform the following tasks and services:

- Provide and install a case management and audit tracking system that will interface with the Department's integrated tax system
- Provide and install a "stand-alone" audit support package that will interface with the Department's integrated tax system
- Assist in gathering and documenting LDR's functional requirements of a case management and audit tracking system
- Assist in modifying the case management and audit tracking system to meet LDR's specific requirements
- Assist in converting data in the legacy system and loading the data into the new system
- Assist in the training of LDR personnel in the use of the new system
- Provide maintenance and support services of the case management and audit tracking system.

### **1.2 COMPLETE DESCRIPTION OF SERVICES**

A full description of the scope of services is contained in the following Attachments, which are made a part of this contract:

Attachment I - Statement of Work

Attachment II - Hardware/Software Environment

Attachment III - Contractor Personnel and Other Resources

Attachment IV - State Furnished Resources

Attachment V – Insurance Requirements for Contractors

## **2.0 ADMINISTRATIVE REQUIREMENTS**

### **2.1 TERM OF CONTRACT**

This contract shall begin on \_\_\_\_\_ and shall end on \_\_\_\_\_. State has the right to extend this contract up to a total of three years with the concurrence of the Contractor.

### **2.2 WARRANTIES**

Contractor shall indemnify State against any loss or expense arising out of any breach of any specified Warranty.

*A. Period of Coverage.* The Warranty period for software and system components covered under this Contract will begin on the date of acceptance or date of first productive use, whichever occurs later, and will terminate twelve (12) months thereafter.

*B. Free from Defects.* Contractor warrants that the system developed hereunder shall be free from defect in design and implementation and will continue to meet the specifications agreed to during system design and Contractor will, without additional charge to the State, correct any such defect and make such additions, modifications, or adjustments to the system as may be necessary to operate as specified in the Technical Deliverables accepted by the State.

*C. Software Standards Compliance.* Contractor warrants that all software and other products delivered hereunder will comply with State standards and/or guidelines for resource names, programming languages, and documentation as referenced in Attachment II.

*D. Software Performance.* Specific operating performance characteristics of the software developed and/or installed hereunder are warranted by the Contractor as stated in Attachment I.

*E Original Development.* Contractor warrants that all materials produced hereunder will be of original development by Contractor, and will be specifically developed for the fulfillment of this contract. In the event the Contractor elects to use or incorporate in the materials to be produced any components of a system already existing, Contractor shall first notify the State, which after whatever investigation the State may elect to make, may direct the Contractor not to use or incorporate any such components. If the State does not object, Contractor may use or incorporate such components at Contractor's expense and shall furnish written consent of the party owning the same to the State in all events. Such components shall be warranted as set forth herein (except for originality) by the Contractor and the Contractor will arrange to transfer title or the perpetual license for the use of such components to the State for purposes of the contract.

*F. No Surreptitious Code Warranty.* Contractor warrants that software provided hereunder will be free from any "Self-Help Code". "Self-Help Code" means any back door, time bomb, or drop dead device or other routine designed to disable a computer program with the passage of time or

under the positive control of a person or party other than the State. Excluded from this prohibition are identified and State-authorized features designed for purposes of maintenance or technical support. "Unauthorized Code" means any virus, Trojan horse, worm or other software routine or component designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data, or to perform any other such actions. "Unauthorized Code" does not include "Self-Help Code".

### **2.3 STAFF INSURANCE**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the total contract amount included in Section 5.0. For insurance requirements, refer to Attachment V.

### **2.4 LICENSES AND PERMITS**

Contractor shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this contract.

### **2.5 SECURITY**

Contractor's personnel will always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the State or to the project. Contractor is responsible for reporting any breach of security to the State promptly.

### **2.6 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 .

### **2.7 CONFIDENTIALITY**

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which becomes 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. Contractor shall not be required 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 this Contract, or is rightfully obtained from third parties.

In its handling of any returns of taxpayers or other records and files of the Department of Revenue, or information derived there from, 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. Further more, 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

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 this Contract. Contract agrees and assures that data, material, and information gathered based upon its contract or disclosed to contract for purpose of this Contract will not be disclosed to other parties or discussed with other parties without the prior written consent of the state.

Furthermore, Contractor agrees to the provisions contained in Attachment VI, attached hereto and made part of this contract.

### **3.0 TECHNICAL REQUIREMENTS**

#### **3.1 STATEMENT OF WORK**

Contractor will perform services according to the terms of this Contract and according to the Statement of Work (SOW) in Attachment I.

#### **3.2 CONFIGURATION REQUIREMENTS**

The software system being installed shall be designed and configured by the Contractor to operate within the State's hardware, software, and networking environments as specified in Attachment -

#### **3.3 PROJECT MANAGEMENT**

Contractor shall provide, at a minimum, the following project management functions:

A. Contractor will provide day-to-day project management using best management practices for all tasks and activities necessary to complete the Statement of Work.

B *Provide Project Work Plan* - Contractor shall develop and maintain a Project Work Plan, which breaks down the work to be performed into manageable phases, activities and tasks as appropriate. The work plan will identify: activities/tasks to be performed, project personnel requirements (both State and Contractor), estimated workdays/personnel hours to complete, expected start and completion dates. Scheduled completion dates for each deliverable shall specifically be included. Written concurrence of both parties will be required to amend the Work Plan. The Project Work Plan shall be approved by the State before project payments are made.

C. *Provide Project Progress Reports* - Contractor shall submit monthly progress reports signed by the Contractor's Project Manager to the State, no later than 10 days after the close of each

calendar month. Each progress report shall describe the status of the Contractor's performance since the preceding report, including the products delivered, descriptions of problems encountered with a plan for resolving them, the work to be accomplished in the coming reporting period, and identifying issues requiring management attention, particularly those which may affect the scope of services, the project budget, or the deliverables to be provided by the Contractor. Each report shall identify activities by reference to the Project Work plan.

D. *Provide Time Sheets* - Accompanying each Progress Report, the Contractor shall submit time sheets to the State Project Director indicating effort expended and work performed by each member of its, or its subcontractors' staff, participating in this contract. Time sheets shall, at a minimum, identify the name of the individual performing the work and the number of hours worked during the period by Work Plan task.

E. *Provide Issue Control*. Contractor will develop and implement with State approval, procedures and forms to monitor the identification and resolution of key project issues and problems.

### **3.4 QUALITY ASSURANCE REVIEWS**

State reserves the right to conduct Quality Assurance Reviews at appropriate checkpoints throughout the project. Contractor will facilitate the review process by making staff and information available as requested by the reviewers at no additional cost to the State.

### **3.5 CONTRACTOR RESOURCES**

Contractor agrees to provide the following Contract related resources:

A. *Project Manager*. Contractor shall provide a project manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervision of Contractor employees. The project manager shall possess the technical and functional skills and knowledge to direct all aspects of the project.

B. *Key Personnel*. Contractor shall assign staff who possess the knowledge, skills, and abilities to successfully perform assigned tasks. Individuals to be assigned by the Contractor are listed in Attachment III.

C. *Personnel Changes*. Contractor's Project Manager and other key 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, as the case may be, shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

D. *Other Resources*. Contractor will provide other resources as specified in Attachment III.

### **3.6 STATE PROJECT DIRECTOR**

State shall appoint a Project Director for this Contract who will provide oversight of the activities conducted hereunder. The Project Director is identified in Attachment IV. Notwithstanding the Contractor's responsibility for total management during the performance of this Contract, the assigned State Project Director 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.

### **3.7 STATE FURNISHED RESOURCES**

State will make available to the Contractor for use in fulfillment of this contract those resources described in Attachment IV.

### **3.8 STATE STANDARDS AND GUIDELINES**

Contractor shall comply with State standards and guidelines related to systems development, installation, software distribution, security, networking, and usage of State resources described in Attachment II.

### **3.9 ELECTRONICALLY FORMATTED INFORMATION**

Where applicable, State shall be provided all documents in electronic format, as well as hard-copy. Electronic media prepared by the Contractor for use by the State will be compatible with the State's comparable desktop application (e.g., spreadsheets, word processing documents). Conversion of files, if necessary, will be Contractor's responsibility. Conversely, as required, Contractor must accept and be able to process electronic documents and files created by the State's current desktop applications as described in Attachment II.

### **4.0 ACCEPTANCE OF DELIVERABLES**

Contract deliverables will be submitted, reviewed, and accepted according to the following procedure:

A. *General.* Except where this Contract provides different criteria, work will be accepted if it has been performed in accordance with the applicable specifications for Contractor's work in the Statement of Work, the Request for Proposals, the Contractor's Proposal, and/or as subsequently modified in State- approved design documents developed within this Project, and in the accepted final documentation.

B. *Submittal and Initial Review.* Upon written notification by Contractor that a Deliverable is completed and available for review and acceptance, the State Project Director will use best efforts to review the Deliverable within five (5) business days after the Deliverable is presented to the State Project Director, but in no event later than ten (10) business days after the Deliverable is presented to the State Project Director. Within the applicable period, the State

Project Director will direct the appropriate review process, coordinate any review outside the Project team, and present results to any user committees and/or Steering Committee for approval, as needed. The initial review process will be comprehensive with a view toward identifying all items which must be modified or added to enable a Deliverable to be approved. A failure to deliver all or any essential part of a Deliverable shall be cause for non-acceptance.

*C. Notification of Acceptance or Rejection.* If no notification is delivered to Contractor within the applicable period, the Deliverable will be considered approved. If State disapproves a Deliverable, State will notify Contractor in writing of such disapproval, and will specify those items which, if modified or added, will cause the Deliverable to be approved.

*D. Resubmitting Corrected Deliverables.* With respect to such Deliverables, Contractor will resubmit the Deliverable with requested modifications and the State Project Director will review such modifications within five (5) business days. If no notification is delivered to Contractor within those five (5) business days, the Deliverable is considered approved. If the State disapproves that Deliverable, the State will notify Contractor in writing of any additional deficiencies which result from such modifications and Contractor will resubmit the Deliverable with the requested modifications. The parties agree to repeat this process as required until all such identified deficiencies are corrected or a determination of breach or default is made. The payment by the State for each activity is contingent upon correction of all such deficiencies and acceptance by the State.

*E. Payment of Retainage Based on Acceptance.* Final payment of any retainage will be contingent on completion and acceptance of all contract deliverables.

## **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$\_. Payment will be made only on approval of \_\_\_\_\_ (*Name of Designee*).

This Contract shall be compensated on a firm fixed price basis with progress payments upon completion of all deliverables within a series of tasks. Payments, less retainage, will be made upon successful completion and after review and written approval by the State of the tasks and deliverables. All completed work and deliverables shall be in conformity with the Request for Proposal specifications and commonly accepted industry standards.

### Payment Schedule

State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. Payment tasks and the deliverables (defined in Section 3.0 of Attachment II) within the tasks are as follows:

Task 1 – Assessment and Planning	\$000.00
Deliverable 1 – Technical Assessment Report	
Deliverable 2 – Functional System Requirements Report	

Deliverable 3 – Implementation Plan Report  
Deliverable 4 – Change Control Plan

Task 2 – Software Installation and Testing \$000.00  
Deliverable 5 – Software Installation  
Deliverable 6 – Programming and Custom Modification  
Deliverable 7 – Interface Testing  
Deliverable 8 – Systems Testing and Acceptance Testing  
Deliverable 9 – Training Materials  
Deliverable10- Documentation

Task 3 - Implementation \$000.00  
Deliverable 11 – Implementation Support/Maintenance  
Deliverable 12 – Final Project Report

The allowable payment amount will be multiplied by 90 percent, giving the amount that will be remitted to the Contractor. Ten percent of the allowable milestone payment will be retained until written acceptance by the State of all deliverables provided by the contract.

## **6.0 TERMINATION**

### **6.1 TERMINATION FOR CAUSE**

The State may terminate this Contract for cause based upon the failure of the 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. The 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's failure and a reasonable opportunity for the state to cure the defect.

### **6.2 TERMINATION FOR CONVENIENCE**

The State may terminate the Contract at any time by giving thirty(30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

## **7.0 REMEDIES FOR DEFAULT**

Any claim or controversy arising out of the contract shall be resolved by the provisions of LSA - R.S. 39:1524 - 1526.

## **8.0 AVAILABILITY OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. 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 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. Such termination shall be without penalty or expense to the State except for payments which have been earned prior to the termination.

## **9.0 OWNERSHIP OF PRODUCT**

Upon completion of this contract, or if terminated earlier, all data files, documentation, records, worksheets, or any other materials related to this contract shall become the property of State. All such records, worksheets, or materials shall be delivered to the State within thirty days of the completion or termination of this contract.

## **10.0 NONASSIGNABILITY**

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 his 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.

## **11.0 RIGHT TO AUDIT**

Contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agencies of the State where appropriate the right to inspect and review all books and records pertaining to services rendered under this contract. Contractor shall comply with federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific program activities.

## **12.0 RECORD RETENTION**

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder for at least three years after project acceptance, or as required by applicable Federal law.

### **13.0 AMENDMENTS IN WRITING**

Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when they have been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

### **14.0 FUND USE**

Contractor agrees not to use funds received for services rendered under this Contract 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.

### **15.0 NON-DISCRIMINATION**

Contractor agrees to abide by the requirements of the following as applicable: Title VI and 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, sexual orientation, national origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination committed by Contractor, or failure to comply with these obligations when applicable shall be grounds for termination of this contract.

### **16.0 HEADINGS**

Descriptive headings in this contract are for convenience only and shall not affect the construction or meaning of contractual language.

### **17.0 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

This contract, (together with the Request for Proposals and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's Request for Proposals, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This contract shall, to the extent possible, be construed to give effect to all provisions contained therein: however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals and the Proposal; second priority shall be

given to the provisions of the Request for Proposals and amendments thereto; and third priority shall be given to the provisions of the Proposal.

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

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CONTRACTOR'S SIGNATURE

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DATE

---

STATE'S SIGNATURE

---

DATE

## **ATTACHMENT I (of Sample Contract)**

### **STATEMENT OF WORK**

#### **1.0 INTRODUCTION**

To be completed following negotiations.

#### **2.0 DESCRIPTION OF SERVICES/TASKS**

To be completed following negotiations.

#### **3.0 SCHEDULE REQUIREMENTS**

To be completed following negotiations.

#### **4.0 PERFORMANCE MEASURES AND MONITORING PLAN**

The performance of the contract will be measured by the State Project Manager who will use the following criteria to measure the performance of the CONTRACTOR:

1. Performance of CONTRACTOR's functional and technical staff to perform the task orders.
2. Adequate testing by the CONTRACTOR of system components to ensure that State requirements are being met and components are error free.
3. Implementation of a functioning system which meets the State's specified requirements for information access and analysis.

#### **MONITORING PLAN**

The LDR Undersecretary will monitor the services provided by the CONTRACTOR and the expenditure of funds under this contract. The State Project Manager will be primarily responsible for the day-to-day contact with the CONTRACTOR and day-to-day monitoring of the CONTRACTOR's performance will be a joint effort of the State Project Manager and the CONTRACTOR's Project Manager. The performance of the CONTRACTOR will be monitored by:

1. Submitting design components, approved by the State Project Manager
2. Reviewing completed design components to ensure that all requirements were met.
3. Supervising and directing state staff in testing system components developed by the CONTRACTOR to ensure components are error free.

4. Verifying monthly CONTRACTOR invoices, time sheets, and task breakdowns to determine if billing for work completed is accurate.

## **5.0 DELIVERABLES**

Contractor agrees to provide the following deliverables within the time frames specified herein:

### **Technical Assessment Report**

The Contractor will review those areas of the State's data processing environment; such as standards and guidelines, development tools, technical resources, hardware capabilities, software supported, networks, and facilities; and, if warranted, prepare a memorandum identifying areas where, in the Contractor's opinion, the State's technical environment may materially impair Contractor from successfully completing the contract. The memorandum, if prepared, shall be submitted prior to delivery of the Project Work Plan.

### **Implementation Plan Report**

The Contractor will perform necessary information gathering and analysis tasks to develop an Implementation Planning Report describing the strategy for implementing the system; including software installation, acceptance testing, integration, interfaces, conversion, training, software distribution, "going live," and support.

### **Project Work Plan**

The Contractor will provide a detailed Project Work Plan outlining the tasks required to successfully execute the Implementation Plan.

### **Software Installation**

The Contractor will perform software installation tasks as applicable; such as: database setup, file sizing, software retrofitting, installation of software releases, application table setup, operation setup, file migrations, installation test, system integration, integration test, and performance tuning.

### **Functional System Requirements Report**

The Contractor will perform necessary information gathering and analysis tasks to develop a Functional Systems Requirements report that incorporates the functional and technical requirements of the State according to the Statement of Work.

### **Programming/Custom Modifications**

The Contractor will perform programming/coding tasks necessary to produce the software specified in the functional requirements and technical design reports.

### **Interface Testing**

The Contractor will perform interface-testing tasks such as development and testing of extract programs, input interfaces, output interfaces, and front-end programs that are identified in the Implementation Planning document.

### **Systems Test and Acceptance Test Support**

The Contractor will provide Systems Test and Acceptance Test tasks such as functional support on system functionality, script development and data setup, technical support on executing special jobs or cycles to facilitate testing, assisting in the actual execution of test scripts and review of results, and development of an acceptance test calendar with all the appropriate cycles.

### **Implementation Support**

The Contractor will provide functional support as specified in the Implementation Plan, including such tasks as developing a cutover schedule, augmenting help-desk operations, and training delivery.

### **Training Materials**

The Contractor will develop training materials for users, administrators, and information technology support personnel responsible for maintaining and operating the system. This includes all Instructor Lead Training (ILT) materials, Computer Based Training (CBT) materials, on-line tutorials, and application student guides as described in the Implementation Plan.

### **Documentation**

The Contractor will provide Documentation material. This includes Online Feature Manuals, User Guides, Error and Diagnostics Manuals, Reports Manual, and Application Quick Reference Cards.

### **Post Implementation Support/Maintenance**

The Contractor will provide Post Implementation Support to the State for a period of one hundred eighty days following the acceptance of the final deliverable. The Contractor will provide all warranty of all software during the initial contract period and maintenance of all software for one year following the acceptance of the final deliverable. Upon expiration of the year following the acceptance of the final deliverable, the department intends to establish a contract to include maintenance for the contractor's software.

### **Change Control**

The Contractor will develop and implement with State approval, procedures and forms to provide a method for defining, reviewing, prioritizing, scheduling, and approving changes to specifications, designs, programs, procedures, and documentation that may be required within the scope of this project.

### **Final Project Report**

At the conclusion of the project, the Contractor will provide a Final Project Report outlining the extent and manner to which the project objectives have been met, as well as follow-on recommendations.

## **6.0 STANDARD OF PERFORMANCE**

As stipulated in the warranty provisions of this Contract, the following standards of performance for the products delivered hereunder will be warranted as described below:

- The online system should be available 6:00 AM until 12:00 AM Monday through Friday.
- The batch system should be available 24 hours a day Monday through Saturday.
- The online response time should be under one (1) second. This response time should be measured using transactions specified by the state.

## **ATTACHMENT II (of Sample Contract)**

### **HARDWARE/SOFTWARE ENVIRONMENT**

The system to be installed must be able to operate on the State data processing facility and configuration as follows:

#### **1.0 HARDWARE AND OPERATING SYSTEM SOFTWARE**

The hardware devices, operating system software, database management system, and network infrastructures on which the proposed system must operate are outlined in Attachment I of the RFP.

#### **2.0 STANDARDS AND GUIDELINES**

None.

## **ATTACHMENT III (of Sample Contract)**

## **CONTRACTOR PERSONNEL AND OTHER RESOURCES**

### **1.0 CONTRACTOR PERSONNEL**

The following individuals are assigned to the project, on a full time basis (unless otherwise indicated), and in the capacities set forth below:

Name/Company Responsibilities/Classification Rate Expected Duration

...  
...  
...  
...

### **2.0 PC WORKSTATIONS**

Contractor will provide its own workstations, any workstation resident software and maintenance thereof for personnel working off site.

### **3.0 NETWORK CONNECTIVITY**

Any Contractor-provided workstations or devices to be connected to the State's network, must comply with State network and security standards. Contractor must provide the hardware components, operating system, and software licenses necessary to function as part of the State network. All hardware and software must be reviewed before it is used on the Local Area Network, and may be made operable on the Local Area Network with written approval of the State.

## **ATTACHMENT IV (of Sample Contract)**

### **STATE FURNISHED RESOURCES**

Any resources of the State furnished to the Contractor shall be used only for the performance of this Contract. State will make available to the Contractor, for Contractor's use in fulfillment of this contract, resources as described below:

#### **1.0 PROJECT DIRECTOR**

The Project Director appointed by the State as described in Section 3.6 is Sharon Brouillette who is the principal point of contact for this contract on behalf of the State.

#### **2.0 TECHNICAL STAFF**

State will provide reasonable access to technical specialists on a limited basis which will be coordinated through the State Project Director.

#### **3.0 FUNCTIONAL STAFF**

State will provide reasonable access to functional personnel on a limited basis which will be coordinated through the State Project Director

#### **4.0 OFFICE FACILITIES**

State will provide reasonable and normal office space, clerical support, local telephone service, and limited usage of copiers.

#### **5.0 COMPUTER FACILITIES**

State will make available use of computer facilities at reasonable times and in reasonable time increments to support system development, test, and installation activities. Special facility requirements, such as stress testing or conversion, shall be addressed in the appropriate planning documents or documented by the Contractor in a memorandum.

## **ATTACHMENT V (of Sample Contract)**

## **INSURANCE REQUIREMENTS FOR CONTRACTORS**

### **1.0 MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 001). "Claims Made" form is unacceptable. The "occurrence form" shall not have a "sunset clause".
2. Insurance Services Office form number CA 0001 (Ed 1/78) covering Automobile Liability and endorsement CA 0025 or CA 0001 12 90. The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.
3. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

### **2.0 MINIMUM LIMITS OF INSURANCE**

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident, for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

### **3.0 DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

### **4.0 OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

### 1. General Liability and Automobile Liability Coverages

a. The Agency, its officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the State of Louisiana.

b. Any failure to comply with reporting provision of the policy shall not affect coverage provided to the Agency, its officers, officials, employees Boards and Commissions or volunteers.

c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

### 2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

### 3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

## **5.0 ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a Best's rating of A-:VI or higher. This rating requirement may be waived for workers' compensation coverage only.

## **6.0 VERIFICATION OF COVERAGE**

Contractor shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

## **7.0 SUBCONTRACTORS**

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements state herein.

## **ATTACHMENT VI (of Sample Contract)**

### **IRS CONFIDENTIALITY REQUIREMENTS**

#### **1.0 PERFORMANCE**

In performance of this 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 this 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 this 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 this 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.
- (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 this 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.

## **2.0 CRIMINAL/CIVIL SANCTIONS**

- (1) 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 \$5000 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 \$1000 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.
- (2) 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 this 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 \$1000 or imprisonment for as long as 1 year, or 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 \$1000 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.

- (3) 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 \$5000.

### **3.0 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 this 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.