

AMENDMENT ONE (1) FOR RFP NUMBER 0A1175

DATE AMENDMENT ISSUED: October 14, 2016

The State of Ohio, through the Department of Administrative Services, for the Ohio Department of Taxation, is requesting proposals for:

OFFICE FIELD AUDIT SUPPORT TOOL (OFAST)

The attached is an Amendment for the RFP listed above. Please use the replacement page(s) contained in the Amendment to replace the corresponding page(s) previously in the RFP.

Specifications and requirements that have been revised may be **highlighted**, surrounded by ****bolded double asterisks**** and, when applicable, ~~strikethrough~~.

Evaluation Scoring Formula. The evaluation team will rate the Proposals that meet the Mandatory Requirements based on the following criteria and respective weights.

Criteria	Percentage
Technical Proposal	70%
Cost Summary	20%
MBE Set-aside	10%

The State is committed to making more State contracts, services, benefits and opportunities available to minority business enterprises (MBE). To foster this commitment, the State included an MBE Set-aside component in the Evaluation Scoring Formula (shown above) of this RFP.

To ensure the scoring ratio is maintained, the State will use the following formulas to adjust the points awarded to each offeror.

The offeror with the highest point total for the Supplement 1 Technical Proposal will receive 700 points. The remaining offerors will receive a percentage of the maximum points available based upon the following formulas:

$$\text{Technical Proposal Points} = (\text{Offeror's Technical Proposal Points} / \text{Highest Number of Technical Proposal Points Obtained}) \times 700$$

The offeror with the lowest proposed Not-To-Exceed Fixed Price will receive 200 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

$$\text{Cost Summary Points} = (\text{Lowest Not-To-Exceed Fixed Price} / \text{Offeror's Not-To-Exceed Fixed Price}) \times 200$$

The offeror with the highest proposed MBE Set-aside Cost percentage will receive 100 points respectively. The remaining offerors will receive a percentage of the maximum MBE Set-aside points available based upon the following formula:

$$\text{MBE Set-aside Points} = \frac{(\text{Highest MBE Set-aside Cost Percentage} / \text{Offeror's MBE Set-aside Cost Percentage}) \times (\text{Offeror's MBE Set-aside Cost Percentage} / \text{Highest MBE Set-aside Cost Percentage})}{1} \times 100$$

Total Points Score: The total points score is calculated using the following formula:

$$\text{Total Points} = \text{Technical Proposal Points} + \text{Cost Summary Points} + \text{MBE Set-aside Points}$$

Note: The offeror's MBE set-aside costs will be evaluated as a percentage (%) based on the offeror's proposed project management services and solution project implementation services and activities total project costs. Any Hardware, Software or Cloud Service Bill of Materials (BOM) elements, including proposed hardware, environmental software and application solution software costs will not be a component in the evaluation of MBE set-aside percentage.

employees work with the Contractor developers through a paired programming technique for at least 50% of the configuring or programming time.

- 1.5.2. The content of the technical training should cover all aspects of provided solutions that include application design and architecture, infrastructure architecture and its components, daily support activities with the details of the technologies used. All technical training sessions must be carried out with adequate documentation as a guide.
- 1.5.3. The State will assist the Contractor in the implementation of Sales and Use, and IFTA/IRP taxes to ensure knowledge transfer.
- 1.5.4. Effort on this deliverable will begin ~~**after June 30, 2017~~ **at the start of the project**** and is to be complete by June 30, 2018.

1.6. Activity – Maintenance and Enhancements

- 1.6.1. The Contractor will be responsible for application support ****and** maintenance ~~and enhancement~~ ****** throughout the project and the first year following final deployment in to production in conjunction with ODT technical staff.
 - 1.6.1.1. Support and maintenance will be paid annually. The Contractor may invoice on an annual basis.
- 1.6.2. Warranty work must not be included in the cost of the application support, maintenance and enhancement task during year one.
- 1.6.3. Ongoing corrections of the solution will be characterized as defects and cured by the warranty, and ongoing changes to the solution for additional functionality will be characterized as an enhancement. Support must be available during the ODT business hours, 7:00 a.m. – 7:00 p.m. Eastern Time, Monday – Friday.
- 1.6.4. The Contractor must provide technical support and assistance with maintaining operations of the solution application including:
 - 1.6.4.1. Troubleshooting software, hardware and peripherals
 - 1.6.4.2. Updates, Patches and Repairs (software, hardware and peripherals)
 - 1.6.4.3. Correction of Application Defects
 - 1.6.4.4. Software Upgrades.
- 1.6.5. Effort on this deliverable will begin after June 30, 2017.

MBE Set-aside and Reporting. In the State’s commitment to make more State contracts, services, benefits and opportunities available to minority business enterprises (MBE), the State included in the Evaluation Scoring Formula of this RFP, a provision for the offeror to seek and set aside work for MBE subcontractors. The work set-aside must equate to a minimum of 15% of the offeror’s cost proposal under RFP 0A1175. In seeking bids, the offeror must:

- Utilize a competitive process to which only Ohio certified MBEs may respond;
- Have established criteria by which prospective MBEs will be evaluated including business ability and specific experience related to the work requirements;
- Require the MBE subcontractor to maintain their certification throughout the term of the Contract, including any renewals; and
- Propose the awarded MBE as a subcontractor under RFP 0A1175.

After award of the RFP, the Contractor must submit a quarterly report to the DAS Contract Manager or designee documenting the work performed by and payments made to the MBE subcontractor. These reports must reflect the level of MBE commitment agreed to in the Contract. The reports must be filed at a time and in a form prescribed by the DAS Contract Manager or designee.

Notes:

1. For this RFP Ohio certified MBE’s that are the prime **must** subcontract with an Ohio-certified MBE to meet the above requirement.

8. **Pricing.** Subject to the limitations in this section, the Contractor may modify its pricing for Software or Support at any time and without notice to the State. But no such change will apply to any Software or Support that the State orders or for which it receives an invoice before the effective date of the change. Nor will any price increase apply to any Software for which the State and the Contractor have entered in to a Price-hold Addendum; the pricing for such Software will be fixed for the term of the price-hold. Additionally, for seven years from the date of the State's first license of any Software, the State will be entitled to acquire additional licenses for the same Software at a discount that is equal to the discount extended to the State for the initial license of the Software, even though the list price for the Software may have increased. Such licenses will be granted under the terms contained in this Contract via the execution of a Schedule hereto. Thereafter, the State will not be obligated to pay more than the Contractor's then current, published License Fee for any such Software, less the discount described in the following sentence. For all additional licenses acquired more than seven years after the initial license in the same Software, the State still will be entitled to a discount of ■% from the then current list price for the license. Support Fees under this Contract may not increase from one Support Period to the next by more than ■ percent for any license in the Software. Further, in no event will the Support Fee the State pays be greater than the fee paid by any other customer of the Contractor for the same type license.

~~**9. **Cost Recovery Fee.** The Contractor must pay a fee to the State to cover the estimated costs the State will incur administering this Contract and the Services offered under it ("Cost Recovery Fee").~~

~~The Cost Recovery Fee will be .075% of the total dollar amount of Services the Contractor invoices under this Contract to all Subscribers, including all State-level entities and all Cooperative Purchasing Members. The Cost Recovery Fee is included in the prices reflected on the Service Attachment and the Contractor may not add a surcharge to Orders under this contract to cover the amount of the Cost Recovery Fee. The State will generate notification to the Contractor via email on the last day of the calendar quarter advising the Contractor to complete a revenue reporting form provided by the State within 30 days after the close of the quarter. The State may compare the form provided by the Contractor to information in the State's accounting system, the State's Ordering System, and other records for purposes of verifying the accuracy of the form. The State will generate an invoice to the Contractor for the quarterly Cost Recovery Fee based on reported revenue from the Contractor or the State's records, whichever is greater.~~

~~The Contractor must use the State's Web-based system for reporting revenue generated under this Contract.~~

~~The Contractor must remit the 2% Cost Recovery Fee to the State quarterly by check to the State of Ohio, Office of Information Technology. The check must be made payable to the Treasurer, State of Ohio, and must be sent to the State at the following address:~~

~~Department of Administrative Services
L-3686
Columbus, OH 43260-3686~~

~~To ensure that the payment is credited properly, the Contractor must identify the payment as a State of Ohio Cost Recovery Fee and reference this Contract and the Quarterly Activity Reports supporting the check amount. The data requirements for the Quarterly Activity Reports will be detailed in the Service Attachment(s). Credit for the Cost Recovery Fee will begin in the month of execution of this Contract.~~

~~A copy of the Quarterly Activity Report will be sent to the Contract Administrator at the following address:~~

~~Department of Administrative Services
Office of Information Technology
Enterprise IT Contracting
30 E. Broad Street, 39th Floor
Columbus, Ohio 43215
Attention: Contract Analytics Manager~~

~~The first payment will be calculated against all Services rendered to the existing Subscribers transferred to the Contract in the month of effective date. Subsequent payments will be calculated against all Subscribers as stated above.~~

~~The Contractor's contact person for Cost Recovery Section will be:~~

Name: _____ Phone: _____

Address: _____ Email: _____ **

PART III: CONTRACT ADMINISTRATION

- 1. Term.** Once entered into, the term of this Contract will be from the date the duly authorized representative of the State signed it through June 30, 2001. Expiration of this Contract without renewal will not affect any licenses granted to the State before the expiration. It also will not affect the rights and the responsibilities of the parties with respect to such licenses.
- 2. Renewal.** The State may renew this Contract for additional one-year terms, subject to and contingent on the discretionary decision of the Ohio General Assembly to appropriate funds for this Contract in each new biennium. Any such renewal of this Contract also is subject to the satisfactory performance of the Contractor and the needs of the State. The State's failure to renew this Contract will not affect any licenses granted to the State before the expiration. It also will not affect the rights and the responsibilities of the parties with respect to such licenses.
- 3. Delivery.** The Contractor must deliver all Software licensed under this Contract to the State F.O.B. at the State's site specified in the applicable Schedule. If the Contractor and the State agree so in writing, the Contractor may deliver any Software licensed under this Contract via electronic transmission over the Internet, provided the Contractor maintains sufficient bandwidth to accommodate delivery in this fashion. Upon physical delivery or successful completion of an electronic transmission, title to any media on which the Software and Documentation are contained and risk of loss of the Software and Documentation will pass to the State.
- 4. Schedules.** For all Software that the State licenses, the Contractor and the State will enter into a written Schedule to this Contract, signed by duly authorized representatives of both parties. The Schedule will describe the Software, the license granted in the Software, and the date the license starts ("Start Date"). It also will identify the License Fee for the license granted, the number of physical copies of the media on which the Software is shipped, and the operating system or systems for which the Software is designed. In addition, the Schedule will identify the Support Fee or the percentage of the License Fee used to calculate the Support Fee. All additional Software that the State seeks to license from the Contractor under this Contract, as well as all additional licenses that the State wishes to acquire in Software already licensed under this Contract, will be subject to the Contractor's prior, written approval in each such case. But the Contractor will consent for any Software that is covered by a Price-hold Addendum. The Contractor also must consent for any Software that is or designed to operate in conjunction with Software already acquired by the State under this Contract, if the Software at issue is generally available to other customers and the State is not in material breach of this Contract.
- 5. Confidentiality.** Each party may disclose to the other written material or oral or other forms of information that it treats as confidential ("Confidential Information"). Title to any Confidential Information one party delivers to the other will remain with the disclosing party or its licensors. Each party agrees to treat any Confidential Information it receives from the other party as secret, if it is so marked, otherwise identified as such, or when, by its very nature, it deals with matters that, if generally known, would be damaging to the best interest of the other party or its licensors.

The Contractor's Confidential Information may include the Software and Documentation, if the Software and Documentation are the trade secrets of Contractor and marked as such in a reasonable manner. Information of the State that the Contractor must presume to be Confidential Information, regardless of whether it is marked as such, includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, data, business records, and business plans. Such also includes files containing personal information about other contractors or employees of the State, such as personnel records, and any material to which an attorney-client, physician-patient, or similar privilege may apply. It also includes any State records that Ohio law excludes from public records disclosure requirements.

Each party agrees not to disclose any Confidential Information of the other to any third parties and to use it solely to meet its obligations under this Contract or as otherwise contemplated under this Contract. Additionally, each party will restrict circulation of Confidential Information within its organization and permit access to it only by people who have a need to know the Confidential Information for the purposes contemplated by this Contract.

1. Master Project Schedule that includes a description of the tasks that will be performed to accomplish the implementation, delivery, and acceptance of the system, including a detailed work plan with task schedules, ODT effort, and milestones (Gantt chart).
2. A deployment schedule, including the method of deployment.

6. Training

The Contractor must provide Technical Training, Power User/Developer Training, and User Training.

- Technical Training will provide ODT's technology staff training on the equipment and software to the extent staff can support, upgrade and patch the software/equipment.
- Power User/Developer Training must provide for knowledge transfer to ODT staff, accomplished by working side-by-side with the Contractor in building, testing and deployment activities.
- User Training must provide attendees with instructor-led training sessions, on screen presentation, and hard copy handouts.

Minimum training requirements:

1. The Contractor must provide User Training to up to 20 end-users on the business side utilizing Train-The-Trainer methodology. The training must occur in conjunction with the deployment of the solution, preferably just prior to implementation. Training must be started within fifteen (15) business days prior to go-live and be completed no later than ten (10) business days prior to go-live. ~~**Training must be no more than one (1) week ahead of go-live.**~~ The solution proposal must include a training plan that describes how the offeror will meet the training requirements. Training must be simultaneous and integrated with development in order to facilitate effective knowledge transfer. ODT employees must be included as part of the development process and training will include oversight of ODT-developed deliverables.
 - a. Contractor must provide ODT instructors access to materials for the training session, which must include both an electronic and hard copy version in either PDF or as a Microsoft PowerPoint presentation.
2. The User Training session must include the following at a minimum:
 - a. The materials must clearly layout the process for conducting specific tax type audits, as listed in the deliverables section, within the COTS solution. The materials must contain screenshots, written step-by-step instructions, and provide end-users feedback regarding all aspects of the software.
 - b. Provide a hardcopy quick reference guide for all attendees.
3. Technical Training for ODT infrastructure staff monitoring the OFAST solution must also be scheduled (up to 10 attendees):
 - a. Technical training to include both electronic and hard copy manuals and training materials for each IT staff attending.
 - b. Technical training must be in person with a hands on demonstration to include all items for listed in the regular assessment administrator training above including a demonstration using the solution.
 - c. Technical training must include troubleshooting the OFAST solution and all technical requirements.