



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**REQUEST FOR PROPOSALS
FOR
INTEGRATED POINT OF SALE AND INVENTORY SYSTEM (IPSIS)
RFP NUMBER: 317.03.141**

Revised August 24, 2006

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1 INTRODUCTION

1.1 Statement of Purpose

The State of Tennessee, Department of Finance and Administration, hereinafter referred to as the State, has issued this Request for Proposals (RFP) to define the State's minimum service requirements; solicit proposals; detail proposal requirements; and, outline the State's process for evaluating proposals and selecting the contractor.

Through this RFP, the State seeks to buy the best software system and services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, persons with a disability, and small business enterprises, opportunity to do business with the state as contractors and sub-contractors.

The State intends to secure a contract for software, peripheral hardware, installation, training, and software support for Integrated Point of Sale and Inventory System (IPSIS) on behalf of the Department of Safety (DOS).

1.1.1 The Integrated Point of Sale and Inventory System (IPSIS) must provide the means to replace the existing POS and Inventory system that no longer meet the user's business needs. The IPSIS application will enable DOS and different county clerk stations across the State of Tennessee. There is the possibility that the system may be extended to other State agencies in the future (see Contract Section A.7).

1.1.2 The vendor must propose software that will run on a server system installed within the WebSphere 6.0 J2EE Compliant environment.

1.1.3 In accordance with the RFP's *Pro Forma* Contract Scope of Services, the successful Proposer will provide a commercially available software system, including some modification and supporting hardware peripherals. The goal of the new solution is to:

- Upgrade the current applications in terms of functionality and technical architecture.
- Provide accessible information to management, staff workers and the user community
- Enhance usability with enhanced navigation and a graphic interface.

The software being acquired should be specifically geared toward the business of state government. The product proposed should have been developed for a state or a similar governmental entity, or at least be easily adaptable to the State of Tennessee's environment. The requirements for the proposed software include, but are not limited to, the following:

- It must be accessible via a web browser on the State's intranet;
- It must produce statistics, reports, and other outputs as required.

The State will only accept a technical solution that will leverage current technology to mitigate the risks and challenges of the current application. The resulting system will place the necessary information at the fingertips of the program personnel, in a format that enhances their ability to better serve their customers. The solution will be built on state-accepted standards and an open systems architecture that utilizes a distributive approach to information systems. Specifically, the proposed system will utilize at a minimum a three-tier architecture, with all the data residing on one tier; Java or .NET based components containing the business rules and logic on the second tier; and the browser-based presentation layer residing on the third tier, which is the user's desktop workstation.

The approach will be to provide a solution that has already been successfully implemented in a number of similar organizations and is the same base version of the product that will be installed at the State of Tennessee. While the State anticipates that the solution provided will be, for the most part, "turn-key," the successful vendor may have to modify their software to meet the State's requirements.

1.1.4 In addition to the packaged solution, the State requires the successful Proposer to provide a number of

other related services:

- Security for the data and processes of the System is required.
- Training of trainers ('train the trainer') and technical staff.
- Project Management responsibilities from the Contract Award through the completion of Contractor's responsibilities until the end of the contract.
- Provide ongoing technical support to the state for the term of the contract.

Following the Implementation of the System, the Contractor is required to provide maintenance and support the system for the entire term of the contract with remedial maintenance, as described in the *Pro Forma* Contract. There is also a provision in the contract for performance of services related to modifications and enhancements of the System, to provide for requirements related to the System, but not known at the time the RFP was written.

- 1.1.5 The personnel supplied by the vendor will provide IPSIS within the context of the technical environment described by the *Tennessee Information Resources Architecture*. The vendor may request a copy of the *Tennessee Information Resource Architecture* by submitting a written request to the RFP coordinator listed in RFP Section 1.5.1. When a contract is executed pursuant to this RFP, the *Tennessee Information Resources Architecture* will be included as a Contract Addendum. The State must approve the use of any non-state standard products.

1.2 Scope of Service, Contract Period, and Required Terms and Conditions

The RFP Attachment 6.1, *Pro Forma* Contract details the State's required:

Scope of Services and Deliverables in Section A;
Contract Term in Section B;
Payment Terms and Conditions in Section C;
Standard Terms and Conditions in Section D; and,
Special Terms and Conditions in Section E.

The *pro forma* contract substantially represents the contract document that the Proposer selected by the State MUST agree to and sign.

1.3 Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, be discriminated against in the admission or access to, or be discriminated against in treatment or employment in the State's contracted programs or activities on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by federal or Tennessee State Constitutional or statutory law; nor shall they be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of contracts with the State or in the employment practices of the State's contractors. Accordingly, all vendors entering into contracts with the State shall, upon request, be required to show proof of such nondiscrimination and to post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

The State has designated the following to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and applicable federal regulations.

Buddy Lea, Director of Resource Development and Support
12th Floor, William R. Snodgrass Tennessee Tower
312 8th Avenue North
Nashville, TN 37243
Tele: (615) 741-6049

1.4 Assistance to Proposer's With a Disability

A Proposer with a disability may receive accommodation regarding the means of communicating this

RFP and participating in this RFP process. A Proposer with a disability should contact the RFP Coordinator to request reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.5 RFP Communications

- 1.5.1 **Unauthorized contact regarding this RFP with employees or officials of the State of Tennessee other than the RFP Coordinator detailed below may result in disqualification from this procurement process.**
- 1.5.1.1 Interested Parties must direct all communications regarding this RFP to the following RFP Coordinator, who is the State of Tennessee's only official point of contact for this RFP.
- Dorothy Vaughn
Department of Finance and Administration
17th Floor, Wm. R. Snodgrass Tennessee Tower
312 8th Avenue North
Nashville, TN 37243-1510
(615) 741-7361 telephone
(615) 741-6164 FAX
Dorothy.Vaughn@state.tn.us
- 1.5.1.2 Notwithstanding the foregoing, Interested Parties may contact the staff of the Governor's Office of Diversity Business Enterprise for general, public information regarding this RFP, assistance available from the Governor's Office of Diversity Business Enterprise, or potential future state procurements.
- 1.5.2 The State has assigned the following RFP identification number that must be referenced in all communications regarding the RFP:
- RFP # 317.03-141
- 1.5.3 Any oral communications shall be considered unofficial and non-binding with regard to this RFP.
- 1.5.4 Each Proposer shall assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or electronic "postmarking" of a communication or proposal to the State by a deadline date shall not substitute for actual receipt of a communication or proposal by the State.
- 1.5.5 There are two opportunities for vendors to provide written comments and ask questions. In each case, the RFP Coordinator must receive all written comments, including questions and requests for clarification, no later than: (1) the Written Comments Deadline; or (2) Second Round Written Comments Deadline, whichever is applicable. These deadlines are detailed in the RFP Section 2, Schedule of Events.
- 1.5.6 The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests for clarification. The State's official responses and other official communications pursuant to this RFP shall constitute an amendment of this RFP.
- 1.5.7 The State will convey all official responses and communications pursuant to this RFP to the potential proposers from whom the State has received a Notice of Intent to Propose.
- 1.5.8 Only the State's official, written responses and communications shall be considered binding with regard to this RFP.
- 1.5.9 The State reserves the right to determine, at its sole discretion, the method of conveying official responses and communications pursuant to this RFP (e.g., written, facsimile, electronic mail, or Internet posting). Most important documents will be posted on the following website:

- 1.5.10 Any data or factual information provided by the State, in this RFP or an official response or communication, shall be deemed for informational purposes only, and if a Proposer relies on such data or factual information, the Proposer should either: (1) independently verify the information; or, (2) obtain the State's written consent to rely thereon.

1.6 Notice of Intent to Propose

Each potential proposer should submit a Notice of Intent to Propose to the RFP Coordinator by the deadline detailed in the RFP Section 2, Schedule of Events. The notice should include:

- Proposer's name
- name and title of a contact person
- address, telephone number,
- e-mail address and facsimile number of the contact person

NOTICE: A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of RFP amendments and other communications regarding the RFP (refer to RFP Sections 1.5, *et seq.*, above).

1.7 Proposal Deadline

Proposals must be submitted no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. A proposal must respond to the written RFP and any RFP exhibits, attachments, or amendments. A late proposal shall not be accepted, and a Proposer's failure to submit a proposal before the deadline shall cause the proposal to be disqualified.

1.8 Pre-Proposal Conference

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. The purpose of the conference is to discuss the RFP scope of services. While questions will be entertained, the response to any question at the Pre-Proposal Conference shall be considered tentative and non-binding with regard to this RFP. Questions concerning the RFP should be submitted in writing prior to the Written Comments Deadline date, or prior to the Second Round Written Comments Deadline date, whichever is applicable, as detailed in the RFP Section 2, Schedule of Events. To ensure accurate, consistent responses to all known potential Proposers, the official response to questions will be issued by the State as described in RFP Sections 1.5, *et seq.*, above and on the dates detailed in the RFP Section 2, Schedule of Events.

Pre-Proposal Conference attendance is not mandatory, and each potential Proposer may be limited to a maximum number of attendees depending upon overall attendance and space limitations. The conference will be held at:

Department of Finance and Administration
Wm. R. Snodgrass Tennessee Tower
312 8th Avenue North
Nashville, TN 37243-1510

1.9 Performance Bond

The State shall require a performance bond upon approval of a contract pursuant to this RFP. The amount of the performance bond must be in the sum of \$180,000.00. The successful Proposer shall obtain the required performance bond in form and substance acceptable to the State (refer to RFP Attachment 6.8) and provide it to the State no later than the Performance Bond Deadline date detailed in the RFP Section 2, Schedule of Events. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of One Hundred Eighty Thousand Dollars (\$180,000.00), may be substituted if approved by the State prior to its submittal.

2 RFP SCHEDULE OF EVENTS

The following Schedule of Events represents the State's best estimate of the schedule that will be followed. Unless otherwise specified, the time of day for the following events will be between 8:00 a.m. and 4:30 p.m., Central Time.

RFP SCHEDULE OF EVENTS		
NOTICE: The State reserves the right, at its sole discretion, to adjust this schedule as it deems necessary. The State will communicate any adjustment to the Schedule of Events to the potential proposers from whom the State has received a Notice of Intent to Propose.		
EVENT	TIME	DATE (<u>all</u> dates are state business days)
1. State Issues RFP		July 12, 2006
2. Disability Accommodation Request Deadline		July 19, 2006
3. Pre-Proposal Conference	1:30 p.m.	July 25, 2006
4. Notice of Intent to Propose Deadline		July 27, 2006
5. Written Comments Deadline		August 3, 2006
6. State Responds to Written Comments		August 24, 2006
7. Second Round Written Comments Deadline		August 31, 2006
8. State Responds to Second Round Written Comments		September 12, 2006
9. Proposal Deadline	2:00 p.m. CDT	September 26, 2006
10. State completes Technical Proposal Evaluations		October 10, 2006
11. State Opens Cost Proposals and Calculates Scores	9:00 a.m.	October 12, 2006
12. State Issues Evaluation Notice <u>and</u> Opens RFP Files for Public Inspection	9:00 a.m.	October 16, 2006
13. Contract Signing		October 27, 2006
14. Contract Signature Deadline		November 3, 2006
15. Performance Bond Deadline		November 3, 2006
16. Contract Start Date		November 13, 2006

3 PROPOSAL REQUIREMENTS

Each Proposer must submit a proposal in response to this RFP with the most favorable terms that the Proposer can offer. There will be no best and final offer procedure.

3.1 Proposal Form and Delivery

3.1.1 Each response to this RFP must consist of a Technical Proposal and a Cost Proposal (as described below).

3.1.2 Each Proposer must submit one (1) original, seven (7) copies, and one (1) CD containing a copy in “.pdf” format of the Technical Proposal to the State in a sealed package that is clearly marked:

“Technical Proposal in Response to RFP # 317.03-141-- Do Not Open”

One hard copy must be marked “Original.” In the event of any differences between printed and electronic versions, or problems with the CD, the contents of the hard copy marked “Original” shall prevail.

3.1.3 Each Proposer must submit one (1) Cost Proposal to the State in a separate, sealed package that is clearly marked:

“Cost Proposal in Response to RFP # 317.03-141 -- Do Not Open”

3.1.4 If a Proposer encloses the separately sealed proposals (as detailed above) in a larger package for mailing, the Proposer must clearly mark the outermost package:

“Contains Separately Sealed Technical and Cost Proposals for RFP # 317.03-141”

3.1.5 The State must receive all proposals in response to this RFP, at the following address, no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events.

Department of Finance and Administration
Office for Information Resources
ATTN: Dorothy Vaughn
Suite 1700, Wm. R. Snodgrass Tennessee Tower
312 8th Avenue North
Nashville, TN 37243-1510

3.1.6 A Proposer may not deliver a proposal orally or by any means of electronic transmission.

3.2 Technical Proposal

3.2.1 The RFP Attachment 6.3, Technical Proposal and Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP. This guide includes mandatory and general requirements as well as technical queries requiring a written response.

NOTICE: No pricing information shall be included in the Technical Proposal. Inclusion of Cost Proposal amounts in the Technical Proposal shall make the proposal non-responsive and the State shall reject it.

3.2.2 Each Proposer must use the Technical Proposal and Evaluation Guide to organize, reference, and draft the Technical Proposal. Each Proposer should duplicate the Technical Proposal and Evaluation Guide and use it as a table of contents covering the Technical Proposal (adding proposal page numbers as appropriate).

3.2.3 Each proposal should be economically prepared, with emphasis on completeness and clarity of content. A proposal, as well as any reference material presented, must be written in English and must

be written on standard 8 1/2" x 11" paper (although foldouts containing charts, spreadsheets, and oversized exhibits are permissible). All proposal pages must be numbered.

- 3.2.4 All information included in a Technical Proposal should be relevant to a specific requirement detailed in the Technical Proposal and Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will in no way contribute to the evaluation process.
- 3.2.5 The State may determine a proposal to be non-responsive and reject it if the Proposer fails to organize and properly reference the Technical Proposal as required by this RFP and the Technical Proposal and Evaluation Guide;
- 3.2.6 The State may determine a proposal to be non-responsive and reject it if the Technical Proposal document fails to appropriately address/meet all of the requirements detailed in the Technical Proposal and Evaluation Guide

3.3 Cost Proposal

- 3.3.1 The Cost Proposal must be submitted to the State in a sealed package separate from the Technical proposal.
- 3.3.2 Each Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.4, Cost Proposal and Evaluation Guide.
- 3.3.3 Each Proposer shall ONLY record the proposed cost exactly as required by the Cost Proposal and Evaluation Guide and shall NOT record any other rates, amounts, or information.
- 3.3.4 The proposed cost shall incorporate all costs for services under the contract for the total contract period.
- 3.3.5 The Proposer must sign and date the Cost Proposal.
- 3.3.6 If a Proposer fails to submit a Cost Proposal as required, the State shall determine the proposal to be non-responsive and reject it.

4 GENERAL REQUIREMENTS & CONTRACTING INFORMATION

4.1 Proposer Required Review and Waiver of Objections

Each Proposer must carefully review this RFP and all attachments, including but not limited to the *pro forma* contract, for comments, questions, defects, objections, or any other matter requiring clarification or correction (collectively called "comments"). Comments concerning RFP objections must be made in writing and received by the State no later than the Second Round Written Comments Deadline detailed in the RFP Section 2, Schedule of Events. This will allow issuance of any necessary amendments and help prevent the opening of defective proposals upon which contract award could not be made.

Protests based on any objection shall be considered waived and invalid if these comments/objections have not been brought to the attention of the State, in writing, by the Second Round Written Comments Deadline.

4.2 RFP Amendment and Cancellation

The State reserves the unilateral right to amend this RFP in writing at any time. If an RFP amendment is issued, the State will convey such amendment to the potential proposers who submitted a Notice of Intent to Propose. Each proposal must respond to the final written RFP and any exhibits, attachments, and amendments.

The State of Tennessee reserves the right, at its sole discretion, to cancel and reissue this RFP or to cancel this RFP in its entirety in accordance with applicable laws and regulations.

4.3 Proposal Prohibitions and Right of Rejection

4.3.1 The State of Tennessee reserves the right, at its sole discretion, to reject any and all proposals in accordance with applicable laws and regulations.

4.3.2 Each proposal must comply with all of the terms of this RFP and all applicable State laws and regulations. The State may reject any proposal that does not comply with all of the terms, conditions, and performance requirements of this RFP. The State may consider any proposal that does not meet the requirements of this RFP to be non-responsive, and the State may reject such a proposal.

4.3.3 A proposal of alternate services (*i.e.*, a proposal that offers services different from those requested by this RFP) shall be considered non-responsive and rejected.

4.3.4 A Proposer may not restrict the rights of the State or otherwise qualify a proposal. The State may determine such a proposal to be a non-responsive counteroffer, and the proposal may be rejected.

4.3.5 A Proposer may not submit the Proposer's own contract terms and conditions in a response to this RFP. If a proposal contains such terms and conditions, the State may determine, at its sole discretion, the proposal to be a non-responsive counteroffer, and the proposal may be rejected.

4.3.6 A Proposer shall not submit more than one proposal. Submitting more than one proposal shall result in the disqualification of the Proposer.

4.3.7 A Proposer shall not submit multiple proposals in different forms. This prohibited action shall be defined as a Proposer submitting one proposal as a prime contractor and permitting a second Proposer to submit another proposal with the first Proposer offered as a subcontractor. This restriction does not prohibit different Proposers from offering the same subcontractor as a part of their proposals, provided that the subcontractor does not also submit a proposal as a prime contractor. Submitting multiple proposals in different forms may result in the disqualification of all Proposers knowingly involved.

4.3.8 The State shall reject a proposal if the Cost Proposal was not arrived at independently without

collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Proposer. Regardless of the time of detection, the State shall consider any of the foregoing prohibited actions to be grounds for proposal rejection or contract termination.

- 4.3.9 The State shall not contract with or consider a proposal from:
- 4.3.9.1 an individual who is, or within the past six months has been, an employee or official of the State of Tennessee;
 - 4.3.9.2 a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee or official of the State of Tennessee (this shall not apply either to financial interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
 - 4.3.9.3 a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee or official of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
 - 4.3.9.4 any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services shall be considered to have been given information that would afford an unfair advantage over other Proposers, and such individual, company, or other entity may not submit a proposal in response to this RFP.
 - 4.3.9.5 For the purposes of applying the requirements of RFP subsection 4.3.9, *et. seq.*, an individual shall be deemed an employee or official of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid.
 - 4.3.10 The State reserves the right, at its sole discretion, to waive a proposal's variances from full compliance with this RFP. If the State waives minor variances in a proposal, such waiver shall not modify the RFP requirements or excuse the Proposer from full compliance with such. Notwithstanding any minor variance, the State may hold any Proposer to strict compliance with this RFP.

4.4 Incorrect Proposal Information

If the State determines that a Proposer has provided, for consideration in this RFP process or subsequent contract negotiations, incorrect information that the Proposer knew or should have known was materially incorrect, that proposal shall be determined non-responsive and shall be rejected.

4.5 Proposal of Additional Services

If a proposal offers services in addition to those required by and described in this RFP, the additional services may be added to the contract before contract signing at the sole discretion of the State. Notwithstanding the foregoing, a Proposer shall not propose any additional cost amount(s) or rate(s) for additional services.

NOTICE: The Proposer's Cost Proposal shall record only the proposed cost as required in this RFP and shall not record any other rates, amounts, or information. If a Proposer fails to submit a Cost Proposal as required, the State shall determine the proposal to be non-responsive and shall reject the proposal.

4.6 Assignment and Subcontracting

- 4.6.1 The Proposer awarded a contract pursuant to this RFP may not subcontract, transfer, or assign any

portion of the contract without the State's prior, written approval.

- 4.6.2 A subcontractor may only be substituted for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.
- 4.6.3 At its sole discretion, the State reserves the right to refuse approval of any subcontract, transfer, or assignment.
- 4.6.4 Notwithstanding State approval of each subcontractor, the Proposer, if awarded a contract pursuant to this RFP, shall be the prime contractor and shall be responsible for all work performed.

4.7 Right to Refuse Personnel

At its sole discretion, the State reserves the right to refuse any personnel, of the prime contractor or a subcontractor, for use in the performance of a contract pursuant to this RFP.

4.8 Insurance

The State may require the apparent successful Proposer to provide proof of adequate worker's compensation and public liability insurance coverage before entering into a contract. Additionally, the State may require, at its sole discretion, the apparent successful Proposer to provide proof of adequate professional malpractice liability or other forms of insurance. Failure to provide evidence of such insurance coverage is a material breach and grounds for termination of the contract negotiations. Any insurance required by the State shall be in form and substance acceptable to the State.

4.9 Licensure

Before a contract pursuant to this RFP is signed, the apparent successful Proposer must hold all necessary, applicable business and professional licenses. The State may require any or all Proposers to submit evidence of proper licensure.

4.10 Service Location and Work Space

Most work under this RFP--with the exceptions of POS peripheral installations, which will occur in county government offices -is to be performed, completed and managed at one or more Nashville, Tennessee, State government office sites: e.g., the offices of the Departments of Finance and Administration, and Safety.

Program coding, program unit testing, and system configuration may be performed at the Contractor's location and managed by the Contractor. Any communications costs related to program development will be the responsibility of the Contractor.

Notwithstanding the above, at the State's discretion the State may require Contractor personnel to be on-site in Nashville during any phase of the project if the State deems this to be necessary and in the best interest of the IPSIS project.

The State will provide a maximum of five (5) on-site workstations to the Contractor for all phases of the project. The State will also provide access to the necessary computer system, a copy machine, phones, meeting rooms, and office supplies.

Normal State work hours are 8:00 a.m. to 4:30 p.m., with additional hours worked as necessary to meet project deadlines. All work performed on the State's premises shall be completed during the State's standard business hours, unless otherwise agreed to by the State.

4.11 Proposal Withdrawal

A Proposer may withdraw a submitted proposal at any time up to the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. To do so, a proposer must submit a written request, signed by a Proposer's authorized representative to withdraw a proposal. After withdrawing a

previously submitted proposal, a Proposer may submit another proposal at any time up to the Proposal Deadline.

4.12 Proposal Errors and Amendments

Each Proposer is liable for all proposal errors or omissions. A Proposer will not be allowed to alter or amend proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

4.13 Proposal Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

4.14 Disclosure of Proposal Contents

Each proposal and all materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. All proposal information, including detailed price and cost information, shall be held in confidence during the evaluation process. Notwithstanding, a list of actual proposers submitting timely proposals may be available to the public, upon request, directly after technical proposals are opened by the state.

Upon the completion of the evaluation of proposals, indicated by public release of an Evaluation Notice, the proposals and associated materials shall be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7). By submitting a proposal, the Proposer acknowledges and accepts that the full proposal contents and associated documents shall become open to public inspection.

4.15 Contractor Registration

All service contractors with state of Tennessee contracts must be registered through the Department of Finance and Administration's Service Provider Registry prior to contract approval. However, registration with the state is not required to make a proposal (any unregistered service provider must simply register as required prior to the final contract approval). Refer to the following Internet URL for more information about the Service Provider Registry and to register "on-line."

www.state.tn.us/finance/rds/ocr/sprs.html

4.16 Contract Approval

The RFP and the contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. Contract award and State obligations pursuant thereto shall commence only after the contract is signed by the Contractor and the head of the procuring state agency and after the contract is approved and signed by all other State officials as required by State laws and regulations.

4.17 Contract Payments

All contract payments shall be made in accordance with the contract's Payment Terms and Conditions provisions (refer to RFP Attachment 6.1, *Pro Forma* Contract, Section C). No payment shall be made until the contract is approved as required by State laws and regulations. Under no conditions shall the State be liable for payment of any type associated with the contract or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before contract approval by State officials as required by applicable statutes and rules of the State of Tennessee or before the contract start date or after the contract end date specified by the contract.

4.18 Contractor Performance

The Contractor shall be responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and acceptance by the State. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. At reasonable times, the State may inspect those areas of the Contractor's place of business that are related to the performance of the contract. If the State requires such an inspection, the Contractor shall provide reasonable access and assistance.

4.19 Contract Amendment

During the course of this contract, the State may request the Contractor to perform additional work for which the Contractor would be compensated. That work shall be within the general scope of this RFP. In such instances, the State shall provide the Contractor a written description of the additional work, and the Contractor shall submit a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, such agreement shall be effected by means of a contract amendment. Any such amendment requiring additional work must be mutually agreed upon by the parties and signed by the Contractor and the head of the procuring state agency and must be approved by other State officials as required by State laws and regulations. The Contractor shall not commence additional work until the State has issued a written contract amendment and secured all required approvals.

4.20 Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision shall not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers shall be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

5 PROPOSAL EVALUATION & CONTRACT AWARD

5.1 Evaluation Categories and Maximum Points

The State will consider qualifications and experience, technical approach, the software demonstration, and cost in the evaluation of proposals. The maximum points that shall be awarded for each of these categories are detailed below.

CATEGORY	MAXIMUM POINTS POSSIBLE
Qualifications and Experience	20
Technical Approach	50
Cost Proposal	30

5.2 Evaluation Process

The proposal evaluation process is designed to award the contract not necessarily to the Proposer of least cost, but rather to the Proposer with the best combination of attributes based upon the evaluation criteria.

- 5.2.1 The RFP Coordinator will use the RFP Attachment 6.3, Technical Proposal and Evaluation Guide to manage the Technical Proposal Evaluation and maintain evaluation records.
 - 5.2.1.1 The RFP Coordinator will review each Technical Proposal to determine compliance with mandatory requirements (refer to RFP Attachment 6.3, Technical Proposal and Evaluation Guide, Technical Proposal Section A). If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the proposal and document its determination of whether: (1) the proposal meets requirements for further evaluation; (2) the State will request clarifications or corrections; or, (3) the State will determine the proposal non-responsive to the RFP and reject it.
 - 5.2.1.2 A Proposal Evaluation Team, made up of three or more State employees, will evaluate each Technical Proposal that appears responsive to the RFP.
 - 5.2.1.3 Each Proposal Evaluation Team member will independently, evaluate each proposal against the evaluation criteria in this RFP, rather than against other proposals, and will score each in accordance with the RFP Attachment 6.3, Technical Proposal and Evaluation Guide.
 - 5.2.1.4 The State reserves the right, at its sole discretion, to request Proposer clarification of a Technical Proposal or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion shall be limited to specific sections of the proposal identified by the State. The subject Proposer shall put any resulting clarification in writing as may be required by the State.
- 5.2.2 After Technical Proposal evaluations are completed, the RFP Coordinator will open the Cost Proposals and use the RFP Attachment 6.4, Cost Proposal and Evaluation Guide to calculate and document the Cost Proposal scores.
- 5.2.3 For each responsive proposal, the RFP Coordinator will add the average Technical Proposal score to the Cost Proposal score (refer to RFP Attachment 6.5, Proposal Score Summary Matrix).

5.3 Contract Award Process

- 5.3.1 The RFP Coordinator will forward the results of the proposal evaluation process to the head of the procuring agency who will consider the proposal evaluation process results and all pertinent

information available to make a determination about the contract award. The State reserves the right to make an award without further discussion of any proposal.

Notwithstanding the foregoing, to effect a contract award to a proposer other than the one receiving the highest evaluation score, the head of the procuring agency must provide written justification for such an award and obtain the written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.

- 5.3.2 After the agency head's determination, the State will issue an Evaluation Notice to identify the apparent best-evaluated proposal on the Evaluation Notice date detailed in the RFP Section 2, Schedule of Events.

NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.

- 5.3.3 The State will also make the RFP files available for public inspection on the Evaluation Notice date detailed in the RFP Section 2, Schedule of Events.

- 5.3.4 The Proposer with the apparent best-evaluated proposal must agree to and sign a contract with the State which shall be substantially the same as the RFP Attachment 6.1, *Pro Forma* Contract.

However, the State reserves the right, at its sole discretion, to add terms and conditions or to revise *pro forma* contract requirements in the State's best interests subsequent to this RFP process. No such terms and conditions or revision of contract requirements shall materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP process.

- 5.3.5 The Proposer with the apparent best-evaluated proposal must sign and return the contract drawn by the State pursuant to this RFP no later than the Contract Signature Deadline date detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed contract by the deadline, the State may determine that the Proposer is non-responsive to the terms of this RFP and reject the proposal.

- 5.3.6 If the State determines that the apparent best-evaluated proposal is non-responsive and rejects the proposal after opening Cost Proposals, the RFP Coordinator will re-calculate scores for each responsive Cost Proposal to determine the new, apparent best-evaluated proposal.

PRO FORMA CONTRACT

The *pro forma* contract detailed in this attachment contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from this RFP.

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
AND
[CONTRACTOR NAME]**

This Contract, by and between the State of Tennessee, Department of Finance And Administration, hereinafter referred to as the “State” and [CONTRACTOR LEGAL ENTITY NAME], hereinafter referred to as the “Contractor,” is for the provision of an application computer system, the Integrated Point Of Sale and Inventory System (IPSIS) and associated services, as further defined in the "SCOPE OF SERVICES."

The Contractor is [AN INDIVIDUAL / A FOR-PROFIT CORPORATION / A NONPROFIT CORPORATION / A SPECIAL PURPOSE CORPORATION OR ASSOCIATION / A FRATERNAL OR PATRIOTIC ORGANIZATION / A PARTNERSHIP / A JOINT VENTURE / A LIMITED LIABILITY COMPANY]. The Contractor’s address is:

[ADDRESS]

The Contractor’s place of incorporation or organization is [STATE OF ORGANIZATION].

A. SCOPE OF SERVICES:

A.1. Contractor agrees to provide the Integrated Point of Sale and Inventory System (IPSIS) application as set forth in this Scope of Services.

A.2. IPSIS Functional/Technical Requirements

A.2.a. The Contractor shall manage the IPSIS Project and deliver a system, including peripheral hardware, in accordance with requirements stated in the following Contract Attachments:

Attachment A: Business Requirements.

Attachment B: Hardware/Infrastructure and Standards Requirements.

Attachment C: Training Requirements.

Attachment D: Placeholder for Tennessee Information Resource Architecture

Attachment E: Web Services

Attachment F: Manual County Environment

Attachment G: Automated County Environment

Attachment H: County Map – currently in .pdf format

A.2.b. The Contractor shall insure the proposed and modified systems support the following functions as integral parts of IPSIS:

- Cash Management - The cash drawer management functional area is responsible for the maintenance of all information related to cash drawer operations, customer refunds, fees and taxes assessed, money remitted from County Clerk offices to the Tennessee Department Of Safety (TDOS), Division of Title and Registration, and fee and tax allocations to designated fund types.

- Inventory Stock Management – The management of inventory is tightly coupled with the Cash Management. The flow of cash wherever related to a stock should be tracked and an audit trail maintained.

For a detailed explanation of functionality, please refer to Contract Attachment A.

A.2.c Under the terms of this contract the Contractor will provide the following: 278 user licenses, as described in Sections A.4 and A.7; and point of sale (POS) peripheral equipment installations, as described in Section A.3.

A.3. POS Peripheral Installation. The Contractor will implement IPSIS Point of Sale (POS) peripheral equipment in twenty-six (26) counties throughout the State, for a total of 131 POS peripheral installations (see Contract Attachment F). Note that, in some cases, there may be more than one office location in a given county (see Contract Attachment H for a county map of Tennessee). The POS functions in these counties are currently being done manually. For details concerning the equipment configurations for these locations, please refer to comprehensive business requirements in Contract Attachment A. The State will provide the personal computers that will be attached to the peripherals, configured as described in Contract Attachment B, Section B.5. The Contractor will provide all peripheral components, as defined below in A.3.b; the Contractor will also provide all incidental components and/or devices to interface the Peripherals to the Workstations and to IPSIS, including, but not limited to: connectors, cables, adapters, and cards etc.

A.3.a. The Contractor's initial obligation under this Contract is to implement 131 POS peripheral environments. However, the State will encourage the adoption of IPSIS by other users throughout the State, as listed in Contract Attachment G, up to a potential maximum number of 497 peripheral environments. In the event that the IPSIS is adopted by additional users beyond the initial 278, and these users require additional peripheral environments beyond the initial 131, the State shall purchase additional Peripheral installations from the Contractor at the rates given in Contract Section C.3. The Contractor's obligations and responsibilities for these additional implementations shall be the same as for the original 131.

A.3.b. For each peripheral environment, the Contractor will provide, install, test, and ensure proper functioning of the following (see Contract Attachment B, Section B.7):

- Credit Card Reader / Magnetic Stripe Reader: The Magnetic stripe readers must interact with the POS software system read through a serial or USB connection.
- Data on Magnetic Cards must conform to the encoding format for financial transaction cards (ISO 7811). Tracks 1 and 3 read alphanumeric data at 210 bpi, while track 2 reads numeric data only at 75 bpi.
- Pin Pad Reader: The State Prefers all included device for Credit Card and Debit Card Scanning.
- This reduces the number of peripherals attached to the computer and much efficient usage of serial or USB ports.
- Cash Drawer: This must work both in manual and software enabled mode. An All Steel Cash Drawer with a Cash compartment unit must be detachable from the Cash deck.
- Check Franking: This device will run through any automated validation of check and print some defined text on the face or back of the check. This puts restrictive endorsement on the check immediately which safeguards the misuse of the checks.

A.3.c. The State shall compensate the Contractor for POS Peripheral installation as described in Section C.3.b below. Note that the State will not compensate the Contractor for any Travel expenses related to the initial 131 installations. For any installations beyond the first 131, the State shall compensate the contractor for Travel as described in Contract Section C.4.

A.4. Base License Initial Licensure.

- A.4.a. The Contractor shall provide a license (or “licenses”) to the State that will allow up to two hundred and seventy-eight (278) State concurrent users to use the IPSIS system (this license, or these licenses, are referred to herein as the “base license”). The State reserves the right to install multiple instances of the software, on multiple servers, in multiple locations to meet their implementation needs. These installations will include production, test and development systems. The State requires one data configurable version of the software capable of being installed for all locations.
- A.4.b. The Contractor shall provide the base license to the State at the same time that the Contractor installs the software on the State’s system environment as described below in Contract Section A.5.a.
- A.4.c. The State will compensate the Contractor for Base License Initial Licensure as described in Contract Section C.3.a.
- A.5. Project Phases. The IPSIS system will be delivered and implemented in accordance with the following project phases. With regard to functional and technical requirements, it is assumed that the Contractor’s commercially available software may not meet all of the State’s requirements as expressed herein and therefore that the Contractor may have to customize and tailor the software. If this is the case, the Contractor shall provide any missing functionality within the fixed Phase Costs proposed in response to the RFP.

The phases will occur in the order given below, and generally each phase must be completed prior to moving on to a subsequent phase. However, with the written permission of the State, a given phase may be started prior to the completion of its predecessor.

The Contractor will perform all work under this contract in cooperation with the State Project Manager. The Contractor will prepare a work plan to which the state Project Manager must agree. The Contractor must adhere to that schedule unless written notification is submitted in advance explaining the nature and the reason for the change.

- A.5.a. **Design Phase** – During this phase, Contractor staff will meet with State staff to plan the subsequent steps in the project; assume project management responsibilities; review the functional and technical requirements; and install, configure, and test the software on the State’s development environment. The Contractor will demonstrate that the off-the-shelf system is fully functional in the State’s environment. In addition, the Contractor will provide a preliminary assessment of the projected performance of the IPSIS system as the Contractor implements the 131 Workstations. This preliminary assessment will result in the Contractor providing to the State a Capacity Plan document. This Capacity Plan shall be in sufficient detail to enable the Contractor and the State to identify and mitigate any potential degradation in system performance as IPSIS is implemented. For system Performance Standards, see Contract Attachment B, Section B.6. Section C.3 describes the allowance of incremental payment points after completion of the Design Phase. The Design Phase shall not be deemed complete until the Contractor has delivered and the State has provided a written approval for all the deliverables of the Phase. The following are the deliverables due at the end of this phase:
 - i. The screen shots of all the screens required for fulfilling the requirements as mentioned in Contract Attachment A.
 - ii. The functional design document clearly covering all the coding details and package explanation required for fulfilling the requirements as mentioned in Contract Attachment A.
 - iii. Report layouts for all reports listed in Contract Attachment A, Section A.3.
 - iv. The timeline for completing the Construction Phase summarized in a project plan.
 - v. Capacity Plan.
- A.5.b. **Construction Phase** – During this phase, the Contractor will continue to fulfill project management responsibilities; modify IPSIS to provide the functions in the Contract Attachments; define the Test

Management Plan; prepare the staff for user acceptance test; and other tasks necessary to prepare for the User Acceptance Test phase. This phase shall not be deemed complete until the Contractor has delivered, and the State has provided a written approval, for all the deliverables of the phase, which are as follows:

- i. Demonstrate fully functional application with all customization complete in the test environment.
- ii. The Test Management Plan which covers the following:
 - Unit Test Plan.
 - Integration Test Plan.
 - System Test Plan.
 - User Acceptance Test Plan.
 - Interface Test Plan.

A.5.c. **Acceptance Test (User Acceptance Test, or UAT) Phase** – During this phase, the Contractor will support the State in the conduct of the UAT that includes interface testing; perform remedial design and construction tasks as required; and complete any tasks necessary to prepare for the Implementation Phase. This phase shall not be deemed complete until the Contractor has delivered, and the State has provided a written approval, for all the deliverables of the phase, which are as follows:

- i. The Contractor and State management will develop a set of passing criteria, which must be approved, in writing, by the State users involved in this phase.
- ii. The Implementation Plan – the contractor and state management will decide the plan for implementing the system across different sites as mentioned in Contract Attachment A.

A.5.d. **Implementation Phase.** During this phase, Contractor staff will map, migrate, test and clean-up the essential data required for the IPSIS system to function; complete training of State staff; and other tasks necessary for production use of IPSIS by the State. The Contractor will work with the state to create a plan to set up different sites, which should correspond with the Implementation Plan (Section A.5.c.ii above).

The deliverables for this phase are as follows:

- i. Provide the implementation status of all the sites for the state written acceptance.
- ii. Training materials are prepared and approved by the state. (Reference Contract Attachment C)
- iii. Develop Training Plan as described in Contract Attachment C, Section C.2. Note that the State will not compensate the Contractor for any portion of the Implementation Phase until the State has provided written approval of the activation of the last of the 278 user licenses and written approval of the implementation of the last of the 26 Implementation sites (see Contract Attachment F), which shall occur after the completion of the Warranty Phase defined in the following Contract section. In the event that the State chooses to implement fewer than 26 sites, the payment shall be made upon the State's approval and written acceptance of the last site that is implemented, which shall occur after the completion of the Warranty Phase.

A.5.e. **Warranty Phase.** The Contractor shall monitor the system software and hardware for all implemented locations, following the guidelines outlined in Contract Sections A.11 (System Warranty) and A.12 (System Support). The Contractor shall support each State implementation process through a six (6) month Warranty Period, which shall begin upon the State's acceptance and written approval of the first of the 26 implementation sites, which is Metro Center. During the Warranty Period, the Contractor shall repair any system (software and hardware) malfunctions or performance problems, at no cost to the State, as described in Contract Sections A.11 and A.12 below. The deliverables for this phase are as follows:

- i. Documentation as described in Contract Attachment A.9.
- ii. Training as described in Contract Attachment A.10.

A.6. Base License System Support.

A.6.a. The Contractor shall provide base license system support and maintenance, including telephone support and services to repair defects and to meet statutory requirements, as described at A.12 below. Base License System Support shall begin upon completion of the Warranty Phase (see Contract Section A.5.e, above). Contingent upon the State's payment of system support fees, the Base License System Support shall continue throughout the term of the contract, which, at the State's option, may be renewed by contract amendment.

A.6.b. The Contractor shall provide technical support to the State—via on-line interface or toll-free telephone number—for the IPSIS system. Such support shall be available Monday through Friday, excluding State holidays, between the hours of 7:00 AM and 5:00 PM Central Time. The personnel responding to these requests and providing this support shall be trained to enable them, in most cases, to address questions and solve problems themselves, without having to refer the questions elsewhere.

A.7. Additional Users Initial Licensure. It is possible that the State may eventually require more users than the 278 provided for in the base license. This may occur due to increases in the user base in the agencies implemented as a part of this contract, or as a result of extending the use of the system to other users unknown at this time. The State will encourage the adoption of IPSIS by other users throughout the State, as listed in Contract Attachment G, up to a potential maximum number of 1,029 users. In any case, when the State exceeds 278 concurrent users on the system, the State may procure additional user licenses as described below.

A.7.a. The Contractor agrees to provide, at the State's request, additional user licenses to supplement the base license. These additional licenses will be procured in blocks of ten (10) concurrent users. The State may request such additional licenses if its user population exceeds the 278 concurrent users allowed by the base license. For each additional block of 10 users, the State will pay the Contractor a one-time, non-recurring fee.

A.7.b. Additional Users System Support. Additional User System Support shall begin upon implementation of the associated block(s) of ten concurrent additional licenses. The Contractor shall provide System Support for these user licenses in the same manner as it does for the base license users.

A.8. Contractor Licensing Agreements. The State recognizes that the Contractor may require the State to agree to certain Contractor licensing provisions for the proposed software. If this is the case, any and all Contractor licensing agreements shall be included (in original or modified form) as addenda to this Contract, and the State's signature on this Contract shall constitute the State's written agreement to the provisions so included. **The State will not sign separate Contractor licensing agreements.** Moreover, in the event of any conflict between the terms of this Contract and the terms of any Contractor software licensing provisions, the terms of this Contract shall prevail. In addition, the State reserves the right to modify the Contractor's software licensing provisions prior to agreeing to them, if the State deems this necessary in order to meet State legal requirements.

A.9. System Documentation. The contractor shall provide IPSIS documentation, in the form of Users and Technical Documentation, tailored as needed to reflect the Requirements in Contract Attachment A. The Users Manual shall provide complete information and instructions in the day-to-day, non-technical business use of the IPSIS System. The technical documentation shall explain how the system accomplishes the task.

A.10. Training. The Contractor shall provide training in the operation of the IPSIS system. The training shall be provided to the following individuals and in accordance with the following provisions:

A.10.a. Functional User Training – this training shall be provided to up to five (5) members of the technical team. This training shall cover “train-the-trainer” techniques for all non-technical, day-to-day aspects of using

the IPSIS system.

- A.10.b. This training shall occur in the Nashville, Tennessee offices of the personnel to be trained.
- A.10.c. The State reserves the right to assess the effectiveness of any training provided, and request additional remedial training, at no additional cost to the State.

A.11 System Warranty.

- A.11.a. Warranty Period. The Contractor expressly warrants the IPSIS software provided to be defect free, properly functioning, and compliant with the terms of the Contract. The Warranty Period shall begin as described in A.5.e above and shall continue for six (6) months. Throughout the Warranty Period, the Contractor agrees:
 - i. to repair or replace any malfunctioning hardware or hardware components within the timeframe described in A.12.a.ix.
 - ii. with regard to hardware malfunctions, if the malfunction is the result of component failure rather than as a result of some accident, misuse, or loss of the component caused by the State, the Contractor shall repair or replace the malfunctioning hardware, at no additional cost to the State. In this event, the State shall not compensate the Contractor for any travel to accomplish the repair. On the other hand, if the failure is the result of an accident, misuse, or loss caused by the State, the Contractor shall replace the component, and the State shall compensate the contractor for the replacement component in accordance with Contract Section C.3.b.i; the State will compensate the Contractor for required travel to accomplish the replacement in accordance with Contract Section C.4.
 - iii. to provide corrections for any errors, defects, and/or design deficiencies in the IPSIS software reported by the State, and to provide such corrections within the timeframe described in A.12.a.ix. For purposes of this Contract, "design deficiencies" shall be defined as system code that does not perform substantially as described in design documents that have been previously developed and agreed to by the parties.
 - iv. to provide new versions of the software to keep the State abreast of the Contractor's current software product. Complete documentation of all system enhancements or revisions will be provided with new releases of software.
 - v. to provide updated hardware and/or components as necessary to ensure that the system remains technologically current.
 - vi. to extend to the State, at no additional cost, the benefits of any hardware/software warranties that exceed in any way (including, but not limited to, items covered, types of coverage, term of coverage) those described herein.
 - vii. except as specifically provided in Contract Section A.11.a.ii above, the State shall not compensate the Contractor for any travel required to make Warranty repairs.
- A.11.b. System Performance. After the written acceptance of the Implementation Phase, if the response time degrades to a level of non-compliance with the user-defined standard, as defined in Contract Attachment B, Section B.6, Performance Standards, and the State determines that the response problem is not due to State-provided hardware and/or software, then the Contractor will have one month from the date of notice by the State to restore the performance back to the required response times. Failure to meet the standard can effect the continuation of the contract and the State will not pay Base License System Support fees until such time as the standard is met.
- A.12. System Support. As requested by the State, the Contractor shall provide System Support for the IPSIS system. This System Support shall cover all software and POS Peripheral hardware and hardware components provided under this Contract by the Contractor and any of its subcontractors/third parties. Apart from the System Support fees contained in Contract Section C.3.b, the Contractor shall not charge

the State for System Support. The Contractor shall provide for System Support, as described below:

A.12.a. The Contractor shall:

- i. Make necessary adjustments and repairs to keep the POS Peripheral hardware and system software operating without abnormal interruptions and to correct latent deficiencies with respect to the software specifications. All hardware repairs are to be made on-site at the location of the failed hardware, through either repair or substitution with a working component.
- ii. Make all necessary modifications, adjustments, and repairs to keep the POS Peripheral hardware and system software operating in compliance with applicable federal laws and regulations.
- iii. Provide hardware and software modifications for operation with the infrastructure, described in Contract Attachment B, Hardware/Infrastructure and Standards Requirements, for the term of the contract.
- iv. Provide new versions of the hardware and software to keep the State abreast of current POS technology and the Contractor's current software product. Complete user and technical documentation of all system enhancements or revisions will be provided with new hardware or releases of software. Documentation must describe, in a user-friendly manner, what the users and operators need to know to understand each level on which the software operates.
- v. Provide modifications and enhancements, using the process described below. All such modifications and enhancements will be developed consistent with and will operate with the existing System with no loss of function in the existing software. Modifications and enhancements will be delivered (1) installed, or installable, on the State Computer system, (2) must operate without abnormal program interruptions, and (3) must substantially provide the functions as required by the specifications and as described by documentation supplied by Contractor.
- vii. The Contractor shall, at no additional cost to the State, ensure that any new version of the Software provided to the State pursuant to Contract Section A.12.a.iv above shall contain any and all modifications and enhancements that were developed for the State pursuant to Contract Section A.12.a.v.
- viii. Provide services between the hours of 7:00 a.m. and 5:00 p.m. Central Time, Monday through Friday, excluding State Holidays.
- ix. Respond to problems, requests for technical support, or requests for information within three business (3) days, by either correcting the problem, providing technical support or information requested, or providing a plan, including a delivery date, for the problem correction, technical support or information requested. Responses to problems identified by the State as urgent will be made within one (1) day.
- x. Unless otherwise specified in writing by the State to the Contractor, the Contractor shall be the State's sole contact with regard to System Support issues and shall be responsible for the completion of all repairs, regardless of whether the Contractor or a subcontractor/third party owns and/or directly maintains the faulty items. The State reserves the right to contact third-party providers of software or hardware directly, if this is deemed to be in the best interest of the IPSIS system. The Contractor's responsibility in this regard shall survive as long as the State remains current on its System Support payments.
- xi. The State shall own all hardware and hardware components provided under this Contract.
- xii. With regard to hardware component replacement after the expiration of the Warranty Period, if the malfunction is the result of component failure rather than as a result of some accident, misuse, or loss of the component caused by the State, the Contractor shall repair or replace the malfunctioning hardware, at no additional cost to the State. In this event, the State shall not compensate the Contractor for any travel to accomplish the repair. On the other hand, if the failure is the result of an accident, misuse, or loss caused by the State, the Contractor shall replace the component, and the

State shall compensate the contractor for the replacement component in accordance with Contract Section C.3.b.vi; the State will compensate the Contractor for required travel to accomplish the replacement in accordance with Contract Section C.4.

- xiii. If the State needs to buy additional hardware, for whatever reason, the State shall compensate the Contractor for the hardware in accordance with Contract Section C.3.b.vi., and will compensate the Contractor for any travel required to install the hardware in accordance with Contract Section C.4.

A.12.b. Additional Work

- i. The State may request, at its sole discretion, additional work involving the enhancement or modification of a deliverable under the Contract Scope of Services, provided that this Contract is amended, pursuant to section 4.19 of the "RFP" solicitation resulting in and incorporated as a part of this Contract, to require such work. Remuneration for such additional work shall be based on the applicable "contingent," Consulting Services payment rate(s) detailed in Section C.3 of this Contract.

The State may also establish (through the *pro forma* contract section C.3 and the RFP Cost Proposal format) contingent, maximum payment rates for any additional work pursuant to the standard RFP Section 4.19.

- ii. The State shall accept software modifications, adjustments, repairs, new versions, and enhancements by this process:
 - (1) On notice from the Contractor that software is delivered, the State will review, validate the delivery of the software, and test the software,
 - (2) Within (20) calendar days, notify Contractor of acceptance or the specific shortcomings with respect to specifications of the software, documentation, efficiency or performance. If the State does not respond within 20 days the software will be considered accepted for the purpose of payment of an invoice but the State may notify the Contractor of latent shortcomings for subsequent correction. In the case of a latent shortcoming, one of the following cases will be true, either:
 - (a) the latent shortcoming is discovered prior to or during the Warranty Period described in Contract Sections A.5.e and A.11.a, in which case the Contract shall resolve the shortcoming at no additional cost to the State; or
 - (b) the latent shortcoming is discovered after the expiration of the Warranty Period, in which case, if the State is current in its System Support payments, the Contractor shall resolve the shortcoming in accordance with the System Support provisions of Contract Section A.12, at no additional cost to the State.

A.13. Source Code in Escrow. The Contractor shall maintain copies of the IPSIS source code in escrow with an independent escrow company pre-approved by the State. All costs for establishing and maintaining the source code in escrow shall be borne by the Contractor. The Contractor will notify the State of each update to the software held in escrow.

A.13.a. Within fifteen (15) calendar days after the State's written acceptance of the implementation of the IPSIS system, the Contractor shall submit to the State a letter naming the escrow company that the Contractor intends to use, with the understanding that the State may approve or disapprove the named company. This letter must include the name, address, and full contact information for the recommended escrow company. The State will indicate its approval or disapproval in writing.

A.13.b. Within fifteen (15) calendar days after the State has provided to the Contractor the written approval of a recommended escrow company, the Contractor shall place the source code in escrow with the approved escrow company. The Contractor shall provide the State with a signed letter from the escrow company in question stating that the code has been placed in escrow and confirming the State's right to obtain the source code directly from the escrow company in the event of Contractor default as described below. Throughout the term of the contract, the Contractor shall periodically update the source code and notify the State in writing that it has been updated and that the source code in escrow is current with the State's production environment, matches the State's production version level, and includes any upgrades, enhancements, or new releases that are applied to the State's system.

A.13.c. If for any reason during the term of the contract the Contractor becomes unable to fulfill its obligations as described herein, the Contractor agrees to deliver the source code held in escrow to the State. In the event that the Contractor fails to deliver the source code in a timely manner, as determined by the State, the State may obtain the source code directly from the escrow company.

A.14. State's Technical Architecture. Contractor personnel shall provide all services required by this contract within the context of the technical environment described by the State's Technical Architecture. Interested vendors may obtain a copy by sending a request in writing to the contact identified in Section E.2 of this Contract. The State must approve the use of any non-state standard products.

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on November 13, 2006 and ending on November 12, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one (1) year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be affected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be affected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **[WRITTEN DOLLAR AMOUNT] (\$[NUMBER AMOUNT])**. The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor, except as noted in Section C.4.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodologies. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. Note that in the tables below, amounts listed in Year 2, Year 3, Year 4, and Year 5 will apply only if contract has been extended beyond the initial one-year Contract Term as described in Sections B.1 and B.2.) The Contractor shall be compensated based upon the following methodologies:

C.3.a. Project Phase Payment Methodology. In the table below, the Design, Construction, and User Acceptance Test Phases shall be referred to collectively as the "Development Phases."

NOTE: The Proposer shall propose ONE cost for Base License Initial Licensure. The State will compensate the contractor for Base License Initial Licensure by taking the proposed cost and dividing it across the project Development phases: i.e., 20% of the Base License Initial Licensure Cost will be paid

when the Design Phases is complete; 40% will be paid at the completion of the Construction Phase; and the remaining 40% will be paid at the completion of User Acceptance Test.

The Contractor shall be compensated based upon the following Payment Amounts:

PROJECT PHASE	AMOUNT FROM COST PROPOSAL	RETAINAGE AMOUNT *	PAYMENT AMOUNT
Design Phase (Amount equal to 20% of the total for the Development Phases)	[\$Amount]	[\$Amount] *	[\$Amount]
Base License Initial Licensure. (20% of the Base License Initial Licensure Cost)	[\$Amount]		[\$Amount]
Construction Phase (Amount equal to 40% of the total for the Development phases)	[\$Amount]	[\$Amount] *	[\$Amount]
Base License Initial Licensure Partial Payment (40% of the Base License Initial Licensure Cost)	[\$Amount]		[\$Amount]
User Acceptance Test Phase (Remaining 40% of total for development phases)	[\$Amount]	[\$Amount] *	[\$Amount]
Base License Initial Licensure Partial Payment (remaining 40% of the Base License Initial Licensure Cost)	[\$Amount]		[\$Amount]
Total of Development Phases Retainage accumulated		[\$Amount]	
Implementation Phase	[\$Amount]		[\$Amount]
Payment of Retainage for Development Phases			[\$Amount]

* Where indicated, ten percent (10%) of the Cost by Phase for each Development Phase milestone, as indicated in the table above, will be withheld and paid as described in Section C.9.

The State shall not compensate the Contractor for the Implementation Phase, or any portion thereof, until the State has given written approval of both:

- i. the implementation of the last of the 26 implementation sites (or, at the State's discretion, fewer than 26), with such written approval to occur upon completion of the Warranty Period; and
- ii. activation of the last of the 278 user licenses.

Base License Initial Licensure payments shall be made at the same time as the related phase payment is made, upon completion and written State approval of the phase in question. Note that no retainage will be withheld for Base License Initial Licensure.

At the end of each of the above phases, the Contractor shall submit its invoice for that phase. Such invoices shall be submitted for completed project milestones for the amount stipulated, and shall be submitted no more often than monthly.

C.3.b Additional Services. The Contractor shall be compensated for Additional Services based upon the following Amounts:

SERVICE UNIT/MILESTONE	Year 1	Year 2	Year 3	Year 4	Year 5
i. Base License System Support; Quarterly Rate. See Note 1 below.	[\$Amount] per Quarter	[\$Amount] per Quarter	[\$Amount] per Quarter	[\$Amount] per Quarter	[\$Amount] per Quarter
ii. Additional Users - Initial Licensure; Each additional block of users (10 user licenses); one-time, non-recurring cost. See Note 2 below.	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users
iii. Additional Users - System Support; Each additional block of users (10 user licenses); Quarterly Rate. See Note 3 below.	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users	[\$Amount] per Block of 10 Users
iv. Peripheral Component Installation; Cost to provide, install, test, and ensure proper functioning of all peripheral components (including incidentals, as described in Contract Section A.3) for one (1) Workstation	[\$Amount] per 1 Work- station	[\$Amount] per 1 Work- station	[\$Amount] per 1 Work- station	[\$Amount] per 1 Work- station	[\$Amount] per 1 Work- station
v. Composite Consulting Services Rate for work performed as a result of a State request for Additional Work (Contract Section A.12.b.i). See Note 4 below.	[\$Amount] per Hour	[\$Amount] per Hour	[\$Amount] per Hour	[\$Amount] per Hour	[\$Amount] per Hour

C.3.b.vi – PERIPHERAL COMPONENT PRICING						
PERIPHERAL COMPONENT DESCRIPTION		Year 1	Year 2	Year 3	Year 4	Year 5
1.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
2.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
3.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
4.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
5.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
6.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
7.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component

8.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
9.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
10.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
11.		[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component
12.	Incidentals	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component	[\$Amount] per component

Note 1: The State's obligation to pay the Contractor for the Base License System Support shall begin upon completion of the Warranty Period (see Contract Section A.11.a above).

Since Base License System Support does not begin until the completion of the Warranty Period, there may be an offset between the Quarters, or three-month periods, of the Contract year and the first Base License System Support period. This means that the billing cycle for the first Base License System Support period may not match Contract year Quarter boundaries, and therefore there may be a partial quarter of Base License System Support when the State first begins receiving these services. In this event, the Contractor agrees to prorate the first Base License System Support invoice to accommodate the partial quarter.

In the event that any quarter of support is shortened, as in the case of the first period described above, or as a result of early contract termination, then the Contractor shall prorate the quarterly Amount to adjust for the shorter quarter, and the State shall pay only this prorated amount.

Note 2: The Contractor shall invoice the State for Additional Users Initial Licensure at the time the Contractor provides, and of which the State confirms receipt in writing, access for each additional block of users. The Contractor shall submit such invoices no more often than monthly.

Note 3: The Contractor shall include charges for System Support for Additional Block(s) of 10 User Licenses as a part of its quarterly Base License System Support invoices. The Contractor shall itemize the charge for each additional block of user licenses separately, and include, for each block, the date when the Additional Users System Support became effective. The Contractor shall prorate the charge for any additional blocks of quarterly Additional Users System Support that were not in effect for the entire quarter, and the State shall pay only for the portion of that quarter during which the license in question was in effect. The invoice shall, at a minimum, include the itemized list of additional blocks of Additional Users System Support, the Amount for each additional block, and the total amount due the Contractor for the period invoiced.

Note 4: Compensation to the Contractor for Additional Work requests (Contract Section A.12.b) shall not exceed [WRITTEN DOLLAR AMOUNT NOT TO EXCEED TEN PERCENT OF THE TOTAL OF ALL OTHER COSTS EXPRESSED IN THIS CONTRACT] (\$[NUMBER AMOUNT]) during the period of the Contract. [NOTE THAT THIS CEILING AMOUNT IS FOR CONTRACTUAL PURPOSES ONLY AND DOES NOT IN ANY WAY AFFECT OR RESTRICT THE RELATIVE PERCENTAGE OF THE TOTAL COST PROPOSAL AMOUNT THAT MAY BE PROPOSED BY THE VENDOR]

With regard to quarterly invoices, such invoices shall be submitted at the end of the quarter for licensure

and support provided during that quarter, or, if applicable, for a partial quarter.

For purposes of deciding which rate is in effect, Contract Year 1 shall begin on the Contract Effective Date defined in Contract Section B.1 and shall run through the 1-year Contract end date. Rates for subsequent years, if applicable due to Contract extensions, shall take effect on the anniversary of the Contract Year 1 begin date. The State shall compensate the Contractor at the rate for the Contract year and quarter in which the service period falls.

- C.3.c All invoices submitted by the Contractor must be in form and substance acceptable to the State, with all of the necessary supporting documentation, prior to any payment.
- C.4. Travel Compensation. With regard to Travel, the following provisions shall apply:
 - C.4.a. The "Official Station," which is defined as the location at which Contractor personnel shall perform the major portion of their duties, is Nashville, Tennessee.
 - C.4.b. Neither the Contractor, its personnel, nor its agents shall be eligible for reimbursements for any travel expenses related to work performed at Contractor maintained or sanctioned work locations, or at the Official Station. This includes, but is not limited to, travel to and from the Official Station, and food and lodging therein.
 - C.4.c. In some cases, at the State's request and with prior written approval, Contractor personnel may be required to travel and work away from the Official Station. Such travel expenses shall be reimbursed in accordance with the *State of Tennessee Comprehensive Travel Regulations*, as amended from time to time (see <http://www.state.tn.us/finance/act/policy.html>).
 - C.4.d. The remainder of this Section C.4 notwithstanding, the State will not compensate the Contractor for any travel expenses related to the initial 131 POS Peripheral installations (see also Contract Section A.3.c).
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- C.9. Retention of Final Payment. An amount of **[WRITTEN DOLLAR AMOUNT]** (**[\$NUMBER AMOUNT]**), as detailed in the payment table of C.3.a, Total of Development Phases Retainage accumulated, shall be withheld by the State to be paid at the same time the State compensates the vendor for the Implementation Phase.
- D. STANDARD TERMS AND CONDITIONS:
 - D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.

- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest," "Nondiscrimination," and "Confidentiality of Records," (sections D.6., D.7., and E.10.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the

parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under **Tennessee Code Annotated**, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Walter L. "Bubba" Mullen
Department of Finance and Administration
Tennessee Tower, 16th Floor
312 Eighth Avenue North
Nashville, TN 37247
Phone: (615) 253-2354
Fax: (615) 532-0471
Email: Walter.L.Mullen@state.tn.us

The Contractor:

[NAME AND TITLE OF CONTRACTOR CONTACT PERSON]
[CONTRACTOR NAME]
[ADDRESS]
[TELEPHONE NUMBER]
[FACSIMILE NUMBER]
[EMAIL]

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Ownership of Materials and Rights to Knowledge Obtained. The provisions of this section E.4 shall survive the termination of this Contract.
- E.4.a. Definitions of Software Categories. The software provided for IPSIS may be comprised of the following portions:
- E.4.a.i. "Contractor-Owned Software," which shall mean commercially available application Software the rights to which are owned by the Contractor, including but not limited to commercial "off-the-shelf" Software which is not developed using State's money or resources.
- E.4.a.ii. "Custom-Developed Application Software," which shall mean customized application software developed by the Contractor solely for the State (the "Work Product").
- E.4.a.iii. "Third-Party Software," which shall mean commercially available application Software the rights to which are owned by a Third Party, including but not limited to commercial "off-the-shelf" Software which is not developed using State's money or resources.
- E.4.b. Title and Rights to the Software
- i. All right, title and interest in and to the Contractor-Owned Software shall at all times remain with the Contractor, subject to the license granted herein. The Contractor shall not provide the State with source code for the Contractor-Owned Software; however, such source code shall be escrowed in accordance with Contract Section A.13.
 - ii. All right, title and interest in and to the Third-Party Software shall at all times remain with the Contractor or the Third Party, subject to the agreements between those parties. The Contractor shall not provide the State with source code for the Third-Party Software; however, such source code shall be escrowed in accordance with Contract Section A.13.
 - iii. The State shall have all ownership right, title, and interest, including ownership of copyright, in all Work Products, including application source code, created, designed, or developed for the State under this Contract. The State shall have royalty-free, exclusive, and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data, including object and source code, upon request of the State, in accordance with the Contract and applicable State law.

- iv. Contingent upon the State's payment of the final Base License Initial Licensure fee, the Contractor hereby grants the State a perpetual, royalty-free, irrevocable, unlimited, and non-exclusive right to use the Contractor-Owned Software and the Third-Party Software for the State's business purposes. The Contractor affirms that Contractor is duly authorized to grant this right.
- v. In the event that the State stops paying system support fees, the Contractor may cease to provide system support services. However, in this event, the State shall still retain all rights conferred by this Section E.4, and all such rights shall survive the termination of this Contract.
- vi. The State shall take all reasonable steps to preserve the confidential and proprietary nature of the Contractor Proprietary Products. The State shall make reasonable efforts not to disclose or disseminate Contractor's proprietary information to any third party that is not an agent of the State. The State will not be breach of this provision by making any disclosure required by the Tennessee Public Records Act, T.C.A. 10-5-501 et seq.

E.4.c. Acquired Knowledge and Skills. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

E.4.d. Development of Similar Materials. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.5. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.

E.6. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. Contract Addendum: additional terms and conditions excerpted from contractor's software development and license agreement, and standard software maintenance and support agreement
- c. All Clarifications and addenda made to the Contractor's Proposal
- d. The Request for Proposal and its associated amendments
- e. Technical Specifications provided to the Contractor
- f. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

E.7. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

E.8. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for

influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

- E.9. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.10. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.11. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.
- E.12. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.13. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in **Tennessee Code Annotated**, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an

independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.

E.14. Limitation of Liability. The Contractor's liability to the State, and its indemnification of the State for any acts or omissions attributable to the Contractor under this Contract, shall be limited to two (2) times the value of the Contract. The value of the contract shall be determined by the State's Maximum Liability provisions in Paragraph C.1. of this Contract, or as such Maximum Liability may be amended. This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, but specifically shall not apply to criminal acts, intentional torts or fraudulent conduct of the Contractor. The State will not indemnify the Contractor for damages caused by the Contractor's own actions or negligence, or those of third parties.

E.15. Performance Bond. Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount equal to One Hundred Eighty Thousand Dollars (\$180,000.00), guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

The Contractor shall obtain the required performance bond in form and substance acceptable to the State and provide it to the State no later than November 3, 2006. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of One Hundred Eighty Thousand Dollars (\$180,000.00), may be substituted if approved by the State prior to its submittal.

IN WITNESS WHEREOF:

[CONTRACTOR LEGAL ENTITY NAME]:

[NAME AND TITLE]

Date

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

APPROVED: DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

APPROVED: COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

Attachment A

Business Requirements

A. Business Requirements

The business requirements in this document are expressed in terms of user functions that the Integrated Point of Sale and Inventory System (IPSIS) must support.

Contractor must provide for multiple workstations throughout the State being integrated into POS and Inventory System (IPSIS). The Contractor's initial obligation is to implement IPSIS on 131 Workstations at 25 physical locations (see Contract Attachment F). The State will also encourage additional users to adopt the system; however, this State-sponsored IPSIS system may or may not be adopted by all the counties in state of Tennessee. Locations not participating in State-sponsored POS must interface with the State POS system using defined electronic file formats. The Contractor will only be responsible for one in-bound and one out-bound interface format, which shall conform to the API given in Contract Attachment E.

The IPSIS system must provide for uniformity within the State to ensure accurate record keeping and reliable reporting and retrieval of information. To ensure uniformity, the system must provide for the use of the same transaction codes and account definitions throughout the state. Most client locations will use the same transactions; however, the Motor Carrier Section has unique transaction types dealing with fees, taxes, penalties and interest that must be considered. The State will be responsible for ensuring consistency between other agencies and the Motor Carrier Section; the Contractor will not have to design for or otherwise accommodate the unique Motor Carrier transaction types.

Locations – System must be expandable to handle growth and changes in the number of locations and licenses. In the beginning of implementation we do not expect all counties to be using the State-sponsored system. As the rollout of the initial 278 users progresses, we expect more counties to adopt the system. The number of client locations for County Clerks and their satellite offices shown below is based on all the counties using the State system.

Locations participating in the State-sponsored IPSIS must process data in real-time while non-State-sponsored sites will likely be batch-processing data. The system must provide for both types of data processing. Eventually, the State's goal is for all data to be processed in real-time. The following are the projected number of maximum sites and licenses for the State system:

Statewide Client Location Sites and Licenses - 1,029 Client IPSIS Licenses – Comprised of:
County Clerk Offices and Satellites – 946 Client IPSIS Licenses

T&R Division – 71 Client IPSIS Licenses comprised of:

Mailroom - 15

Audit – 15

Government Services – 2

Front Customer Counter – 8

Fleet – 5

Motor Carrier – 26

Motor Vehicle Management (General Services) – 5 Client IPSIS Licenses

State Warehouse – 8 Client IPSIS Licenses

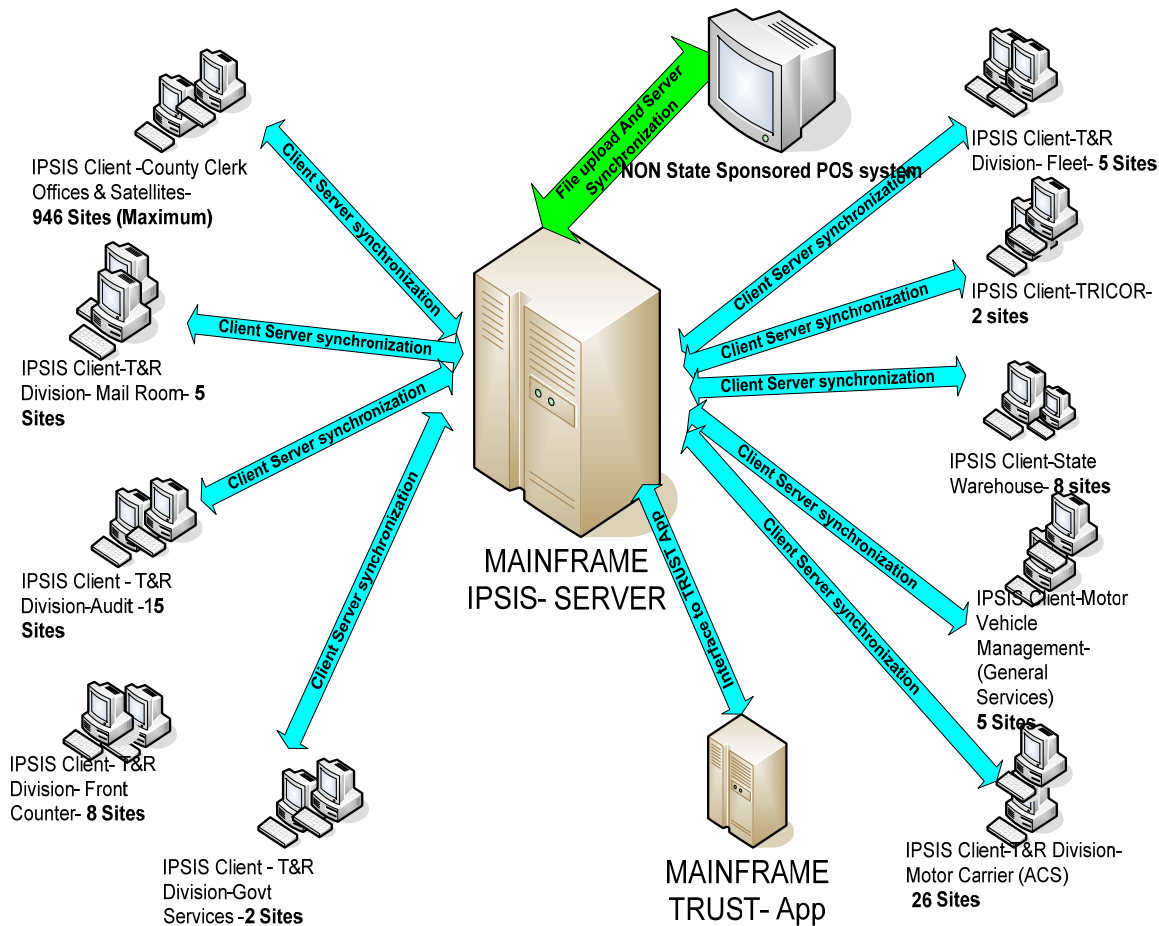
TRICOR – 2 Client IPSIS Licenses

Note that the above list includes the initial 131 Workstations. See Contract Attachment F for specific locations and numbers of Workstations for site for the initial rollout.

Server Location – 1 Central Server

All sites must be communicating/synchronizing with the central IPSIS server hosted by Mainframe Z/OS.

Integrated POS and Inventory System - IPSIS Deployment Diagram



In the above diagram Synchronization API will be provided by the state. The synchronization will be achieved by calling web services. For additional information on Web Services please refer to Contract Attachment E.

The following section describes the requirements for the entire client locations defined above:

A.1 Cash Management- Overview

The cash management functional area primarily covers the maintenance of all monetary information handled at cash drawers at the various offices across the State. This includes processing of transactions for State and County offices for motor vehicle title and registration, the Motor Carrier Section and third-party vendors. These transactions include the assignment and calculation of fees, taxes, credits, refunds, penalties and interest and the processing of and accounting for the receipts from various sources. The majority of cash drawer operations originate with the receipt of funds from walk-in customers, but they also involve the receipt of remittances from County Clerk offices. Processing of transactions occur at the customer service counters and back offices at sites across the State, so the system must provide for various differences in processing.

The cash management system, in addition to tracking all monetary activities, is integrated with inventory and must provide for tracking of controlled inventory (plates, decals, titles, placards, etc.) through the use of barcode technology. As transactions are processed the changes in dollars as well as related inventory items and quantities are tracked. The system must accommodate the matching of inventory sold with revenue received.

IPSIS must maintain detailed audit trails for all monetary and inventory transactions entered into the system. As a minimum, the audit trail must include the identifier of the staff member performing the transaction, the nature (including controlled stock number), date, and time of the transaction, and the location where the transaction took place.

In order for a cash drawer to be closed and balanced, both the monetary value of the cash drawer and the count of remaining controlled stock items assigned to the cash drawer must be reconciled. IPSIS must accommodate this reconciliation using barcode technology to count the remaining stock.

Cash drawer operations must provide for the capability for the integration of automated point of service, check validation, check acceptance (franking), scanning and barcode equipment. This integration must provide for equipment that will automate check validation, credit/debit card validation, check acceptance (franking), printing of receipt information, scanning and barcode reading. IPSIS must provide for receipt of funds from walk-in customers, U.S. mail and other carriers, financial institutions, State agencies, Internet sites and kiosks. The system must provide for the following methods of payment:

- Cash
- Checks (including money orders, cashier checks, certified checks, EFT checks, Comcheks, T-Cheks)
- Credit Cards
- Debit Cards
- Journal Voucher from state agencies (intrastate transfer of funds within State of Tennessee departments)
- Bank transfers, ACH transfers

The system must provide for point of service equipment that will be used to automate the collection, receipting and refunding of payments received at each cash drawer station. Instant refunds for payments made during the same business day must be available. The collection of information for any instant refund made at a cash drawer station must also be automated. In addition, the capability to track and easily associate a dishonored check with the originating activity must be provided. The system must provide for the ability to invalidate any transactions connected with the bad check payment. When a bad check is cleared, the system must have the ability to validate the original transaction.

Cash drawer functions of stock and monetary reconciliation (balancing) and reporting must provide options to consolidate cash drawer activities at different operational levels. Based on security roles, IPSIS must provide access privileges to operational levels. Options must be provided to perform these functions by individual cash drawer station, by selecting multiple cash drawer stations, for all cash drawers at an office location, for cash drawers at all locations for an office, and statewide. An automated bank deposit reconciliation process for cash drawer and remittances must also be supported.

For each activity performed at a County Clerk office, IPSIS must record and track the remittance of the State's portion of fees and taxes. Credit card payments to counties are to be distributed at the county level, not the State level. The system must provide the ability to receipt remittances and track to activity level. Penalties and interest for the late remittance of activity fees and taxes must also be tracked to activity level. Activity information must be collected and reports generated in the format requested by the State to determine the appropriate distribution of all fees and taxes collected to the appropriate State fund types.

The system must provide for internal controls for accounting and information systems including: accounting for transactions in numerical and date sequence, limiting access to assets, data, files and programs and having application controls that focus on segregation of duties (i.e., no one individual should have responsibilities that entail authorizing, processing, recording and handling assets in a transaction).

Functional Areas (Mandatory Requirements):

A.1.1 Cash Drawer Maintenance – The following functions are applicable to cash drawer sites where monetary and stock items, if applicable, are processed.

A.1.1.1 Authenticate & Authorize Staff

The purpose of this process is to open a cash drawer, assign the staff member responsible for operating this cash drawer, and to record the starting balance of the cash drawer including monetary and inventory balances.

Pre Condition: This occurrence of OFFICE and STAFF must exist. This occurrence of CASH DRAWER exists.

Post Condition: This occurrence of CASH DRAWER may be created. This occurrence of CASH DRAWER is related to OFFICE. An occurrence of CASH DRAWER ASSIGNMENT is created and related to STAFF. An occurrence of CASH DRAWER ACTIVITY and CASH DRAWER STATUS is created.

A.1.1.2 Change Staff Member Assignment

The purpose of this process is to end the assignment of a staff member currently responsible for the operation of a cash drawer and to assign a different staff member to take over this responsibility. The change of a staff member assignment can occur anywhere in the cash drawer maintenance cycle. The system must validate the cash and inventory balance before the new staff is assigned to the counter.

Pre Condition: This occurrence of CASH DRAWER, CASH DRAWER ASSIGNMENT (for staff currently assigned), and STAFF (staff member being assigned) must exist.

Post Condition: This occurrence of CASH DRAWER ASSIGNMENT is updated. An occurrence of CASH DRAWER ASSIGNMENT is created and related to STAFF.

A.1.1.3 Assign Controlled Stock

The purpose of this process is to assign controlled stock item(s) to a cash drawer station(s). Controlled stock is defined as items of inventory that are serialized with control numbers and tracked individually throughout the inventory cycle. Controlled items include, but are not limited to, plates, decals, title stock, temporary operating permits, drive-out tags and disabled placards.

Pre Condition: One or more occurrences of CASH DRAWER must exist. One or more occurrences of CONTROLLED STOCK must exist. This occurrence of CONTROLLED ITEM ASSIGNMENT does not exist.

Post Condition: One or more occurrences of CONTROLLED ITEM ASSIGNMENT are created and related to each ITEM of CONTROLLED STOCK and each CASH DRAWER as appropriate.

Implementation Consideration: Provide the ability to assign a sequenced range of numbers for controlled stock items to a cash drawer station(s). Implementation must provide for use of barcode equipment and must also provide, when necessary, the option to key in manually the controlled stock number and nomenclature.

A.1.1.4 Release Controlled Stock

The purpose of this process is to release controlled stock from its assignment to a cash drawer(s). Some examples of releasing controlled stock are transferring stock to another cash drawer or office, returning voided stock to State inventory, and accounting for missing serialized inventory items. A place to enter a reason for the stock being released must be provided

Pre Condition: This occurrence of CONTROLLED ITEM ASSIGNMENT must exist.

Post Condition: This occurrence of CONTROLLED ITEM ASSIGNMENT is deleted.

Implementation Consideration: Provide the ability to release a sequenced range of numbers for controlled stock items from a cash drawer station(s).

A.1.1.5 Record Instant Refund

The purpose of this process is to record that an “instant” refund has been made from a cash drawer for an activity during that business day. The amount of the refund can only be for the actual value of the refund. A place to enter a reason for the refund must be provided.

Pre Condition: This occurrence of ACTIVITY, PAYMENT, and CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are updated. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with ACTIVITY.

Implementation Consideration: The ability to execute this process may be restricted to designated staff members. Provide for the ability to record a supervisor’s authorization of the refund. Provide for split payments (a combination of forms of payment for one transaction).

A.1.1.6 Close Cash Drawer

The purpose of this process is to designate a cash drawer as closed and to indicate that the reconciliation process for the monetary and controlled stock items, if applicable, can take place.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER STATUS is created.

A.1.1.7 Record Ending Balances

The purpose of this process is to record the monetary value and controlled stock items physically counted for all activities conducted at this cash drawer.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER ACTIVITY is updated.

Implementation Consideration: This process may be repeated several times in the workday. IPSIS must provide for progressive processing; that is, multiple steps to processing a transaction at various sites. One transaction may have various parts that are keyed in at different cash drawers (example: cash received in mailroom for disabled placard, placard issued and application information keyed in at another station). Payments must be associated with a transaction. The processing must be in real time to avoid delays in process updates.

A.1.1.8 Record Monetary Adjusting Entry

The purpose of this process is to record the monetary amount of overage or underage that cannot be reconciled and the reason the adjustment was required.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of DRAWER ADJUSTMENT is created.

Implementation Consideration: During the reconciliation process, an incorrectly recorded payment, refund, or activity may be identified. System must provide the ability for the correction of all erroneous entries prior to the cash drawer being recorded as reconciled. An audit trail would exist for the

activities before and after the adjustment.

A.1.1.9 Record Approval of Monetary Adjusting Entry

The purpose of this process is to record approval of one or more monetary adjusting entries by the staff member and supervisor designated with this responsibility.

Pre Condition: One or more occurrences of DRAWER ADJUSTMENT must exist. The occurrence of SUPERVISOR must exist.

Post Condition: One or more occurrences of DRAWER ADJUSTMENT are updated.

A.1.1.10 Record Assigned Item Adjusting Entry

The purpose of this process is to record that a controlled item assigned to a cash drawer cannot be reconciled with the ending cash drawer controlled item inventory report. A place to enter a reason for the adjustment must be provided

Pre Condition: This occurrence of CONTROLLED ITEM ASSIGNMENT must exist.

Post Condition: An occurrence of ASSIGNED ITEM ADJUSTMENT is created.

Implementation Consideration: During the reconciliation process, an incorrectly recorded issuance of a controlled stock item may be identified. System must provide the ability for the correction of all erroneous entries prior to the cash drawer being recorded as reconciled. An audit trail would exist for the activities before and after the adjustment.

A.1.1.11 Record Approval of Assigned Item Adjusting Entry

The purpose of this process is to record approval of one or more assigned item adjusting entries by the staff member designated with this responsibility. Also, the status for a controlled stock item that has an approved adjusting entry indicating it was "lost, missing, stolen, damaged or transferred" must be updated.

Pre Condition: This occurrence of ASSIGNED ITEM ADJUSTMENT must exist. The occurrence of SUPERVISOR must exist.

Post Condition: This occurrence of ASSIGNED ITEM ADJUSTMENT is updated. An occurrence of CONTROLLED STOCK STATUS or ITEM STATUS may be created.

A.1.1.12 Record Completion of Reconciliation

The purpose of this process is to record that the reconciliation of a cash drawer has been completed and both the monetary value of the cash drawer and the count of remaining controlled stock items assigned to the cash drawer, if applicable, have been reconciled. The system will not proceed to next business transaction unless and until the system has recorded completion of successful reconciliation. Provide for system administrator's override of this function to permit continuation of work. Also provide for approval of override by supervisor.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER STATUS is created.

A.1.2 Payment Maintenance

A.1.2.1 Record Receipt of Payment at Cash Drawer

The purpose of this process is to record that a customer's payment for one or more activities has

been received and is included in a cash drawer's balance. The system must provide for the calculation of fees, credits, taxes, penalties and interest. The point of sale system must interface with the TRUST database to access the appropriate fees and taxes

Pre Condition: This occurrence of PAYMENT does not exist. One or more occurrences of ACTIVITY must exist. An occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are created. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY. One or more occurrences of ACTIVITY PAYMENT is created and associated with the appropriate ACTIVITY.

Implementation Considerations: System must provide for receipt of all methods of payments. For payments by credit/debit card, provide the ability to electronically read and record credit/debit card information and to validate and record credit/debit card authorization information in system. For payments by check, provide the ability to use electronic check acceptance equipment. Additionally, the system must provide for split payment types where the customer can pay for a transaction with a combination of any method of payment.

Provide the ability to electronically perform check acceptance and record the information in system.

A.1.2.2 Record Receipt of Journal Voucher at Cash Drawer

The purpose of this process is to record a receipt of Journal Voucher received from different state agencies.

Pre Condition: This occurrence of PAYMENT does not exist. One or more occurrences of ACTIVITY must exist. An occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are created. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY. One or more occurrences of ACTIVITY PAYMENT is created and associated with the appropriate ACTIVITY.

A.1.2.3 Record Bad Check

The purpose of this process is to record that a bad check has been received as payment for one or more activities and to record that funds associated with this check cannot be applied as payment for the activity, and to 'flag' the customer that remitted the bad check. The system must provide for the ability to invalidate any transactions connected with a bad check for payment. Also the system must provide an interface with the TRUST system to trigger a letter notifying the customer of a bad check. When a check is cleared the system must provide for validating the original transaction. The system must provide for status codes (i.e., valid, invalid) to change status of previous transactions or put a stop on future transactions

Pre Condition: This occurrence of PAYMENT must exist. One or more occurrences of ACTIVITY must exist. This occurrence of CUSTOMER must exist.

Post Condition. This occurrence of CUSTOMER and one or more occurrences of PAYMENT are updated. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY.

A.1.2.4 Record Deposit

The purpose of this process is to summarize the receipts for the bank deposit. Depending on the site, reports must be generated to facilitate summary of bank deposit information.

Condition: This occurrence of DEPOSIT does not exist. One or more occurrences of PAYMENT must exist.

Post Condition: This occurrence of DEPOSIT is created and associated with all PAYMENT(s) included in the amount deposited.

A.1.3 County Fee Remittance

A.1.3.1 Record County Remittance of Fees and Receipt of Work

The purpose of this process is to record that a county has remitted to the State fees collected for services and/or associated penalties for the late remittance of fees and received the work (title and registration applications, renewals and other documents) included with the invoice for these services.

Remittances must be recorded in account number order. A standard remittance summary report must be generated to accompany the County's invoice. The invoice must include all the County transaction detail and must link to the summary report.

The system must provide for the recording of invoice dates and receipt dates for the remittances and work received by the T&R Division staff. The dates are recorded to determine whether the County remittances and work were delinquent or on time. The system must interface with the TRUST letter database to trigger the generation of a delinquency letter.

Pre Condition: This occurrence of OFFICE and one or more occurrences of ACTIVITY FEE TAX must exist. One or more occurrences of PENALTY related to previous REMITTANCE(s) may exist. This occurrence of REMITTANCE does not exist.

Post Condition: This occurrence of REMITTANCE is created.

Implementation Considerations: Counties not using the State sponsored IPSIS must be required to submit their remittance information in defined electronic formats to comply with the standardized remittance summary report and invoice information.

A.2 Inventory Management for Controlled and Non- Controlled Items (Mandatory Requirements)

A.2.1 Controlled Stock Order Maintenance

A.2.1.1 Create Controlled Stock Order

The purpose of this process is to record the details of an office's order for controlled stock. Controlled stock is defined as items of inventory that are serialized with control numbers and tracked individually upon becoming Title & Registration inventory. Controlled items include, but are not limited to, plates, decals, title stock, temporary operating permits, drive-out tags and disabled placards. An order for controlled stock can replenish an office's inventory and replace lost, missing, stolen, destroyed or damaged items. System must provide for order number to be assigned.

Pre Condition: This occurrence of ORDER does not exist. An occurrence of OFFICE must exist. Related occurrence(s) of CONTROLLED STOCK ITEM MASTER must exist for each ITEM ordered in CONTROLLED STOCK ORDER LINE. One or more occurrences of CONTROLLED STOCK may exist.

Post Condition: An occurrence of ORDER and ORDER STATUS is created. One or more occurrences of CONTROLLED STOCK ORDER LINE is created. One or more occurrences of CONTROLLED STOCK ITEM MASTER STATUS may be created.

A.2.1.2 Cancel Controlled Stock Order

The purpose of this process is to cancel an office's order for controlled stock.

Business Rule: For controlled stock manufactured at the TRICOR manufacturing facility (i.e., plates)

and if the stock ordered has not been manufactured yet, then the order can be cancelled. However, if stock has been manufactured elsewhere (i.e., placards, drive-out-tags, decals) and is already in the State warehouse, then the order can be cancelled prior to shipment from the warehouse.

Pre Condition: This occurrence of ORDER must exist. One or more occurrences of CONTROLLED STOCK may exist.

Post Condition: An occurrence of ORDER STATUS is created. One or more occurrences of CONTROLLED STOCK may be deleted.

Implementation Consideration: System must provide for message of cancellation being sent to assigned staff.

A.2.1.3 Revise Controlled Stock Order

The purpose of this process is to revise the details of an unfilled order for controlled stock. The revision may include the addition or deletion of controlled stock items.

Business Rule: An order can only be revised if the controlled stock ordered has not been shipped.

Pre Condition: This occurrence of ORDER must exist. One or more occurrences of CONTROLLED STOCK may exist.

Post Condition: One or more occurrences of CONTROLLED STOCK ORDER LINE may be updated, deleted or created. One or more occurrences of CONTROLLED STATUS may be created.

Implementation Consideration: The revision of an order may result in a change in a production or shipment order sent to the controlled stock supplier. System must provide for message of modification being sent to assigned staff.

A.2.1.4 Record TDOS Action for Controlled Stock Order

The purpose of this process is to record TDOS staff action on a request to fill a controlled stock order. For orders approved to be filled, the details of the order are recorded.

Pre Condition: This occurrence of ORDER must exist.

Post Condition: One or more occurrences of CONTROLLED STOCK ORDER LINE may be created. An occurrence of ORDER STATUS is created.

Implementation Consideration: Provide the ability to change or delete the CONTROLLED ORDER LINE(s) included in original order to create the details of the order approved to be filled.

A.2.1.5 Remove Obsolete Controlled Stock Order

The purpose of this process is to delete an obsolete order that is no longer of interest to IPSIS.

Pre Condition: This occurrence of ORDER must exist.

Post Condition: An occurrence of ORDER is deleted. Related occurrences of ORDER STATUS and CONTROLLED STOCK ORDER LINE are deleted.

Implementation Consideration: A business rule must be defined to control the archival and automated deletion of system information.

A.2.2 Controlled Stock General Maintenance

A.2.2.1 Change Controlled Stock Status and Remove from Office Inventory

The purpose of this process is to record that controlled stock included in an office's inventory has been identified as being lost, missing, stolen, destroyed or damaged is considered to be unusable.

Pre Condition: This occurrence of OFFICE AND CONTROLLED STOCK must exist.

Post Condition: An occurrence of CONTROLLED STOCK STATUS is created. This occurrence of CONTROLLED STOCK is updated.

Implementation Consideration: Provide the ability to remove a sequential range or a single item of a particular type of controlled stock from inventory.

A.2.2.2 Return Controlled Stock to Inventory

The purpose of this process is to record that controlled stock previously identified as being lost, missing, stolen, destroyed or damaged is considered to be unusable has been returned to an office's inventory and is available for issuance. In addition, this function would cover the situation of a controlled stock item that is issued and returned the same day.

Pre Condition: This occurrence of OFFICE and CONTROLLED STOCK must exist.

Post Condition: An occurrence of CONTROLLED STOCK STATUS is created. This occurrence of CONTROLLED STOCK STATUS STOCK is updated.

Implementation Consideration: Provide the ability to return a sequential range or a single item of a particular type of controlled stock to inventory.

A.2.2.3 Recall of Outdated Controlled Stock (Obsolete Stock Items at Counties)

The purpose of this process is to record that controlled stock is considered as obsolete and is returned to State inventory.

Pre Condition: This occurrence of OFFICE and CONTROLLED STOCK must exist.

Post Condition: An occurrence of CONTROLLED STOCK STATUS is created. This occurrence of CONTROLLED STOCK STATUS STOCK is updated.

Implementation Consideration: Provide the ability to return a sequential range or a single item of a particular type of controlled stock to State.

A.2.2.4 Destruction of Controlled Stock

The purpose of this process is to record that controlled stock has been destroyed.

Pre Condition: This occurrence of OFFICE and CONTROLLED STOCK must exist.

Post Condition: An occurrence of CONTROLLED STOCK STATUS is created. This occurrence of CONTROLLED STOCK STATUS STOCK is updated.

Implementation Consideration: Provide the ability to record the destruction of a sequential range or a single item of a particular type of controlled stock inventory.

A.2.3 Non-Controlled Stock Order Maintenance

A.2.3.1 Create Non-Controlled Stock Order

The purpose of this process is to record the details of an office's order for non-controlled stock. Non-Controlled stock is defined as items of inventory that are not serialized with control numbers and are not tracked individually throughout the inventory cycle. Items are ordered in bulk quantities. Non-

Controlled items include, but are not limited to, forms, handbooks, and copy paper. An order for non-controlled stock can replenish an office's inventory and replace lost or damaged items. System must provide for order number to be generated.

Pre Condition: This occurrence of ORDER does not exist. An occurrence of OFFICE must exist. Related occurrence(s) of NON-CONTROLLED STOCK ITEM MASTER must exist for each ITEM ordered in NON-CONTROLLED STOCK ORDER LINE. One or more occurrences of NON-CONTROLLED STOCK may exist.

Post Condition: An occurrence of ORDER and ORDER STATUS is created. One or more occurrences of NON-CONTROLLED STOCK ORDER LINE are created. One or more occurrences of NON-CONTROLLED STOCK ITEM MASTER STATUS may be created.

Implementation Consideration: To facilitate inventory management and budgeting by T&R Division and County offices provide for reports for projecting non-controlled stock items requirements and order limits.

A.2.3.2 Cancel Non-Controlled Stock Order

The purpose of this process is to cancel an office's order for non-controlled stock.

Business Rule: An order can only be canceled if the non-controlled stock ordered has not been shipped.

Pre Condition: This occurrence of ORDER must exist. One or more occurrences of NON-CONTROLLED STOCK may exist.

Post Condition: An occurrence of ORDER STATUS is created. One or more occurrences of NON-CONTROLLED STOCK may be deleted.

A.2.3.3 Revise Non-Controlled Stock Order

The purpose of this process is to revise the details of an unfilled order for non-controlled stock. The revision may include the addition or deletion of non-controlled stock items.

Business Rule: An order can only be revised if the non-controlled stock ordered has not been shipped.

Pre Condition: This occurrence of ORDER must exist. One or more occurrences of NON-CONTROLLED STOCK may exist.

Post Condition: One or more occurrences of NON-CONTROLLED STOCK ORDER LINE may be updated, deleted or created. One or more occurrences of NON-CONTROLLED STATUS may be created.

A.2.3.4 Remove Obsolete Non-Controlled Stock Order

The purpose of this process is to delete an obsolete order that is no longer of interest to IPSIS.

Pre Condition: This occurrence of ORDER must exist.

Post Condition: An occurrence of ORDER is deleted. Related occurrences of ORDER STATUS and NON-CONTROLLED STOCK ORDER LINE are deleted.

Implementation Consideration: A business rule must be defined to control the archival and automated deletion of system information.

A.2.4 General Shipment Maintenance (Controlled and Non-Controlled Stock)

A.2.4.1 Record Shipping Information From Stock Supplier – Controlled Plate Stock Only (Recorded by State Warehouse)

The purpose of this process is to record the shipment of stock from information received from the plate stock supplier. The system must receive information from TRICOR's VRIM system.

Pre Condition: One or more occurrences of SUPPLIER ORDER and ORDER must exist. This occurrence of SHIPMENT does not exist. One or more occurrences of CONTROLLED STOCK must exist.

Post Condition: This occurrence of SHIPMENT and SHIPMENT STATUS is created and related to one or more SUPPLIER ORDER and ORDER. One or more occurrences of CONTROLLED STOCK SHIPMENT LINE are created. One or more occurrences of CONTROLLED STOCK STATUS are created.

A.2.4.2 Record Stock Order Shipment (Stock Shipped to Offices)

The purpose of this process is to record the shipment of stock items to fill an order and to update inventory for the office filling the order.

Pre Condition: This occurrence of ORDER must exist. This occurrence of SHIPMENT does not exist. One or more occurrences of CONTROLLED STOCK and/or NON-CONTROLLED STOCK for each item ordered must exist for the OFFICE filling the order.

Post Condition: This occurrence of SHIPMENT and SHIPMENT STATUS is created and related to one or more ORDER. One or more occurrences of ITEM SHIPMENT LINE are created. Appropriate occurrences of CONTROLLED STOCK and/or NON- CONTROLLED STOCK are updated for each item ordered for the OFFICE filling the order.

A.2.4.3 Record Receipt of Stock Order (Stock Received by Offices)

The purpose of this process is to record the receipt of a shipment of stock items and to update inventory for the office receiving the items.

Pre Condition: This occurrence of SHIPMENT and OFFICE must exist. An occurrence of CONTROLLED STOCK and/or NON-CONTROLLED STOCK may exist for each ITEM SHIPMENT LINE.

Post Condition: For each ITEM SHIPMENT LINE, an occurrence of CONTROLLED STOCK and/or NON-CONTROLLED STOCK is created or updated. For each CONTROLLED STOCK and/or NON-CONTROLLED item received a related occurrence of ITEM and ITEM STATUS is created. An occurrence of SHIPMENT STATUS is updated.

A.2.4.4 Record Shipment Lost in Transit

The purpose of this process is to record that a shipment has been lost in transit.

Pre Condition: This occurrence of SHIPMENT must exist.

Post Condition: This occurrence of SHIPMENT STATUS is created.

A.2.4.5 Record Shipment of Stock Order Between Offices

The purpose of this process is to record the shipment of stock from one office to another office and to update inventory for the office shipping the items. As part of this transfer, provide for the tag master database to be updated.

Pre Condition: This occurrence of ORDER must exist. This occurrence of SHIPMENT does not exist.

One or more occurrences of CONTROLLED and /or NON-CONTROLLED must exist (at the office shipping the items).

Post Condition: This occurrence of SHIPMENT and SHIPMENT STATUS is created and related to one or more ORDER. One or more occurrences of CONTROLLED AND/OR NON-CONTROLLED STOCK SHIPMENT LINE are created. One or more occurrences of CONTROLLED AND/OR NON-CONTROLLED STOCK STATUS are created. One or more occurrences of CONTROLLED AND/OR NON-CONTROLLED STOCK are updated.

A.2.5 Stock Inventory General Maintenance

A.2.5.1 Add Stock Item Master for New Controlled and Non-Controlled Stock (Maintained by State Warehouse)

The purpose of this process is to record information for a new stock item that has been added to the State inventory. The initial inventory levels and inventory control information is also recorded. Provide for the ability to suspend or put on hold any stock because of redesign or other actions.

Pre Condition: This occurrence of CONTROLLED AND/OR NON-CONTROLLED STOCK ITEM MASTER and CONTROLLED AND/OR NON-CONTROLLED STOCK does not exist. This occurrence of OFFICE must exist.

Post Condition: An occurrence of CONTROLLED AND/OR NON-CONTROLLED STOCK ITEM MASTER and CONTROLLED AND/OR NON-CONTROLLED STOCK is created. One or more occurrences of ITEM and ITEM STATUS are created.

Implementation Consideration: Provide for the expansion of the master stock list. Assume a maximum of 7,500 stock items.

A.2.5.2 Record Adjustment to Non-Controlled Stock

The purpose of this process is to adjust the quantity on hand for a non-controlled stock item and to record the reason for the adjustment. The quantity on hand may be adjusted as a result of periodic inventory count, to remove an unusable (lost, missing, stolen, destroyed or damaged) item(s), or to return located item(s) to inventory.

Pre Condition: This occurrence of NON-CONTROLLED STOCK must exist. This occurrence of ADJUSTMENT does not exist.

Post Condition: This occurrence of NON-CONTROLLED STOCK is updated. An occurrence of ADJUSTMENT is created.

A.2.5.3 Remove Obsolete Controlled and Non-Controlled Stock Item Master

The purpose of this process is to remove an obsolete stock item that is no longer of interest to system.

Pre Condition: This occurrence of CONTROLLED AND/OR NON-CONTROLLED STOCK ITEM MASTER must exist. .

Post Condition: This occurrence of CONTROLLED AND/OR NON-CONTROLLED STOCK ITEM MASTER and one or more related entities are deleted.

Implementation Consideration: A business rule must be defined to control the archival and automated deletion of system information.

A.2.5.4 Update Controlled and Non-Controlled Stock Inventory Controls

IPSIS must provide for automatically calculating safety stock quantity and reorder point quantity based on historical information. The purpose of this process is to update inventory control information for an office's controlled stock.

Pre Condition: This occurrence of OFFICE and CONTROLLED AND/OR NON-CONTROLLED STOCK must exist.

Post Condition: The occurrences of CONTROLLED AND/OR NON-CONTROLLED STOCK REORDER POINT QUANTITY AND CONTROLLED AND/OR NON-CONTROLLED SAFETY STOCK QUANTITY are updated.

Implementation Consideration: Inventory forecasting based on a controlled stock item's (by class and issue year) demand over a specified period of time for an office location(s) or statewide to be used to determine the reorder point quantity and safety stock quantity.

A.3 Report Listing

The following is a listing of reports required for the system. Prior to system implementation, it is anticipated that there must be additional reports and variations to the list shown below. The Vendor will design the report layouts for the following reports and will deliver these layouts during the Design Phase. However, the State will create the reports; the vendor is only responsible for report design. For reference purposes the following are provided:

- Aging Report on Orders
- Bad Check Report
- Cash Drawer Activity Report
- Cash Drawer Closing Report
- Cash Drawer Controlled Stock Inventory
- Controlled Inventory Monthly and Quarterly Reports
- Controlled & Non-Controlled Stock Order Report
- Controlled & Non-Controlled Stock Receipt Report
- Controlled & Non-Controlled Stock Shipment Report
- Controlled & Non-Controlled Stock Order Limits and Reorder Points
- Daily Invoice Report
- Credit Or Debit Card Activity
- Daily Audit Report
- Daily Deposit Summary Report
- Funds Due From Counties
- Inadequate Funds Report
- Issued Plates And Decals
- Overdue Funds Report
- Fee List
- Quantity Of Plates Received And Fees Collected
- Refund Transaction Report
- Summarized Daily Remittance
- Total Fund Accumulations And Allocations
- Transaction Receipt
- Wheel Taxes Report

Attachment B

Hardware / Infrastructure and Standards Requirements

B. Infrastructure and Standards

B.1 Introduction

The Integrated Point of Sale and Inventory System (IPSIS) shall operate in one of several computing environments supported by the State. This document identifies the standards that the Contractor will follow in the selection of system components, design, construction, and implementation of the System.

[Note at the RFP Stage: This document identifies several computing platforms that are supported and therefore can be proposed by the Proposer; only the ones necessary for the successful Proposer's proposal will be retained in the Contract.]

B.2 General Comments on Development Standards

- B.2.1 The system must be designed and constructed with J2EE architecture.
- B.2.2 The system should be designed using well-developed design patterns such as the Model View Controller (MVC) model/pattern/technology/architecture. (e.g. <http://java.sun.com/blueprints/patterns/MVC.html>).
- B.2.3 The system must be designed using component based technology. (i.e., allowing stand alone components, designed based on widely accepted software standards for the component model, to be easily integrated into the application)
- B.2.4 The system must be developed using DB2 as the database standard.
- B.2.5 Client presentation must be thin-client presented in a browser by means of JSP or HTML. No downloads to the client will be accepted. (Servlets and applets are not considered as downloads.)

B.3 Standards common to all environments

- B.3.1 The system must include an ad-hoc reporting feature. The approved State standard reporting tools are: Crystal Reports, Crystal Enterprise, Oracle Reports, and Oracle Discoverer. The vendor will be responsible during the design phase to develop and provide to the State the design layout of all the reports required for the IPSIS system.
- B.3.2 The system must use State standard TCP/IP communication protocols.
- B.3.3 The system must be 128 bit or stronger SSL encryption for all communications with the client's browser.
- B.3.4 The system must be fully functional for users via Microsoft Internet Explorer 6.0 or greater on the State's network. (The system must produce/emit valid XHTML 1.0 Transitional or HTML 4.01 Strict as specified in W3C specifications.)
- B.3.5 The system must be able to accommodate deployment of the database on a physically separate database server behind the State's firewall accessible only via the application or XML. (No direct web access to the database will be allowed.)
- B.3.6 The system will not require or allow database administrative rights.
- B.3.8 All transactions that transmit passwords or user account names must be encrypted.
- B.3.9 The system must restrict technical administrative functions to a non-root user level or administrator-equivalent level.
- B.3.10 The system must use DNS entries for access and not contain any hard coded IP addresses.
- B.3.11 The system must be able to send email through the State of Tennessee's existing SMTP email gateway. If the application uses the SENDMAIL function, then the application must be configured

not to be able to accept mail.

B.3.12 The system must be compatible with GroupWise 6.5 or later for external email. Post Office Protocol version 3 (POP3) or Internet Message Access Protocol version 4 (IMAP4) is allowed as long as the application is behind the firewall and uses a Secure Sockets Layer (SSL) scheme.

B.4 Server Platform Standards

B.4.1 The solution will be built on state-accepted standards and an open systems architecture that utilizes a distributive approach to information systems. Specifically, the proposed system will utilize at a minimum a three-tier architecture, with all the data residing on one tier; Java or .NET based components containing the business rules and logic on the second tier; and the browser-based presentation layer residing on the third tier, which is the user's desktop workstation.

B.4.2 The Server IPSIS system must be designed to operate/installed **preferably** in Mainframe Z/OS. Alternative server platforms, if any should be brought forward to State's attention during Design phase.

B.4.3 The system must use DB2 database version 8.

B.4.4 The system must be deployable to WebSphere Application Server 6.0

B.4.5 The system must use Java 1.4 but not 1.5 since WAS 6.0 supports J2SE 1.4.x

B.4.6 The system must be designed using N-tier (3-tier) architecture so that computing components in these tiers can be scaled to meet increases in system load requirements. Proposals based on 2-tier Fat Client server or host/dumb workstation architecture will not be accepted.

B.5 Workstation Standards

B.5.1 The successful vendor's application must be in compliance with State Standard workstations. The client workstation will be using:

- Intel Pentium 4 Processor (3.0Ghz)
- 80 GB Hard Drive
- 1 GB of RAM
- 48X combo DVD-ROM/CD-RW Drive
- 10/100 Ethernet adapter
- 17 in Monitor
- Microsoft Windows XP Professional SP1
- Microsoft Office 2003
- Symantec Antivirus

B.5.2 The application must be functional with a minimum screen resolution of 800 x 600 pixels. If application is browser based, it should be Internet Explorer 6.0 (higher).

B.6 Performance Standards

B.6.1 A performance standard of less than 1.5 second transaction response time from screen to screen for 95% of all transactions and less than .5 seconds from field to field is required during User Acceptance Testing and during the first month of each implementation of a production version.

B.6.2 During the Design Phase, the contractor will specify the minimum bandwidth, latency or other network assumptions for each end-user location over both LAN and WAN networks to achieve user-defined 1.5 second acceptable response time 95% of the time when moving from screen to screen. Contractor will detail recommended desktop configuration required to meet system requirements of performance, security, peripherals, and screen resolution. Unless otherwise specified, the State's standard configuration will be assumed. Furthermore, the contractor is responsible to specify the recommended application server, database server, network

architecture, or client hardware and software required to achieve the minimum acceptable response time as detailed in the RFP. As part of this, the contractor must review State's network schema to determine if its system can meet the response time requirements. If it cannot, then the contractor must document any changes that the contractor believes to be necessary to change the schema and State's environment to meet the response times.

- B.6.3 After the first month of production for each location implementation, if the response time degrades to a level of non-compliance with the user-defined standard (See B.6.1 above), then the contractor will have fifteen working days from the date of notice by the State to resolve the performance back to the required response times.

B.7 POS Peripherals

- B.7.1 The Proposer should provide the following peripherals that would interact with POS software:

Credit Card Reader / Magnetic Stripe Reader: The Magnetic stripe readers must interact with the POS software system read through a serial or USB connection.

Data on Magnetic Cards must conform to the encoding format for financial transaction cards (ISO 7811). Tracks 1 and 3 read alphanumeric data at 210 bpi, while track 2 reads numeric data only at 75 bpi.

Pin Pad Reader: The State Prefers all included device for Credit Card and Debit Card Scanning. This reduces the number of peripherals attached to the computer and much efficient usage of serial or USB ports.

Cash Drawer: This should work both in manual and software enabled mode. All Steel Cash Drawer would be the State preference and Cash compartment unit must be detachable from the Cash deck.

Check Franking: This device will run through any automated validation of check and print some defined text on the face or back of the check. This puts restrictive endorsement on the check immediately which safeguards the misuse of the checks.

The above peripherals should comply with the state standards as mentioned in contract Attachment B, Section B.5

B.8 Communication with the Merchant Service Provider

- B.8.1 The Contractor will be communicating with the merchant service provider gateway using HTTPS protocol. To accomplish this communication, the Contractor will connect to the LINK2GOV platform, with the following stipulations:

- a. The Contractor must use the current processor (LINK2GOV) for credit and check processing.
- b. Connection to LINK2GOV will be made over SSL.
- c. Method is POST Name/Value Pair.
- d. Contractor should be capable of picking up activity daily file via SFTP for reconciliation with their system.

The IPSIS system must be capable of making the HTTPS call using the gateway described above. All of the API specifications will be provided to the contractor during the design phase of the IPSIS project.

Attachment C

Training Requirements

C. TRAINING

C.1 Introduction

The State requires the Contractor to provide a train the trainer approach to training program personnel. The Contractor will train 5 State employees as trainers, who will subsequently train the end users.

The training strategy must be skill based using performance objectives for each training module, with measurable objectives related to training module. The course materials must provide for self paced learning, where individuals may practice at their own pace, repeating the skill until the performance objective(s) is met.

The training methodology shall also include training modules suitable for instructor/classroom training. The Contractor shall provide skilled presenters knowledgeable in the system features and training materials suitable for the train-the-trainer approach as stated in the first paragraph.

C.2 Develop Training Plan

- a. Once the project is underway, the Contractor must deliver a detailed Training Plan. To be acceptable, the Training Plan must conform to the following State parameters for training:
 - The State will provide workspace for the training of State staff located in Nashville, including basic presentation support equipment; e.g., whiteboards, overhead projectors, and training workstations.
 - The State will provide facilities for making copies of training materials; however, the Contractor will be responsible for making all copies needed for use by its trainers in all training sessions.
 - The Contractor must provide all-training materials in both hard copy and electronic format.
- b. Training sessions will include and cover the appropriate documentation; User Manual, Operations Manuals, and Procedure Manual developed by the Contractor.
- c. A Training Plan will address, at a minimum, the following:
 - A User Training Strategy that will ensure initial training that fully covers all functional areas of IPSIS. Training objectives will be approved by the State, and reflect both the new system, business functions and work flows.
 - Training classroom requirements including number of workstations, communication requirements, application and database server(s) configuration, type and number of presentation equipment.
 - Plans for populating the training databases.
 - Procedures for resetting the system-training environment before and/or after training sessions, backup and recovery of databases.
 - Provide an on-line help facilities for the users of the IPSIS application.
- d. Provisions that allow for all training materials provided by the Contractor to be reproduced and used as needed by the State.

C.3 Develop User Staff Training Curricula and Materials

- a. The Contractor is required to develop curricula and materials, in both hard copy and electronic format, for training system users. Five (5) State User Staff will provide training for all other users numbers five (5). The training curricula and materials must cover, at a minimum, the following topics:
 - Data inputs, outputs, and reports produced.
 - Major system business functions and work flows.
 - Entering data and data validation

- Data correction and user help features
- Menu and system navigation
- Help functions and problem reporting
- Report contents and report generation
- Search and inquiry features
- Record update procedures
- Seeking technical help (application and equipment assistance)

Attachment D

Tennessee Information Resources Architecture

This is a placeholder for the Tennessee Information Resources Architecture, which will be inserted at contract execution.

Attachment E

Web Services

TRUST Web Services

Overview

TRUST provides external vendors the ability to validate and submit transactions. This document contains the implementation information, a detailed description of the data necessary to do this, and a list of the changes from the 1100 byte format used previously.

Making the Call

The call to the TRUST web service will be an HTTP call and must be a POST request. The request will be made using SSL, so it will be a secure transaction. In addition, we also require a username and password so that we can authenticate the user entering the transaction.

URL: <https://somehost.com/services/TrustService>

Input Parameters

Field	Status	Description
Action	Required	The action to be taken, either "validate" or "submit"
Username	Required	The Racf-id of the user entering the transaction.
Password	Required	The password of the user entering the transaction.
Request	Required	The data of the transaction in the xml format described below.

Output Parameters

The output will be in xml form, it will contain either a "success" message or a list of errors.

```
<response>success</response>
```

-OR-

```
<response><error>VIN is required.</error><error>purchase date is  
required.</error></response>
```

XML Schema

XML Schema is an xml based alternative to DTD. We will use XML Schema to define the xml structure to be sent in the request, as well as to define the data to be sent. XML Schema provides excellent support for data types, by using XML Schema we can more easily describe permissible content, validate the correctness of the data, define data formats, and define restrictions on data.

Below is an excerpt from the XML Schema for the TRUST web service and XML that is valid for this schema.

XML Schema:

```
<element name="trust">  
  <complexType>  
    <sequence>  
      <element name="racfid">  
        <simpleType>
```

```

    <restriction base="string">
      <length value="7"/>
    </restriction>
  </simpleType>
</element>

<element name="customer">
  <complexType>
    <complexContent>
      <restriction base="anyType">
        <choice>
          <element name="individual" type="trust:individual"/>
          <element name="business" type="trust:business"/>
          <element name="government" type="trust:government"/>
        </choice>
      </restriction>
    </complexContent>
  </complexType>
</element>

<element name="conjunction_code">
  <simpleType>
    <restriction base="string">
      <enumeration value="AND"/>
      <enumeration value="OR"/>
    </restriction>
  </simpleType>
</element>
</sequence>
</complexType>
</element>

```

XML:

```

<trust>
  <racfid>ag03027</racfid>

  <customer>
    <individual>
      <prefix></prefix>
      <first_name>first_name</first_name>
      <last_name>last_name</last_name>
      <middle_name>middle_name</middle_name>
      <suffix></suffix>
      <addresses>
        <address>
          <type>P</type>
          <line1>line1</line1>
          <line2>line2</line2>
          <city>city</city>
          <state>TN</state>
          <zip_base>12345</zip_base>
          <zip_ext>1234</zip_ext>
          <county_code>18</county_code>
          <country_code>US</country_code>
        </address>
      </addresses>
    </individual>
  </customer>

```

```
<conjunction_code>AND</conjunction_code>
</trust>
```

Changes

Moving to the TRUST web service xml format from the 1100 byte format currently in use will require changes not only in the format of the request, but will also require changes in the data, itself. Below is a list of fields that have been thus far identified as changed from the 1100 byte format.

Fields Removed

number of axles

Fields Added

customer

The customer performing and paying for the transaction.

mail to indicator

When there are multiple owners, this indicator is necessary to determine who the mailings go to.

fees

The current format only allows for sales tax, title and registration fees. The new format will allow for all applicable fees.

supporting documents

This will be the list of supporting documents used by the customer in the transaction.

Attachment F

Manual County Environments

No.	Manual Counties	Does not have a traditional counter or drawer	Number of Users	POS Peripherals Needed
1.	Bledsoe		2	2
2.	Cannon	X	4	4
3.	Carroll		6	6
4.	Chester		5	5
5.	Clay		3	3
6.	DeKalb		4	4
7.	Fentress		7	7
8.	Grainger	X	6	6
9.	Grundy		4	4
10.	Hancock		3	3
11.	Houston		4	4
12.	Lake		2	2
13.	Lewis	X	4	4
14.	Macon		7	7
15.	Meigs		6	6
16.	Moore	X	2	2
17.	Morgan		5	5
18.	Overton	X	5	5
19.	Perry		2	2
20.	Pickett		2	2
21.	Stewart		3	3
22.	Trousdale		2	2
23.	Union		6	6
24.	Van Buren		2	2
25.	White		5	5
26.	Metro Center		177	30
		TOTALS:	278	131

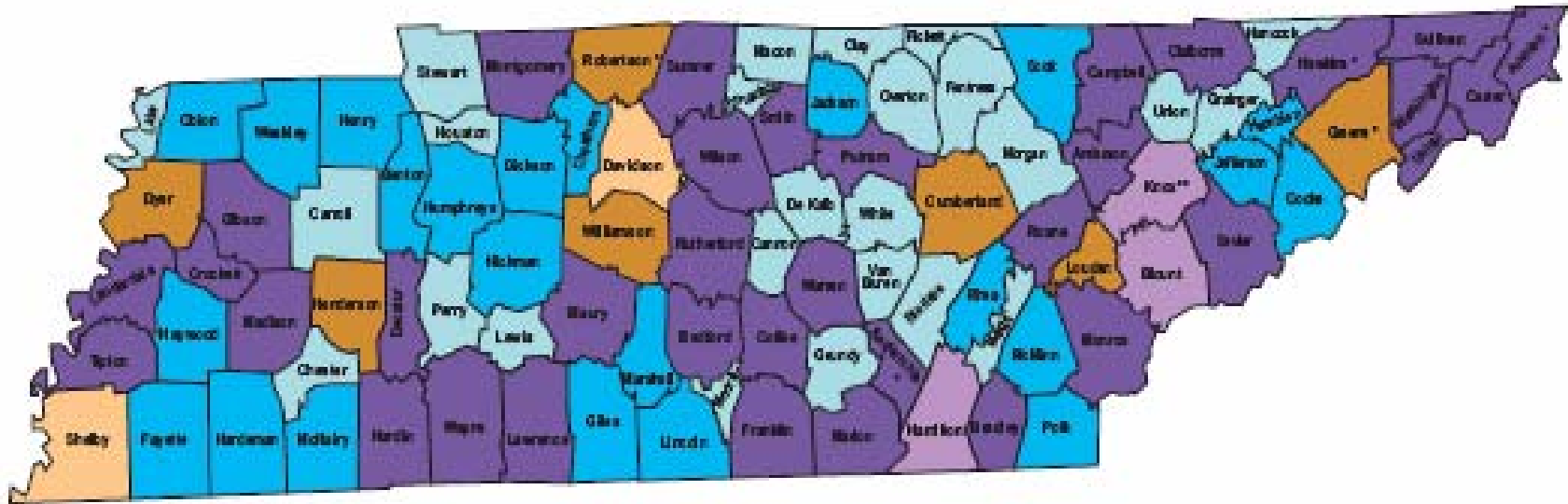
Attachment G

Automated County Environments

No.	Automated Counties	Number of Users	POS Peripherals Needed
1.	Anderson	19	9
2.	Bedford	9	4
3.	Benton	7	3
4.	Blount	22	11
5.	Bradley	22	11
6.	Campbell	12	6
7.	Carter	8	4
8.	Cheatham	12	6
9.	Claiborne	9	4
10.	Cocke	11	5
11.	Coffee	10	5
12.	Crockett	6	3
13.	Cumberland	12	6
14.	Davidson	75	37
15.	Decatur	3	1
16.	Dickson	11	5
17.	Dyer	10	5
18.	Fayette	7	3
19.	Franklin	11	5
20.	Gibson	11	5
21.	Giles	7	3
22.	Greene	10	5
23.	Hamblen	22	11
24.	Hamilton	72	36
25.	Hardeman	6	3
26.	Hardin	8	4
27.	Hawkins	14	7
28.	Haywood	7	3
29.	Henderson	6	3
30.	Henry	7	3
31.	Hickman	7	3
32.	Humphreys	5	2
33.	Jackson	3	1
34.	Jefferson	9	4
35.	Johnson	5	2
36.	Knox	67	33
37.	Lauderdale	6	3
38.	Lawrence	8	4
39.	Lincoln	5	2

40.	Loudon	8	4
41.	McMinn	13	6
42.	McNairy	7	3
43.	Madison	13	6
44.	Marion	5	2
45.	Marshall	7	3
46.	Maury	15	7
47.	Monroe	8	4
48.	Montgomery	27	13
49.	Obion	7	3
50.	Polk	5	2
51.	Putnam	18	9
52.	Rhea	6	3
53.	Roane	12	6
54.	Robertson	14	7
55.	Rutherford	32	16
56.	Scott	7	3
57.	Sequatchie	5	2
58.	Sevier	24	12
59.	Shelby	84	42
60.	Smith	5	2
61.	Sullivan	27	13
62.	Sumner	21	10
63.	Tipton	8	4
64.	Unicoi	6	3
65.	Warren	10	5
66.	Washington	18	9
67.	Wayne	4	2
68.	Weakley	6	3
69.	Williamson	24	12
70.	Wilson	22	11
	TOTALS:	1029	497

Attachment H



Attachment I

Contract Language Restrictions and Non-Negotiable Contractual Language

The State of Tennessee is committed to a fair and flexible procurement process that will allow potential proposers the opportunity to have input into the terms and conditions of the contract. Our goal is to arrive at a business arrangement that is in the best interests of the State and its contractors.

However, the State is bound by its Constitution and statutes to certain terms and conditions which would not necessarily apply to private business. Such restrictions upon the state include but are not limited to the items set forth below to inform in advance that associated issues are among those that may arise in contract negotiations.

1. Limitation of Liability This includes language relating to hold harmless, indemnification, and disclaimer of warranty clauses. We recognize that proposers have an interest in limiting liability that may arise under the contract. Historically, the State of Tennessee was not allowed to accept any limitations of liability or warranty since this was considered surrendering the rights of the citizens of the State. The Tennessee General Assembly granted some relief from this doctrine in 2000 with the passage of Tennessee Code Annotated section 12-4-119, which allows the State to accept certain limitations of liability.

However, this statute does not allow the State to limit the liability of a contractor below twice the value of the contract, or to limit liability for intentional torts, criminal acts, or fraudulent conduct. Any limitation or disclaimer that the State agrees to, including a limitation of liability for consequential damages, must fit within this statutory framework.

2. Confidentiality. We recognize that proposers consider it important to restrict distribution of proprietary information. The State of Tennessee, like most government entities, is subject to an open records statute. The Tennessee statute, T.C.A. 10-7-504, has been interpreted by the courts to require that all State records be open unless there is an express exemption in a statute, and the State cannot avoid this obligation by contract.

The General Assembly has granted an exemption that provides some protection to procurements of this type. Specifically, Section 10-7-504(a)(18) provides:

Computer programs, software, software manuals, and other types of information manufactured or marketed by persons or entities under legal right and sold, licensed, or donated to Tennessee state boards, agencies, or higher education institutions shall not be open to public inspection, provided that computer programs, software, software manuals, and other types of information produced by state or higher education employees at state expense shall be available for inspection as part of an audit or legislative review process.

However, this language may be inconsistent with confidentiality language in some proposers' form contracts.

3. Remedies. Many proposers ask their customers to agree to certain forms of relief for breaches of contract which the State cannot agree to. Tennessee Constitution Article I, Section 17, provides that the State can only surrender its sovereign immunity in circumstances permitted by the Tennessee General Assembly. In the case of State contracts, the State has consented to be sued in the Tennessee Claims Commission under T.C.A. 9-8-307 et seq. The Claims Commission can award money damages against the State and provides for appeal to the Tennessee court system. However, the State cannot agree to many forms of remedy which proposers often request, such as injunctive relief, binding arbitration or mediation, jurisdiction in any court outside Tennessee, or the payment of court costs and attorney fees.

4. Restrictions on Use of Work Product. Many information technology contractors request that the State place limitations on its use of products supplied or developed under the contract. Such arrangements are scrutinized carefully by State government regulators due to concerns that the State is placing unwarranted burdens on its right to use its own property. Another concern is that a set of complicated restrictions on use will be burdensome to enforce for a product that will be used for many purposes over many years by a large government organization. The language on use of work products in the State pro forma contract has been developed based on considerable

experience in dealing with information technology contractors. We are open to suggestions on amendments to this language but any negotiations must take the State's concerns into account.

Attachment J

Bar Code Scanner Specifications

IT4600 Specifications

Performance

Illumination LEDs:	626nm ±30nm					
Aliming:	526nm ±30nm					
Green LED Alimer:	526nm ±30nm					
Image:	VGA, 752x480. Binary, TIFF, or JPEG output.					
Working Range:						
IT4600 SR	8.3 mil Linear (.021cm)	13 mil UPC (.033cm)	6.6 mil PDF417 (.017cm)	10 mil PDF417 (.025cm)	15 mil Data Matrix (.038cm)	35 mil MaxiCode (.089cm)
Near	3.5 in. (8.9cm)	2.1 in. (5.3cm)	4.4 in. (11.2cm)	3.0 in. (7.6cm)	2.3 in. (5.8cm)	2.0 in. (5.1cm)
Far	7.5 in. (19.1cm)	13.1 in. (33.3cm)	6.1 in. (15.5cm)	8.9 in. (22.6cm)	10.1 in. (25.7cm)	12.9 in. (32.8cm)
IT4600 SF	7.5 mil Linear (.019cm)	13 mil UPC (.033cm)	6.6 mil PDF417 (.017cm)	10 mil PDF417 (.025cm)	15 mil Data Matrix (.038cm)	15 mil QR Code (.038cm)
Near	2.5 in. (6.4cm)	2.0 in. (5.1cm)	2.8 in. (7.1cm)	2.2 in. (5.6cm)	1.8 in. (4.6cm)	2.2 in. (5.6 cm)
Far	6.4 in. (16.3cm)	8.8 in. (22.4cm)	5.9 in. (15.0cm)	7.5 in. (19.1cm)	7.4 in. (18.8cm)	7.1 in. (18.0cm)
Skew Angle:	±40°					
Pitch Angle:	±40°					
Motion Tolerance:	4 in. (10 cm) per second					

Mechanical/Electrical

Dimensions		
Length:	5.3 in. (13.5 cm)	
Height:	6.2 in. (15.7 cm)	
Width:	3.2 in. (8.1 cm)	
Weight:	6.5 oz. (184.3 g)	
Housing:	UL 94V0 grade	
Power Requirements:	4.0 - 14VDC at imager	
Current Draw (Typical)	Input	Scanning Idle
Green LED Alimer:	5 V	382mA 53mA

Power Supply

Noise Rejection:	Maximum 100mV peak to peak. 10 to 100 kHz
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Environmental

Sealing:	IP41 (Water and Dust Resistant)
Temperature	
Operating:	32°F to +122°F (0°C to +50°C)
Storage:	-40°F to 158°F (-40°C to +70°C)
Humidity:	0 to 95%, non-condensing
Mechanical Shock:	Operational after 50 drops from 6 ft. (1.8 m) to concrete
Ambient Light:	0 to 100,000 lux (full sunlight)
ESD Protection:	Functional after 100 15kV discharges
Vibration:	Withstands 5G peak from 22 to 300 Hz
Agency:	FCC Class B, CE EMC Class B, CE Low Voltage Directive, IEC60825-1 LED Safety: Class 1, UL, cUL listed, TÜV, 2005 Sunrise Compliant

Laser Classification

Laser Alimer Model only:	Class 2 under 21 CFR 1040.10 and 1040.11 1mW max output, 650 nm, EN60825-1: 1994+A11+A2
MTBF:	per MIL-HDBK-217F Ground Benign exceeds 70,000 hours



Symbologies

2 Dimensional:	PDF417, MicroPDF417, MaxiCode, Data Matrix, QR Code, Aztec, Aztec Mesas, Code 49, and EAN-UCC Composite
Linear:	Codabar, Code 39, Interleaved 2 of 5, Code 93, Code 128, UPC, EAN, RSS, Codablock F, and BC412* *available to licensed users
Postal (SR/SF Only):	Postnet, Planet Code, British Post, Canadian Post, Japanese Post, KIX (Netherlands) Post
OCR Fonts (SR/SF Only):	OCR-A, OCR-B
Interfaces:	All popular PCs and terminals via keyboard wedge, keyboard replacement/direct connect, USB, TTL level RS-232, wand emulation (primary interface only) mode, TTL level Serial Wedge, and IBM 46XX retail terminals. HILC non decoded laser output in 4600SR000 model. True RS-232 in 4600SR030 model.
Warranty:	5 year warranty

PROPOSAL TRANSMITTAL AND STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Proposer must complete and sign this Technical Proposal Transmittal. It must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the Proposer's chief executive, president, or partner, this document shall attach evidence showing the individual's authority to bind the proposing entity.

PROPOSER LEGAL ENTITY NAME:	
------------------------------------	--

PROPOSER FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	
--	--

The Proposer does hereby affirm and expressly declare confirmation, certification, and assurance of the following:

- 1) This proposal constitutes a commitment to provide all services as defined in the RFP Attachment 6.1, *Pro Forma Contract Scope of Services* for the total contract period and confirmation that the Proposer shall comply with all of the provisions in this RFP and shall accept all terms and conditions set out in the RFP Attachment 6.1, *Pro Forma Contract*.
- 2) The information detailed in the proposal submitted herewith in response to the subject RFP is accurate.
- 3) The proposal submitted herewith in response to the subject RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
- 4) The Proposers shall comply with:
 - a) the laws of the State of Tennessee;
 - b) Title VI of the federal Civil Rights Act of 1964;
 - c) Title IX of the federal Education Amendments Act of 1972;
 - d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
 - e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government;
 - f) the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
 - g) the condition that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the Procurement under this RFP.
- 5) The Proposer shall provide a performance bond in accordance with the requirements of the RFP.

PRINTED NAME:		DATE:	
SIGNATURE & TITLE:			
	Signature		Title

TECHNICAL PROPOSAL & EVALUATION GUIDE — SECTION A
 (instructions and State Use Only areas are shaded)

PROPOSER NAME	
Evaluated by: RFP COORDINATOR	

SECTION A — MANDATORY REQUIREMENTS

The Proposer must address ALL Mandatory Requirements section items and provide, in sequence, the information and documentation as required (referenced with the associated item references). The RFP Coordinator will review all general mandatory requirements, including but not limited to the following:

- Proposal received on or before the Proposal Deadline.
- Technical Proposal copies and Cost Proposal packaged separately.
- Technical Proposal contains NO cost data.
- Proposer did NOT submit alternate proposals.
- Proposer did NOT submit multiple proposals in a different form.
- Technical Proposal does NOT contain any restrictions of the rights of the State or other qualification of the proposal.

The RFP Coordinator will also review the proposal to determine if the Mandatory Requirement Items (below) are met and mark each with pass or fail. For each requirement that is not met, the Proposal Evaluation Team must review the proposal and attach a written determination.

NOTICE: In addition to these requirements, the State will also evaluate compliance with ALL RFP requirements.

Proposal Page # (to be completed by Proposer)		Mandatory Requirement Items	State Use ONLY Pass/Fail
	A.1	Provide the Proposal Transmittal and Statement of Certifications and Assurances (detailed in RFP Attachment 6.2) completed and signed, in the space provided, by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting contract. <i>Each Proposer <u>must</u> sign the Proposal Transmittal and Statement of Certifications and Assurances without exception or qualification.</i>	
	A.2	Provide the following as documentation of financial responsibility and stability. <ul style="list-style-type: none"> ▪ a current written bank reference, in the form of a standard, business letter, indicating that the Proposer's business relationship with the financial institution is in positive standing ▪ two current written, positive credit references, in the form of standard business letters, from vendors with which the Proposer has done business or, documentation of a positive credit rating determined by a accredited credit bureau within 	

Proposal Page # (to be completed by Proposer)	Mandatory Requirement Items	State Use ONLY
		Pass/Fail
	<p>the last 6 months</p> <ul style="list-style-type: none"> ▪ a copy of a valid certificate of insurance indicating liability insurance in the amount of at least One Million Dollars (\$1,000,000.00) 	
	<p>A.3 Provide a statement of whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict.</p> <p><i>Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.</i></p>	
	<p>A.4 Provide confirmation that the solution will operate on a technical platform that meets the State's standards. (Contract Attachment B)</p>	

TECHNICAL PROPOSAL & EVALUATION GUIDE — SECTION B
 (instructions and State Use Only areas are shaded)

PROPOSER NAME:	
EVALUATOR NAME, DATE (STATE USE)	

SECTION B — QUALIFICATIONS & EXPERIENCE

The Proposer must address ALL Qualifications and Experience section items and provide, in sequence, the information and documentation as required (referenced with the associated item references).

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal’s “qualifications and experience” responses.

Proposal Page # (to be completed by Proposer)	Qualifications & Experience Items
	B.1 Describe the Proposer’s form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and detail the name, mailing address, and telephone number of the person the State should contact regarding the proposal.
	B.2 Provide a statement of whether there have been any mergers, acquisitions, or sales of the Proposer company within the last ten years, and if so, an explanation providing relevant details.
	B.3 Provide a statement of whether the Proposer or any of the Proposer’s employees, agents, independent contractors, or subcontractors have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony, and if so, an explanation providing relevant details.
	B.4 Provide a statement of whether there is any pending litigation against the Proposer; and if such litigation exists, an attached opinion of counsel as to whether the pending litigation will impair the Proposer’s performance in a contract under this RFP.
	B.5 Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors, and if so, an explanation providing relevant details.
	B.6 Provide a statement of whether there are any pending Securities Exchange Commission investigations involving the Proposer, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counsel as to whether the pending investigation(s) will impair the Proposer’s performance in a contract under this RFP.
	B.7 Provide a brief, descriptive statement indicating the Proposer’s credentials to deliver the services sought under this RFP.
	B.8 Briefly describe how long the Proposer has been performing the services required by this RFP and include the number of years in business.

Proposal Page # (to be completed by Proposer)	Qualifications & Experience Items
	<p>B.9 Describe the Proposer organization's number of employees, client base, annual revenues, and location of offices.</p>
	<p>B.10 Provide a narrative description of the proposed project team, its members, and organizational structure.</p>
	<p>B.11 Provide a personnel roster and resumes of key people who shall be assigned by the Proposer to perform duties or services under the contract (include estimated number of hours to be worked on the contract for each person, and the resumes shall detail each individual's title, education, current position with the Proposer, and employment history) as well as an organizational chart highlighting the key people who shall be assigned to accomplish the work required by this RFP and illustrating the lines of authority and designate the individual responsible for the completion of each service component and deliverable of the RFP.</p>
	<p>B.12 Provide a statement of whether the Proposer intends to use subcontractors, and if so, the names and mailing addresses of the committed subcontractors and a description of the scope and portions of the work the subcontractors will perform.</p>
	<p>B.13 Provide documentation of Proposer commitment to diversity as represented by its business strategy, business relationships, and workforce — this documentation should detail:</p> <ul style="list-style-type: none"> ▪ a description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a disability and small business enterprises ▪ a listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a disability and small business enterprises, including the following information <ul style="list-style-type: none"> ○ contract description and total value ○ contractor name and ownership characteristics (<i>i.e.</i>, ethnicity, sex, disability) ○ contractor contact and telephone number ▪ an estimate of the level of participation by business enterprises owned by minorities, women, persons with a disability and small business enterprises in a contract awarded to the Proposer pursuant to this RFP, including the following information: <ul style="list-style-type: none"> ○ participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics) ○ descriptions of anticipated contracts ○ names and ownership characteristics (<i>i.e.</i>, ethnicity, sex, disability) of anticipated subcontractors and supply contractors anticipated ▪ the percent of the Proposer's total current employees by ethnicity, sex, and disability <p><i>Proposers that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and sub-contractors. Proposal evaluations will recognize the positive qualifications and experience of a Proposer that does business with enterprises owned by minorities, women, persons with a disability and small business enterprises and that offers a diverse workforce to meet service needs.</i></p>

Proposal Page # (to be completed by Proposer)	Qualifications & Experience Items
	<p>B.14 Provide customer references for similar projects representing three of the larger accounts currently serviced by the vendor.</p> <p>The references shall be provided to the State in the form of questionnaires that have been fully completed by the individual providing the reference. The State has included the reference check questionnaire to be used, as RFP Attachment 6.6. THE PROPOSER MUST USE THIS FORM, OR AN EXACT DUPLICATE THEREOF.</p> <p>The Proposer will be <u>solely</u> responsible for obtaining the fully completed reference check questionnaires, and for including them within the Proposer's sealed Technical Proposal. In order to obtain and submit the completed reference check questionnaire, the Proposer shall follow the process detailed below exactly:</p> <ol style="list-style-type: none"> 1. Proposer makes an exact duplicate of the State's form, as it appears in RFP Attachment 6.6; 2. Proposer sends the copy of the form to the reference it has chosen, along with a new, standard #10 envelope; 3. Proposer directs the person providing the reference check feedback to complete the form in its entirety, sign and date it, and seal it within the provided envelope. The person may prepare a manual document or complete the exact duplicate Word document and print the completed copy for submission. After sealing the envelope, the person providing the reference <u>must sign his or her name in ink across the sealed portion of the envelope</u> and return it directly to the Proposer. The Proposer will give the reference check provider a deadline, such that the Proposer will be able to collect all references in time to include them within its sealed Technical Proposal. 4. When the Proposer receives the sealed envelopes from the reference check providers, the Proposer will not open them. Instead, the Proposer will enclose all of the unopened reference check envelopes, in an easily identifiable larger envelope, and will include this envelope as a part of the written Technical Proposal. Therefore, when the State opens the Technical Proposal box, the State will find a clearly labeled envelope enclosed, which contains all of the sealed reference check envelopes. 5. The State will base its reference check evaluation on the contents of these envelopes. <u>THE STATE WILL NOT ACCEPT LATE REFERENCES OR REFERENCES SUBMITTED THROUGH ANY OTHER CHANNEL OF SUBMISSION OR MEDIUM, WHETHER WRITTEN, ELECTRONIC, VERBAL, OR OTHERWISE.</u> <p>Each reference must include:</p> <ul style="list-style-type: none"> • the Proposer's name; • the Reference's Organization name; • the Name of the person responding; • the Title of person responding; and • the Date the reference form was completed. <ol style="list-style-type: none"> 6. The State reserves the right to clarify information presented in the reference check questionnaires, and may consider clarification responses in the

Proposal Page # (to be completed by Proposer)	Qualifications & Experience Items
	<p>evaluation of reference checks. However, the State is under no obligation to clarify any reference check information.</p> <p><i>Each evaluator will generally consider the results of reference inquiries by the State regarding <u>all</u> references provided.</i></p>
	<p>B.15 Provide a list, if any, of all current contracts with the State of Tennessee and all those completed within the previous five year period.</p> <p>Each reference must include:</p> <ul style="list-style-type: none"> ▪ the customer name and business address; ▪ the name, title, telephone number and e-mail address of the company contact knowledgeable about the system installation; and ▪ a brief description of the system installation: when installed, quantitative data indicating the magnitude of the system; and a statement of the relationship of the software to the software proposed for this RFP, in both breadth of function and relative software version. ▪ the contract number; ▪ the contract term; and ▪ the procuring state agency for each reference. <p><i>Each evaluator will generally consider the results of reference inquiries by the State regarding <u>all</u> references provided. Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score possible, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points.</i></p>
<p>(Maximum Section B Score = 20)</p>	
<p>SCORE (for <u>all</u> Section B items above, B.1 through B.15):</p>	

TECHNICAL PROPOSAL & EVALUATION GUIDE — SECTION C
 (instructions and State Use Only areas are shaded)

PROPOSER NAME:	
EVALUATOR NAME:	
DATE (STATE USE)	

SECTION C - TECHNICAL APPROACH PROPOSAL & EVALUATION GUIDE

The Proposer must address ALL Technical Approach section items and provide, in sequence, the information and documentation as required (referenced with the associated item references). A Proposal Evaluation Team, made up of three or more State employees will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item.

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The RFP Coordinator will multiply each item score by the assigned weight with the product being the item's raw weighted score for purposes of calculating the section score as detailed at the end of this table.

In response to each Technical Approach item below, provide narrative responses in sufficient detail to clearly describe how the Proposer will complete the scope of services, accomplish required objectives, fulfill the State's requirements, and meet the State's project schedule.

In response to Item C.1.c, clearly identify (a) requirements that are met with the base software package, and requiring no modifications, and (b) those requirements that will be met with modifications implemented as a result of this procurement. **Note: References are to the *Pro Forma* Contract Attachments, e.g. A.1.1 refers to Section A.1.1 of Contract Attachment A, Business Requirements.**

Proposal Page # (to be completed by Proposer)	Technical Approach Items	State Use ONLY		
		Item Score	Item Weight	Raw Weighted Score
	Business Requirements (Contract Attachment A) C.1 For Business Requirements, the Proposer must provide the following: a. Demonstrate an understanding of the requirements by providing an explanation of how your solution meets these requirements. Provide a response for each numbered section listed in Contract Attachment A, including reporting needs b. Provide a User manual or screen shots that indicate how the system will fulfill the business functionality	_____	40	_____
	C.2 Provide a response to RFP Attachment 6.7 Requirements Matrix in the "Vendor Response" column, using the Vendor	_____	15	_____

Proposal Page # (to be completed by Proposer)		Technical Approach Items	State Use ONLY		
			Item Score	Item Weight	Raw Weighted Score
		Response Codes listed in the Requirements Matrix instructions. The Proposer <u>must</u> respond to every item row in the table. Note: the "Comments" column is only for "M" responses.			
		Hardware Requirements (Contract Attachment B) C.3 Provide a narrative that confirms that the hardware components, technical architecture and software products are consistent with the State's standard. Any and all components that are not listed as a State standard must be identified.	_____	25	_____
		C.4 The Proposer must provide a list of all software, hardware, and communications protocols that will be required to implement the solution requested through this RFP, including both State and Non-State Standard products. <u>Disclosure after the Contract signing of additional software and/or hardware products or communications protocols required to deliver the services may at the State's discretion, be considered grounds for Contract cancellation.</u>	_____	10	_____
		C.5 Describe the Proposer's strategy and work-approach for accomplishing the work requested. The information provided shall be in enough detail to enable the State to ascertain that the Proposer understands the effort to be accomplished.	_____	10	_____
Total Raw Weighted Score					
<u>Total Raw Weighted Score</u> maximum possible raw weighted score (i.e., 5 X the sum of Item Weights)		X 50 <i>(RFP SECTION 5.1)</i>	= SCORE:		

COST PROPOSAL & SCORING GUIDE

NOTICE TO PROPOSER: This Cost Proposal MUST be completed EXACTLY as required.

PROPOSER NAME:	
SIGNATURE & DATE:	

NOTE: The signatory must be an individual or a company officer empowered to contractually bind the Proposer. If the Signatory is not the Proposer's chief executive, president, or partner this Statement of Certifications and Assurances SHALL attach evidence showing the Signatory's authority to bind the Proposer.

COST PROPOSAL SCHEDULE

The proposed cost, detailed below, shall indicate the proposed price for providing the entire scope of service including all services as defined in the RFP Attachment 6.1, *Pro Forma* Contract Scope of Services for the total contract period. The proposed cost and the submitted technical proposal associated with this cost shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State. All monetary amounts are United States currency.

In the Cost Proposal table below, all weights and descriptions of how the weights were derived are for clarification and evaluation purposes only. These weights and descriptions are in no way binding upon the State and do not commit the State to purchase services from the Contractor in any particular quantities, or to purchase any services at all.

In the Cost Proposal tables below, the Proposer may enter zero (0) in a required Proposed Cost cell; however, the Proposer **must not** leave any required Proposed Cost cell blank. For evaluation and contractual purposes, the State shall interpret a blank required Proposed Cost cell as zero (0).

Base License Initial Licensure - 6.4.BL			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
Base License Initial Licensure Cost – A single, one-time, fixed cost to provide a license (or “licenses”) to the State that will allow up to two hundred and seventy eight (278) State concurrent users to use the IPSIS system (this license, or these licenses, are referred to herein as the “base license”). See <i>Pro Forma</i> Contract Section A.4, for a description of Base License Initial Licensure requirements. NOTE: The Proposer shall propose <u>ONE</u> cost for Base License Initial Licensure. The State will compensate the contractor for Base License Initial Licensure by taking the proposed cost and dividing it across the project Development phases: i.e., 20% of the Base License Initial Licensure Cost will be paid when the Design Phases is complete; 40% will be paid at the completion of the Construction Phase; and the remaining 40% will be paid at the completion of User Acceptance Test. See <i>Pro Forma</i> Contract Section C.3.a. *		1	

* Prior to Contract execution, these derived amounts will be entered into Contract Section C.3.a.

Project Phases - 6.4.A *			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
<p>6.4.A.1 Design Phase: The installation of IPSIS, including all the requirements given in the <i>Pro Forma</i> Contract (A.5.a) and Attachments through the Design Phase. During this phase, the Contractor shall also identify and design any customization and tailoring of IPSIS necessary to comply with the State's requirements.</p> <p>NOTE: <u>The Proposed Cost for this item must equal twenty (20) percent of the total of the Proposed Costs for the Design, Construction, and User Acceptance Test Phases (6.4.A.1, 6.4.A.2, and 6.4.A.3).</u></p>		1	
<p>6.4.A.2 Construction Phase: Customizing and tailoring IPSIS, including all the requirements given in the <i>Pro Forma</i> Contract (A.5.b) and Attachments through the Construction Phase. (One time cost, payable in the contract year of Construction Phase completion.)</p> <p>NOTE: <u>The Proposed Cost for this item must equal forty (40) percent of the total of the Proposed Costs for the Design, Construction, and User Acceptance Test Phases (6.4.A.1, 6.4.A.2, and 6.4.A.3).</u></p>		1	
<p>6.4.A.3 User Acceptance Test Phase: Supporting the testing of IPSIS, including all the requirements given in the <i>Pro Forma</i> Contract (A.5.c) and Attachments from unit testing through the <u>User Acceptance Test</u>. (One time cost, payable in the contract year of User Acceptance Test Approval)</p> <p>NOTE: <u>The Proposed Cost for this item must equal forty (40) percent of the total of the Proposed Costs for the Design, Construction, and User Acceptance Test Phases (6.4.A.1, 6.4.A.2, and 6.4.A.3).</u></p>		1	
<p>6.4.A.4 Implementation Phase: Implementation of the System in the sites as described in Contract Attachment A, including all the requirements given in the <i>Pro Forma</i> Contract Section A and Contract Attachments.</p> <p>NOTE: (One time cost, payable upon written approval of the activation of the last of the 278 user licenses and written approval of the implementation of the last of the 26 Implementation sites (see Contract Attachment F), which shall occur after the completion of the Warranty Phase. Cost submitted should be based on the level of detail involved for Implementation.)</p>		1	

* Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.a.

Base License System Support - 6.4.B *			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
<p><u>6.4. B.1 Base License System Support:</u> Maintenance of the Base System, 278 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma</i> Contract (A.6).</p> <p>NOTE: (Amount per quarter, from the completion of the Warranty Period to the end of <u>Contract Year 1</u>)</p>		1	
<p><u>6.4. B.2 Base License System Support:</u> Maintenance of the System, 278 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma</i> Contract (A.6).</p> <p>NOTE: (Amount per quarter, <u>Optional Year 2</u>)</p>		4	
<p><u>6.4. B.3 Base License System Support:</u> Maintenance of the System, 278 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma</i> Contract (A.6).</p> <p>NOTE: (Amount per quarter, <u>Optional Year 3</u>)</p>		4	
<p><u>6.4. B.4 Base License System Support:</u> Maintenance of the System, 278 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma</i> Contract (A.6).</p> <p>NOTE: (Amount per quarter, <u>Optional Year 4</u>)</p>		4	
<p><u>6.4. B.5 Base License System Support:</u> Maintenance of the System, 278 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma</i> Contract (A.6).</p> <p>NOTE: (Amount per quarter, <u>Optional Year 5</u>)</p>		4	

* Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.b.i.

Additional Users - Initial Licensure - 6.4.AU-IL *			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
<p><u>6.4.AU-IL.1 Additional Users - Initial Licensure:</u> One-time, non-recurring, Initial Licensure fee for each additional block of 10 users, as defined in <i>Pro Forma</i> Contract (A.7.a).</p> <p>NOTE: (One-time cost , per block of 10 users, in effect during <u>Contract Year 1</u>, from the completion of the Warranty Period to the end of Contract Year 1)</p>		1	
<p><u>6.4.AU-IL.2 Additional Users - Initial Licensure:</u> One-time, non-recurring, Initial Licensure fee for each additional block of 10 users, as defined in <i>Pro Forma</i> Contract (A.7.a).</p> <p>NOTE: (One-time cost, per block of 10 users, in effect during optional <u>Year 2</u>)</p>		3	
<p><u>6.4. AU-IL.3 Additional Users - Initial Licensure:</u> One-time, non-recurring, Initial Licensure fee for each additional block of 10 users, as defined in <i>Pro Forma</i> Contract (A.7.a).</p> <p>NOTE: (One-time cost , per block of 10 users, in effect during optional <u>Year 3</u>)</p>		5	
<p><u>6.4. AU-IL.4 Additional Users - Initial Licensure:</u> One-time, non-recurring, Initial Licensure fee for each additional block of 10 users, as defined in <i>Pro Forma</i> Contract (A.7.a).</p> <p>NOTE: (One-time cost, per block of 10 users, in effect during optional <u>Year 4</u>)</p>		8	
<p><u>6.4. AU-IL.5 Additional Users - Initial Licensure:</u> One-time, non-recurring, Initial Licensure fee for each additional block of 10 users, as defined in <i>Pro Forma</i> Contract (A.7.a).</p> <p>NOTE: (One-time cost, per block of 10 users, in effect during optional <u>Year 5</u>)</p>		8	

* **Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.b.ii.**

Additional Users - System Support - 6.4.C *			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
<p><u>6.4.C.1 Additional Users - System Support:</u> Maintenance of the System, each additional 10 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma Contract</i> (A.7.b).</p> <p>NOTE: (quarterly cost, per block of 10 users, <u>Contract Year 1</u>, from the completion of the Warranty Period to the end of Contract Year 1)</p>		1	
<p><u>6.4.C.2 Additional Users - System Support:</u> Maintenance of the System, each additional 10 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma Contract</i> (A.7.b).</p> <p>NOTE: (quarterly cost, per block of 10 users, <u>Optional Year 2</u>).</p>		16	
<p><u>6.4.C.3 Additional Users - System Support:</u> Maintenance of the System, each additional 10 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma Contract</i> (A.7.b).</p> <p>NOTE: (quarterly cost, per block of 10 users, <u>Optional Year 3</u>).</p>		36	
<p><u>6.4.C.4 Additional Users - System Support:</u> Maintenance of the System, each additional 10 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma Contract</i> (A.7.b).</p> <p>NOTE: (quarterly cost, per block of 10 users, <u>Optional Year 4</u>).</p>		68	
<p><u>6.4.C.5 Additional Users - System Support:</u> Maintenance of the System, each additional 10 users, including telephone support and services to repair defects and to meet statutory requirements, as defined in the <i>Pro Forma Contract</i> (A.7.b).</p> <p>NOTE: (quarterly cost, per block of 10 users, <u>Optional Year 5</u>).</p>		100	

* **Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.b.iii.**

Peripheral Component Installation - 6.4.D.a *			
Cost Item Description	Proposed Cost	State Use ONLY	
		Weight	Weighted Cost
<p>6.4.D.a.1 Peripheral Component Installation: Cost to provide, install, test, and ensure proper functioning of all peripheral components (including incidentals, as described in Contract Section A.3) for one (1) Workstation.</p> <p>NOTE: (Cost per each workstation installation, in effect during Contract Year 1; includes all incidentals, with all peripherals activated and workstation activation approved).</p>		131	
<p>6.4.D.a.2 Peripheral Component Installation: Cost to provide, install, test, and ensure proper functioning of all peripheral components (as described in Contract Section A.3) for one (1) Workstation.</p> <p>NOTE: (Cost per each workstation installation, in effect during Contract Year 2; includes all incidentals, with all peripherals activated and workstation activation approved).</p>		30	
<p>6.4.D.a.3 Peripheral Component Installation: Cost to provide, install, test, and ensure proper functioning of all peripheral components (as described in Contract Section A.3) for one (1) Workstation.</p> <p>NOTE: (Cost per each workstation installation, in effect during Contract Year 3; includes all incidentals, with all peripherals activated and workstation activation approved).</p>		50	
<p>6.4.D.a.4 Peripheral Component Installation: Cost to provide, install, test, and ensure proper functioning of all peripheral components (as described in Contract Section A.3) for one (1) Workstation.</p> <p>NOTE: (Cost per each workstation installation, in effect during Contract Year 4; includes all incidentals, with all peripherals activated and workstation activation approved).</p>		75	
<p>6.4.D.a.5 Peripheral Component Installation: Cost to provide, install, test, and ensure proper functioning of all peripheral components (as described in Contract Section A.3) for one (1) Workstation.</p> <p>NOTE: (Cost per each workstation installation, in effect during Contract Year 5; includes all incidentals, with all peripherals activated and workstation activation approved).</p>		75	

* Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.b.iv.

Peripheral Component Supplement - 6.4.D.b

The Proposer must use this table to itemize each component that composes the exact same configuration proposed on the preceding table labeled “Peripheral Component Installation – 6.4.D.a.” It is not necessary to itemize parts, but all distinct components must be listed.

On a separate line on the table below, in the Peripheral Component Description column, the Proposer must fully describe each component that makes up the complete configuration proposed on 6.4.D.a. Under the Component Cost column for the appropriate Contract year, the Proposer must enter the cost for each component. There is a separate line on which the Proposer must enter the combined cost for incidentals; the Proposer must record a combined cost for incidentals here. The Proposer may add additional rows to the table, if necessary, to accommodate a greater number of peripheral components. The Proposer must also total each Component Cost column and fill in the “TOTAL BY YEAR FOR ALL ITEMIZED COMPONENTS” row.

Within each year, the “TOTAL BY YEAR FOR ALL ITEMIZED COMPONENTS” must be equal to, or less than, the amount proposed for that same year for “Peripheral Component Installation” on the table labeled “Peripheral Component Installation – 6.4.D.a.” **NOTE THAT THE AMOUNTS PROPOSED ON THE TABLE BELOW (Peripheral Component Supplement – 6.4.D.b) WILL BE USED IN CONTRACT SECTION C.3.b.vi TO ESTABLISH UNIT RATES, IN CASE THE STATE NEEDS TO PURCHASE INDIVIDUAL COMPONENTS. HOWEVER, THE RATES PROPOSED ON THIS TABLE 6.4.D.b WILL NOT BE EVALUATED OR SCORED.**

	Peripheral Component Description	Year 1 Component Cost	Year 2 Component Cost	Year 3 Component Cost	Year 4 Component Cost	Year 5 Component Cost
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.	Incidentals					
TOTAL BY YEAR FOR ALL ITEMIZED COMPONENTS:						
Each of these yearly totals must be equal to, or less than, the “Proposed Cost” for the same year as proposed on the “Peripheral Component Installation – 6.4.D.a” table.						

Consulting Services Rate Schedule - 6.4.E *

The Consulting Services rates, detailed below, shall indicate the proposed Consulting Services rates for processing all state approved Additional Work requests.

The cost proposed must be fully loaded to cover travel, meal, and lodging expense associated with providing the services; the state will not pay travel-related expense separately.

The Proposer may enter zero (0) in a required Proposed Cost cell; however, the Proposer must not leave any required Proposed Cost cell blank. For evaluation and contractual purposes, the State shall interpret a blank Proposed Cost cell as zero (0).

IMPORTANT NOTE: In Contract Section C.3.b, Note 4, there is a ten percent (10%) cap on the total amount of Consulting Services that can be procured without amending the contract for additional funds. However, this cap is for Contracting purposes only and has no bearing on the evaluation document and process. In the event that the total Weighted Cost that the vendor proposes below for Consulting Services does exceed 10% of the Evaluation Cost Amount, the total amount proposed will be used in the evaluation process; however, the Consulting Services amount in Contract Section C.3.b will be capped at 10%.

Cost Item Description	Proposed Cost Hourly Rate	State Use ONLY	
		Weight	Weighted Cost
6.4.E.1 Composite Consulting Services Rate, per hour – Contract Year 1		208	
6.4.E.2 Composite Consulting Services Rate, per hour – Optional Year 2		208	
6.4.E.3 Composite Consulting Services Rate, per hour – Optional Year 3		62	
6.4.E.4 Composite Consulting Services Rate, per hour – Optional Year 4		62	
6.4.E.5 Composite Consulting Services Rate, per hour – Optional Year 5		62	

* Prior to Contract execution, the amounts on this table will be entered into Contract Section C.3.b.v.

<p><i>The RFP Coordinator shall use the evaluation cost amount derived from the proposed cost amounts above and the following formula to calculate the COST PROPOSAL SCORE. Calculations shall result in numbers rounded to two decimal places.</i></p>	<p>Evaluation Cost Amount: <i>(sum of all weighted cost amounts above)</i></p>		
<p><u>lowest Evaluation Cost from all Proposals</u> Evaluation Cost Amount being evaluated</p>	<p>X 30 <i>(RFP Section 5.1)</i></p>	<p>= SCORE:</p>	

PROPOSAL SCORE SUMMARY MATRIX

RFP Coordinator

Date

QUALIFICATIONS & EXPERIENCE Maximum Points: 20	PROPOSER NAME		PROPOSER NAME		PROPOSER NAME	
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
QUALIFICATIONS & EXPERIENCE	AVERAGE SCORE:		AVERAGE SCORE:		AVERAGE SCORE:	
TECHNICAL APPROACH Maximum Points: 50						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
EVALUATOR NAME						
	AVERAGE SCORE:		AVERAGE SCORE:		AVERAGE SCORE:	
COST PROPOSAL Maximum Points: 30	SCORE:		SCORE:		SCORE:	
PROPOSAL SCORE Maximum Points: 100	TOTAL SCORE:		TOTAL SCORE:		TOTAL SCORE:	

STATE OF TENNESSEE
IPSIS RFP
317.03-141
REFERENCE INFORMATION QUESTIONNAIRE

Proposer's Name: _____

Reference (Client Organization) Name:

Person Responding To This
Request for Reference Information:

Printed Name

**Signature (MUST BE THE SAME AS THE SIGNATURE
ACROSS THE ENVELOPE SEAL)**

Person's Title: _____

Date Reference Form Was Completed: _____

NOTE: Reference should complete responses to the ten (10) items that appear on the following pages. If completed using a Word document, use as much space as required. If completed manually, record response in space provided.

Requirements Matrix - To be Evaluated in RFP Attachment 6.3, Section C, Item C.2.

Instructions

Proposers must indicate whether their proposed offering meets the listed requirements by providing a response to each individual requirement using the legend that follows. Areas that are grayed out represent information provided to structure or add context to the requirements and a response code should not be entered. Any requirements that are left blank, or requirements for which responses other than the responses listed below are given, will be evaluated as an "M."

Y – Standard Function

The proposed software provides the requested functionality (data entry, inquiry, report, form, etc.) without screen, code, or design changes. The proposed product can satisfy the requirement without any modification to the standard baseline software offering. Only use Y if the software fully meets the requirement. Vendors should not be tempted to answer "Y" to all questions to ensure higher compliance.

M – Modification Required

Screen, code, or design modifications must be made to the standard offering to satisfy the specified requirement. A brief explanation must be required to explain any proposed modification. Explanations must be provided in the "Comments" section of the matrix. The explanation must include an assessment of the impact of the modifications on system performance. The fixed fee Cost Proposal must include the cost associated with all "M" responses including design, coding, testing, installation, and all other costs associated with the modification. **IMPORTANT NOTE: Do not include cost in the Technical Proposal.**

Q – Query Report/Inquiry

The proposed solution cannot satisfy the reporting/inquiry requirement in the standard baseline software offering as delivered; however, the requirement can be met through the development of a query report using proposed ad hoc reporting tools.

Vendor Response Codes:

Y = Standard Function ("Out-of-the-Box")

M = Modification Required

Q = Custom Report/Query

Reference Number	System Requirements	Vendor Response	Comments
A.1.1.1	Authenticate & Authorize Staff		
A.1.1.2	Change Staff Member Assignment		
A.1.1.3	Assign Controlled Stock		
A.1.1.4	Release Controlled Stock		
A.1.1.5	Record Instant Refund		
A.1.1.6	Close Cash Drawer		
A.1.1.7	Record Ending Balances		
A.1.1.8	Record Monetary Adjusting Entry		
A.1.1.9	Record Approval of Monetary Adjusting Entry		
A.1.1.10	Record Assigned Item Adjusting Entry		
A.1.1.11	Record Approval of Assigned Item Adjusting Entry		
A.1.1.12	Record Completion of Reconciliation		
A.1.1.13	Record Receipt of Journal Voucher at Cash Drawer		
A.1.2.1	Record Receipt of Journal Voucher at Cash Drawer		
A.1.2.2	Record Bad Check		
A.1.2.3	Record Deposit		
A.1.2.4	Record County Remittance of Fees		
A.1.3.1	Create Controlled Stock Order		
A.2.1.1	Cancel Controlled Stock Order		
A.2.1.2	Revise Controlled Stock Order		
A.2.1.3	Record TDOS Action for Controlled Stock Order		
A.2.1.4	Remove Obsolete Controlled Stock Order		
A.2.1.5	Change Controlled Stock Status		
A.2.2.1	Return Controlled Stock to Inventory		
A.2.2.2	Create Non-Controlled Stock Order		
A.2.3.1	Cancel Non-Controlled Stock Order		
A.2.3.2	Revise Non-Controlled Stock Order		
A.2.3.3	Remove Obsolete Non-Controlled Stock Order		
A.2.3.4	Record Stock Order Shipment		
A.2.4.1	Record Receipt of Stock Order		
A.2.4.2	Record Shipment Lost in Transit		
A.2.4.3	Record Shipment of Stock Order Between Offices		
A.2.4.4	Add Stock Item Master for New Controlled and Non-Controlled Stock		
A.2.5.1	Record Adjustment to Non-Controlled Stock		
A.2.5.2	Remove Obsolete Controlled and Non-Controlled Stock Item Master		
A.2.5.3	Update Controlled Stock Inventory Controls		

Vendor Response Codes:

Y = Standard Function ("Out-of-the-Box")

M = Modification Required

Q = Custom Report/Query

Reference Number	System Requirements	Vendor Response	Comments
A.3	Bad Check Report		
Reports	Cash Drawer Activity Report		
	Cash Drawer Closing Report		
	Cash Drawer Controlled Stock Inventory		
	Controlled Inventory Monthly and Quarterly Reports		
	Controlled & Non-Controlled Stock Order Report		
	Controlled & Non-Controlled Stock Receipt Report		
	Controlled & Non-Controlled Stock Shipment Report		
	County Penalty Report		
	Credit Or Debit Card Activity		
	Daily Audit Report		
	Daily Deposit Summary Report		
	Funds Due From Counties		
	Inadequate Funds Report		
	Issued Plates And Decals		
	Overdue Funds Report		
	Fee List		
	Quantity Of Plates Received And Fees Collected		
	Refund Transaction Report		
	Summarized Daily Remittance		
	Total Fund Accumulations And Allocations		
	Transaction Receipt		
	Wheel Taxes Report		

SAMPLE PERFORMANCE BOND

The Surety Company issuing bond shall be licensed to transact business in the State of Tennessee by the Tennessee Department of Commerce and Insurance. Bonds shall be certified and current Power-of-Attorney for the Surety's Attorney-in-Fact attached.

KNOW ALL BY THESE PRESENTS:

That we,

(Name of Principal)

(Address of Principal)

as Principal, hereinafter called the Principal, and

(Name of Surety)

(Address of Surety)

as Surety, hereinafter call the Surety, do hereby acknowledge ourselves indebted and securely bound and held unto the State of Tennessee as Obligee, hereinafter called the Obligee, and in the penal sum of

\$180,000.00

(Dollar Amount of Bond)

good and lawful money of the United States of America, for the use and benefit of those entitled thereto, for the payment of which, well and truly to be made, we bind ourselves, our heirs, our administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

BUT THE CONDITION OF THE FOREGOING OBLIGATION OR BOND IS THIS:

WHEREAS, the Obligee has engaged the Principal for a sum not to exceed

(Contract Maximum Liability)

to complete Work detailed in the Scope of Services detailed in the State of Tennessee Request for Proposals bearing the RFP Number:

RFP 317.03-141

(RFP Number)

a copy of which said Request for Proposals and the resulting Contract are by reference hereby made a part hereof, as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, if the Principal shall fully and faithfully perform all undertakings and obligations under the Contract hereinbefore referred to and shall fully indemnify and hold harmless the Obligee from all costs and damage whatsoever which it may suffer by reason of any failure on the part of the Principal to do so, and shall fully reimburse and repay the Obligee any and all outlay and expense which it may incur in making good any such default, and shall fully pay for all of the labor, material, and Work used by the Principal and any immediate or remote sub-contractor or furnisher of material under the Principal in the performance of said Contract, in lawful money of the United States of America, as the same shall become due, then this obligation or bond shall be null and void, otherwise to remain in full force and effect.

AND for value received, it is hereby stipulated and agreed that no change, extension of time, alteration, or addition to the terms of the Contract or the Work to be performed there under or the specifications accompanying the same shall in any wise affect the obligation under this bond, and notice is hereby waived of any such change, extension of time, alteration, or addition to the terms of the Contract or the Work or the specifications.

IN WITNESS WHEREOF the Principal has hereunto affixed its signature and Surety has hereunto caused to be affixed its corporate signature and seal, by its duly authorized officers, on this

_____ day of _____, _____.

WITNESS:

(Name of Principal)

(Name of Surety)

(Authorized Signature of Principal)

(Signature of Attorney-in-Fact)

(Name of Signatory)

(Name of Attorney-in-Fact)

(Title of Signatory)

(Tennessee License Number of Surety)