



November 14, 2012

Solicitation Information

RFP # 7458282

TITLE: Integrated Tax System

Submission Deadline: Tuesday, January 15, 2013 at 2PM

PRE-BID/ PROPOSAL CONFERENCE: **Yes** Date: **December 10, 2012 Time: 10:00 AM**
Mandatory: **No**
Location: **Department of Administration / Division of Purchases, One Capitol Hill, Providence, RI – Conference Room A**

Questions concerning this solicitation must be received by the Division of Purchases at rfp.questions@purchasing.ri.gov no later than **December 13, 2012**. Questions should be submitted in a *Microsoft Word* attachment. Please reference the RFP# in the subject of all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to monitor the website and download this information.

SURETY REQUIRED: **No**

BOND REQUIRED: **Yes (Please refer to Section 1.6 for performance bond requirements upon award)**

Daniel W. Majcher, Esq.
Assistant Director, Special Projects

Vendors must register on-line at the State Purchasing Website at www.purchasing.ri.gov.

NOTE TO VENDORS:

Offers received without the completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification. This form is available at www.purchasing.ri.gov.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

Table of Contents

1. Introduction and Overview
 - 1.1. Purpose
 - 1.2. Budget
 - 1.3. Instructions and Notifications to Offerors
 - 1.4. Schedule
 - 1.5. Vendor Questions and Pre-Bidders Conference
 - 1.6. Contract Terms
 - 1.7. Subcontractors

2. Background and Project Overview
 - 2.1. General Background
 - 2.2. Tax and License Programs
 - 2.3. Organizational and Operational Overview
 - 2.4. Overview of Current Systems
 - 2.5. ITS Project Overview

3. Scope of Work
 - 3.1. Overview
 - 3.2. Tasks and Services
 - 3.3. Project Schedule
 - 3.4. Project Deliverables
 - 3.5. Warranty, Maintenance and Support
 - 3.6. Location of Work and State Furnished Resources

4. Proposal Format and Content
 - 4.1. Introduction and Instructions
 - 4.2. Administrative Requirements
 - 4.3. Functional Requirements
 - 4.3.1. Functional Requirements Overview
 - 4.3.2. Functional Requirements Matrix
 - 4.4. Technical Requirements
 - 4.4.1. System Architecture

- 4.4.2. Hardware Specifications
- 4.4.3. Data Specifications
- 4.4.4. System Operations and Performance
- 4.4.5. Security and Controls
- 4.4.6. User Interface
- 4.4.7. Supporting Tools
- 4.4.8. Additional Technical Information
- 4.5. Project Approach
 - 4.5.1. Project Understanding
 - 4.5.2. Risk Assessment
 - 4.5.3. Project Management Plan
 - 4.5.4. System Implementation
 - 4.5.5. Data Conversion Approach
 - 4.5.6. Testing Methodologies
 - 4.5.7. User Training and Technical Knowledge Transfer
 - 4.5.8. Organizational Change
 - 4.5.9. Documentation
 - 4.5.10. Project Closeout
 - 4.5.11. Warranty, Maintenance and Support
 - 4.5.12. Roles and Responsibilities
- 4.6. Experience and Qualifications
 - 4.6.1. Company Profiles
 - 4.6.2. Project Experience
 - 4.6.3. Client References
 - 4.6.4. Proposed Staff
- 4.7. Cost Proposal
 - 4.7.1. Software License(s)
 - 4.7.2. Hardware
 - 4.7.3. Implementation Services
 - 4.7.4. Maintenance and Support
 - 4.7.5. Other Costs
- 5. Demonstrations and Interviews
 - 5.1. Vendor Presentation and Demonstrations

5.2. Project Team Interviews

6. Evaluation and Scoring

6.1. Overall Scoring and Vendor Selection

6.2. Scoring Administrative Requirements

6.3. Scoring of Written Proposals

6.3.1. Functional Requirements

6.3.2. Technical Requirements

6.3.3. Project Approach

6.3.4. Experience and Qualifications

6.3.5. Cost Proposal

6.3.6. Criteria for Advancing to Demonstrations and Interviews

6.4. Scoring of Demonstrations and Interviews

6.4.1. Offeror Demonstration and Presentation

6.5. Scoring of Cost Proposal

ATTACHMENT A: Administrative Requirements

ATTACHMENT B: Functional Requirements Overview

ATTACHMENT C: Functional Requirements Matrix

ATTACHMENT D: Technical Requirements

ATTACHMENT E: Project Approach

ATTACHMENT F: Experience and Qualifications

ATTACHMENT G: Cost Proposal

ATTACHMENT H: Tax/Fee Program List

ATTACHMENT I: Tax Type Matrix

ATTACHMENT J: Tax Form Table

ATTACHMENT K: System Interfaces

ATTACHMENT L: License Block Program

ATTACHMENT M: Organizational Chart - Division of Taxation

ATTACHMENT N: Overview of Current Systems

ATTACHMENT O: Antivirus and Patch Management Standards

1. Introduction and Overview

1.1. Purpose

The Rhode Island Division of Taxation is soliciting proposals from qualified Offerors to provide the most current version of a commercial-off-the-shelf (COTS) integrated tax system (ITS) software package, hardware and related implementation, maintenance, and support services, including product fixes, upgrades, and new versions during the term of the contract. The proposal should also include services, hardware and software relating to an integrated imaging and data capture function. The ITS must provide a full suite of processing and administration functionality for 56 taxes and fees administered by the Division of Taxation. The Division of Taxation expects the software licensing agreement to allow for the addition of other tax and licensing programs that may be enacted in the future.

1.2. Budget

The Division of Taxation received an appropriation of \$25.0 million for fiscal years 2013 through 2017 to procure and implement an integrated tax management system, including a front-end imaging and data entry system. The Division of Taxation estimates that \$23.0 million will be available for software licensing, hardware, implementation services, and maintenance and support during the five-year contract term. Proposals that exceed \$23.0 million will be reviewed and scored, however preference will be given to proposals under \$23.0 million in accordance with the criteria set forth herein.

1.3. Instructions and Notifications to Offerors

Potential Offerors are advised to review all sections of this Request for Proposal (RFP) carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal. Offerors must complete the following series of response forms, in the following sequence, which in total will make up an Offeror's proposal:

Name	RFP Reference	Required Format
Administrative Requirements	Attachment A	MS Word
Functional Requirements Overview	Attachment B	MS Word
Functional Requirements Matrix	Attachment C	MS Excel
Technical Requirements	Attachment D	MS Word
Project Approach	Attachment E	MS Word
Experience and Qualifications	Attachment F	MS Word
Cost Proposal	Attachment G	MS Excel

This is a Request for Proposal, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public

opening and reading of responses received by the Division of Purchases pursuant to this request, other than to name those Offerors who have submitted proposals.

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All cost associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the Offeror. The State assumes no responsibilities for this cost.
4. Proposals are considered to be irrevocable for a period of not less than one hundred twenty (120) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All prices submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division of Purchases at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division of Purchases.
7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibilities for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontractors are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
8. All proposals should include the vendor's FEIN or Social Security Number as evidenced by a Form W-9, downloadable from the Division of Purchases' website at www.purchasing.ri.gov.
9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.

11. Interested parties are instructed to peruse the Division of Purchases' website on a regular basis, as additional information or changes relating to this solicitation may be released in the form of an addendum to this RFP. It is the responsibility of all potential offerors to monitor the website and be familiar with any changes issued as part of an addendum.

12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) - §28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmation action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies in all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090.

13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-2040). This is a requirement only of the successful vendor(s).

14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirement, which should address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, please contact the MBE Administrator at (401) 574-8253 or visit the website www.mbe.ri.gov or by email at charles.newton@doa.ri.gov.

PROPOSAL SUBMISSION

Questions concerning this solicitation may be e-mailed to the Division of Purchases at rfp.questions@purchasing.ri.gov no later than the date and time indicated on page one of this solicitation. Please reference the RFP # in the subject of all correspondence.

Questions should be submitted in a Microsoft Word attachment. Answer to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties regarding the RFP will be permitted unless expressly authorized by the Division of Purchases.** Interested Offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the office time clock in the reception area of the Division of Purchases will not be considered.

An original plus nine (9) copies of the Technical Proposal with two (2) electronic copies and an original plus nine (9) copies of the Cost Proposal in a separate sealed envelope, with two (2) electronic copies, must be either mailed and received prior to the submission deadline or hand-delivered in a sealed package marked “**RFP # 7458282: Integrated Tax System**”:

RI Department of Administration
Division of Purchases, 2nd Floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-reference due date and time will not be considered. Proposals misdirected to other State locations or those not presented to Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or e-mailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

RESPONSE CONTENTS

Responses should include the following:

1. A completed and signed three-page R.I.V.I.P. generated bidder certification cover sheet downloaded from the Rhode Island Division of Purchases’ Internet home page at www.purchasing.ri.gov.
2. A completed and signed Form W-9 downloaded from the Rhode Island Division of Purchases’ Internet home page at www.purchasing.ri.gov.
3. An original plus nine (9) copies of the Technical Proposal, including the completed Attachments A through F, with two (2) electronic copies.
4. An original plus nine (9) copies of the Cost Proposal (Attachment G) in a separately sealed envelope, with two (2) electronic copies.
5. In addition to the multiple hard copies of proposals required, as noted above, Respondents are requested to provide two (2) electronic copies of the technical and cost proposal in **electronic format (CDROM, diskette, or flash drive)**. Microsoft Word/Excel format is preferable and should be marked appropriately.

1.4. Schedule

The procurement schedule and contract term set out herein represent the Division of Taxation’s best estimate of the schedule that will be followed. This tentative schedule is

subject to change at the sole discretion of the Division of Taxation/Division of Purchases. If a component of this schedule is amended, the rest of the schedule may be changed as appropriate.

Division of Taxation COTS ITS Project Timeline	Date	Time (EST)
RFP Release	Friday, November 16, 2012	
Pre-Bid/Proposal Conference – See section 1.5. for details	Monday, December 10, 2012	10:00 AM
Deadline for Vendor Questions	Thursday, December 13, 2012	
Submission Deadline	Tuesday, January 15, 2013	2:00 PM
Vendor Demonstrations and Project Team Interviews	Tuesday, February 19, 2013 through Friday, March 1, 2013	
Notice of Award	Wednesday, March 6, 2013	
Anticipated Start Date	Wednesday, May 1, 2013	

1.5. Vendor Questions and Pre-Bid Conference

Questions concerning this solicitation may also be e-mailed to the Division of Purchases at rfp.questions@purchasing.ri.gov no later than **Thursday, December 13, 2012**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP # in the subject of all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

A pre-bid conference will be held at 10:00 AM EST, on Monday, December 10, 2012 in Conference Room A on the second floor of the Department of Administration Building, One Capitol Hill, Providence, Rhode Island. The purpose of the conference is to discuss the work to be performed with the prospective Offerors and allow them to ask questions concerning the RFP. Questions and answers will be confirmed in writing as an amendment. Attendance at this meeting is optional, but Offerors are strongly encouraged to attend in person.

1.6. Contract Terms

The Division of Taxation is requesting a proposal for a project, using a phased, modular approach, with an approximate start date of May 1, 2013. The end of the contract (completion of the project) will be proposed by the vendor and considered during the evaluation of the proposal. The contract will cover the implementation timeframe identified in the Offeror’s proposal, plus one year for warranty, acceptance, and project closeout. If the Offeror proposes an implementation timeframe of less than four years, the contract will cover maintenance and support for any period beyond the implementation and warranty periods up to the five-year limit.

The contract may be renewed, at the sole discretion of the State, for up to ten (10)

additional years for maintenance and support of the implemented solution. The maintenance and support contract renewals will be structured in the following increments: four years, two years, two years, and two years. While there has been no funding approved for these renewal periods as of this time, Offerors must include maintenance and support costs for the renewal periods in the Cost Proposal worksheet in Attachment G, Section 6.

Performance Bond: At Offeror's expense, upon selection, the successful Offeror shall furnish the State with a Performance Bond in an amount equal to fifty (50) percent of the Total Cost (as defined in Section 4.7) on the Effective Date of the contract. Such Performance Bond shall be issued on annually renewable bond forms to be provided by Offeror's surety bond broker. Any change to the Performance Bond or renewal of time for the bond, or termination of this Agreement by either party shall not release Offeror from its sureties from their obligations under the Performance Bond. Such Performance Bond shall contain a Waiver of Notice of any changes to this Contract or Deliverables, Specifications, or any Change Orders. The Performance Bond shall be subject to reduction, upon each anniversary of the Effective Date (when the annually renewable bond is renewed). The reduction shall be based upon the ratio of the aggregate price of the completed Contract milestones and accepted by the State during such Contract year to the Total Cost of the milestones described in the Attachment G, Section 5. For example, if on the first anniversary of the Effective Date, project milestones have been accepted which have an aggregate price equal to twenty (20) percent of the Total Cost, then effective on and after the first anniversary of the Effective Date, the Performance Bond shall be reduced from fifty (50) percent of the Total Cost to forty (40) percent of the Total Cost. (20% times 50% equals 10%, then 50% minus 10% equals 40%).

Insurance Requirements: The successful respondent shall provide proof of the following insurances:

Commercial General Liability Insurance: Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract Commercial General Liability Insurance covering bodily injury, and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, independent contractors, products completed operations, contractual liability and broad form property damage coverage. Coverage shall be written on an occurrence basis. A combined single limit of \$1,000,000 per occurrence and aggregate is required.

Errors and Omissions Coverage: Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Contract errors and omissions Insurance covering any damages caused by an error, omission or any negligent acts of contractor, its subcontractors, agents, officers or employees under this Contract. Combined single limit per occurrence shall not be less than \$1,000,000. Annual aggregate limit shall not be less than \$1,000,000.

Auto Liability Insurance: Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, auto liability insurance covering all owned, non-owned, or hired vehicles. A combined single limit per occurrence of \$1,000,000 will be obtained.

Workers Compensation and Employers Liability: Contractor shall obtain statutory Workers Compensation coverage in compliance with the compensation laws of the State of Rhode Island. Coverage shall include Employers Liability Insurance with minimum limits of \$100,000 each accident, \$500,000 disease or policy limit, \$100,000 each employee.

The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this agreement shall not be limited by the insurance required in this agreement.

Independent Contractors, neither eligible for nor entitled to, Workers Compensation must file with the Department of Labor and Training, Division of Workers Compensation a Notice of Designation as Independent Contractor Pursuant to RIGL 28-29-17.1 naming the State of Rhode Island Department of Administration as the hiring entity.

The liability insurance coverage, except Professional Liability, Errors and Omissions or Workers Compensation required for the performance of the contract shall include the State of Rhode Island the Department of Administration and its divisions, officers and employees as Additional Insureds but only with respect to the Contractor's activities under this contract.

The insurance required in this agreement, through a policy or endorsement shall include:

A) A Waiver of Subrogation waiving any right to recovery the insurance company may have against the State.

B) A provision that Contractor's insurance coverage shall be primary as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the Contractor's insurance and shall not contribute.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal without thirty days (30) written notice from the Contractor or its insurer(s) to the Department of Administration. Any failure to comply with the reporting provisions of this clause shall be grounds for immediate termination of this contract.

As evidence of the insurance coverage required by this contract, the Successful Bidder shall furnish Certificate(s) of Insurance to The Department of Administration, Purchasing Division at least 48 hours prior to the commencement of work. A copy of additional insured wording from the commercial liability insurance policy will be sent along with the insurance certificate. Failure to comply with this provision shall result in rejection of the bid offer.

Insurance coverage required under the contract shall be obtained from insurance companies acceptable to the Department of Administration.

The Contractor shall pay for all deductibles, self-insured retentions and/or self-insurance included hereunder.

The Purchasing Agent reserves the right to consider and accept alternative forms and plans of insurance or to require additional or more extensive coverage for any individual requirement.

The vendor will not provide services prior to the issuance of a purchase order/agreement by the Division of Purchases.

1.7. Subcontractors

Subcontractors may be used to perform work under this contract. If an Offeror intends to use subcontractors, the Offeror must identify in the proposal the names of the subcontractors and the specific portions of the work the subcontractors will perform. The Offeror must provide in their proposal a signed letter of commitment from each proposed subcontractor.

If a proposal with subcontractors is selected, the Offeror must provide the following information on each proposed subcontractor in Attachment A, Section 3:

- (a) Name of the subcontractor;
- (b) Address of the subcontractor;
- (c) Description of work the subcontractor will be performing;
- (d) Percentage of work the subcontractor will be providing;
- (e) Evidence that the subcontractor is registered with the Rhode Island Secretary of State; and
- (f) Resumes of subcontractor's staff to be used on the project demonstrating the necessary skills needed for the type of work to be performed.

An Offeror's failure to provide this information in the proposal will cause the State to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the Division of Taxation.

2. Background and Project Overview

2.1. General Background

Rhode Island General Law, Chapter 44-1, creates the Division of Taxation within the Department of Revenue. The Division of Taxation is the primary revenue collecting agency for the State of Rhode Island, administering 56 different tax and fee types and collecting nearly \$3 billion per year. These tax dollars fund vital public services throughout the State of Rhode Island.

Division of Taxation's Mission Statement:

To foster voluntary compliance with the Rhode Island tax laws and instill public confidence through professional, impartial and ethical conduct; to administer and collect all taxes as required by Rhode Island law in the most efficient and cost effective manner; and to assist taxpayers by helping them understand and meet their tax responsibilities.

2.2. Tax and License Programs

The Division of Taxation administers 56 different taxes and fees for the State of Rhode Island. The following attachments present a high level overview of the taxes and fees administered by the Division of Taxation:

Attachment	Document Name
Attachment H	Tax/Fee Program List
Attachment I	Tax Type Matrix
Attachment J	Tax Form Table
Attachment K	System Interfaces
Attachment L	License Block Program

2.3. Organizational and Operational Overview

The Division of Taxation consists of five main organizational branches: Administration, Compliance and Collections, E-Government, Examination, and Tax Processing (See Organizational Chart – Attachment M).

Administration:

The Tax Administrator's Office is responsible for providing the overall guidance and direction of the Division of Taxation. In addition to overseeing the operations of the Division, the Tax Administrator's Office is responsible for the following areas:

Appeals: The Tax Administrator's Office coordinates all appeals, private letter rulings and declaratory rulings received by the Division of Taxation. The Tax Administrator assigns the contested tax cases to the legal section after a conferee has conducted and completed a preliminary review (informal review) of the matter with the taxpayer. These matters are governed by Chapter 35, Title 42 of the General Laws of Rhode Island (the RI Administrative Procedures Act).

Tax Credit Administration: The Division of Taxation is responsible for administering and tracking several tax credits. As an example, the Tax Administrator's Office provides oversight to historic and film tax credits. This includes auditing and reviewing cost reports submitted by developers, creating monthly requisition for funds to be transferred from the Historic Tax Credit Fund to the General Fund, and issuing and tracking historic and film tax credit certificates for completed projects.

Compliance and Collections Branch:

The primary function of the Compliance and Collections Branch is to maintain the integrity of the Rhode Island tax system through the collection of delinquent taxes and tax returns from individuals and businesses. The Compliance and Collections Branch is charged with the responsibility for compliance, and collection actions to collect all taxes administered by the Division of Taxation. All efforts are made to assist taxpayers in voluntarily complying with State laws and Division of Taxation's rules and regulations regarding the timely filing and payment of taxes and fees.

The Compliance and Collections Branch uses several programs to ensure compliance and increase revenue. Listed below is a sampling of these programs.

License & Registration Block Program: This collection program is extremely important to the overall collection efforts in the Division of Taxation. Any driver's license or vehicle registration that is due for renewal is compared against Taxation's accounts receivable. If the taxpayer is delinquent, they are notified two months in advance of their renewal. If the taxpayer does not come into compliance, they will not be permitted to renew their driver's license or vehicle registration. Additionally, professional licenses (i.e. nurses, physicians, etc.) are also reviewed, giving Taxation greater leverage in the collection of unpaid assessments.

Sales Tax Block Program: This collection effort denies delinquent taxpayers the right to renew their sales tax permit unless they are in compliance with tax return filings and payments. The initial notification process begins in February and culminates in

July/August when non-compliant businesses are subject to additional enforcement measures.

Refund Offset Program: The Refund Offset Program diverts any Federal or State of Connecticut tax refund that may be due a taxpayer to the State of Rhode Island to offset any Rhode Island tax liability. Additionally, the Division of Taxation will apply any tax refunds to outstanding obligations of other agencies (including IRS, State of Connecticut and Rhode Island cities/towns). These agencies include, but are not limited to, Human Services (past-due child support), Rhode Island Higher Education Assistance Authority & Rhode Island Student Loan Authority (delinquent student loans), Courts (administrative fees, fines, restitution), and the Department of Labor & Training (benefit overpayments, fraud).

Top 100 Delinquents: The list of the top one hundred individual and business taxpayers that are not in a repayment agreement is posted to the Division of Taxation's website. Taxpayers are notified in advance of the potential listing and are afforded the ability to come into compliance by paying in full or entering into a prepayment agreement.

Vendor Offsets: Any company or individual doing business with the State of Rhode Island is subject to having payments for services withheld to offset any outstanding Rhode Island tax liability.

Examination Branch:

The Examination Branch consists of seven sections whose primary functions include the review and audit of tax returns received by the Division of Taxation. The Examination Branch is also responsible for the maintenance of the Division's rules and regulations as well as educating taxpayers through business outreach seminars, consultation visits and speaking engagements. Listed below are the sections in the Examination Branch:

Corporation and Business Tax Section: The Corporation and Business Tax Section administers thirteen (13) taxes, fees and surcharges which will generate approximately \$445 million in state revenue this fiscal year.

Employer Tax Section: The Employer Tax Section operates Rhode Island's Unemployment Insurance (UI), Temporary Disability Insurance (TDI) and Job Development Fund (JDF) tax receipt programs. These programs include the registration and termination of employer accounts, the processing of all related tax payments, the maintenance of all financial transaction records, employer auditing program and accounts receivable collection program.

Estate Tax Section: The Estate Tax Section is responsible for the administration of the Rhode Island Estate Tax law and to assess and collect taxes due under the Estate Tax law. For decedents dying on or after January 1, 2010, a tax is imposed on net estates of more than \$850,000. This amount is indexed for inflation effective on January 1, each

year.

Excise Tax Section: The Excise Tax Section is responsible for administering approximately twenty (20) different taxes and fees (listed below), providing information to taxpayers, and conducting tax hearings at the preliminary level. The Excise Tax Section also provides taxpayer assistance and services relating to motor vehicles at the Division of Motor Vehicles' main location in Cranston, Rhode Island.

Field Audit Section: The Field Audit Section is responsible for conducting comprehensive tax audits of the accounting and related records of individuals, partnerships, and corporate business organizations to determine their proper tax liability under state tax laws. The Field Audit section workload is divided into specialty audits and routine audits conducted both in-state and out-of-state.

Office Audit and Discovery Section: The Office Audit and Discovery Section is responsible for developing and conducting projects designed to identify and contact non-filers and under-reporters of the various taxes administered by the Division of Taxation. The Office Audit and Discovery Section uses the Division's data warehouse to compare taxpayer data received from the Rhode Island taxpayers with other relevant data sources obtained by the Division of Taxation to identify taxpayers that may have outstanding tax liabilities.

Personal Income Tax Section: The Personal Income Tax Section is responsible for providing assistance to taxpayers relating to Rhode Island Personal Income Tax, including Resident Filing, Non-Resident Filing, partial year resident filing, Non-Resident Real Estate transactions, as well as communicating the requirements for estimated tax and withholding tax. The Personal Income Tax Section also conducts tax return and tax account examinations, reconciles taxpayer account activity, and bills for tax underpayments or refund tax overpayments. During calendar year 2011 the section received 604,000 personal income tax returns and issued over 426,000 refunds to resident and nonresident individuals.

E-Government Branch:

The E-Government branch is an associated section of the processing area. The branch administers the electronic payment and electronic filing programs within the Division of Taxation.

The E-Government branch has two major concentrations and both are critical to the function of the Division of Taxation. This branch administers the electronic payment and electronic filing programs. Approximately 80% of revenue collected by the Division of Taxation is done so electronically. This includes ACH Credit, ACH Debit and credit card payments as well as federal and Connecticut refund offsets.

Tax Processing Branch:

The Tax Processing Branch is responsible for the overall management and security of a high volume production processing operation that serves all sections in the Division of Taxation. The Tax Processing Branch is divided into five (5) units:

Accounting: The major function of the Accounting unit is the daily recording of all receipts, adjustments and refunds of all taxes and fees. The unit is also responsible for the preparation and distribution of numerous reports distributed to the Office of Revenue Analysis, Controller's Office, Budget Office, House and Senate Fiscal Offices and various other agencies.

Cashier: Payments made by cash and checks are received and accounted for by the Cashiering unit. This unit reconciles all transactions and prepares the daily bank deposit. Any bank corrections are received and researched by the Cashiering unit in order to adjust taxpayer accounts.

Primary Processing: This unit receives and sorts all incoming mail for the Division of Taxation. This unit sorts all payments and tax returns for processing and coordinates deposits with the Division's lock box operations.

Data Entry: This unit manually enters all return data and return corrections into the mainframe tax system.

Registration: This area processes all permits and license applications received by the Division of Taxation. Additionally, this area works with taxpayers to ensure all necessary permits and applications are completed for their particular line of business.

2.4. Overview of Current Systems

The Division of Taxation's current tax processing systems can be separated into two categories, Mainframe System and Off-Line System (See Overview of Current Systems - Attachment N).

Mainframe System: The Division of Taxation currently has a mainframe tax system for the five major tax types (corporate income, personal income, withholding, sales and health care provider). These legacy systems were originally written decades ago and have been maintained, rewritten, enhanced and expanded many times throughout the years. The system is currently written in CICS COBOL and is extremely costly to maintain and modify.

Off-Line System: The remaining taxes and fees are processed using either Access Databases or Excel spreadsheets. Currently, the Division of Taxation maintains approximately 80 off-line databases.

Attachment N provides an overview of the Division of Taxation's current systems along

with a short narrative explaining the current front end systems along with the current data warehouse and collection systems.

The Division of Taxation does not have an imaging or data capture system; therefore, this component of the project will not require a conversion.

2.5. COTS ITS Project Overview

The Rhode Island Division of Taxation COTS ITS Project represents efforts to procure and implement an integrated tax system, including a front-end imaging and data-entry system. Funding for this project began July 1, 2012 and will end June 30, 2017. The Division of Taxation fully expects to replace all current processing systems, including all mainframe and off-line systems, while upgrading the data entry systems and adding a fully integrated imaging system.

3. Scope of Work

3.1. Overview

The Division of Taxation plans to obtain both an integrated system (applications, database, support tools, hardware, etc.) to support all aspects of tax administration - including front-end imaging and data capture capabilities, and the consulting services to assist with the installation and implementation of the system. Implementation assistance includes:

- Design of hardware and infrastructure installation and configuration.
- Software installation, configuration, and system modifications (other than operating system) to support the tax and licensing programs specified in Attachment H.
- Development of interfaces to existing internal and external input sources.
- Data conversion activities as discussed in Section 4.5.5.
- Coordination of system testing.
- Preparation of user procedures, training, and documentation materials.
- Coordination of user training.
- Coordination of technical knowledge transfer for DoIT and Division of Taxation programmers and technical support personnel.
- Assistance with any related business process and organizational change necessary to optimize the utilization of the new systems.

The COTS ITS must, among other things:

- Fully support all aspects of tax administration and reporting, in a manner that assures compliance with all pertinent laws, regulations, standards and principles;
- Operate in a completely integrated environment designed to fully utilize the advantages of relational technology;
- Provide user-friendly tools that give users full and efficient access to their data;
- Allow for the incorporation of new tax and license programs, and growth in volumes of existing programs; and
- Provide interface capabilities to outside agencies for the purpose of receiving and transmitting data, where authorized (See System Interfaces - Attachment K).

3.2. Tasks and Services

The Division of Taxation expects the Offeror to perform the following tasks and services:

- Provide a COTS ITS, including a fully integrated imaging and data capture component;
- Design the installation and configuration of any hardware and other infrastructure necessary to maintain the various environments (development, testing, conversion, staging, production, etc.) required for the effective implementation and operations of the ITS;
- Install the COTS ITS in the various environments stated above;
- Assist in refining the detailed system requirements related to each tax and license type;
- Configure the COTS ITS product(s) to meet the specific business rules and requirements of the Division of Taxation. The Division of Taxation will appoint technical staff to assist with the configuration in order to gain the knowledge necessary to perform basic system support functions;
- Assist in extending the COTS ITS product(s) to meet the Division of Taxation requirements that are not a part of the base product (site specific coding), if any;
- Coordinate the various components of the testing process;

- Coordinate the process for identifying changes to business processes, organizational structure, and operations of the Division of Taxation that should be made in order to optimize the use of the capabilities of the ITS;
- Assist in converting data in the legacy systems and loading the data into the ITS;
- Coordinate the process for moving the various system components into live production for each project phase;
- Prepare training materials and provide training (classroom and/or online) to the Division of Taxation personnel and other authorized users in the use of the COTS ITS;
- Train the Division of Taxation IT personnel to maintain and operate the COTS ITS, including the security model and online Help function;
- Provide system documentation as defined in Section 4.5.9; and
- Provide maintenance and support services of the COTS ITS during the term of the contract, including any warranty period thereto.

The Division of Taxation will only consider a COTS ITS demonstrated to have been successfully implemented (on time, within budget, and meeting client expectations) and currently in use in at least one U.S. state tax agency running multiple tax types. The installed system must be using a recent version of the core source code, preferably built on the same coding platform as the system proposed for the Division of Taxation. To qualify, a majority of the functional components of the COTS ITS products and services proposed for the Division of Taxation system must currently be in production for at least 75% of the contracted tax types.

In addition, the Offeror, or their proposed subcontractor, must have successfully implemented a comparable imaging and data capture system for at least one U.S. state tax agency.

For the purposes of meeting these experience requirements, the imaging and data capture system may have been implemented at a different state tax agency than the COTS ITS.

The Division of Taxation will consider proposals submitted by system integrators using a COTS ITS product(s) developed by others, but the system integrator must have been the primary party on the successful implementation of that COTS ITS product(s) in at least one U.S. state tax agency.

Although the COTS ITS product will have to be configured to meet Rhode Island's specific requirements, the Division of Taxation will not accept a proposal to design and develop a custom solution. The Division of Taxation will also not accept a proposal to significantly modify existing non-integrated software products that are not currently

serving as an integrated tax solution product.

A complete listing of tax and licensing programs administered by the Division of Taxation is included in Attachment H. In some cases, the taxes are designated as separate tax types for revenue accounting purposes, but are filed on the same return. It is the objective of the Division of Taxation that the implementation covered by this RFP includes the migration of all of the listed taxes, licensing programs, and related functions.

Since it is anticipated that the implementation will occur over multiple phases, the Division of Taxation desires that the system provide the capability to enter summary level accounts receivable amounts by taxpayer and track collection activity for the taxes that have not yet been migrated. Offerors should include in their response a discussion of whether or not their proposed system can accommodate this need, and what the ramifications may be.

3.3. Project Schedule

The Division of Taxation desires that the COTS ITS be fully functional for all listed tax types as quickly as is reasonable, and is assuming that the implementation of the ITS will occur in phases over a period not to exceed four years. The contract will cover the implementation timeframe identified in the Offeror's proposal, plus one year for warranty, acceptance, and project closeout. If the Offeror proposes an implementation timeframe of less than four years, the contract will cover maintenance and support for any period beyond the implementation and warranty periods up to the five-year limit.

Offerors shall propose an implementation schedule to which they must contractually commit and believe best meets the needs of the agency, including the perceived benefits and impacts to the cost of the overall project for the proposed schedule.

Offerors should provide an explanation and reasoning for their proposed phasing, including discussion of whether the phasing will be by groups of taxes with full functionality for those taxes, or will be by elements of functionality, and whether that functionality will initially be for all tax types or only selected tax types. This explanation should also discuss the Offeror's recommendation regarding the timing for implementing the data capture and imaging components, including their reasoning for the recommendation.

3.4. Project Deliverables

In addition to the installation and implementation of a functioning COTS ITS, the Division of Taxation will require additional deliverables to document the progress of the project and facilitate future use and maintenance of the systems. At a minimum, the Offeror will be required to provide the following project artifacts or an equivalent as approved by the Division of Taxation. The Division of Taxation shall review, and as

appropriate, accept or reject all deliverables.

	ARTIFACT	DUE BY
A.	Implementation Methodology and Work Plan	30 days from contract execution.
B.	Configuration & Change Management Plan	30 days from contract execution.
C.	Data Conversion/Migration Plan by tax type	30 days after start of each phase.
D.	System Requirement Specification for the COTS ITS core application	30 days from contract execution.
E.	Software Requirements Specification (SRS) for each tax type (including business process flows)	60 days after start of each phase.
F.	Master Test Plan	60 days from contract execution.
G.	Test Plan & Test Procedures, including detailed test scenarios, by tax type	90 days after start of each phase.
H.	Test Reports	7 days prior to production cutover for each phase (interim reports are expected throughout testing process of each phase).
I.	Functional Design Documentation, reflecting the system as installed	60 days after final production cutover.
J.	Database Design Documentation	60 days after final production cutover.
K.	Meta Data Documentation	60 days after final production cutover.
L.	Software Development Standards Documentation	60 days after final production cutover.
M.	Interface Control Document	60 days after final production cutover.
N.	Installation Procedures	30 days from contract execution.
O.	Disaster Recovery Procedures	30 days after production cutover of first phase (updated with each phase as necessary).
P.	Operations Manual	30 days after production cutover of first phase (updated with each phase as necessary).
Q.	Internal and External User Manuals	30 days after production cutover of first phase (updated with each phase as necessary).
R.	Training Manual, Online Training Aids, and Course Materials	90 days prior to production cutover of each phase.
S.	Technical Knowledge Transfer Plan	60 days from contract execution.
T.	Defect Reports	Weekly after production cutover of first phase.
U.	Short and Long Term Data Storage Plan	90 days from contract execution.
V.	Staffing Requirements – provide a complete list of State of Rhode Island positions (including number of positions) that will be required to successfully and independently maintain system going forward	180 days from contract execution.
W.	Programming Skills/Language Requirements – complete list of skills and/or programming languages that will be needed to maintain system going forward.	30 days from contract execution.
X.	Desktop and Equipment Assessment – Assess existing equipment within the Division of Taxation and supply a complete list of equipment that needs to be kept, upgrade,	90 days from contract execution.

	and/or replaced.	
--	------------------	--

In addition, the Offeror must commit to provide input and assistance to the State's project manager to prepare the following project artifacts,

- Baseline Project Schedule
- Bi-weekly Progress Assessment and Schedule Updates
- Bi-weekly Project Status Reports and Risk Assessments
- Bi-weekly Issues List
- Organizational Change Management Plan

3.5. Warranty, Maintenance and Support

The Division of Taxation expects Offerors to warrant that their proposed product will perform as defined in their proposal for a period of at least one year after cutover into production of the final taxes to be implemented under the contract. The Offeror must provide any and all services necessary to fix any deficiencies in the coding or configuration of all components of their proposed COTS ITS during the warranty period. The warranty services performed shall be at no additional charge.

The contract awarded under this RFP will include a maintenance and support agreement that will entitle the Division of Taxation to receive the Offeror's regular patches, upgrades, and new version releases to the COTS ITS product(s), and to receive an agreed upon level of customer support. The Offeror must commit to providing a single source for this customer support. If the proposed system is comprised of various software and hardware components, the Offeror must agree to act as the single source of support and handle any required interactions with the providers of the various components.

During the five-year term of the contract, the maintenance and support services shall be provided within the proposed fixed price.

The Division of Taxation also requires Offerors to commit that their maintenance and support program will meet the following parameters:

1. Standard service hours – Monday-Friday from 7:30 am to 5:30 pm Eastern Time, excluding State holidays. During these times, while the maintenance and support program is in effect, Contractor will provide minimum service levels and timelines as follows:

(a) Type A Malfunction – Contractor will respond to all reported Type A Malfunctions within 30 minutes of receiving notification of the Type A Malfunction. Correction of this type of Malfunction will begin immediately. Contractor will assign qualified technical staff for continuous work until the reported Malfunction has been resolved. If such a problem is not resolved within eight hours after receipt of a Type A Malfunction notice from State, Contractor will escalate its efforts toward resolution by adding staff

and/or sending technical/support staff to the State's location.

(b) Type B Malfunction – Contractor will respond to all reported Type B Malfunctions within two hours of receiving notification of the Type B Malfunction. This type of Malfunction will be corrected within two business days.

(c) Type C Malfunction – Contractor will respond to all reported Type C Malfunctions within four hours of receiving notification of the Type C Malfunction. This type of Malfunction will be corrected by Contractor within five business days.

2. After hours service – Monday-Friday before 7:30 am and after 5:30 pm Eastern Time, on weekends, and State holidays. During these times, while the maintenance and support program is in effect, Contractor will provide minimum service levels and timelines as follows:

(a) Type A Malfunction – Contractor will respond to all reported Type A Malfunctions within two hours of receiving notification of the Type A Malfunction. Correction of this type of Malfunction will begin immediately. Contractor will assign qualified technical staff for continuous work until the reported Malfunction has been resolved. If such a problem is not resolved within the sooner of 16 hours after receipt of a Type A Malfunction notice from State, or within eight hours after the start of the next State regular business day, Contractor will escalate its efforts toward resolution by adding staff and/or sending technical/support staff to the State's location.

(b) Type B Malfunction – Contractor will respond to all reported Type B Malfunctions within two hours after the start of the next regular State business day. This type of Malfunction will be corrected within one business day after that start.

(c) Type C Malfunction – Contractor will respond to all reported Type C Malfunctions within four hours after the start of the next regular State business day. This type of Malfunction will be corrected within five business days after that start.

3. Malfunction classifications – “Malfunction” means a defect of the licensed software that degrades its use. Three levels of malfunction classifications are:

(a) Type A Malfunction – This is an error, bug, or discrepancy that delays or inhibits the primary functionality of the licensed software or a Malfunction that has the potential to corrupt licensed software data.

(b) Type B Malfunction – This is a defect of the licensed software that degrades its use, including defects that cause the software to produce incorrect results.

(c) Type C Malfunction – This is a defect that causes only minor impact on the use of the software. This includes all Malfunctions that are not considered Type A or Type B.

A Type A or B Malfunctions in the last 90 days of the original warranty period will extend the warranty support period for an additional 90 days without further cost to the State.

3.6. Location of Work and State Furnished Resources

It is expected that the bulk of project activities will be performed onsite at the main office of the Division of Taxation. The Division of Taxation will provide the Contractor with project office space and necessary office equipment such as desktop computers, telephones, and access to printers. However, if the Contractor determines it needs additional space and equipment offsite, Contractor will be responsible for the costs of that space and equipment.

The Contractor may be allowed to perform some elements of the work offsite. Offerors should indicate in their proposals the types and levels of work they intend to perform outside the project offices. Offerors should note, however, that no confidential information shall be taken off-site, and any offsite work must be performed in the United States.

The Division of Taxation will also provide personnel resources for the project. Permanent project roles include the following:

Project Manager – will be responsible for overall direction and coordination of project activities, with a primary emphasis on ensuring that the Contractor and the Division of Taxation are performing their roles as planned. They will also be involved in ongoing project planning, status reporting, scheduling, cost review, and risk assessment, and will assist with coordinating business process review and organizational change management issues.

Business Analysts – will provide subject matter expertise and input on business process and organizational change issues. They will also be the primary liaisons into the business units to ensure that appropriate input is provided for system definition, testing, and training.

IT Development Personnel – will provide assistance with data conversion, system development, database administration, system operations, and technical support. It is expected that these personnel will gain sufficient knowledge over the life of the project to continue with the implementation of additional taxes or fees.

The Division of Taxation will also endeavor to ensure the availability of additional personnel on an as-needed basis for definition and verification sessions, system and acceptance testing, converted data review, and training. It will be expected that the Offeror, working with the rest of the project team, provides sufficient notice of the needs in this area to allow for reasonable scheduling.

4. Proposal Format and Content

4.1. Introduction and Instructions

Offerors shall present a Technical Proposal detailing the complete description of relevant services to be offered to the Division of Taxation. Areas of service to be addressed in the Offeror's proposal are outlined in more detail below.

Offerors must complete the following series of response forms, in the following sequence, which in total will make up an Offeror's Technical Proposal:

Name	RPF Reference	Required Format
Administrative Requirements	Attachment A	MS Word
Functional Requirements Overview	Attachment B	MS Word
Functional Requirements Matrix	Attachment C	MS Excel
Technical Requirements	Attachment D	MS Word
Project Approach	Attachment E	MS Word
Experience and Qualifications	Attachment F	MS Word
Cost Proposal	Attachment G	MS Excel

The remainder of Section 4 contains detailed instructions for each response form.

All submittal documents must be on standard 8½" x 11" paper. The templates provided as attachments to the RFP must be used. Modifications to the format of this template may result in the Offeror's entire proposal being found non-responsive. Written proposals must be submitted in 3-ring binders with tabs for each section. Proposals should be printed in duplex.

Hard Copies: Offerors must submit ten (10) hard copies of the Technical Proposal. One hard copy of the proposal must be marked "Original" and contain the original Proposal Signature (Attachment A). The other copies must be marked "Copy".

Cost Proposal: Offerors must submit ten (10) signed hard copies of their Cost Proposal (Attachment G, Sections 1 through 8) in a separate sealed envelope, and clearly marked as such. The separate envelope may be shipped in the same container as the Technical Proposals, but in a separately sealed envelope.

Electronic Copy: The State requires two (2) electronic version of the hard copy documents be submitted on either a CDROM, diskette, or flash drive, which must be included with the hard copies of the proposal. The Offeror's cost proposal must be submitted on a separate CDROM, diskette, or flash drive and included with the hard copy of the cost proposal in the separately sealed envelope.

No faxed or e-mailed proposals will be considered. The proposal must be received by the date and time specified in Section 1.4., Instructions and Notifications to Offerors. Late submittals will not be considered.

4.2. Administrative Requirements

Attachment A includes a number of sections that must be completed by the Offeror to provide basic information concerning the Offeror, and to certify a number of mandatory requirements. Offerors must acknowledge a set of statements, conditions and information by having an authorized representative sign Attachment A. An Offeror's failure to complete Attachment A will cause the proposal to be determined to be non-responsive and the proposal will be rejected.

4.3. Functional Requirements

4.3.1. Functional System Overview

The Division of Taxation's approach anticipates implementing packaged software for the administration of taxes (including data entry and imaging of returns, correspondence and data), principally through configuration of the inherent capabilities of the systems, but recognizing that modifications or custom development to meet the specific needs of the Division of Taxation may be required. Offerors must complete Attachment B to provide an overview of the major components of the system's functionality.

At the highest level, the base functionality requirements are organized into 12 broad categories:

- User Interface, Security, and Technical
- Registration and Demographics
- Returns and Information Reports
- Payments and Refunds
- Taxpayer Accounting, including assessment of Penalty and Interest
- Revenue Accounting
- Workflow Management
- Collections, Bankruptcy, and Audit
- Inventory Management
- Document Management, Report Generation, and Data Analytics
- On-line Services
- Imaging and Data Capture

The Offeror who is selected for award will be required to provide a comprehensive demonstration of the COTS ITS system to provide confirmation that the system

does meet each of the functional requirements in the fashion the Offeror has specified in the Functional Requirements Matrix. The Division of Taxation reserves the right to request the selected Offeror to arrange a demonstration by one of the Offeror's clients that is utilizing a reasonable majority of the functional components of the proposed system to confirm that those functional components are working in a production environment. In the event the Division of Taxation determines that the Offeror has misstated the capabilities of its proposed system to meet the functional requirements, the Division of Taxation may void the Notice of Award to that Offeror and either enter into negotiations with the next highest ranked Offeror or cancel the procurement.

4.3.2. Functional Requirements Matrix

Attachment C is a matrix in a MS Excel format listing the specific functional requirements desired by the Division of Taxation. Offerors are required to complete Attachment C to specify whether their proposed systems can meet each stated requirement, and if not, whether the additional work to do so is included in the bid price, and whether it will be a Rhode Island specific component or incorporated in the base product.

4.4. Technical Requirements

The Division of Taxation is subject to standards and technical direction established by the State of Rhode Island's Division of Information Technology (DoIT). It is important that the successful Offeror's long-term goals correspond with those of the Division of Taxation and DoIT. As a result, this section includes detailed questions regarding the technical characteristics of the software, and general questions regarding the Offeror's technical direction. It also includes data specifications, performance specifications, and questions relative to the tools required to support the packages.

Offerors are encouraged to provide a response that displays creative solutions to meet the needs of the Division of Taxation. Please use Attachment D, Technical Requirements to provide a response. Offerors must provide detail concerning their COTS ITS configuration and features to include at a minimum the following components:

4.4.1. System Architecture

The Division of Taxation is seeking a COTS ITS that is built on current, industry-standard technology, and is relatively easy to operate and maintain. Proposed systems that utilize proprietary programming languages, operating systems, or database technology are not preferred and will be scored accordingly.

Offerors must provide an overview of their system's architecture, specifically

addressing each of the following points:

- Describe how the proposed system is based on an open architecture and is parameter driven.
- Describe how the proposed system is modular-based and how such methodology will facilitate adding and/or maintaining additional programs, security, and maintenance.
- Describe how the proposed system is based on a business client relational methodology where the client can register once and the business data is centrally maintained for all applicable programs.
- Describe the proposed system's client architecture (e.g. client-server, Web browser, or other) and how it functions.
- Describe how remote access is accommodated, including areas with low bandwidth.
- Describe how the proposed system will address web-enabling requirements, both internal to the Division of Taxation and for possible public access. Include discussion on use of HTML, Flash, and other web technologies.
- Describe how the proposed system will address expandability and scalability.
- Identify the operating system(s) supported, including versions.
- Identify the application language(s) utilized, including versions, by percentage of system functionality.
- Identify and describe each and every functional module of the Offeror's COTS ITS.
- Specify whether any modules or other system functionality of the Offeror's COTS ITS are being excluded from the Offeror's proposal.
- Indicate whether there is a limit on the number of predefined screens, forms, reports and correspondence, and if so, specify the limits.
- Describe any capabilities the COTS ITS system has for downloading and uploading data and application functionality to and from user laptops, tablets, and other mobile devices for use in the field.
- Identify the database technologies supported.

- Describe any data warehousing capabilities included in the system.
- Identify any import/export formats supported.
- Identify the correspondence engine used in conjunction with the proposed system, including product name and version, and whether it requires separate licensing.
- Identify the reporting engine used in conjunction with the proposed system, including product name and version, and whether it requires separate licensing.
- Identify any data analysis capabilities; including any embedded third-party tools and whether they require separate licensing.
- Identify any graphics engine used in conjunction with the proposed system, including product name and version, and whether it requires separate licensing.
- Identify the data capture software used in conjunction with the proposed system, including product name and version, and whether it requires separate licensing.
- Identify the imaging software, including image storage software, used in conjunction with the proposed system, including product name and version, and whether it requires separate licensing.
- Identify any other embedded tools (e.g. word processor, spreadsheet, etc.), including product names and versions, and whether they require separate licensing.
- Indicate whether the system is ADA compliant, and if so, describe how it is compliant.

Offeror's Response:

The proposal must provide an overview of the proposed systems' architecture, including all of the points discussed in Section 4.4.1.

4.4.2. Hardware Specifications

Offerors should identify the proposed hardware and related infrastructure configuration necessary to meet the Division of Taxation functional and performance specifications. This configuration should describe the recommended central infrastructure for hosting the ITS, imaging, and data capture applications, database, data storage and archive storage. The description should include all environments that the Offeror believes necessary to adequately handle development, testing, training, production, reporting, and disaster recovery. Offerors should provide the minimum and optimal configurations for desktop, laptop, and mobile access.

Offerors should provide an infrastructure diagram depicting the proposed configuration and any platform options at each level, and a complete listing of all infrastructure components. Offerors must also include the cost of all infrastructure components, excluding the user devices (desktops, laptops, and mobile devices), in Cost Proposal Worksheet, Section 4 of Attachment G.

Offeror's Response:

The proposal must provide a written overview of the hardware components necessary to handle all elements of system implementation and operations, and an infrastructure diagram showing the configuration of those components, as described in Section 4.4.2.

4.4.3. Data Specifications

Any COTS ITS product offered must utilize SQL-compliant relational DBMS technology. It is strongly preferred to leverage Microsoft SQL 2008 as SQL DBMS. Individual data attributes and logical relationships must meet the business and functional requirements and specifications of the Division of Taxation.

Offerors must provide an overview of the database technologies supported, and how their application(s) interacts with the underlying relational database. Offerors should also provide an overview of the database architecture, including an indication of how tables are structured and maintained. This review should also indicate any field level constraints, such as name size, imposed by the system.

Offerors must describe the methods utilized to sanitize data used for testing and development.

Offeror's Response:

The proposal must provide an overview of the database architecture and technologies incorporated as part of the system as described in Section 4.4.3.

4.4.4. System Operations and Performance

The Division of Taxation has established performance specifications that the Offeror's proposed COTS ITS must meet. Offerors must indicate their ability to comply with each of the following requirements:

- The internal COTS ITS client must be available seven (7) days per week from 6 a.m. until 7 p.m., Eastern Time, with the ability to extend availability when necessary. The availability level for the production system during these times should average at least 99.5%.

- The public facing COTS ITS client must be available 24 hours a day, Monday through Sunday, with occasional exceptions for maintenance.
- The COTS ITS must be able to support batch system updates 24 hours a day Monday through Sunday.
- The COTS ITS must accommodate batch processing/updates of all Division of Taxation daily transactions within a six-hour time window.
- The COTS ITS on-line response time must be under one second for normal user transaction processing at least 95% of the time. This response time will be measured from the time a user executes a command to the time the screen is freed up for the user to move to the next action. Response time will be tested using transactions specified by the Division of Taxation, for example: customer registration, payment inquiries, payment transfers, generating payment plans, and other routine transactions.
- The Offeror must provide stress-testing software, which simulates actual system use (various transaction types and various volume levels) for the Division of Taxation to use in conducting initial acceptance testing to verify the Offeror's performance claims prior to the implementation of the system. The Offeror will be expected to provide training and assistance in the installation and use of the software. Offerors should indicate what software products will be used, whether the Division of Taxation will retain the rights to use the software and related scripts, and if there would be any separate license fees.

In addition to confirming the ability of the proposed system to meet the above performance criteria, Offerors must also provide the following information related to system operations:

- Describe the method for handling batch processing and other system operations, including how job streams are scheduled and controlled.
- Describe any impacts that batch processing has on the availability of online access.
- Describe the recommended method for performing backup and recovery as well as disaster recovery of the proposed system.
- Describe the methods used for archiving and purging data as it ages.
- Describe the methods used to ensure a system availability or reliability level of 99.5%, including any impacts to the proposed infrastructure configuration.

- Describe the networking requirements to ensure that online performance meets expectations at all locations, including those remote from the data center.
- Provide any performance metrics related to response time, batch processing time, and system availability from other sites at which the proposed system is operational.

Offeror's Response:

The proposal must provide an overview of system operations and include Offeror confirmation of their ability to meet the system performance standards as described in Section 4.4.4.

4.4.5. Security and Controls

The COTS ITS must conform to State and federal statutes and guidelines relating to confidentiality of tax data and must be secure from entry by unauthorized users. It must also be compatible with the established security processes at the Division of Taxation, including overall system access, violation reports, audit trails, and system logs.

Authorizations must be easy to establish and maintain by appropriate State personnel. Access to data and system software will be controlled by an individual's LOGON ID, which will be password protected. The system should also enable role-based access authority leveraging the State of Rhode Island's existing Active Directory infrastructure.

Offerors are required to provide an overview of the security model of the proposed system, including a review of the following areas:

- Describe the system's capabilities for handling authentication and authorization. Differentiate between application and database security.
- Describe the capabilities for providing role-based access. Identify whether access controls can be maintained at the function level, the tax type level, or both.
- Identify how the system will authenticate against Microsoft Active Directory.
- Describe the system's capabilities for logging access records, including both actions and view-only access, and providing audit trails related to system use.
- Describe the methods used for complying with Internal Revenue Service (IRS) requirements for identifying and securing data provided by the IRS. Describe how the proposed system has dealt with this in other states. Please reference IRS Publication 1075, and indicate whether the system has been certified by the IRS.

- Describe the system's capabilities for specifying sensitive data, and limiting or monitoring access to that data.
- Identify any encryption requirements.
- Identify how the system maintains the association of individuals authenticating to the system with a tax-paying entity.
- Identify any risk or impediments for complying with the DoIT's antivirus and patch management standards (See Antivirus and Patch Management Standards – Attachment O).

Offeror's Response:

The proposal must provide an overview of the system's security model as described in Section 4.4.5.

4.4.6. User Interface

The COTS ITS should be presented to the user through a standard Windows-type interface. The interface should provide users with a smooth transition from one module or component to another, and navigation within the system should be intuitive. Individual windows should clearly display the taxpayer and system module that is currently in use.

Offerors should provide an overview of the user interface, including representative examples of the COTS ITS user screens. The overview should discuss the following:

- Describe the method for providing the user interface (e.g. thick client, web browser, etc.).
- Indicate whether the system allows multiple screens for the same taxpayer to be open simultaneously.
- Indicate whether the system allows multiple screens for different taxpayers to be open simultaneously.
- Indicate whether the user's monitor can be partitioned to show multiple screens simultaneously.
- Describe any navigation tools or methods utilized in the proposed system.

Offeror's Response:

The proposal must provide an overview of user interface, including representative examples of user screens, as described in Section 4.4.6.

4.4.7. Supporting Tools

Along with the application software for COTS ITS, the Offeror must provide a set of tools for administrators, programmers, and users to customize and enhance their use of the system. These must include at a minimum: data dictionary, PDF reader, screen painter, report writer, query facility, message facility, and user help facility.

Offerors must provide a list of the tools planned for the project, a description of their use, and any maintenance requirements. Offerors must also specify whether the Division of Taxation needs to arrange separately for licensing and maintenance of such tools.

Offeror's Response:

The proposal must provide a list of the tools planned for the project, a description of their use, and any maintenance requirements as described in Section 4.4.7.

4.4.8. Additional Technical Information

Offerors must describe:

- How the system(s) handles the creation, generation, and storage of standard and free-form correspondence.
- How the system(s) handles the creation, generation, and storage of standard and ad-hoc reports.
- How the proposed system(s) will address both the importing and exporting of data.
- The data formats supported for importing and exporting of data.
- How the proposed system(s) will address data conversion from legacy applications. Include a description of the data formats needed from the extract process to facilitate the load process, or any other methods proposed for data conversion.
- The State's technical resource requirements for full implementation, by phase, including any skills or training needed by those individuals.
- The process to be used to provide State technical resources with the knowledge necessary to operate and maintain the system after implementation, including

ongoing configuration changes.

- The technical support capabilities and processes employed by the Offeror, including the hours that support is available, normal resolution times, and the methods of communicating system problems and fixes.
- The process for providing and installing system fixes and upgrades.

Offeror's Response:

The proposal must provide an overview of various additional operational and support elements as described in Section 4.4.8.

4.5. Project Approach

The Division of Taxation requires a carefully structured approach to implement the COTS ITS so that adequate control over the process can be exercised. Sufficient time, resources, and training must be applied by the Division of Taxation and the Contractor to achieve a smooth transition to the new system. The Division of Taxation recognizes that modifications to the system to meet its specific needs may be required. However, the Division of Taxation anticipates the majority of its requirements will be accomplished through configuration of the selected COTS ITS product(s). Please use Attachment E – Project Approach to respond to this section.

4.5.1. Project Understanding

Offerors must provide narrative statements that illustrate their understanding of the scope and requirements of the project, the project stakeholders and impacts to those stakeholders, and how their proposal will best meet the needs of the State of Rhode Island.

In this section of the proposal, Offerors must describe their proposed project schedule and phasing, including their reasoning, as discussed in Section 3.3.

Offerors should indicate their expectations regarding involvement of the Division of Taxation personnel for various project activities, and make recommendations on the skills and special training that may be required.

Offeror's Response:

The proposal must provide an overview of how the Offeror interprets the scope of the project and the needs of the Division of Taxation for the effective and efficient implementation and use of a COTS ITS. The proposal must also include the Offeror's proposed project schedule and phasing as discussed in Section 4.5.1. The proposal must also provide recommendations on the involvement of the Division of

Taxation staff.

4.5.2. Risk Assessment

The State recognizes that major technology projects encounter a variety of risks. It is expected that the Offeror will work with the Division of Taxation to continuously identify, assess, and manage risks throughout the life of the project.

Offerors should list and prioritize major risk items that are unique to this project, as well as their proposed mitigation strategies. This includes areas that may cause the system to not be completed within budget, schedule, or in accordance with the scope of work and conditions described in the RFP. The risks may include both internal and external factors. The risks should be described in a non-technical manner, but should also contain enough information to describe to an evaluator why the risk is valid. Offerors should explain, also in non-technical terms, how best to mitigate or avoid the risks, highlighting their unique methods or approaches.

Offeror's Response:

The proposal must provide an overview of the risks the Offeror envisions for a project of this nature, and their approach to mitigating those risks as described in Section 4.5.2.

4.5.3. Project Management Plan

Effective project management is a key factor in the success of major technology projects. It is expected that the Offeror will work with the Division of Taxation to plan and execute an effective approach for managing the COTS ITS implementation.

Offerors must describe their approach to managing a project of this scope and nature. This description should, at a minimum, include a discussion of the following elements:

- Project Initiation
- Project Organization
- Scope Management
- Cost and Schedule Management
- Change Control
- Quality Assurance

- Stakeholder Communication
- Issues Management
- Risk Mitigation

Offeror's Response:

The proposal must provide an overview of their approach for managing a project of this scope and nature as described in Section 4.5.3.

4.5.4. System Implementation

Offerors must submit their proposed implementation methodology for the project. Offerors must include an explanation of how long they have been successfully using this implementation methodology and why they would recommend it for this project. Offerors must describe their methodology in a level of detail to include, at a minimum, the following discipline areas:

- Requirements Definition, including the gap analysis between the product and the Division of Taxation additional requirements;
- Business process reengineering and organizational change to support optimal use of the system;
- System Design;
- Application Configuration and Custom Programming;
- Developing Interface Programs;
- Installation, including approach for implementing this system within the State's infrastructure and identifying issues that would prevent, impair or delay operation in that environment;
- Component Migration;
- Production Cutover;
- User Support;
- Documentation;
- System Operations and Maintenance; and

- Infrastructure and Environment Management.

Offerors must also provide a conceptual Project Work Plan that reflects the approach and methodology, tasks and services to be performed, deliverables, timetables, and staffing. This work plan will be refined in conjunction with the Division of Taxation during contract negotiations and project initiation.

Offeror's Response:

The proposal must provide an overview of the Offeror's implementation methodology, including all of the discipline areas described in Section 4.5.4. The proposal must also include a conceptual Project Work Plan.

4.5.5. Data Conversion Approach

The Division of Taxation contemplates a fairly significant data conversion effort for this project. Most of the existing data resides in the mainframe legacy systems. However, data for some tax and licensing programs is maintained in a variety of systems. In addition, the Division of Taxation utilizes a separate compliance case management system and related data warehouse. This multiplicity of systems creates the potential for issues of data integrity in a conversion process.

The Division of Taxation anticipates converting current year data, along with three (3) years of historic data and any prior year data with an open accounts receivable. The Division of Taxation is aware of some data issues within and between all current systems; however the specific issues will have to be determined and resolved during the data conversion process.

Offerors must discuss their proposed approach to data conversion related to the implementation of their COTS ITS. This discussion should include such elements as:

- Scope of Conversion Effort;
- Data Conversion Alternatives;
- Data Conversion Approaches, including processes for identifying data anomalies; and
- Conversion Methodology.

Offerors should also describe their recommended approach for storing, maintaining, and accessing historical data that is not converted, with the understanding that an objective of the project is to discontinue use of the mainframe.

At the outset of the project, the Division of Taxation will work with the Contractor to develop a specific plan for data conversion, account set-up, and balance transfers. The Contractor will be responsible for the development and successful execution of any data conversion effort. The Division of Taxation will provide necessary support staff, resources, and documentation to support the conversion effort, and will lead the effort to identify and cleanse the data to be converted. The Division of Taxation will also independently validate and verify the success of the data conversion.

Offeror's Response:

The proposal must provide an overview of the Offeror's typical approach to data conversion for a project of this nature as described in Section 4.5.5.

4.5.6. Testing Methodologies

Offerors must describe their approach to working with the Division of Taxation to ensure that the system works as planned prior to placing any components into production. This description should include an overview of the Offeror's proposed methodologies for handling the following elements of an overall test plan:

- Unit testing specific system components, code changes, or configurations by development staff prior to testing by users;
- Testing of specific components, code changes, or configurations by users on a standalone basis;
- Testing of groups of components by users to ensure that the various components function cohesively as planned;
- Acceptance testing of new components by users prior to move into production;
- Regression testing of changes and fixes prior to move into production;
- Testing/confirmation of converted data; and
- Performance testing, including simulated load testing.

Offerors should also describe any proposed use of testing tools, development of test scenarios and scripts, and involvement of the Division of Taxation personnel in the testing process.

Offeror's Response:

The proposal must provide an overview of the Offeror's testing methodologies as

described in Section 4.5.6.

4.5.7. User Training and Technical Knowledge Transfer

Offerors must describe their approach to working with the Division of Taxation to ensure that users, both internal and external, are effectively trained in the use of the system, and that the State IT personnel gain enough knowledge related to configuring, debugging, and operating the system to enable the State to perform basic maintenance and support without vendor involvement.

The description should include a discussion of the following areas:

- Use of classroom and online training methods;
- Development of training materials;
- Development and maintenance of user manuals and online Help functions;
- Methodology for providing State technical personnel with skills and knowledge to allow them to perform system upgrades, add new tax types, provide application support, maintain site specific code, and perform system fixes and system revisions, including rule and configuration changes;
- Methodology for providing State technical personnel with knowledge to maintain the COTS ITS database and related data warehouses, including the use of any proposed reporting and data analytic tools;
- Methodology to measure State internal business users competencies required to successfully work in the system (typical user), manage work in the system (supervisory users) and administer the system from a business user perspective (business rule changes and configurations);
- Methodology for providing State users and technical personnel with knowledge to maintain the image processing and data capture hardware and software;
- Methodology for providing State technical personnel with the knowledge to maintain any system specific infrastructure, maintain specific system environments (including controlling migrations between environments), perform normal system operations, and troubleshoot and fix operational issues, as well as database installation, configuration, tuning, backup and recovery and disaster recovery;
- While formal training shall form part of the overall mix of training services required to educate agency personnel, it will not fully satisfy the knowledge transfer requirement. A methodology for a more complete knowledge transfer approach that supplements training with carefully selected hands-on experience during the project

is also required;

- The Offeror must provide a knowledge transfer approach that shall ensure the agency has knowledgeable internal business users (experts), system administrators, programmers and other technical personnel sufficient to operate and maintain the system independently. A key requirement for success in this area shall be the acquisition of skills through agency participation in producing key functional and technical deliverables, including software modifications, under the supervision and instruction of experienced contractor personnel;
- The Offeror must provide code-level knowledge transfer to the agency's application development staff for all code customized for the agency;
- The Offeror must provide a mechanism for assessing success of knowledge transfer at each phase of the project. Where deficiencies are identified, the contractor must provide additional knowledge transfer activities to ensure competency;
- Offeror should identify and describe the technical skills required to support the proposed solution including system administrators, internal and external user support staff, application development and configuration staff, database administrators, operation support personnel and network technicians;
- Offeror should indicate any specific skill sets that State technical personnel involved with the system should possess, and recommend any external training needed to prepare them for involvement in the project; and
- Training and Transfer of Knowledge must be delivered by the Offeror as close as possible to the actual time the agency staff will be using the system.

Offeror's Response:

The proposal must provide an overview of the Offeror's approach and methodologies related to user training and technical knowledge transfer as described in Section 4.5.7.

4.5.8. Organizational Change

The COTS ITS project will generate significant changes within the Division of Taxation, both technologically and organizationally. The new system has the potential to affect all areas of the agency to varying degrees. Change is disruptive and the impact of a large IT program is significant.

Offerors must describe their approach to working with the Division of Taxation to develop and implement an organizational change management plan. The

description should discuss, at a minimum, methods for identifying barriers to successful organizational change, tools for gaining acceptance of the new system and related changes to the way business functions are performed, processes for communicating with stakeholders, and the resources required to implement the plan.

Offeror's Response:

The proposal must provide an overview of the Offeror's approach and methodologies related to planning for and managing organizational change as described in Section 4.5.8.

4.5.9. Documentation

Offerors must describe their methodology for maintaining various elements of documentation, including but not limited to:

- System Design and Configuration
- Site Specific Coding
- Data Conversion Methodology and Reconciliation
- Test Results
- System Operations
- User Manuals
- User Training Manuals
- System "Help" Functions

Offeror's Response:

The proposal must provide an overview of the Offeror's related to maintaining various elements of documentation as described in Section 4.5.9.

4.5.10. Project Closeout

Offerors should describe their methodology for handling project closeout activities, including the use of project checklists or logs for issue tracking.

Offerors must also confirm their understanding and acceptance of the following requirements for Final Acceptance, or if they disagree, identify any proposed changes and provide an explanation for those proposed changes. The Division of

Taxation defines Final Acceptance of the completed COTS ITS (base functionality, defined tax types, and required interfaces) as the Division of Taxation's written acknowledgement that:

- (1) The COTS ITS base functionality has been implemented, all contracted tax types have been configured, and all system components are fully operational:
- (2) All contractual deliverables have been accepted by the State:
- (3) The completed COTS ITS has been in successful production for three calendar months without Type A or B Malfunctions, as defined in Section 3.5.; and
- (4) Levels of system availability, application response time, and other performance criteria specified in Section 4.4.4 of this RFP have been met.

Offeror's Response:

The proposal must provide an overview of the Offeror's methodology for handling project closeout and confirm their understanding and acceptance of the terms related to Final Acceptance as described in Section 4.5.10.

4.5.11. Warranty, Maintenance, and Support

Offerors must warrant that their proposed product(s) will perform as defined in their proposal for a period of one year after cutover into production of the final system functional components and tax programs to be implemented under the contract. The Offeror must also provide maintenance and support services during the term of the contract.

Offerors should provide an overview of their maintenance and support programs, including any optional maintenance levels normally offered to customers. Any differences between maintenance and support during implementation as opposed to post-implementation must be specified. Offerors must also confirm their ability to act as the single source of support for all components of their proposed system, and describe how that process will work.

Offerors must provide information about the maturity of their COTS ITS product(s) including the number of version releases and number of released fixes between versions. Offerors must also provide their planned upgrade release schedule for the COTS ITS for the next two years beyond the date of their response to this proposal.

Offerors should describe their normal processes for upgrading the core COTS ITS product, including the normal period of time between updates within a version and releases of new versions. Offerors should also indicate their process for determining which enhancements get incorporated in core product updates and new versions, including the process for soliciting and prioritizing input from clients.

This discussion should include a description of any user groups or client conferences supported by the Offeror.

Offerors must confirm their understanding and acceptance of the warranty, maintenance, and support terms delineated in Section 3.5, or if they disagree, identify any proposed changes and provide an explanation for those proposed changes.

Offeror’s Response:

The proposal must provide an overview of the Offeror’s proposed warranty, maintenance, and support programs during the term of the contract as described in Section 4.5.11, including their planned upgrade release schedule for the next two years, and their understanding and acceptance of the terms delineated in this RFP. The proposal must also describe the maintenance and support services to be provided during the optional post-implementation periods as discussed in Section 3.5.

4.5.12. Roles and Responsibilities

The Offeror shall state if they agree with the roles identified in the table below, or if they disagree, identify the modification or addition to any of the roles in their response, and provide an explanation for their proposed modification or addition.

Lead (L) means the party with primary responsibility and ownership for the effort. Such assistance includes the contribution of skills and resources to complete the project in accordance with the technical and functional requirements detailed within this RFP.

Support (S) means the party with supporting roles in the performance of the effort. Such assistance includes the contribution of skills and resources to complete the project in accordance with the technical and functional requirements detailed within this RFP.

Roles and Responsibilities	Offeror	State
I. Program Management		
A. Operate Program Management Team (PMT)	S	L
B. Manage Offeror component of COTS ITS Project Team	L	S
C. Manage State component of COTS ITS Project Team	S	L
D. Coordinate interaction of State and Offeror Team Members	S	L (PMT)
II. Technology Management		

Roles and Responsibilities	Offeror	State
A. Recommend technology platform that best meets the business needs and expense/service level expectations of the Division of Taxation	L	S
B. Authorize and approve technology platform	N/A	L
C. Recommend policies and procedures	S	L
D. Authorize and approve policies and procedures	N/A	L
E. Define services and standards	S	L
F. Manage/track development requests and orders	S	L
G. Prepare technical system documentation	L	S
III. Planning/Requirements/Design		
A. Forms Design	S	L
B. Design data structures	L	S
C. Design program modules	L	S
D. Determine & manage functional requirements	S	L
E. Recommend service level requirements	L	S
F. Authorize and approve requirements definition	S	L
G. Develop cost/benefit analysis	S	L
H. Obtain management authorization	S	L
IV. Programming		
A. Develop functional specifications	L	S
B. Perform system configuration	L	S
C. Create program code (as necessary)	L	S
D. Conduct unit testing of modules	L	S
E. Transfer programs to Contractor QA	L	S
V. System Integration & Testing		
A. Test system conformance to functional requirements	L	S
B. Test system conformance to usability standards	L	S
C. Develop appropriate test scripts	L	S
D. Conduct user acceptance testing	S	L
E. Ensure system conformance to naming/operational conventions	S	L
F. Review and approve quality assurance testing	N/A	L
G. Repair defects	L	S
VI. Implementation		
A. Install local system components as needed	L	S
B. Train local system users	L	S
C. Provide in-person assistance during initial implementation period	L	S
D. Review and approve application implementation	N/A	L
E. Develop disaster recovery plan and procedures	S	L
VII. Data Base Administration		

Roles and Responsibilities	Offeror	State
A. Perform data modeling	L	S
B. Create logical database design	L	S
C. Create physical database design	L	S
D. Determine data element naming conventions	L	S
E. Determine data element access levels	L	S
F. Monitor compliance with naming conventions	S	L
G. Determine logical views of database	L	S
H. Recommend DBMS/tools for implementation	L	S
I. Perform technical review of DBMS code	L	S
J. Monitor DBMS performance	L	S
K. Recommend DBMS performance optimization measures	L	S
L. Design database backup and recovery procedures	L	S
M. Perform database backup and recovery procedures	S	L
N. Coordinate test-to-production application turnover	L	S
O. Provide technical support of DBMS as needed	L	S
VIII. Data Conversion & Quality		
A. Recommend data conversion strategies	L	S
B. Perform data conversion (extract & transform)	L	S
C. Perform data import and loading	L	S
D. Perform data cleansing	S	L
E. Perform data validation	S	L
IX. Accounting & Reporting		
A. Assign user account codes	N/A	L
B. Maintain tables of client account codes	S	L
C. Maintain and allocate project budget	S	L
D. Track utilization	S	L
E. Monitor cost center invoices	S	L
F. Respond to stakeholder inquiries	S	L
G. Report on project execution metrics	S	L
H. Assess schedule status	S	L (PMT)
I. Provide status reports	S	L (PMT)
X. Change Management Control		
A. Establish change management controls	S	L
B. Establish change requirements	S	L
C. Determine and manage risk	S	L
D. Determine change cost and impact	L	S
E. Schedule and conduct change management meeting	S	L
F. Authorize and approve change	N/A	L
G. Notify affected clients of change timing and impact	L	S
H. Implement change	L	S
I. Verify change met objectives and no negative impacts	L	S

Roles and Responsibilities	Offeror	State
J. Validate & Report results of change	S	L
K. Perform quality control	S	L
XI. Security (COTS ITS product(s))		
A. Establish initial security requirements & rights	L	S
B. Maintain physical security of assets	S	L
C. Conduct periodic security checks per requirements	S	L
D. Report security violations & weaknesses identified	L	S
E. Resolve security violations	S	L
XII. Training and Knowledge Transfer		
A. Plan and Execute User Training	L	S
B. Plan and Execute Technical Knowledge Transfer	S	L

Offeror’s Response:

The proposal must provide a confirmation of the Offeror’s acceptance of the roles defined in Section 4.5.12 and denote any objections to those roles, with reasons for the objection.

4.6. Experience and Qualifications

Attachment F – Experience and Qualifications includes a number of sections that must be completed by the Offeror to provide basic information concerning the Offeror’s experience and qualifications. An Offeror’s failure to complete Attachment F will cause the proposal to be determined to be non-responsive and the proposal will be rejected.

4.6.1. Company Profiles

Offerors, as well as Offeror’s proposed subcontractor(s), must provide a brief description of their company, including the number of years in business, corporate structure and organization, total number of employees and locations of permanent facilities. Offerors must provide sufficient information which describes their company mission, location and lines of businesses, including the percentage of their overall resources dedicated to providing the system design, development, implementation and support services described in this RFP.

The Offeror, including any proposed subcontractor(s), shall disclose any past or pending dispute related to the design, delivery, implementation, testing, and operation of any product(s) they have installed, whether as a COTS ITS product or other custom-built system(s). For the purpose of this section, dispute means litigation, mediation, arbitration, or any other alternative dispute resolution proceeding. The disclosure must identify the parties to the dispute, forum of the dispute, nature of the dispute, year(s) and duration of the dispute, and resolution of

the dispute.

4.6.2. Project Experience

The Offeror is required to describe any experience and knowledge the Offeror and the Offeror's proposed team (including any proposed subcontractor(s) as it pertains to the COTS ITS project including an imaging and data capture system. The Offeror should include a complete list of clients to demonstrate your experience in deployment of these systems. The Offeror shall include the name of the governmental entity (tax authority), the tax types implemented, the date the project started, the date when the base system was installed, and the date when the first tax type was implemented.

At a minimum, the Offeror must have successfully implemented (on time, within budget, and meeting client expectations) a COTS ITS currently in use in at least one U.S. state tax agency running multiple tax types. The installed system must be using a recent version of the core source code, preferably built on the same coding platform as the system proposed for the Division of Taxation. To qualify, a majority of the functional components of the COTS ITS products and services proposed for the Division of Taxation system must currently be in production for at least 75% of the contracted tax types.

In addition, the Offeror, or their proposed subcontractor, must have successfully implemented a comparable imaging and data capture system for at least one U.S. state tax agency.

For the purposes of meeting these experience requirements, the imaging and data capture system may have been implemented at a different state tax agency than the COTS ITS.

4.6.3. Client References

The Offeror is required to list at least four, but no more than seven, client references. Each reference must be from a separate government tax, revenue, unemployment tax, or similar agency that is using a broad-based system provided by the Offeror. At least one reference must be from a government tax, revenue, unemployment tax, or similar agency where the Offeror (or Offeror's subcontractor) implemented an imaging and data capture system. In addition, at least one reference must be from the client referenced in the second paragraph in Section 4.6.2.

The Offerors must include a project summary for each reference provided to support the experience and knowledge in the areas listed above. The project summary should include at a minimum the following:

- Client Organization

- Project Overview
- Contract Value
- Start and End Dates
- Project Status (in progress or complete, on/ahead/behind schedule, over/under budget)
- Services Provided
- Primary Deliverables
- Technologies and Platforms Involved

4.6.4. Proposed Staff

The Offeror must identify the individuals who will be assigned to the key staff positions on the project, and to provide an overview of the relevant experience level of each of those individuals. At a minimum, key individuals should include the following positions:

- Project Manager
- System Development Lead
- Technical Lead
- Training Lead
- Organizational Change Coordinator

Resumes must be provided for all key staff and must include name, education, training, technical experience, functional experience, specific dates and names of employers, relevant and related experience, past and present projects with dates and responsibilities, and any applicable certifications.

4.7. Cost Proposal

Attachment G - Cost Proposal worksheet is included in MS Excel format. Offerors must submit their cost proposal using Attachment G in a separate sealed envelope. Cost Proposals will be opened and scored separately. The Division of Taxation will provide the technical scores for the written proposals to the Division of Purchases. For Offerors receiving the minimum threshold described below, the Division of Purchases will provide the cost proposals for any qualifying vendors to the Review Committee. The Cost Proposal scoring will be combined with the technical scores by the Review Committee upon completion of their evaluation and scoring (see Section 6).

Offerors are encouraged to provide explanations or other supporting narrative with their cost proposals. This could include comments to help the Division of Taxation understand possible ways the cost may be reduced.

It should be noted that the Offeror's Cost Proposal must include the cost to interface with the Division of Taxation's current data warehouse (see Section 2.4). If the Offeror recommends replacing the Division of Taxation's current data warehouse, the Offeror

should include an alternative Cost Proposal, entitled Option #2, specifically detailing the cost of replacing the data warehouse.

4.7.1. Software License(s)

Cost Proposals must clearly show the cost to license software product(s) required to meet the expectations and requirements of this RFP. Licenses for the COTS ITS must be perpetual, with no restrictions on use within the Division of Taxation. The Division of Taxation must have the ability to implement additional tax types not within the scope of this RFP without incurring additional licensing costs.

The Cost Proposal must at a minimum itemize the license cost for the following components or modules:

- Base ITS
- Collections Module
- Audit Module
- Inventory Management Module
- On-line Services
- Imaging and Data Capture System
- Data Warehouse (if not interfaced with current Data Warehouse)

Third party software product(s), including operating systems, database licenses, etc., required as part of the proposed solution must also be listed, including the type and/or number of licenses required. The cost for these licenses should be included in the cost proposal. However, the Division of Taxation may elect to acquire the third party software through State approved sources if it deems it more cost effective. For any third party software procured directly by the Division of Taxation, the amount proposed by the Offeror for that software will be removed from the final contract price (but not from the evaluated price). If the State determines that it already has some available licenses for any of the Offeror's proposed third party software products, then the Offeror's evaluated price will be reduced by the amount of the available licenses.

Use Attachment G, Section 3 to provide the cost information related to software licensing.

4.7.2. Hardware

Third party hardware product(s), including servers, data storage, communication devices, scanners, mail extraction equipment, etc., required as part of the proposed solution must be listed, including specific models and configuration details. User workstations should not be included as part of the cost proposal. The cost for this hardware should be included in the cost proposal. However, the Division of Taxation may elect to acquire the third party hardware through State approved sources if it

deems it more cost effective. For any third party hardware procured directly by the Division of Taxation, the amount proposed by the Offeror for that hardware will be removed from the final contract price (but not from the evaluated price). If the State determines that it already has some elements of the Offeror's proposed hardware configuration and has the capacity on that hardware to operate portions of the proposed COTS ITS, then the Offeror's evaluated price will be reduced by the amount of that available hardware.

Use Attachment G, Section 4 to provide the cost information related to hardware.

4.7.3. Implementation Services

Service costs must be shown for each major milestone or project task associated with each phase of the project, and must be inclusive of all personnel-related expenses, including, but not limited to, salaries and wages, employment taxes, employee benefits, travel, lodging, meals and incidental expenses, relocation costs, overhead, and profit. Service costs must be, at a minimum, itemized for the following components or modules:

- Base ITS
- Collections Module
- Audit Module
- Inventory Management Module
- On-line Services
- Imaging and Data Capture System
- Data Warehouse (if not interfaced with current Data Warehouse)

Use Attachment G, Section 5 to provide the cost information related to implementation services.

4.7.4. Maintenance and Support

Offerors must provide the cost of ongoing support, maintenance, and software updates as discussed in Section 3.5. Any costs of this nature must be included for the initial term of the contract as defined in Section 1.6 (minimum of five years).

Offerors must also include their proposed cost for maintenance and support for each of the option periods discussed in Section 1.6. The initial four-year option period will be a firm fixed price. CPI adjustments may be requested at the beginning of each of the three two-year renewals. These amounts will not be evaluated as part of the fixed price for the contract, but will be the basis for pricing in the event the State exercises any of the option periods.

Use Attachment G, Section 6 to provide the cost information related to software

maintenance and support.

4.7.5. Other Costs

Any other costs not included above should be delineated.

Use Attachment G, Section 7 to provide the cost information related to any additional costs.

5. Demonstrations and Interviews

After scoring all written proposals and prior to the determination of the award, the Division of Taxation will require up to three (3) Offerors that receive the highest scores in the evaluation process (see Section 6.3.6) to participate in a two-day vendor demonstration / presentation and project team interview. Offerors must bear all expenses related to this process.

5.1. Vendor Presentations and Demonstrations

Offerors, and proposed subcontractors, may be required to make an oral presentation and provide a system demonstration to the Division of Taxation. Each Offeror should view this as an opportunity to highlight the advantages of their system and project approach. Offerors, and proposed subcontractors, must bring the key staff identified in the proposal for the demonstration and interviews.

These sessions are currently scheduled for February 19, 2013, through March 1, 2013, in accordance with the schedule in Section 1.4. The Division of Taxation will provide selected Offerors with scenarios to use for the system demonstration approximately one to two weeks prior to the scheduled visit. The Division of Taxation reserves the right to request follow-up demonstrations from selected Offerors. The Review Committee may revise original scores based on the Offeror's oral presentation and system demonstration. The Division of Taxation reserves the right to request the Offerors to arrange a site visit with a current or past client to see the proposed imaging and data capture component functioning in a production environment.

Each Offeror must provide the Division of Taxation ten (10) paper copies and an electronic version of any presentation materials. Offerors will have six hours to provide an oral presentation and system demonstration (9:00 AM to 12:00 PM EST and 1:00 PM to 4:00 PM EST). The Division of Taxation reserves the right to ask questions through the presentation and demonstration.

5.2. Project Team Interviews

In conjunction with the oral presentation and system demonstration, the Division of Taxation will interview each of the Vendor's designated key staff members, including:

- Project Manager
- System Development Lead
- Technical Lead
- Training Lead
- Organizational Change Coordinator

Interviews will be held the day following the Vendor's demonstration (9:00 AM to 2:00 PM EST). Individual interviews will be held first, allowing approximately 30 minutes for each interview. Each individual will be asked a set of standard questions; however, the questions will not be disclosed prior to the interview. The individual interviews will be followed by a group interview for approximately one hour. Questions and discussion items for the group interview will be determined by the Division of Taxation based on the written proposals, oral presentations and system demonstrations and may not be the same for each Vendor.

Important Note: All proposed team members must be available in person for the demonstrations and interviews on the date requested. No substitutes, proxies, phone interviews, or electronic interviews will be allowed. Individuals who fail to attend the interview will not be given a score, which may jeopardize the Vendor's competitiveness.

6. Evaluation and Scoring

6.1. Overall Scoring and Vendor Selection

The Rhode Island Division of Taxation expects to award a contract to the Offeror whose proposal is responsive and is the most advantageous to the State, as determined by the Division of Taxation. After review, the Division of Taxation will issue a written recommendation to the Division of Purchases, who will then make a final selection. The Division of Taxation reserves the right to request supplementary information to assure the Division of Taxation that the prospective Vendor has a satisfactory record of performance, is qualified legally to contract with the Division of Taxation, and has supplied all necessary information in connection with the inquiry concerning responsibility. Additionally, the Division of Taxation reserves the right to require the prospective Vendor to demonstrate they have the necessary financing, equipment, facilities, expertise, and personnel.

The Division of Taxation will evaluate proposals using a step-by-step approach. The table below presents the overall evaluation criteria and the associated steps that will be used to identify the best Offeror. Proposals will pass through each of three steps based on the evaluation criteria outlined in the RFP. At the end of each step, only proposals that meet the criteria identified in that step will advance to the next step and continue to be evaluated. The Division of Taxation expects to invite up to three Offerors to

participate in Step 3.

Step	Points	Percent	Section	Evaluation Criterion	Scoring Method
1	Pass/Fail	N/A	Section 4.2 Attachment A	Administrative Requirements	
2	50	5.0%	Section 4.3.1 Attachment B	Functional Requirements Overview	Scored by Review Committee
	100	10.0%	Section 4.3.2 Attachment C	Functional Requirements Matrix	Raw data used in analysis from Functional Requirements Matrix
	100	10.0%	Section 4.4 Attachment D	Technical Requirements	Scored by Review Committee
	125	12.5%	Section 4.5 Attachment E	Project Approach	Scored by Review Committee
	125	12.5%	Section 4.6 Attachment F	Experience and Qualifications	Scored by Review Committee
	300	30.0%	Section 4.7 Attachment G	Cost	Raw Data used in analysis from Cost Proposal
	800	80.0%	Subtotal – Step 2		
3	100	10.0%	Section 5.1	Vendor Presentation and Demonstrations	Scored by Review Committee
	100	10.0%	Section 5.2	Project Team Interviews	Scored by Review Committee
	200	20.0%	Subtotal – Step 3		
1,000	100.0%				

The Review Committee will be commissioned to evaluate and score all proposals that are complete and minimally responsive using the criteria described. The evaluation of any item may incorporate input from sources other than the Offeror’s response and supplementary materials submitted by the Offeror. Those other sources could include assessments made by evaluators based on findings recorded from reference checks (including but not limited to those supplied by the Offeror), prior experience with or knowledge of Offeror’s work, responses to follow-up questions posed by the State and/or oral presentations, demonstrations and interviews. The State may elect to use any or all of these evaluation tools.

The State may contact any, all or some of the Offerors with questions and clarifications at any point during the process and at its own discretion. Prior to the opening of cost proposals, the review team may adjust the technical score of any Offeror after receiving clarification.

The Review Committee will present written findings, including results of all evaluations, to the State Purchasing Agent or designee, who will make the final selection for this solicitation on behalf of the Division of Taxation. When a final decision is made and a contract awarded,

a notice will be posted on the Rhode Island Division of Purchasing web site.

Because the evaluation takes into consideration both the technical and cost components in a value based approach, the lowest costing Offeror may not necessarily be awarded the contract.

Notwithstanding anything above, the Division of Purchases reserves the right to unilaterally: 1) accept or reject any, or all, bids, proposals, and/or award on cost alone; 2) cancel the solicitation; 3) waive any technicality in order to act in the best interest of the State; and 4) to conduct additional negotiations as necessary in the interests of the State.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not be considered further. The State, at its sole option, may elect to require presentation(s) by Offerors in consideration for the award as described. An award will not be made to a contractor who in the sole opinion of the State is neither qualified nor equipped to undertake and complete the required work within the specified time.

6.2. Step 1 – Scoring Administrative Requirements (Pass/Fail)

Offerors must acknowledge a set of statements, conditions, and information by having a duly authorized representative sign an Offeror Confirmation Letter as specified in Attachment A.

Criteria for advancing to Step 2 of Scoring: Administrative and Mandatory Requirements will be scored on a pass/fail basis and only Offerors that meet all of the Administrative and Mandatory Requirements will pass and advance to Step 2. There is no limit on the number of Offerors that may advance to Step 2.

6.3. Step 2 – Scoring of Written Proposals

The scoring for Step 2 has been divided into sections as indicated in the table in Section 6.1. There are a number of major evaluation categories. Each major evaluation category has been further segmented into evaluation criteria as specified below. The details and expectations related to these Step 2 criteria are described in Section 4. Each criterion has been assigned a specific number of points as shown. Offerors must achieve a minimum threshold of 400 points out 500 points in the Step 2 categories (not including cost in order) to be considered further.

Members of the Review Committee will be instructed to develop an overall understanding of the RFP, each major evaluation category, and each criterion. For those categories shown as scored by the Review Committee in the table in Section 6.1, the individual Review Committee members will use their judgment to award a score for each item, and will make notes related to their evaluation in a neat and logical fashion.

These notes will become part of the official record related to the contract award.

6.3.1. Functional Requirements (Maximum 150 Points)

Each COTS ITS being proposed will be scored for the features provided within the base code and the features that can be implemented through configuration of the product(s) without custom coding. More details regarding Functional Requirements may be found in RFP Section 4.3.

Scoring of Functional Requirements

Functional Requirements Overview (50 Points)

Offerors must provide a narrative overview of the functional components of the proposed system as described in RFP Section 4.3.1 (See Attachment B). Each member of the Review Committee will evaluate each Offeror’s responses and assign a score of 1 to 10 for each functional area specified in RFP Section 4.3.1. The scores for each functional area assigned by an individual Review Committee member will be added to determine the overall score assigned by that Review Committee member for the Offeror’s Functional System Overview.

The cumulative scores for each Offeror will be tabulated. The Offeror with the highest cumulative score will be awarded the maximum points (50). In the example below, Offeror 1 receives the maximum points for Functional System Overview as their cumulative score is the highest. Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

Example – Functional Requirements Overview Scoring

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Cumulative Score	Awarded Score
Offeror 1	76	80	75	69	78	378	50.0
Offeror 2	65	71	78	67	72	353	46.7
Offeror 3	60	65	72	70	65	332	43.9
Offeror 4	72	75	65	62	66	340	45.0

Functional Requirements Matrix (100 Points)

Attachment C contains the Functional Requirements Matrix. The items in this matrix represent a sample of the Division of Taxation’s requirements for a COTS ITS in various processing areas. Points for each item will be assigned as follows:

- 10 points will be awarded if the Offeror’s COTS ITS base product meets the

requirement and is configurable

- 8 points will be awarded if the Offeror’s COTS ITS base product meets the requirement, but is not configurable
- 5 points will be awarded if the requirement can be met but will require new programming to the base product
- 3 points will be awarded if the requirement can be met by custom programming which is included in the price
- No points will be awarded if the requirement can only be met with custom programming that is not included in the price

The points awarded for an individual requirement will then be multiplied by the weighting factor for that requirement. Weighting factors range from 1 to 5, and represent the significance and/or importance to the Division of Taxation of that requirement (the greater the significance or importance, the greater the weight).

The weighted scores for all of the requirements will be added together to calculate the Total Functional Requirements Matrix Score for the Offeror. The Offeror with the highest Total Functional Requirements Matrix Score will be awarded the maximum points.

In the example below, it is assumed that the maximum Total Functional Requirements Matrix Score is 10,000. This is based on there being 400 individual requirements, each with a maximum base score of 10, and with an average weighting factor of 2.5 (assumes even distribution of weighting factors across the requirements). Thus, the result is $400 \times 10 \times 2.5 = 10,000$. Offeror 2 receives the maximum points for Functional Requirements as their Total Functional Requirements Matrix Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their total score by the highest total score, then multiplying the result by the number of available points.

	Total Functional Requirements Matrix Score	Awarded Points
Offeror 1	8,763	96.3
Offeror 2	9,102	100.0
Offeror 3	7,344	80.7
Offeror 4	7,850	86.2

As stated in RFP Section 4.3.1, the Offeror who is selected for award will be required to provide a comprehensive demonstration of the system to provide confirmation that the system does meet each of the functional requirements in the fashion the Offeror has specified in the Functional Requirements Matrix. In the event the Division of Taxation

determines that the Offeror has misstated the capabilities of its proposed system to meet the functional requirements, the Division of Taxation may void the Notice of Award to that Offeror and either enters into negotiations with the next highest ranked Offeror or cancels the procurement.

6.3.2. Technical Requirements (Maximum 100 Points)

The Division of Taxation’s Review Committee will evaluate each Offeror’s responses to the various components of the Technical Requirements section of the proposal (Section 4.4). The relative weighting for components included under the Offeror Technical Requirements criteria is as follows:

CRITERIA	RFP SECTION	WEIGHT
System Architecture	4.4.1	25
Hardware Specifications	4.4.2	10
Data Specifications	4.4.3	10
System Operations and Performance	4.4.4	10
Security and Controls	4.4.5	10
User Interface	4.4.6	10
Supporting Tools	4.4.7	5
Additional Technical Information	4.4.8	20
Total Points Available		100

Scoring of Technical Requirements

Each member of the Review Committee will evaluate each Offeror’s responses and assign a score of 1 to 10 for each technical area noted above.

After the Review Committee has scored each component of the Technical Requirements, the Division of Taxation will calculate a Raw Average Score by averaging all of the evaluators’ scores for each Offeror. The Division of Taxation will then calculate a Weighted Score for each Offeror for that component by multiplying the Raw Average Score by the Weight Factor shown in the table above.

Technical Requirements Scoring Examples

System Architecture (25)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	10	8	8	7	9	42	8.4	210
Offeror 2	6	6	7	10	9	38	7.6	190
Offeror 3	8	7	8	9	6	38	7.6	190
Offeror 4	7	7	6	7	6	33	6.6	165

Hardware Specifications (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	6	5	5	4	7	27	5.4	54
Offeror 2	8	8	9	6	7	38	7.6	76
Offeror 3	9	10	8	9	8	44	8.8	88
Offeror 4	5	6	4	6	7	28	5.6	56

Data Specifications (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	10	9	8	9	10	46	9.2	92
Offeror 2	6	6	7	7	8	34	6.8	68
Offeror 3	9	9	9	8	9	44	8.8	88
Offeror 4	5	5	4	7	5	26	5.2	52

System Operations and Performance (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	6	5	5	7	7	30	6.0	60
Offeror 2	8	7	8	9	10	42	8.4	84
Offeror 3	8	9	8	7	8	40	8.0	80
Offeror 4	9	9	8	8	8	42	8.4	84

Security and Controls (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	7	8	9	10	42	8.4	84
Offeror 2	5	7	6	6	7	31	6.2	62
Offeror 3	8	7	8	7	6	36	7.2	72
Offeror 4	5	4	6	5	4	24	4.8	48

User Interface (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	9	8	8	9	42	8.4	84
Offeror 2	5	7	5	6	7	30	6.0	60
Offeror 3	9	10	8	9	9	45	9.0	90
Offeror 4	5	6	5	3	5	24	4.8	48

Supporting Tools (5)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	7	8	7	8	9	39	7.8	39
Offeror 2	5	7	5	6	7	30	6.0	30
Offeror 3	8	8	8	8	9	41	8.2	41
Offeror 4	5	7	5	6	7	30	6.0	30

Additional Technical Information (20)

	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	7	8	9	42	8.4	168
Offeror 2	6	7	6	5	31	6.2	124
Offeror 3	8	9	8	7	40	8.0	160
Offeror 4	5	7	6	6	31	6.2	124

The Weighted Score for each component will be added to determine each Offeror’s Combined Weighted Score. The Offeror with the highest Combined Weighted Score will be awarded the maximum points. In the example summarized below, Offeror 3 receives the maximum points for Technical Requirements as their Combined Weighted Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

All Components Combined (100)

	System Arch.	H/W Specs.	Data Specs.	Oper. & Perf.	Security & Controls	User Interface	Support Tools	Addl. Tech. Info.	Combined Weighted Score	Award Points
Offeror 1	210	54	92	60	84	84	39	168	791	97.8
Offeror 2	190	76	68	84	62	60	30	124	694	85.8
Offeror 3	190	88	88	80	72	90	41	160	809	100.0
Offeror 4	165	56	52	84	48	48	30	124	607	75.0

6.3.3. Project Approach (Maximum 125 Points)

The Division of Taxation’s Review Committee will evaluate each Offeror’s responses to the various components of the Project Approach section of the proposal (Section 4.5). The relative weighting for components included under the Offeror Project Approach criteria is as follows:

CRITERIA	RFP SECTION	WEIGHT
Project Understanding	4.5.1	10
Risk Assessment	4.5.2	5
Project Management Plan	4.5.3	15
System Implementation	4.5.4	20
Data Conversion Approach	4.5.5	10
Testing Methodologies	4.5.6	10
User Training and Knowledge Transfer	4.5.7	15
Organizational Change	4.5.8	10
Documentation	4.5.9	5
Project Closeout	4.5.10	5
Warranty, Maintenance, and Support	4.5.11	15
Roles and Responsibilities	4.5.12	5
Total Points Available		125

Scoring of Project Approach

Offerors must provide a narrative overview of their proposed approach, methodologies and tools for handling various elements of system implementation and support as described in Section 4.5. Each member of the Review Committee will evaluate each Offeror’s responses and will assign a score of 1 to 10 for each Project Approach element noted above.

After the Review Committee has scored each component of the Project Approach, the Division of Taxation will calculate a Raw Average Score by averaging all of the evaluators’ scores for each Offeror. The Division of Taxation will then calculate a Weighted Score for each Offeror for that component by multiplying the Raw Average Score by the Weighting Factor shown in the table above.

Project Approach Scoring Example:

Project Understanding (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	10	9	9	9	10	47	9.4	94
Offeror 2	7	7	8	6	7	35	7.0	70
Offeror 3	7	8	8	6	7	36	7.2	72
Offeror 4	6	5	5	5	6	27	5.4	54

Risk Assessment (5)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	9	10	9	8	9	45	9.0	45
Offeror 2	5	6	5	6	4	26	5.2	26
Offeror 3	8	8	8	8	8	40	8.0	40
Offeror 4	4	4	5	5	5	23	4.6	23

Project Management Plan (15)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	8	8	7	9	40	8.0	120
Offeror 2	6	7	5	6	6	30	6.0	90
Offeror 3	8	9	7	9	8	41	8.2	123
Offeror 4	6	6	5	7	5	29	5.8	87

System Implementation (20)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	9	8	8	9	10	44	8.8	176
Offeror 2	6	7	6	5	7	31	6.2	124
Offeror 3	8	9	8	7	8	40	8.0	160
Offeror 4	5	7	7	7	7	33	6.6	132

Data Conversion (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	7	8	9	10	42	8.4	84
Offeror 2	5	7	6	6	7	31	6.2	62
Offeror 3	8	7	8	7	6	36	7.2	72
Offeror 4	5	4	6	5	4	24	4.8	48

Testing Methodologies (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	8	8	9	8	41	8.2	82
Offeror 2	7	7	6	8	7	35	7.0	70
Offeror 3	6	7	5	6	7	31	6.2	62
Offeror 4	8	9	7	7	7	38	7.6	76

User Training and Knowledge Transfer (15)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	7	8	7	7	8	37	7.4	111
Offeror 2	7	7	8	6	7	35	7.0	105
Offeror 3	9	9	9	9	9	45	9.0	135
Offeror 4	7	8	8	7	6	36	7.2	108

Organizational Change (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	6	7	8	7	7	35	7.0	70
Offeror 2	7	5	7	6	6	31	6.2	62
Offeror 3	9	9	8	9	8	43	8.6	86
Offeror 4	5	6	6	5	7	29	5.8	58

Documentation (5)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	5	6	5	4	6	26	5.2	26
Offeror 2	6	7	6	5	7	31	6.2	31
Offeror 3	8	7	8	7	9	39	7.8	39
Offeror 4	6	7	6	7	7	33	6.6	33

Project Closeout (5)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	6	8	6	7	7	34	6.8	34
Offeror 2	5	7	5	6	7	30	6.0	30
Offeror 3	8	9	8	9	9	43	8.6	43
Offeror 4	5	7	5	6	7	30	6.0	30

Warranty, Maintenance, and Support (15)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	7	7	8	7	7	36	7.2	108
Offeror 2	7	7	6	7	6	33	6.6	99
Offeror 3	6	5	7	6	5	29	5.8	87
Offeror 4	7	7	6	7	7	34	6.8	102

Roles and Responsibilities (5)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	7	8	7	8	9	39	7.8	39
Offeror 2	4	6	5	6	5	26	5.2	26
Offeror 3	8	8	8	8	9	41	8.2	41
Offeror 4	7	7	8	8	7	37	7.4	37

The Weighted Score for each component will be added to determine each Offeror's Combined Weighted Score. The Offeror with the highest Combined Weighted Score will be awarded the maximum points. In the example below, Offeror 1 receives the maximum points for Project Approach as their Combined Weighted Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

All Components Combined (125)

	Project Understanding	Risk Assessment	Project Mgmt.	System Implement.	Data Conversion	Testing Methods	Training & Knowledge Transfer
Offeror 1	94	45	120	176	84	82	111
Offeror 2	70	26	90	124	62	70	105
Offeror 3	72	40	123	160	72	62	135
Offeror 4	54	23	87	132	48	76	108

	Organization Change	Document	Project Closeout	Warranty, Maint. & Support	Roles & Respons.	Combined Weighted Score	Award Points
Offeror 1	70	26	34	108	39	989	125.0
Offeror 2	62	31	30	99	26	795	100.5
Offeror 3	86	39	43	87	41	960	121.3
Offeror 4	58	33	30	102	37	788	99.6

6.3.4. Experience and Qualifications (Maximum 125 Points)

The Division of Taxation’s Review Committee will evaluate each Offeror’s responses to the various components of the Experience and Qualifications section of the proposal (Section 4.6). The relative weighting for components included under the Offeror Experience and Qualifications criteria is as follows:

CRITERIA	RFP SECTION	POINTS
Company Profile	4.6.1	10
Project Experience	4.6.2	50
Client References	4.6.3	25
Proposed Staff	4.6.4	40
Total Points Available		125

Scoring of Experience and Qualifications

Each member of the Review Committee will evaluate each Offeror’s responses and assign a score of 1 to 10 for each element of Experience and Qualifications noted above.

After the Review Committee has scored each component of the Experience and Qualifications, the Division of Taxation will calculate a Raw Average Score by averaging all of the evaluators’ scores for each Offeror. The Division of Taxation will then calculate a Weighted Score for each Offeror for that component by

multiplying the Raw Average Score by the Weighting Factor shown in the table above.

Experience & Qualifications Scoring Examples

Company Profile (10)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	9	9	10	8	9	45	9.0	90
Offeror 2	9	8	8	9	8	42	8.4	84
Offeror 3	9	9	8	9	8	43	8.6	86
Offeror 4	5	6	6	6	7	30	6.0	60

Project Experience (50)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	8	9	8	7	8	40	8.0	400
Offeror 2	7	7	6	7	6	33	6.6	330
Offeror 3	8	8	7	8	7	38	7.6	380
Offeror 4	6	5	6	6	5	28	5.6	280

Client References (25)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	9	8	8	9	10	44	8.8	220
Offeror 2	6	7	6	5	7	31	6.2	155
Offeror 3	8	9	8	7	8	40	8.0	200
Offeror 4	5	7	7	7	7	33	6.6	165

Proposed Staff (40)

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score	Raw Average Score	Weighted Score
Offeror 1	6	7	8	8	8	37	7.4	296
Offeror 2	7	5	7	6	6	31	6.2	248
Offeror 3	8	9	8	9	8	42	8.4	336
Offeror 4	6	6	6	7	7	32	6.4	256

The Weighted Score for each component will be added to determine each Offeror’s Combined Weighted Score. The Offeror with the highest Combined Weighted Score will be awarded the maximum points. In the example below, Offeror 3 receives the maximum points for Experience & Qualifications as their Combined Weighted Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

All Components Combined (125)

	Company Profile	Project Experience	Client References	Project Staff	Combined Weighted Score	Award Points
Offeror 1	90	400	220	296	1,006	125.0
Offeror 2	84	330	155	248	817	101.5
Offeror 3	86	380	200	336	1,002	124.5
Offeror 4	60	280	165	256	761	94.6

6.3.5. Scoring of Cost Proposal

Offerors are required to complete Attachment G, Cost Proposal worksheet, and submit it in a separate sealed envelope. The Division of Taxation will provide the technical scores for the above categories described in Sections 6.3.1 through 6.3.4 to the Division of Purchases. For Offerors achieving a minimum threshold of 400 out of a maximum 500 points in the Step 2 categories other than cost, the Division of Purchases will provide the cost proposals to the Review Committee. Offerors receiving less than 400 points will be dropped from further consideration. For qualifying Offerors, the cost proposal scoring will be combined with the technical scores to determine who will advance to Step 3 as described in Section 6.3.6 below.

The cost proposals will be evaluated against each other. The Division of Taxation will not adjust, in any manner, an Offeror’s cost proposal, but may clarify with Offeror if necessary.

The lowest cost proposal will receive the maximum number of points allocated to cost. In the example below, Offeror 1 is awarded the maximum points for cost as their final cost is the lowest. Each other Offeror will be granted points on a proportional basis using the following formula.

$$\frac{(\text{Price of Lowest Cost Proposal})}{(\text{Cost of Each Higher Priced Proposal})} \times \text{Maximum Point for Cost} = \text{Awarded Points}$$

Cost Scoring Example

	Cost Offered	Award Points
Offeror 1	\$1,300,000.00	300.0
Offeror 2	\$1,700,000.00	229.4
Offeror 3	\$1,450,000.00	269.0
Offeror 4	\$1,700,000.00	229.4

Not all members of the Review Committee will be involved in scoring the cost proposal. Because cost proposals will be evaluated using a set formula, the

evaluation will be performed and recorded on the evaluation summary sheets.

6.3.6. Criteria for Advancing to Step 3

Each component within Step 2 (Functional Requirements, Technical Requirements, Project Approach, Experience and Qualifications, and Cost) will be evaluated as described in Sections 6.3.1 through 6.3.5. For qualifying vendors, the subsequent scores will be added to create a total score for Step 2.

To be eligible for advancement to Step 3 and be eligible for an award, an Offeror must score a minimum of 500 points in Step 2 (including cost), and their score must be at least 80% of the highest Step 2 score. The Division of Taxation is expecting to shortlist up to three Offerors with the highest scores to be eligible for an award. Only short-listed Offerors will be invited to participate in Step 3.

Depending on the relative scores and the total number of Offerors, the Division of Taxation reserves the right to advance less than three Offerors to Step 3, including the right to advance only one Offeror. In addition, the Division of Taxation reserves the right to advance to Step 3 an Offeror who does not meet the above thresholds if it is deemed in the best interests of the State for competitive purposes.

Example of Scoring Summary after Step 2:

	Admin. & Mandatory Rqmts.	Func. System Overview	Func. Rqmts. Matrix	Technical Rqmts.	Project Approach	Exper. & Quals.	Cost	Award Points at end of Step 2
Offeror 1	Pass	50.0	96.3	97.8	125.0	125.0	300.0	794.1
Offeror 2	Pass	46.7	100.0	85.8	100.5	101.5	229.4	663.9
Offeror 3	Pass	43.9	80.7	100.0	121.3	124.5	269.0	739.4
Offeror 4	Pass	45.0	86.2	75.0	99.6	94.6	229.4	629.8

In the example above, Offeror 4 does not advance to Step 3 because they are not eligible for an award. While they did receive in excess of the minimum 500 points, their score was less than 80% of the highest score.

6.4. Scoring of Demonstrations and Interview (200 Points)

Offerors that advance to Step 3 of the evaluation process will be required to participate in a vendor demonstration, presentation, and project team interview.

6.4.1. Offeror Demonstration and Presentation (Maximum 100 Points)

Short-listed Offerors will be required to provide a demonstration of their system and

presentation of their project approach to the Division of Taxation’s Review Committee. Please refer to RFP Section 5.1 for details.

The Review Committee will evaluate and score vendor demonstrations and presentations as a whole and assign a single score. Each member of the Review Committee will evaluate each Offeror’s demonstration and presentation, and assign a score of 1 to 10.

After the Review Committee has scored the vendor demonstrations and presentations, the Division of Taxation will calculate a Total Score for each Offeror. The Offeror with the highest Total Score will be awarded the maximum points. In the example below, Offeror 3 receives the maximum points for Demonstrations & Presentations as their Total Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total	Award Points
Offeror 1	7	8	8	7	9	39	90.7
Offeror 2	6	6	7	6	7	32	74.4
Offeror 3	8	9	9	8	9	43	100.0
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Project Team Interviews (Maximum 100 Points)

In addition to the Offeror demonstrations and presentations, the Division of Taxation will conduct interviews with the proposed key staff of the Offerors that have been invited to participate in Step 3. Please refer to RFP Section 5.2 for further details.

The Review Committee will interview each of the proposed key staff separately and as a group. The Division of Taxation may request additional information prior to interviews (such as a list of similar past contracts, a detailed cost breakdown, a detailed service schedule, etc). No other individuals from the Offeror’s organization will be allowed to attend or participate during the interviews. Similar to a job interview, the questions will not be disclosed prior to the interview.

Note: All proposed team members must be available in person for interviews on the date specified in this solicitation and as amended. No substitutes, proxies, phone interviews, or electronic interviews will be allowed. Individuals who fail to attend the interview will not be given a score which may jeopardize the Offeror’s competitiveness.

The Review Committee will evaluate and score each individual interview and the group interview. Each member of the Review Committee will evaluate each interview, and assign a score of 1 to 10.

After the Review Committee has scored the interviews, the Division of Taxation will calculate a Total Score for each individual and group interview.

Project Team Interview Scoring Examples

Project Manager

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	9	9	8	8	9	43
Offeror 2	7	7	8	7	8	37
Offeror 3	9	8	10	8	9	44
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

System Development Lead

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	7	8	8	8	6	37
Offeror 2	6	6	6	5	6	29
Offeror 3	8	8	9	7	9	41
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

Technical Lead

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	7	7	8	7	8	37
Offeror 2	7	6	6	7	7	33
Offeror 3	8	8	9	8	9	42
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

Training Lead

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	9	9	10	8	8	44
Offeror 2	6	5	5	3	5	24
Offeror 3	6	5	5	4	6	26
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

Organizational Change Coordinator

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	8	7	7	8	6	36
Offeror 2	5	5	5	4	5	24
Offeror 3	8	8	8	8	9	41
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

Project Team as a Group

	Review Committee Member 1	Review Committee Member 2	Review Committee Member 3	Review Committee Member 4	Review Committee Member 5	Total Score
Offeror 1	9	9	9	8	9	44
Offeror 2	7	6	5	7	7	32
Offeror 3	8	7	8	8	8	39
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a

The Offeror with the highest Total Score will be awarded the maximum points. In the example below, Offeror 1 receives the maximum points for Project Team Interviews as their Total Score is the highest.

Each other Offeror will be granted points on a proportional basis by dividing their cumulative score by the highest cumulative score, then multiplying the result by the number of available points.

All Interviews Combined

	Project Manager	System Devel. Lead	Tech. Lead	Training Lead	Org. Change Coord.	Project Team as a Group	Combined Total Score	Award Points
Offeror 1	43	37	37	44	36	44	241	100.0
Offeror 2	37	29	33	24	24	32	179	74.3
Offeror 3	44	41	42	26	41	39	233	96.7
Offeror 4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Scoring Summary for Step 3

	Vendor Demonstrations & Presentations	Project Team Interviews	Award Points for Step 3
Offeror 1	90.7	100.00	190.7
Offeror 2	74.4	74.3	148.7
Offeror 3	100.00	96.7	196.7
Offeror 4	n/a	n/a	n/a

6.5. Final Scoring

The results of Step 3 will be combined with the results from Step 2 to calculate final scores. The following example illustrates how the scores will be calculated.

	Step 1	Step 2	Step 3	Total Award Points
Offeror 1	Pass	794.1	190.7	984.8
Offeror 2	Pass	663.9	148.7	812.6
Offeror 3	Pass	739.4	196.7	936.1
Offeror 4	Pass	629.8	n/a	629.8

In this example, all of the proposals have been evaluated and Offeror 1 has been identified as the Offeror with the most Award Points.

The Division of Taxation will provide an evaluation memo to the Division of Purchases outlining the selection process, providing the scores and issuing a recommendation. The Division of Purchases will review and then tentatively select an Offeror who will be required to finalize a contract with the Division of Taxation, furnish a performance bond and meet any other requirements stated herein and/or required by law. Once all requirements are satisfied, the Division of Purchases, in its sole judgment, will issue a Purchase Agreement to the selected Offeror. Once a Purchase Agreement is issued, the selected Offeror may proceed with the Integrated Tax System project.