AMENDMENT 2
FOR
RFP NUMBER 0A1100

DATE AMENDMENT ISSUED:

The State of Ohio, through the Department of Administrative Services, on behalf of Department of Liquor Control, is issuing this amendment for the Request for Proposals (RFP) entitled:

Replacement of DOLC Merchandising, Point-of-Sale and Supply Chain Management Support Systems RFP

INQUIRY PERIOD BEGINS:	**July 6, 2012**
INQUIRY PERIOD ENDS:	**August 16, 2012**
OPENING DATE:	**August 27, 2012**
OPENING TIME:	**1:00 P.M.**
OPENING LOCATION:	**Office of Information Technology Contract Management Bid Room 30 East Broad Street, 40th Floor Columbus, Ohio 43215**

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 are surrounded by bolded double asterisks and, when applicable, strikethrough.

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1100
DATE ISSUED: JULY, 6, 2012

The State of Ohio through the Department of Administrative Services for the Department of Commerce, Division of Liquor Control (DOLC) is requesting proposals for:

The Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems.

INQUIRY PERIOD BEGINS: July 6, 2012
INQUIRY PERIOD ENDS: ~~August 9, 2012~~ August 16, 2012
OPENING DATE: ~~August 17, 2012~~ August 27, 2012
OPENING TIME: 1:00 P.M.
OPENING LOCATION: Department of Administrative Services
IT Procurement Services
Bid Room
4200 Surface Road
Columbus, Ohio 43228

This RFP consists of five parts and twelve attachments, totaling 115 consecutively numbered pages. Supplements also are attached to this RFP with a beginning header page and an ending trailer page. Please verify you have a complete copy.

organizational expertise, and legislative changes that are outside the scope of this project, but DOLC expects the system to accommodate many years of business growth, and features have been included to enable a variety of tactical choices. Therefore, the requirements have been written to facilitate a highly pluggable and configurable architecture, a design focus that the Contractor must follow.

1.4.2 Calendar of Events

The schedule for the RFP process and project is given below. The State may change this schedule at any time. If the State changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Web site's question and answer area for this RFP. The Web site announcement will be followed by an amendment to this RFP, also available through the State Procurement Web site. After the Proposal due date and before the award of the Contract, the State will make schedule changes through the RFP amendment process. Additionally, the State will make changes in the project schedule after the Contract award through the change order provisions in the General Terms and Conditions Attachment to this RFP. It is each prospective offeror's responsibility to check the Web site question and answer area for this RFP for current information regarding this RFP and its Calendar of Events through award of the Contract.

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Estimated Dates

Award Date:	September 17, 2012

Estimated Project Dates

Project Work Begins:	November 1, 2012
Implementation Complete	18 to 24 months after Project Work Begins

There are references in this RFP to the Proposal "due date." Unless it is clearly provided to the contrary in this RFP, any such reference means the date and time (Columbus, Ohio local time) that the Proposals are due and not just the date.

MEMORANDUM

To: Director Blair

Through: Curtis Brooks, Supervisor

From: Andrew Miller, Analyst

Subject: Release of Amendment 1 for the DOLC Merchandising, Point-of-Sale and Supply Chain Management System Request for Proposals (RFP) #0A1100

Date: July 27, 2012

Attached is an amendment for the Department of Liquor Control's RFP Number 0A1100.

The purpose of this amendment is to clean up document references.

These pages require amendment:

- On page 6 of the 0A1100 The Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems RFP, under Section 1.4 Overview of the Project's Scope of Work, the correct referenced Attachment is Three, not Four, so:

  1.4 Overview of the Project's Scope of Work
  The scope of the Work is provided in Attachment ~~Four~~ Three of this RFP. This section only gives a summary of the Work. If there is any inconsistency between this summary and the attachment's description of the Work, the Attachment will govern.

- On page 31 of the 0A1100 The Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems RFP, under Section 6.3 Attachment Three: Requirements for Proposal, Proposal Format, in the bullet point list, Minimum Financial Requirements has been stricken from the document.

- On the second (title) page of Supplement Two – Overview of the Current DOLC, a footer notice is provided declaring the document Proprietary and Confidential, this language has been stricken from the document.

Your decision and signature below will authorize issuance of this amendment.

If you have any questions please contact me at 614-466-0206 or Andrew.Miller@ohio.gov.

Thank you.
Reviewed by:

_____
Associate Counsel Date

_____
ITPS Supervisor Date

Approved:

_____
Director Date
Robert Blair

AMENDMENT 1
FOR
RFP NUMBER 0A1100

DATE AMENDMENT ISSUED:

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Specifications and requirements that have been revised are surrounded by bolded double asterisks and, when applicable, strikethrough.

These pages have been amended as follows; corrected versions of the pages are also attached.

- On page 6 of the 0A1100 The Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems RFP, under Section 1.4 Overview of the Project's Scope of Work, the correct referenced Attachment is Three, not Four, so:

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- Support new processes and capabilities that enable more effective and efficient management of Ohio's liquor business outlined in Supplement Three and Supplement Four;
- Provide a flexible product catalog capability;
- Provide a well-documented data model with a well-defined, tested and open API.

The new system(s) and features are designed to enhance the DOLC's ability to administer the sale of alcohol in the state providing a new level of service, accessibility, and awareness. The envisioned system enhancements will enable new capabilities in many areas. Of particular interest are the areas of planning and product management. For example:

- Sales and Operations Planning (S&OP) – A calendar based planning process that synchronizes forecasted sales to planned purchases;
- Product Lifecycle Management (PLM) - For the DOLC this will be a calendar based analysis of product performance to determine those products that are appropriate to retire. In addition, there will be opportunities to add to the product portfolio and the potential to test product through field studies.

The following areas are out of scope for this RFP:

- Liquor Information Tracking System (LITS2)

Since the nature of the liquor business is unique, the DOLC has determined that the most cost effective solution will be custom developed with "best-of-breed" applications interfaced to meet specific requirements. Two (2) best-of-breed applications necessary to meet the requirements are a forecasting module and an accounting module. Selection of these best-of-breed packages will be at the discretion of the offeror but the State expects the offeror to insure the selected packages meet the requirements as detailed in Supplement Four. Further, the DOLC will purchase the best of breed software and/or software licenses and this cost should be included in the offeror's response.

Cost is a very important factor in the RFP response and will receive 30% of the weight for the response. Further, the State will evaluate the responses based on best value. However, it is important to bound the cost and to prevent unrealistic solutions. To that end, the DOLC anticipates costs in the "seven figure" dollar range to complete this project. This does not include hardware costs and every effort should be made to utilize existing State resources for development, testing/QA, and production environments. Recommended hardware should be identified and priced in a separate area of the Cost Summary Form and should not appear as part proposed Total Not to Exceed Fixed Price for the proposed solution.. Note that this project is designated as a Not-to-Exceed Fixed Price.

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The scope of the Work is provided in Attachment ~~Four~~ Three of this RFP. This section only gives a summary of the Work. If there is any inconsistency between this summary and the attachment's description of the Work, the Attachment will govern.

1.4.1 Introduction of System Features

Contractor must have a firm understanding of DOLC's expectations regarding the system requirements as outlined in the above Objectives, Attachment Four, and Supplement Four. All of the required system capabilities must be included in the Proposal and built into the system. Any training and change management necessary for using and maintaining the new system should be part of the offeror's proposal as well.

To provide background and rationale behind the system's design, this RFP includes highlights from current business processes in Supplement Two, and selected recommendations on how to use some of the new functionality in Supplement Three. Many of those changes require strategic direction,

6.3 Attachment Three: Requirements for Proposal

Proposal Format. Each Proposal must include sufficient data to allow the State to verify the total cost for the Project and all of the offeror's claims of meeting the RFP's requirements. The Proposal must provide a response to how the offeror plans to fulfill each task in the Scope of Work outlined in Attachment Two. In addition, each Proposal must also respond to every request for information in this attachment, whether the request requires a simple "yes" or "no" or requires a detailed explanation. Offerors are given wide latitude in the degree of detail they offer or the extent they reveal plans, designs, systems, processes, and procedures. However, simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected. Emphasis should be on completeness and clarity of content.

These instructions describe the required format for a responsive Proposal. The offeror may include any additional information it believes is relevant. An identifiable tab sheet must precede each section of a Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Please note that the sections which are bolded below is an indication that these sections are scored (see Scoring Criteria contained in Attachment One)

Each Proposal must contain the following:

- Vendor Information Form (OBM-5657)
- Subcontractor Letters
- Offeror Certification Form
- ~~Minimum Financial Requirements~~
- Offeror Description
- Assumptions
- Offeror Profile Summary Form
- Personnel Profile Summaries
- Proposed Solution
- Proposed Staffing Plan
  - Time Commitment
- Proposed System Development Life Cycle Methodology/Approach
  - Development & Testing
  - Documentation & Training
  - System Deployment and Post-Deployment
- Proposed System Development/Deployment Plan
  - Support Requirements
  - Equipment and System Elements
- Pre-Existing Materials
- Commercial Materials
- Changes to Attachment Eleven
- Terms for Commercial Materials
- Bond Commitment
- Conflict of Interest statement
- Proof of Insurance
- Payment Address
- Legal Notice Address
- W-9 Form
- Declaration Regarding Terrorist Organizations

Ohio Department of Commerce
Division of Liquor Control

Retail, Supply Chain Management, and Accounting Systems Modernization Project

Overview of the Current State

December 2011

XXXXXXXXXXXXXXXX
NOTICE: Proprietary and Confidential

REQUEST FOR PROPOSALS

RFP NUMBER: 0A1100
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1. Executive Summary

1.1 Purpose

This is a Request for Competitive Sealed Proposals ("RFP") under Sections 125.071 and 125.18 of the Ohio Revised Code (the "Revised Code") and Section 123:5-1-8 of the Ohio Administrative Code (the "Administrative Code"). The Ohio Department of Commerce, Division of Liquor Control (DOLC) has asked the Department of Administrative Services to solicit competitive sealed proposals ("Proposals") for product and services to replace DOLC's merchandising, point-of-sale, and supply chain management support systems that comprise DOLC's spirituous liquor control system ("Project") and this RFP is the result of that request.

If a suitable offer is made in response to this RFP, the State of Ohio (the "State"), through the Department of Administrative Services and on behalf of DOLC, may enter into a contract (the "Contract"), as further defined in Section 5.2 of the RFP, to have the selected offeror (the "Contractor") perform all or part of the Project. This RFP provides details on what is required to submit a Proposal for the Project, how the State will evaluate the Proposals, and what will be required of the Contractor in performing the work.

This RFP also gives the estimated dates for the various events in the submission process, selection process and performance of the work. While these dates are subject to change, prospective offerors must be prepared to meet them as they currently stand.

Once awarded, the term of the Contract will be from the award date until the Project is completed to the satisfaction of the State and the Contractor is paid or June 30, 2013, whichever is sooner. The State of Ohio, on behalf of DOLC may renew this Contract for up to six additional one year term(s), 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 all or part of the Contract also is subject to the satisfactory performance of the Contractor and the needs of DOLC.

The State may reject any Proposal if the offeror fails to meet a deadline in the submission or evaluation phases of the selection process or objects to the dates for performance of the project or the terms and conditions in this RFP.

1.2 Background

Every state in the United States controls the distribution of alcohol within its borders. This control varies by state and by the type of alcohol (beer, wine, spirits). This RFP deals exclusively with distilled spirits (>21% alcohol). Ohio is a control state which means that distribution and sales occur from only authorized locations and are all controlled by the state. Further, brands, stocking quantities, and prices are all centrally controlled as well. DOLC is the state agency responsible for administering this activity, and it operates under the direction of the Ohio Department of Commerce.

Sale of distilled spirits generates nearly $800,000,000.00 of revenue for the state and the proceeds are used to fund a variety of projects. Given the revenue generated and the nature of the product, the prospective offeror should know that this is a high profile issue.

The key processes the DOLC administers as it executes its responsibilities fall into the following areas:

- Order Fulfillment – Store order fulfilled from the warehouse
- Inventory Management – setting and measuring inventory levels in the store
- Revenue Collection – Revenue generated at liquor stores from liquor sales
- Audit Operations – Assessment of store and warehouse operations
- Product Management – Product introduction, retirement, and price setting, and marketing

- Financial Accounting – General Ledger, Accrual Accounting, Financial Statements

These processes are supported by two systems: LiquorBase, a desktop system written in FoxPro using a FoxPro database and CICS a mainframe application primarily using VSAM files for data storage. These systems are over 25 years old and although the software has been updated over time, they have become difficult to support. Further, some of the hardware components required to operate the systems are old and replacement components are getting more difficult to find. Thus, one of the key requirements for this project is to not only update the software but to run it on more modern technology.

In addition to upgrading software, the DOLC has also decided to take this opportunity to review and improve processes. The purpose of this initiative was to identify high-impact improvement areas and develop a set of business and system requirements to include in the new system. The "as-is" and "to-be" process flows are outlined in Supplement Two/Three and the requirements are outlined in Supplement Four.

1.3 Objective

There are a number of improvements the DOLC wishes to acquire with this Project and it will be the Contractor's obligation to ensure that the Project meets these objectives. These improvements fall into two categories: System improvements and Process improvements

The implemented system must collect and store transactional data related to the sale, distribution, and storage of liquor within the state. This includes inventories at the warehouses and stores as well as movements between the warehouses and stores and store-to-store transfers. Further, data needs to be maintained regarding the various store locations (agencies) as well as wholesale liquor customers (restaurants, bars, etc.).

The new system must:

- Replace DOLC Operations and Permitting functionality that exists in CICS with a new system(s) that utilizes a n-tier architecture with a web based user front end;
- Replace the ABCS system for printing product labels, acceptance letters and registration certificates;
- Define a set of APIs specifications between the new Central system and Point of Sales systems that will serve as the requirement for DOLC certification of a Point of Sales system;
- Launch with at least one certified Point of Sale system commonly utilized in non-corporate Agency's stores, i.e., the system has a working/tested interface that meets the defined API specifications;
- Have a Web-based ordering system initially for wholesale, and longer term potentially for retail customers;
- Research and chose a scanner system with an open API;
- Define, build and certify the APIs from/to new central system from/to the chosen scanner system;
- Be sustainable and supportable leveraging existing government hardware and departmental development and maintenance skill sets;
- Preserve existing interfaces to external and internal systems where possible;
- Leverage a relational database management system for data storage and retrieval;
- Flexible reporting with includes report scheduling and ad-hoc reporting;
- Improve the reliability and accuracy of data transfers between the stores and DOLC;
- Interface to "Best of Breed" software as outlined in Supplement Three to facilitate forecasting, point-of-sale data capture, reporting, and accounting;
- Build a controller that will provide synchronization of data between the Accounting Package, the new Centralized System and OAKS or other accounting systems;
- Automate processes as identified in the Supplement Three (To-Be process flows) and Supplement Four (requirements);

- Support new processes and capabilities that enable more effective and efficient management of Ohio's liquor business outlined in Supplement Three and Supplement Four;
- Provide a flexible product catalog capability;
- Provide a well-documented data model with a well-defined, tested and open API.

The new system(s) and features are designed to enhance the DOLC's ability to administer the sale of alcohol in the state providing a new level of service, accessibility, and awareness. The envisioned system enhancements will enable new capabilities in many areas. Of particular interest are the areas of planning and product management. For example:

- Sales and Operations Planning (S&OP) – A calendar based planning process that synchronizes forecasted sales to planned purchases;
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Cost is a very important factor in the RFP response and will receive 30% of the weight for the response. Further, the State will evaluate the responses based on best value. However, it is important to bound the cost and to prevent unrealistic solutions. To that end, the DOLC anticipates costs in the "seven figure" dollar range to complete this project. This does not include hardware costs and every effort should be made to utilize existing State resources for development, testing/QA, and production environments. Recommended hardware should be identified and priced in a separate area of the Cost Summary Form and should not appear as part proposed Total Not to Exceed Fixed Price for the proposed solution.. Note that this project is designated as a Not-to-Exceed Fixed Price.

1.4 Overview of the Project's Scope of Work

The scope of the Work is provided in Attachment Four of this RFP. This section only gives a summary of the Work. If there is any inconsistency between this summary and the attachment's description of the Work, the Attachment will govern.

1.4.1 Introduction of System Features

Contractor must have a firm understanding of DOLC's expectations regarding the system requirements as outlined in the above Objectives, Attachment Four, and Supplement Four. All of the required system capabilities must be included in the Proposal and built into the system. Any training and change management necessary for using and maintaining the new system should be part of the offeror's proposal as well.

To provide background and rationale behind the system's design, this RFP includes highlights from current business processes in Supplement Two, and selected recommendations on how to use some of the new functionality in Supplement Three. Many of those changes require strategic direction,

organizational expertise, and legislative changes that are outside the scope of this project, but DOLC expects the system to accommodate many years of business growth, and features have been included to enable a variety of tactical choices. Therefore, the requirements have been written to facilitate a highly pluggable and configurable architecture, a design focus that the Contractor must follow.

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2. Structure of this RFP

This RFP is organized into five Parts with twelve Attachments, and seven Supplements, as listed below.

2.1 Parts

Part 1 Executive Summary
Part 2 Structure of this RFP
Part 3 General Instructions
Part 4 Evaluation of Proposals
Part 5 Award of the Contract

2.2 Attachments

Attachment One - Evaluation Criteria
Attachment Two - Project Requirements
Attachment Three - Proposal Requirements
Attachment Four - General Terms and Conditions
Attachment Five - Sample Contract
Attachment Six - Sample Deliverable Submittal and Acceptance (Deliverable Sign-Off Form)
Attachment Seven - Offeror Certification Form
Attachment Eight - Offeror Profile Summary
Attachment Nine - Personnel Profile Summary
Attachment Ten - Cost Summary
Attachment Eleven - Master Contract for Software Licensing
Attachment Twelve - Standard Affirmation and Disclosure Form, including Executive Order 2011-12K

2.3 Supplements

Supplement One - W-9 Form
Supplement Two - Overview of the Current DOLC
Supplement Three - Overview of the Future DOLC
Supplement Four - System Requirements Document (SRD)
Supplement Five – External Interfaces
Supplement Six – Current Reports
Supplement Seven - Gap Matrix

3. General Instructions

The following sections provide details on RFP submission and formatting requirements, as well as how to obtain more information about how to respond to this RFP. All responses must be complete and in the prescribed format.

3.1 Contacts

The person listed below will represent the State during the RFP process as "Procurement Representative":

Curtis Brooks
IT Procurement Supervisor
Department of Administrative Services
I.T. Procurement Services
4200 Surface Road
Columbus, Ohio 43228

During the performance of the project, a State representative (the "*Project* Representative") will represent the State and be the primary contact for the project. The State will designate the Project Representative in writing after the Contract award.

Other than communications to the Procurement Representative as described in Part 3.2 and elsewhere in the RFP, potential offerors and their agents or representatives must not make unsolicited contact with any elected official or office of the State of Ohio, any staff member of the DOLC, any agent or representative of DOLC regarding this RFP. Offerors must not represent themselves to anyone, including state agencies, as having the endorsement of DOLC. For offerors currently doing business with DOLC, any communication regarding this RFP is prohibited except as provided for in this RFP. Any Vendor causing or attempting to cause a violation or circumvention of this ethical standard may, in the sole discretion of the State, be disqualified from further consideration. The State of Ohio, any staff member of the DOLC, or any agent, or representative of DOLC will not discuss the particulars of this RFP process with external parties. DOLC may, however, provide general information on the process to external parties.

3.2 Inquiries

Offerors may make inquiries regarding this RFP anytime during the inquiry period listed in the Calendar of Events. To make an inquiry, offerors must use the process below.

- Access the State Procurement Web site at http://procure.ohio.gov/
- From the Navigation Bar on the left, select "Find It Fast".
- Select "Doc/Bid/Schedule #" as the Type.
- Enter the RFP number found on the first page of this RFP (the RFP number begins with zero followed by the letter "A").
- Click the "Find It Fast" button.
- On the document information page, click the "Submit Inquiry" button.
- On the document inquiry page, complete the required "Personal Information" section by providing:
    - First and last name of the prospective offeror's representative who is responsible for the
    - inquiry;
    - Name of the prospective offeror;
    - Representative's business phone number, and
    - Representative's e-mail address.
- Type the inquiry in the space provided, including:
    - A reference to the relevant part of this RFP;
    - The heading for the provision under question, and
    - The page number of the RFP where the provision can be found.

- Click the “Submit” button

An offeror submitting an inquiry will receive an immediate acknowledgement the State has received the inquiry as well as an e-mail acknowledging receipt. The offeror will not receive a personalized response to the question nor notification when the State has answered the question.

Offerors may view inquiries and responses on the State’s Procurement Web site by using the “Find It Fast” feature described above and by clicking the “View Q & A” button on the document information page. The State usually responds to all inquiries within three business days of receipt, excluding weekends and state holidays. However, the State will not respond to any inquiries received after 8 a.m. on the inquiry end date.

the State does not consider questions asked during the inquiry period through the inquiry process as exceptions to the terms and conditions of this RFP.

If an offeror discovers any ambiguity, conflict, discrepancy, exclusionary specifications, omission or other errors in this RFP, and fails to notify the State on or before the Inquiry deadlines, the offeror submits a response to this RFP at its own risk. The State will not consider any requests for change or modifications after this deadline. The offeror will not be entitled to additional compensation, relief, or time by reason of the error or its subsequent correction.

Offerors must observe the time schedule for submitting inquiries. This schedule will ensure that the State has adequate time to respond and the responses will be provided to offerors in time to be incorporated into their Proposals.

3.3 Amendments to the RFP

If the State revises this RFP before the Proposals are due, it will announce any amendments on the State Procurement Web site.

Offerors may view amendments by using the “Find It Fast” function of the State’s Procurement Web page (described in the Inquiries Section above) and then clicking on the amendment number to display the amendment.

When an amendment to this RFP is necessary, the State may extend the Proposal due date through an announcement on the State Procurement Web site. The State may issue amendment announcements any time before 5 p.m. on the day before Proposals are due, and it is each prospective offeror’s responsibility to check for announcements and other current information regarding this RFP.

After the Proposal due date, the State will distribute amendments only to those offerors whose Proposals are under active consideration. When the State amends the RFP after the due date for Proposals, the State will permit offerors to withdraw their Proposals within five business days after the amendment is issued. This withdrawal option will allow any offeror to remove its Proposal from active consideration should the offeror feel the amendment changes the nature of the transaction so much that the offeror’s Proposal is no longer in its interest. Alternatively, the State may allow offerors with Proposals under active consideration to modify their Proposals in response to the amendment.

If the State allows offerors to modify their Proposals in response to an amendment, the State may limit the nature and scope of the modifications. Unless otherwise provided in the State’s notice, offerors must make any modifications or withdrawals in writing and submit them to the State within five business days after the amendment is issued at the address and in the same manner required for the submission of the original Proposals. If this RFP provides for a negotiation phase, this submission procedure will not apply to changes negotiated during that phase. The State may reject any modification that is broader in scope than the State has authorized in the announcement of the amendment and treat it as a withdrawal of the offeror's Proposal.

3.4 Proposal Submittal

Each offeror must submit a technical section and a cost section as part of its total Proposal before the opening time on the Proposal due date. The offeror must submit the technical section as a separate package from the cost section of its Proposal, and each section must be submitted in its own separate, opaque package. The package with the technical section of the Proposal must be sealed and contain one originally signed technical section and twelve (12) copies of the technical section, and the package with the cost section also must be sealed and contain two (2) complete copies of the cost section of the Proposal. Further, the offeror must mark the outside of each package with either **"Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems – Technical Proposal"** or **"Replacement of DOLC Merchandising, Point-of-Sale, and Supply Chain Management Support Systems – Cost Summary,"** as appropriate.

Included in each sealed package, the offeror also must provide an electronic copy of everything contained within the package on CD-ROM in Microsoft Office, Microsoft Project and Adobe Acrobat format, as appropriate. If there is a discrepancy between the hard copy and the electronic copy of the Proposal, the hard copy will control, and the State will base its evaluation of the offeror's Proposal on the hard copy.

A Proposal submitted in response to this RFP will be considered a binding offer. By submitting a Proposal, each offeror covenants and agrees it fully understands and will abide by the terms and conditions of this RFP and it will not make claims for or have any rights to cancel or withdraw its Proposal or for other relief due to any misunderstanding or lack of information. The signature of the offeror or an officer of the offeror legally authorized to execute contractual obligations will indicate acknowledgement of this condition. All Proposals submitted will remain valid for one (1) year following the date on which the proposals are due, unless the period is extended by the State by providing written notice of the extension to the affected Responding offeror or offerors.

Proposals are due no later than 1 p.m. on the Proposal due date. Proposals submitted by e-mail, fax or other electronic means are not acceptable, and the State may reject them. Offerors must submit their Proposals to:

Department of Administrative Services
I.T. Procurement Services
Attn: Bid Room
4200 Surface Road
Columbus, Ohio 43228

The State may reject any Proposals or unsolicited modifications it receives after the deadline. An offeror that mails its Proposal must allow for adequate mailing time to ensure its timely receipt. Offerors also must allow for potential delays due to increased security. The Bid Room accepts packages between the hours of 7:30 a.m. to 5 p.m. Monday through Friday, excluding State Holidays. No deliveries will be accepted before or after these hours without prior arrangements. Offerors must allow sufficient time since the State may reject late Proposals regardless of the cause for the delay.

Each offeror must carefully review the requirements of this RFP and the contents of its Proposal. Once opened, Proposals cannot be altered or withdrawn, except as allowed by this RFP.

By submitting a Proposal, the offeror acknowledges it has read this RFP, understands it and agrees to be bound by its requirements. The State is not responsible for the accuracy of any information regarding this RFP that was gathered through a source other than the inquiry process described in the RFP.

Revised Code Section 9.24 prohibits the State or any of its agencies from awarding a contract to any entity against whom the Auditor of State has issued a finding for recovery (a "Finding"), if the Finding is

unresolved at the time of the award. This also applies to renewals of contracts. By submitting a Proposal, the offeror warrants that it is not subject to an unresolved Finding under Section 9.24 at the time of its submission. The offeror also warrants that it will notify the Department of Administrative Services in writing immediately upon becoming subject to such an unresolved Finding after submitting its Proposal and before the award of a Contract under this RFP. Should the State select the offeror's Proposal for award of a Contract, this warranty of immediate written notice will apply during the term of the Contract, including any renewals or extensions. Further, the State may treat any unresolved Finding against the Contractor that prevents a renewal of the Contract as a breach, in accordance with the provisions of Attachment Four, General Terms and Conditions.

The State may reject any Proposal if the offeror takes exception to the terms and conditions of this RFP, attempts to add, subtract or modify the terms as set forth in this RFP, includes unacceptable assumptions or conditions in its Proposal, fails to comply with the procedure for participating in the RFP process, or fails to meet any requirement of this RFP. The State also may reject any Proposal it believes is not in its interest to accept and may decide not to award a contract to any or all of the offerors responding to this RFP. In addition, the State may cancel this RFP, reject all the Proposals, and seek to do the Project through a new RFP or by other means.

Offerors may not prepare or modify their Proposals on State premises.

Public records and requests for confidentiality. All Proposals and other material offerors submit will become the property of the State and may be returned only at the State's option. All information in a Proposal and any Contract resulting from this RFP are subject to the provisions of Ohio's public records laws regardless of copyright status or offeror designations on pages of the Proposal. Offeror waives all rights relating to the Proposal, including without limitation, any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use unless prohibited by law.

In the event an offeror desires to claim portions of its Proposal are exempt from public disclosure, it is incumbent upon the offeror to identify those portions in a transmittal letter attached to the Proposal. The transmittal letter must identify the page and the particular exemption(s) from disclosure upon which the claim is made. Each page claimed to be exempt from disclosure must be clearly identified, on the page, by the words: "*This data constitutes a trade secret and shall not be disclosed except in accordance with the Ohio public records laws*." The State, however, assumes no liability for any required release of this information resulting from any enforcement of the provisions of the Ohio Revised Code Section 149.43. Ohio public records laws exempt trade secrets from disclosure, and the exemption from disclosure applies unless the public interest requires disclosure. Therefore, non-disclosure of documents or any portion of a document submitted as part of this Proposal may depend upon official or judicial determinations made pursuant to the Ohio statutes.

If the State receives a request for public records disclosure of the information so designated as "Confidential" by the offeror, the State will make a reasonable attempt to notify the offeror of the request so the offeror may claim any exemption entitled under applicable laws.

The State reserves the right to request additional confidential information, including but not limited to, financial information, to be used for evaluation purposes even though such information may not have been required by this RFP. In the event such information is requested, the State agrees to retain such information as confidential to the extent permitted by law. The State will retain all Proposals or a copy of them as part of the Contract file for at least three years. After the three-year retention period, the State may return, destroy or otherwise dispose of the Proposals and any copies of them.

3.5 Waiver of Defects

The State may waive any defects in any Proposal or in the submission process followed by an offeror, but will only do so if it believes it is in the State's interest and will not cause any material unfairness to other offerors.

3.6 Multiple or Alternate Proposals

The State will not accept multiple Proposals from a single offeror. Any offeror that submits multiple Proposals may have all its Proposals rejected.

Within a Proposal, the offeror may identify options, including solicited and unsolicited products, services, and features the offeror believes may be appealing and useful to the State. However, any offeror that disregards a requirement in this RFP simply by proposing an alternative to it will have submitted a defective Proposal that the State may reject.

Two (2) or more firms may together submit a Proposal. If a joint Proposal is submitted, the Proposal must define the responsibilities each firm is proposing to undertake. Of the firms submitting a joint Proposal, one must be designated as the prime. In the context of this RFP, the term "offeror" should be interpreted to mean the "firms included in a joint Proposal" throughout the remainder of this RFP. Additionally, the "prime" for the "offeror" awarded the Contract will be the "Contractor" and will be responsible for meeting the contractual obligations of the Contract. The Proposal must designate a single authorized official to serve as the sole point of contact between the State and the joint responding firms and must contain a cohesive approach and solution to meeting the RFP requirements.

3.7 Changes to Proposals

The State will allow modifications or withdrawals of Proposals only if the State receives them before the Proposal due date. No modifications or withdrawals will be permitted after the due date, except as authorized by this RFP.

3.8 Proposal Formatting Instructions

Each Proposal must be organized in an indexed binder ordered in the same manner as the response items are ordered in the applicable attachments to this RFP. The requirements for a Proposal's contents and formatting are contained in the attachments to this RFP. The State wants clear and concise Proposals, but offerors must answer questions completely and meet all the RFP's requirements.

The State is not liable for any costs an offeror incurs in responding to this RFP or from participating in the evaluation process regardless of whether the State awards the Contract through this process, decides not to go forward with the project, cancels this RFP for any reason or contracts for the project through some other process or through another RFP.

3.9 Time Period to File or Commence Protest to RFP

Notwithstanding any limitation periods prescribed by statute or otherwise, as a condition for the right to submit a proposal in response to this RFP, the offeror agrees any and all administrative clarifications, protests, legal actions, or any other proceedings of whatever nature, arising from or related to this RFP must be filed or commenced within fourteen (14) days following the issuance of the RFP. Procedures and time periods applicable to Protest of Award are seen forth in 5.3 of this RFP. Any Vendor may file a protest letter addressed to the State CIO/Assistant Director, Department of Administrative Services, 30 East Broad Street, 39th floor, Columbus, Ohio 43221-3595, with the following information:

The name, address, telephone number, fax number, and email address of the protester;

1. The name of the RFP being protested;
2. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant document;
3. A request for a decision by the State CIO;

4. A statement as to the form of relief requested from the State CIO; and

Any other information the protester believes to be essential to the determination of the factual and legal questions at issue in the written protest.

4. Evaluation of Proposals

4.1 Disclosure of Proposal Contents

The State will seek to open the Proposals in a manner that avoids disclosing their contents, and will seek to keep the contents of all Proposals confidential until the Contract is awarded. But the State will prepare a registry of Proposals that contains the name of each offeror. The public may inspect that registry after the State opens the Proposals.

4.2 Rejection of Proposals Generally

The State may reject any Proposal that is not in the required format, does not address all the requirements of this RFP, objects to the terms or conditions of this RFP, or that the State determines is excessive in price or otherwise not in the State's interest to accept. In addition, The State may cancel this RFP, reject all the Proposals, and seek to do the Work through a new RFP or other means.

4.3 Proposal Evaluation

The evaluation process may consist of up to six distinct phases:

1. Initial review;
2. Technical evaluation;
3. Evaluation of costs;
4. Requests for more information;
5. Determination of responsibility;
6. Contract Negotiations.

The State may decide whether phases four and six are necessary, and the State may rearrange the order in which it proceeds with the phases. The State also may add or remove sub-phases to any phase at any time, if the State believes doing so will improve the evaluation process.

4.4 Clarification and corrections

During the evaluation process, in the State's sole discretion, it may request clarification from any offeror under active consideration. It may also give any offeror the opportunity to correct defects in its Proposal, if the State believes doing so would not result in an unfair advantage for the offeror, and it is in the State's interest. The State may reject any clarification that is non-responsive or broader in scope than what the State requested. If the State does so, or if the offeror fails to respond to the request for clarification, The State then may request a corrected clarification, consider the offeror's Proposal without the clarification or disqualify the offeror's Proposal.

Corrections and clarifications must be completed off State premises.

4.5 Initial Review

The State will review all Proposals for their format and completeness. The State normally rejects incomplete or incorrectly formatted Proposals, though it may waive any defects or allow an offeror to submit a correction if the State believes doing so would not result in an unfair advantage for the offeror and it is in the State's interest. Further, if the Auditor of State does not certify a Proposal due to lateness,

The State will not open it. After the initial review, The State will forward all timely, complete and properly formatted Proposals to an evaluation team, which the Procurement Representative will lead.

4.6 Technical Evaluation

The State will evaluate each Proposal it has determined is timely, complete and properly formatted. The evaluation will be scored according to the requirements identified in this RFP, including the requirements in Attachment One. Other attachments to this RFP may further refine these requirements, and the State has a right to break these requirements into components and weigh any components of a requirement according to their perceived importance.

The State also may have the Proposals or portions of them reviewed and evaluated by independent third parties or various State personnel with experience that relates to the work or to a criterion in the evaluation process. Additionally, the State may seek reviews from end users of the project or the advice or evaluations of various State personnel that have subject matter expertise or an interest in the project. The State may adopt or reject any recommendations it receives from such reviews and evaluations or give them such weight as the State believes is appropriate.

During the technical evaluation, the State will calculate a point total for each Proposal that it evaluates. At the sole discretion of the State, it may reject any Proposal receiving a significant number of zeros for sections in the technical portions of the evaluation. The State may select those offerors submitting the highest rated Proposals for the next phase. The number of Proposals that advance to the next phase will be within the State's discretion, but regardless of the number of Proposals selected, they always will be the highest rated Proposals from this phase.

At any time during this phase, in the State's sole discretion, it may ask an offeror to correct, revise or clarify any portions of its Proposal.

The State will document all major decisions and make these a part of the Contract file along with the evaluation results for each Proposal considered.

4.7 Requirements

Attachment One provides the criteria that the State will use to evaluate the Proposals, including any mandatory requirements. If the offeror's Proposal meets all the mandatory requirements, the offeror's Proposal may be included in the next phase of the evaluation, which will consider other requirements described in a table in Attachment One.

In the case of any requirements for a team of people the offeror is proposing, the offeror must submit a team to do the work on the project that collectively meets all the team requirements. However, the experience of multiple candidates may not be combined to meet a single requirement. Further, previous experience of the candidate submitted for a Project Manager position may not be used to meet any other team member requirements. Each candidate proposed for the project team must meet at least one of the requirements.

This RFP asks for responses and submissions from offerors, most of which represent components of the requirements in Attachment One. While each requirement represents only a part of the total basis for a decision to award the Contract to an offeror, a failure by an offeror to make a required submission or meet a mandatory requirement normally will result in a rejection of that offeror's Proposal. The value assigned above to each requirement is only a value used to determine which Proposal is the most advantageous to the State in relation to the other Proposals that the State received. It is not a basis for determining the importance of meeting that requirement.

If the State does not receive any Proposal that meets all the mandatory requirements, the State may cancel this RFP. Alternatively, if the State believes it is in its interest, the State may continue to consider the highest-ranking Proposals despite their failure to meet all the mandatory requirements. In doing this, the State may consider one or more of the highest-ranking Proposals. The State may not consider any

lower-ranking Proposals unless all Proposals ranked above it are also considered, except as provided below.

In any case where no Proposal meets all the mandatory requirements, it may be that an upper-ranking Proposal contains a failure to meet a mandatory requirement the State believes is critical to the success of the RFP's objectives. When this is so, the State may reject that Proposal and consider lower-ranking Proposals. Before doing so, the State may notify the offeror of the situation and allow the offeror an opportunity to correct its failure to meet that mandatory requirement.

If the offeror corrects its failure to meet a mandatory requirement that the State has deemed critical to the success of the RFP's objectives, the State may continue to consider the offeror's Proposal. However, if the offeror is unwilling or unable to correct the failure, its Proposal may be rejected. The State then may continue to consider the other remaining Proposals, including, if the State so chooses, Proposals that ranked lower than the rejected Proposal.

4.8 Cost Evaluation

Once the technical merits of the Proposals are considered, the State may consider the costs of one or more of the highest-ranking Proposals. But it is within the State's discretion to wait until after any interviews, presentations, and demonstrations to evaluate costs. Also, before evaluating the technical merits of the Proposals, the State may do an initial review of costs to determine if any Proposals should be rejected because of excessive cost. And the State may reconsider the excessiveness of any Proposal's cost at any time in the evaluation process.

The State may select one or more of the Proposals for further consideration in the next phase of the evaluation process based on the price performance formula contained in Attachment One. The Proposal(s) selected for consideration in the next phase always will be the highest-ranking Proposal(s) based on this analysis. That is, the State may not move a lower-ranking Proposal to the next phase unless all Proposals that rank above it also are moved to the next phase, excluding any Proposals the State disqualifies because of excessive cost or other irregularities.

If the State finds it should give one or more of the highest-ranking Proposals further consideration, the State may move the selected Proposals to the next phase. The State alternatively may choose to bypass any or all subsequent phases and make an award based solely on its scoring of the preceding phases, subject only to its review of the highest-ranking offeror's responsibility, as described below.

4.9 Request for More Information

The State may require some offerors to interview, make a presentation about their Proposals, or demonstrate their products or services. If the presentations, demonstrations, or interviews are held as part of the technical evaluation phase, all offerors that have Proposals under evaluation may participate. Alternatively, if the presentations, demonstrations, or interviews are held after the technical evaluation, the State normally will limit them to one or more of the highest ranking offerors. The State normally will limit such presentations, demonstrations, and interviews to areas in which it seeks further information from the highest ranking offeror or offerors. Typically, these discussions provide an offeror with an opportunity to do one or more of the following:

- Clarify its Proposal and ensure a mutual understanding of the Proposal's content;
- Showcase its approach to the Work; and
- Demonstrate the professionalism, qualifications, skills, and work knowledge of its proposed candidates.

The State will schedule the presentations, demonstrations, and interviews at its convenience and discretion. The State will determine the scope and format of any such presentations, demonstrations, and

interviews and may record them. Additionally, if the State moves more than one offeror to this phase, the scope and format of these presentations, demonstrations, and interviews may vary from one offeror to the next, depending on the particular issues or concerns the State may have with each offeror's Proposal.

The State normally will not rank interviews, demonstrations, and presentations. Rather, if the State conducts the interviews, demonstrations, or presentations as part of the technical evaluation, the State may use the information it gathers during this process in evaluating the technical merits of the Proposals. If the State holds the demonstrations, presentations, or interviews only for one or more of the top-ranking offerors after the evaluation phase, the State may decide to revise its existing Proposal evaluations based on the results of this process.

4.10 Determination of Responsibility

The State may review the background of one or more of the highest ranking offerors and its or their key team members and subcontractors to ensure their responsibility. For purposes of this RFP, a key team member is a person an offeror identifies by name in its Proposal as a member of its proposed team. The State will not award the Contract to an offeror it determines is not responsible or that has proposed candidates or subcontractors to do the Work that are not responsible. The State's determination of an offeror's responsibility may include the following factors: experience of the offeror and its key team members and subcontractors, its and their past conduct on previous contracts, past performance on previous contracts, ability to execute this Contract properly, and management skill. The State may make this determination of responsibility based on the offeror's Proposal, reference evaluations, a review of the offeror's financial ability, and any other information the State requests or determines is relevant.

Some of the factors used in determining an offeror's responsibility, such as reference checks, may also be used in the technical evaluation of Proposals in phase two of the evaluation process. In evaluating those factors in phase two, the weight the State assigns to them, if any, for purposes of the technical evaluation will not preclude the State from rejecting a Proposal based on a determination that an offeror is not responsible. For example, if the offeror's financial ability is adequate, the value, if any, assigned to the offeror's relative financial ability in relation to other offerors in the technical evaluation phase may or may not be significant, depending on the nature of the Work. If the State believes the offeror's financial ability is inadequate, the State may reject the offeror's Proposal despite its other merits.

The State may make a responsibility determination at any time during the evaluation process, but it typically will do so only once it has evaluated the technical merits and costs of the Proposals. The State always will review the responsibility of an offeror selected for an award before making the award, if it has not already done so earlier in the evaluation process. If the State determines the offeror selected for award is not responsible, the State then may go down the line of remaining offerors, according to rank, and determine responsibility with the next highest-ranking offeror.

4.11 Reference Checks

As part of the State's determination of an offeror's responsibility, the State may conduct reference checks to verify and validate the offeror's and its proposed candidates' and subcontractors' past performance. Reference checks that indicate poor or failed performance by the offeror or a proposed candidate or subcontractor may be cause for rejection of the offeror's Proposal. Additionally, the State may reject an offeror's Proposal as non-responsive if the offeror fails to provide requested reference contact information. The State may consider the quality of an offeror's and its candidates' and subcontractors' references as part of the technical evaluation phase, as well as in the State's determination of the offeror's responsibility. The State also may consider the information it receives from the references in weighing any requirement contained in the technical evaluation phase, if that information is relevant to the

requirement. In checking an offeror's or any of its proposed candidates' or subcontractors' references, the State will seek information that relates to the offeror's previous contract performance. This may include performance with other governmental entities, as well as any other information the State deems important for the successful operation and management of the Work and a positive working relationship between the State and the offeror. In doing this, the State may check references other than those provided in the offeror's Proposal. The State also may use information from other sources, such as third party reporting agencies.

4.12 Financial Ability

Part of the State's determination of an offeror's responsibility may include the offeror's financial ability to perform the Contract. This RFP may expressly require the submission of audited financial statements from all offerors in their Proposals, but if this RFP does not make this an express requirement, the State still may insist an offeror submit audited financial statements for up to the past three years, if the State is concerned an offeror may not have the financial ability to carry out the Contract. Also, the State may consider financial information other than the information that this RFP requires as part of the offeror's Proposal, such as credit reports from third-party reporting agencies.

4.13 Contract Negotiations

The final phase of the evaluation process may be contract negotiations. It is entirely within the discretion of the State whether to permit negotiations. An offeror must not submit a Proposal assuming that there will be an opportunity to negotiate any aspect of the Proposal, and any Proposal that is contingent on the State negotiating with the offeror may be rejected. The State is free to limit negotiations to particular aspects of any Proposal or the RFP, to limit the offerors with whom the State negotiates, and to dispense with negotiations entirely. If negotiations are held, they will be scheduled at the convenience of the State, and the selected offeror or offerors must negotiate in good faith.

The State may limit negotiations to specific aspects of the RFP or the offeror's Proposal. Should the evaluation result in a top-ranked Proposal, the State may limit negotiations to only that offeror and not hold negotiations with any lower-ranking offeror. If negotiations are unsuccessful with the top-ranked offeror, the State then may go down the line of remaining offerors, according to rank, and negotiate with the next highest-ranking offeror. Lower-ranking offerors do not have a right to participate in negotiations conducted in such a manner.

If the State decides to negotiate simultaneously with more than one offeror, or decides that negotiations with the top-ranked offeror are not satisfactory and therefore negotiates with one or more of the lower ranking offerors, the State then will determine if an adjustment in the ranking of the offerors with which it held negotiations is appropriate based on the negotiations. The Contract award, if any, then will be based on the final ranking of offerors, as adjusted.

Auction techniques that reveal one offeror's price to another or disclose any other material information derived from competing Proposals are prohibited. Any oral modification of a Proposal will be reduced to writing by the offeror as described below.

Following negotiations, the State may set a date and time for the offeror(s) with which the State conducted negotiations to submit a best and final Proposal. If negotiations were limited and all changes were reduced to sign writings during negotiations, the State need not require a best and final Proposal.

If best and final Proposals are required, they may be submitted only once, unless the State determines that it is in the State's interest to conduct additional negotiations. In such cases, the State may require another submission of best and final Proposals. Otherwise, discussion of or changes in the best and final

Proposals will not be allowed. If an offeror does not submit a best and final Proposal, the State will treat that offeror's previous Proposal as its best and final Proposal.

The State usually will not rank negotiations and normally will hold them only to correct deficiencies in or enhance the value of the highest-ranked offeror's Proposal.

From the opening of the Proposals to the award of the Contract, everyone evaluating Proposals on behalf of the State will seek to limit access to information contained in the Proposals solely to those people with a need to know the information. the State also will seek to keep this information away from other offerors, and the State may not tell one offeror about the contents of another offeror's Proposal in order to gain a negotiating advantage.

Before the award of the Contract or cancellation of the RFP, any offeror that seeks to gain access to the contents of another offeror's Proposal may be disqualified from further consideration.

Negotiated changes will be reduced to writing and become a part of the Contract file, which will be available for public inspection after award of the Contract or cancellation of the RFP, provided the State does not plan to reissue the RFP. If the State plans to reissue the RFP, the Contract file will not be available until the subsequent RFP process is completed. Unless the State agrees otherwise in writing, the offeror must draft and sign the written changes and submit them to the State within five business days. If the State accepts the changes, the State will give the offeror written notice of the State's acceptance, and the negotiated changes to the successful offer will become a part of the Contract.

4.14 Failure to Negotiate

If an offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations with that offeror, remove the offeror's Proposal from further consideration, and seek such other remedies as may be available in law or in equity.

5. Award of the Contract

5.1 Contract Award

The State plans to award the Contract based on the schedule in the RFP, if the State decides the project is in its best interest and has not changed the award date.

Under Ohio's anti-terrorism legislation, effective April 14, 2006, the selected offeror must complete a Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization to certify that the offeror has not provided material assistance to any terrorist organization listed on the Terrorist Exclusion List. The form and the Terrorist Exclusion List are available on the Ohio Homeland Security Web site. The form must be submitted with the offeror's Proposal. If an offeror answers yes or fails to answer any question on the form, the State may not award the Contract to that offeror. The offeror may request the Department of Public Safety to review such a denial of an award. More information concerning this law is available at: http://www.homelandsecurity.ohio.gov.

Included with this RFP, as Attachment Five, is a sample of the Contract for the RFP. The State will issue two originals of the Contract to the Contractor proposed for award. The offeror must sign and return the two originals to the Procurement Representative. The Contract will bind the State only when the State's duly authorized representative signs all copies and returns one to the Contractor with an award letter, the State issues a purchase order and all other prerequisites identified in the Contract have occurred.

The Contractor must begin work within 15 business days after the State issues a purchase order under the Contract. If the State awards a Contract pursuant to this RFP, and the Contractor is unable or unwilling to begin the work within the time specified above, the State may cancel the Contract, effective immediately on notice to the Contractor. The State then may return to the evaluation process under this RFP and resume the process without giving further consideration to the originally selected Proposal. The State also may seek such other remedies as may be available to the State in law or in equity for the selected offeror’s failure to perform under the Contract.

5.2 Contract

If this RFP results in a Contract award, the Contract will consist of this RFP, including all attachments, written amendments to this RFP, the Contractor's accepted Proposal and written, authorized amendments to the Contractor's Proposal. It also will include any materials incorporated by reference in the above documents and any purchase orders and change orders issued under the Contract. The form of the Contract is included as a one-page attachment to this RFP, but it incorporates all the documents identified above. The general terms and conditions for the Contract are contained in Attachment Four to this RFP. If there are conflicting provisions between the documents that make up the Contract, the order of precedence for the documents is as follows:

1. The one-page Contract (Attachment Five) in its final form;
2. This RFP, as amended;
3. The documents and materials incorporated by reference in the RFP;
4. Executive Order, EO 2011-12K incorporated by reference in the RFP;
5. The Contractor's Proposal, as amended, clarified and accepted by the State;
6. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, change orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract. To be binding on the State, a duly authorized representative of the State must sign any change order under or amendment to the Contract.

5.3 Time Period to File or Commence Protest to Award

Notwithstanding any limitation periods prescribed by statute or otherwise, as a condition for the right to submit a proposal in response to this RFP, the offeror agrees any and all administrative clarifications, protests, legal actions, or any other proceedings of whatever nature, arising from or related to the award of a Contract, must be filed or commenced within fourteen (14) days following the signing of the Contract. Procedures and time periods applicable to Protest of the RFP itself are set forth in 3.9 of this RFP. Any offeror may file a protest letter addressed to the State CIO/Assistant Director, Department of Administrative Services, 30 East Broad Street, 39th floor, Columbus, Ohio 43221-3595, with the following information:

1. The name, address, telephone number, fax number, and email address of the protester;
2. The name of the Contract award being protested;
3. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant document;
4. A request for a decision by the State CIO;
5. A statement as to the form of relief requested from the State CIO; and
6. Any other information the protester believes to be essential to the determination of the factual and legal questions at issue in the written request.

6. Attachments

6.1 Attachment One: Evaluation Criteria

Mandatory Requirements: The first table lists this RFP's mandatory requirements. If the offeror's proposal meets all the mandatory requirements, the offeror's proposal may be included in the next part of the technical evaluation phase described in the next set of tables. In the following section the phrase "of similar size and complexity" is used multiple times. In the context of this RFP this phrase should be interpreted to mean:

1. Development/deployment of multiple cooperating/integrated systems
2. Large distributive user community that needs training, i.e., ~500 agencies/stores, auditors, vendors, brokers, warehouse personnel, etc.
3. Multiple external system interfaces that need to be maintained and supported

Project Mandatory Requirements	Reject	Accept
Mandatory #1: The State is seeking a proposal that exhibits extensive experience and the resources to manage the Project effectively. Therefore the proposal must describe extensive experience in the implementation of a project of similar size and complexity. *Extensive experience* is defined as having delivered fully functional application source code on at least two (2) or more projects that integrated two (2) or more COTS applications together that encompassed an entire defined business process. *Size and complexity* is defined as delivery of an application that incorporates a 3-tier infrastructure (presentation, logic, database layers) that supported remote retail point of sale sites, financial sales transactions, and at least one (1) e-commerce application		

with on-line payment.		
Project Management Mandatory Requirements	Reject	Accept
Mandatory #2: The State is seeking a proposal that describes Project Management services provided on a minimum of two (2) projects that encompassed the full system development life cycle from initiation through implementation on a project of similar size and complexity. *Size and complexity* has the same definition as used in the Project Mandatory Requirement above.		
Retail Domain Expert Mandatory Requirements	Reject	Accept
Mandatory #3: The State is seeking a proposal that exhibits expert knowledge of Retail systems as exhibited by delivery of, or integration with, two (2) or more retail point of sale system implementations involving management of multiple stock keeping units (SKUs) of similar size and complexity, either as part of a professional services contract or as a process leader in a business setting. *Size and complexity* has the same definition as used in the Project Mandatory Requirement above.		
Financial Domain Expert Mandatory Requirements	Reject	Accept
Mandatory #4: The State is seeking a proposal that describes expert knowledge of Financial and Accounting systems as exhibited by the delivery of, or integration with, two (2) or more financial and accounting system implementations which supported a financial statement based on GAAP, either as part of a professional services contract or as a process leader in a business setting.		

Scored Criteria. In the technical evaluation phase, the State will rate the technical merits of the Proposals based on the following requirements and the weight assigned to each requirement:

Project Requirement	Weight	Does Not Meet	Meets	Exceeds	Greatly Exceeds
Project Contractor(s) that exhibit(s) extensive experience and the resources to manage the Project effectively. The proposal describes extensive experience in the implementation of a project of similar size and complexity. *Extensive experience* and *Size and complexity* are as defined in the project mandatory requirement.	30		5	7	9
Project Manager Requirements	**Weight**	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
Experience as the project manager on a minimum of two (2) projects that encompassed the full system development life cycle from initiation through post implementation on a project that utilized an iterative development methodology of similar size and complexity. *Extensive experience* and *Size and complexity* are as defined in the project mandatory requirement.	15		5	7	9

A minimum experience of 36 months using various project management tools such as MS Project, Project Workbench, etc.	10	0	5	7	9
Retail Domain Expert Requirements	**Weight**	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
Expert knowledge of Retail systems as exhibited by delivery of, or integration with, two (2) or more retail systems point-of-sale system implementations involving management of multiple stock keeping unit (SKUs) of a similar size and complexity, either as part of a professional services contract or as a process leader in a business setting. *Size and complexity* are as defined in the project mandatory requirement.	10		5	7	9
Financial Domain Expert Requirements	**Weight**	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
Expert knowledge of Financial and Accounting systems as exhibited by delivery of two (2) or more financial and accounting system implementations which supported a financial statement based on GAAP, either as part of a professional services contract or as a process leader in a business setting.	20		5	7	9
Architect Requirements	**Weight**	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
A minimum of 36 months of full-time experience as an information technology system architect for projects that were enterprise-wide in scope that involved networking, multiple systems integration, data migration, reporting, and n-tier Web architectures.	15	0	5	7	9
A minimum of 24 months experience managing a technical team and its activities from inception to implementation on projects of similar size and complexity.	10	0	5	7	9
QA Lead Requirements	**Weight**	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
A minimum of 12 months of full-time experience as an information technology quality assurance lead for projects that were enterprise-wide in scope that involved networking, multiple systems integration, data migration, reporting, and n-tier Web architectures.	10	0	5	7	9

A minimum of 12 months experience coordinating full life-cycle testing on projects of similar size and complexity.	10	0	5	7	9
Proposed Solution for DOLC [1]					
	Weight	**Does Not Meet**	**Meets**	**Exceeds**	**Greatly Exceeds**
Proposed Solution (Total Weight = 50)					
1. Architecture and Technology	5	0	5	7	9
2. Regulatory Compliance	1	0	5	7	9
3. Scalability and Capacity	1	0	5	7	9
4. Responsiveness & Performance	2.5	0	5	7	9
5. Supportability	1	0	5	7	9
6. Data requirements	2.5	0	5	7	9
7. Security & Control	5	0	5	7	9
8. DOLC Systems	12.5	0	5	7	9
9. External Interfaces	2.5	0	5	7	9
10. Scanner System	2	0	5	7	9
11. Accounting	10	0	5	7	9
12. Permitting	2	0	5	7	9
13. Reporting	2	0	5	7	9
14. Optional Requirements	1	0	5	7	9
Proposed System Development Life Cycle Methodology/Approach	15	0	5	7	9
Proposed Staffing Plan	20	0	5	7	9
Proposed System Development / Deployment Plan	35	0	5	7	9

[1] The description of requirements for these graded components can found in Attachment Three

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

Criteria Percentage	***Percentage***
Technical Proposal	70%
Cost Summary	30%

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 Technical Proposal will receive 700 points. The remaining offerors will receive a percentage of the maximum points available based upon the following formula:

Technical Proposal Points = (Offeror's Technical Proposal Points/Highest Number of Technical Proposal Points Obtained) x 700

The offeror with the lowest proposed Not-To-Exceed Fixed Price will receive 300 points. The remaining offerors will receive a percentage of the maximum cost points available based upon the following formula:

Cost Summary Points = (Lowest Not-To-Exceed Fixed Price/Offeror's Not-To-Exceed Fixed Price) x 300

Total Points Score: The total points score is calculated using the following formula:
Total Points = Technical Proposal Points + Cost Summary Point

6.2 Attachment Two: Project Requirements

This section provides an overview of the project requirements, deliverables and system artifacts that the Contractor is expected to fulfill. While the offeror is expected to expand on the details of these requirements, the tasks listed are representative of the total cost of the Project. The offeror should use this Attachment as a reference when writing their proposal response.

DOLC Role. The DOLC will provide staff, as it deems appropriate, to perform Project monitoring, will participate in quality assurance and configuration management tasks, and will participate in Project reviews. The DOLC's technical staff is expected to assume increasing support roles throughout the Project phases. State staff availability will be determined as part of Task 1 activities.

Contractor Responsibilities and Deliverables. The Contractor must meet all RFP requirements. Note that alternative Requirements and Deliverables may be proposed. If alternatives are proposed: 1) the reasons for proposing them must be provided, and 2) they must be mapped back to the RFP Deliverables to show that requested content or services are provided. If there are differences in content or services proposed with the alternative Deliverables, then the reasons for this must be explained.

Work Hours and Conditions. DOLC will provide office space, telephone, workstation/s (stationary and/or laptop) with appropriate network connections for each Contractor staff person. Shared printers (including printer supplies) will also be supplied. The workstations will each be equipped with the Microsoft Office 2008 suite of products which will be used by ALL Project Team members for Project related materials. DOLC has chosen Microsoft Project to develop, maintain and monitor the Project. However, the Contractor may propose another product solution for consideration by DOLC. In either case, the Contractor must use a project management tool to develop, maintain and monitor the Project Plan for the duration of the Project. The Contractor and its subcontractors, if any, will be responsible for all long distance service costs incurred by their staff not specifically related to the Project. DOLC prefers that Contractor personnel use credit cards for such calls. Normal working hours on DOLC property are

Monday through Friday, except for State holidays, from 8:00 a.m. to 5:00 p.m., Columbus, Ohio local time, with one hour for lunch.

DOLC's preference is that all work is performed on-site. However, off-site work can be done if it is done within the United States (Ohio preferred) if written permission is given to the Contractor after a security review. The Contractor must comply with Executive Order 2011-12K and policies found at: http://das.ohio.gov/Divisions/InformationTechnology.aspx and http://das.ohio.gov/Divisions/InformationTechnology/GovernorsOrdersandManagementDirectives.aspx in the bottom right corner of the page under "Policies".

Task 1 – Project Management
The Contractor must provide project management for the duration of the Project. The Contractor must adhere to the proposed project schedule and provide weekly status reports that document as a minimum the progress, issues and next steps for the Project.

The required meetings are:

1. Kick-Off Meeting: The Contractor and DOLC will conduct a kick-off meeting within five working days of starting work.
2. Weekly Status Meetings: Throughout the Project, the Contractor's Project Manager and key Project staff members must attend weekly status meeting with DOLC project stakeholders. The weekly meeting must follow a preset agenda and must allow the Contractor or the DOLC the option to discuss other issues of concern.

The required deliverables are:

1. High level phased Implementation schedule within 2 weeks of the start of the Project
2. Project schedule for each suggested phase
3. Project budget
4. Change order management plan
5. Project status reports (weekly)
6. Issues log
7. Risk assessment and risk mitigation log
8. Architecture decision log

Task 2 - Systems Analysis and Design
The Contractor must perform a detailed review and analysis of the identified functional and non-functional requirements. The Contractor must assist DOLC in validating the current documented requirements and analyze how the proposed new system(s) will meet these requirements. The Contractor must develop Wireframe mock-ups as part of design to be reviewed with DOLC representatives for validation and signoff.

The required deliverables are:

1. Wireframes mock-up for internal web application and Web Store
2. ERD (Entity Relationship Diagram)
3. Data Dictionary
4. Updated System and Business Requirements
5. Requirements Traceability Matrix
6. System Architecture Diagram

Task 3 – Data Migration Plan
The Contractor must provide a data migration plan that is in alignment with the System Migration Plan to load/convert legacy data into the new To-Be data store(s). The Contractor must propose strategies to minimize the loss of historical data during conversion.

Task 4 – Documentation
The Contractor must provide the following documentation:

1. Development Guide
2. System Administration Guide
3. User Guide(s)
4. Training Material
5. Online Help

Task 5 – Train the Trainer
The Contractor must develop and implement a train-the-trainer plan/program with training materials for training of all new users of the system(s) including agents, DOLC analysts, DOLC auditors, DOLC administrators, vendors, brokers, warehouse personnel, DOLC Accounting users, DOLC Permitting System Users, and non-DOLC Permitting System users

Task 6 – Knowledge Transfer
The Contractor must develop and implement a knowledge transfer plan/program that will train up to 8 DOLC ITG staff members to be able to support the system(s) after the Contractor has completed the project.

Task 7 – Disaster Recovery and Business Continuity
The Contractor must work with the DOLC ITG staff to ensure that the proper measures have been made to comply with the disaster recovery and business continuity standards that have been established by the State.

Task 8 – Testing
All system(s) components must be subjected to system testing performed by a test team composed of Contractor and DOLC staff. The Contractor must conduct unit testing, integration testing, and system testing, as well as assist with acceptance testing. The DOLC prefers a testing methodology which allows for a testing environment to be established which mirrors the production environment and for incremental and integration testing to be performed in this environment. The system test team will function as system users during system testing and will evaluate all test outcomes. The system test team must direct system testing and operate the system in accordance with the system testing plans. The system test team must provide all error resolution and other technical support as required.

Contractor deliverables are:

1. System Test Plan (Repeats for each proposed phase)
2. Application System Testing (Repeats for each proposed phase)
3. Acceptance Test Planning Assistance (Repeats for each proposed phase)
4. Acceptance Test Assistance (Repeats for each proposed phase)
5. System Security Assessment (Repeats for each proposed phase)

Task 9 – System Development/Deployment
DOLC requires an extensive and carefully structured approach to the implementation of each phase. The Contractor must work with DOLC to determine the number of phases and the contents of each phase. The Contractor must balance time to value versus the inherent risks of a flash cutover.

The Contractor must provide a pragmatic phased system deployment plan that minimizes the inherent risks associated with replacing the current systems and business processes. Contractor must propose a phased plan that minimizes the problems that arise but maximizes time to value

This includes the organization and execution of cutover activities necessary to transition operations to the new system. The Contractor must provide on-site support throughout the entire implementation period. The approach that the Contractor recommends must be documented, reviewed and approved by DOLC Project stakeholders.

Task 10 – System Implementation
The Contractor must implement a solution to fulfill the current documented requirements, along with any additions and updates made during the systems analysis and design phase of the Project. Refer to Supplement Four for the detailed list of functional and non-functional requirements. The Contractor must size the project based on the scope as laid out by Supplement Four and propose solution designs to implement each requirement. The DOLC expects system implementation to be completed within 18 to 24 months after work begins under the Contract.

Task 11 – Post Implementation and Long Term Support
Production and Post Implementation Support: The Contractor must provide production support throughout the Project and post implementation support for a period of twelve months after the last Deployment phase. This post deployment support must consist of technical, functional, and operational support and must be provided by skilled Contractor personnel who have become familiar with DOLC over the course of the implementation effort.

Software Maintenance and Support: The Contractor must provide software maintenance and product support as it relates to the proposed software products/modules. In addition, the Contractor must agree to continue offering product support for the software for a minimum of 5 years. In addition to the Project work requirements identified in this RFP, DOLC expects the selected Contractor to work with DOLC to produce fixed price costs and Deliverables for services per the Change Order processes identified in this RFP. The approach provides DOLC and the Contractor with the flexibility to set priorities and manage Deliverables for short-term efforts with potentially changing future and unanticipated requirements.

PART TWO: SPECIAL PROVISIONS

Software Licenses. The Contractor must provide or arrange for perpetual software licenses for all Commercial Software necessary to meet the requirements of this RFP. For the Key Commercial Software, the State requires an Agency License. For all other Commercial Software, the State requires a license that provides adequate usage rights to meet the State's current need, as identified elsewhere in this RFP and as disclosed in the offeror's Cost Summary. An Agency License means all DOLC employees with a need to access and use the software may do so. It also means all third parties involved in related activities, to the extent that such access supports the DOLC's governmental and business functions. An Agency License also gives DOLC the right to copy the Key Commercial Software and run and use multiple instances of it, for the above purposes, if reasonably necessary to facilitate the authorized use of it, provided DOLC owns or controls the computers on which the Key Commercial Software is installed. DOLC may also copy the software for use on computers owned and controlled by third parties, if the purpose of doing so is to facilitate disaster recovery, emergency needs, including testing and training for such purposes, and to permit a third party to host the Key Commercial Software on behalf of the State in an outsourcing arrangement. This Agency License also gives DOLC the right to

provide the authorized individuals described above access to the Key Commercial Software remotely through a browser or client software and an Internet or similar connection for all uses and purposes identified above.

Submittal of Deliverables. The Contractor must perform its tasks in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. The Contractor must complete its work in steps that will result in Deliverables associated with those steps, and the Contractor must provide the required Deliverables no later than the due dates proposed in the RFP or included in the Contractor's Project Plan as approved by the State. At the time of delivery of a written Deliverable, the Contractor must submit an original and one copy of each Deliverable, plus an electronic copy. The Contractor must provide the electronic copy in a file format acceptable to the State. Also, with each Deliverable, the Contractor must submit a Deliverable Submittal Form signed by the Project Manager. (See Attachment Six of the RFP.)

By submitting a Deliverable, the Contractor represents that it has performed the associated tasks in a manner that meets the Contract's requirements.

The Contractor must provide all Deliverables to the DOLC Project Manager, who will review (or delegate review of) the materials or documents within a reasonable time after receipt, as specified in the Project Plan.

If the State determines a Deliverable is not in compliance, the DOLC Project Manager will note the reason for non-compliance on the Deliverable Submittal Form and send the form to the Project Manager. At no expense to the State, the Contractor then must bring the Deliverable into conformance and re-submit it to the DOLC Project Manager within ten business days.

If the State agrees the Deliverable is compliant, the DOLC Project Manager will indicate that by signing the Deliverable Submittal Form and returning a copy of it to the Contractor. In addition, if the DOLC Project Manager or designee determines the State should make a payment associated with the Deliverable, the DOLC Project Manager will indicate the payment should be made on the Deliverable Submittal Form.

The State form authorizing payment (Attachment Six) and the payment itself do not indicate the State has accepted the Deliverables or the Project associated with the payment. The State's acceptance of the Deliverables that are part of developing the Project is conditioned on a successful performance test upon completion of the Project.

Status reports are not subject to a review and approval process.

The Contractor's Fee Structure. The Contract award will be a not-to-exceed fixed price for the specified COTS Software and Support Fees, System maintenance and Work required to complete the Tasks and Deliverables.

The payment schedule below includes the Deliverable, Payment Milestone, Payment, and for Work required to complete the Task and Deliverables Payment under this Contract will be made as follows.

> **COTS Software and Support Fees –** The State will pay for any COTS Software it acquires as part of this Contract only on the State's execution of a schedule or other ordering document, delivery of the software freight on board (F.O.B.) destination at the Project site, acceptance of the COTS Software in accordance with the applicable schedule or other ordering document, and

receipt of a proper invoice for the COTS Software. Annual support fees, if applicable, will be paid in accordance with the applicable agreement covering the COTS Software. As part of the offeror's Proposal, the offeror may be obligated to obtain price commitments from key software providers to permit licensing of COTS Software at a committed price on an as-needed basis during the Contract period. This will permit the State to acquire licenses to meet the Project's schedule and to avoid acquiring licenses before they are needed.

If support fees are required beyond the five years of support fees provided in the Cost Summary, then the Contractor agrees to provide quotes for additional annual support fees according to the provisions within the software license agreement(s).

System Maintenance – The State will pay for system maintenance after the 12 month warranty period, which is at no additional charge to the State. System maintenance excludes COTS Software and Support Fees, identified above, and will be paid on an annual basis.

Tasks and Deliverables – The State will pay for the Work required to complete the Tasks and Deliverables based on the completion and acceptance of Deliverables and/or Milestones. As stated previously, this Project is designated as a **Not-to-Exceed Fixed Price**. DOLC will withhold ten percent of the total cost of the Tasks and Deliverables identified in Attachment Two until completion of the Standards of Performance and Acceptance as described in Attachment Four. As part of each offeror's Proposal, a Proposed Payment Schedule must be provided within their separately sealed Cost Proposal. The offeror's proposed development/deployment and payment schedule may need to be revised to be mutually acceptable.

Reimbursable Expenses. None.

Bill to Address. Department of Commerce
Division of Administration
6606 Tussing Road
Reynoldsburg, Ohio 43068

Location of Data. All State data must be maintained within the Continental United States.

6.3 Attachment Three: Requirements for Proposal

Proposal Format. Each Proposal must include sufficient data to allow the State to verify the total cost for the Project and all of the offeror's claims of meeting the RFP's requirements. The Proposal must provide a response to how the offeror plans to fulfill each task in the Scope of Work outlined in Attachment Two. In addition, each Proposal must also respond to every request for information in this attachment, whether the request requires a simple "yes" or "no" or requires a detailed explanation. Offerors are given wide latitude in the degree of detail they offer or the extent they reveal plans, designs, systems, processes, and procedures. However, simply repeating the RFP's requirement and agreeing to comply may be an unacceptable response and may cause the Proposal to be rejected. Emphasis should be on completeness and clarity of content.

These instructions describe the required format for a responsive Proposal. The offeror may include any additional information it believes is relevant. An identifiable tab sheet must precede each section of a Proposal, and each Proposal must follow the format outlined below. All pages, except pre-printed technical inserts, must be sequentially numbered. Any material deviation from the format outlined below may result in a rejection of the non-conforming Proposal.

Please note that the sections which are bolded below is an indication that these sections are scored (see Scoring Criteria contained in Attachment One)

Each Proposal must contain the following:

- Vendor Information Form (OBM-5657)
- Subcontractor Letters
- Offeror Certification Form
- Minimum Financial Requirements
- Offeror Description
- Assumptions
- Offeror Profile Summary Form
- Personnel Profile Summaries
- Proposed Solution
- Proposed Staffing Plan
    - Time Commitment
- Proposed System Development Life Cycle Methodology/Approach
    - Development & Testing
    - Documentation & Training
    - System Deployment and Post-Deployment
- Proposed System Development/Deployment Plan
    - Support Requirements
    - Equipment and System Elements
- Pre-Existing Materials
- Commercial Materials
- Changes to Attachment Eleven
- Terms for Commercial Materials
- Bond Commitment
- Conflict of Interest statement
- Proof of Insurance
- Payment Address
- Legal Notice Address
- W-9 Form
- Declaration Regarding Terrorist Organizations

- Standard Affirmation and Disclosure Form (EO 2011-12K)
- Affirmative Action
- Cost Summary (must be separately sealed)

Vendor Information Form. The offeror must submit a signed and completed Vendor Information Form (OBM-5657) for itself and for each subcontractor the offeror plans to use under the Contract. The form is available at http://obm.ohio.gov/MiscPages/Forms/default.aspx.

Subcontractor Letters. For each proposed subcontractor, the offeror must attach a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following included in the letter:

1. The subcontractor's legal status, federal tax identification number, D-U-N-S number, and principal place of business address;

2. The name, phone number, fax number, email address, and mailing address of a person who is authorized to legally bind the subcontractor to contractual obligations;

3. A description of the work the subcontractor will do;

4. A commitment to do the work if the offeror is selected; and

5. A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP.

Offeror Certifications. The offeror must complete Attachment Seven, Offeror Certification Form.

Offeror Description. If two (2) or more firms are together submitting a joint Proposal, the Proposal must define the responsibilities each firm is proposing to undertake. Of the firms submitting a joint Proposal, one must be designated as the prime. In the context of this RFP, the term “offeror” should be interpreted to mean “prime” throughout the remainder of this RFP. Additionally, the “prime” for the “offeror” awarded the Contract will be the “Contractor.”

If a joint Proposal is submitted, this section of the Proposal must designate a single authorized official to serve as the sole point of contact between the State and the joint responding firms.

Each Proposal must include a description of the offeror's capability, capacity, and experience in the industry. The description should include the date the offeror was established, its leadership, number of employees, number of employees the offeror will engage in tasks directly related to the Project, and any other background information that will help the State gauge the ability of the offeror to fulfill the obligations of the Contract. If a joint Proposal is being submitted involving two (2) or more firms, then the preceding information requested should be provided for each of the firms. Additionally, this section of the proposal must include a detailed description of how the prime identified for a joint proposal will ensure a cohesive approach and solution to meeting the RFP requirements.

Contact information (Name, title, address, phone number, email address) must be provided for a person serving as the State’s contact person to respond to requests for additional information and to answer questions during procurement process.

Assumptions. The offeror must list all the assumptions the offeror made in preparing the Proposal. If any assumption is unacceptable to the State, the State may reject the Proposal. No assumptions may be included regarding negotiation, terms and conditions, or requirements.

Proposal Mandatory Requirements Form. This RFP includes a Proposal Mandatory Requirements Form as an attachment. The offeror must use this form and fill it out completely to provide the required information.

The evaluation criteria includes four (4) Proposal Mandatory Requirements that must be met by the offeror or by a group of firms submitting a joint Proposal through a prime. The mandatory requirements cover the following areas:

- Project Mandatory Requirements
- Project Management Mandatory Requirements
- Retail Domain Expert Mandatory Requirements
- Financial Domain Expert Mandatory Requirements

The Proposal shall contain corporate experience of the offeror or a firm participating in a joint Proposal demonstrating that the Proposal meets each mandatory requirement.

The Proposal Mandatory Requirements Form contained in this document has been customized for the applicable mandatory requirements for the Proposal. (Refer to Attachment Eight.) Each page of the form may contain minor variations. If an offeror elects to duplicate the form electronically, the offeror must carefully review each page of the form to ensure that it has been copied accurately. Failure to duplicate the form exactly may lead to the rejection of the offeror's Proposal.

Each Proposal must meet all the mandatory requirements in the RFP. If a Proposal does not meet all the mandatory requirements, the State may reject the Proposal as non-responsive.

The various sections of the Proposal Mandatory Requirements Forms are described below:

a) **Mandatory Experience and Qualifications.** This section of the Proposal must demonstrate that the offeror has the experience needed to meet the RFP's mandatory requirements. (Refer to Attachment Eight.) For each reference, the Proposal must provide the following information:

- Contact Information. The completed form must provide a client contact name, title, phone number, email address, company name, and mailing address. The Proposal also must include the same information for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide this information or providing information that is inaccurate or out of date may result in the State not including the reference in the evaluation process or rejecting the Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization or one of the firms participating in a joint Proposal, subsidiaries, partnerships, etc.
- Project Name. The completed form must provide the name of the project where it obtained the mandatory experience.
- Dates of Experience. The completed form must provide a beginning month and year and an ending month and year to show the length of time the offeror performed the work, not just the length of time the offeror was engaged by the reference.
- Description of the Related Service Provided. The State will not assume that, since the experience requirement is provided at the top of the page, all descriptions on that page relate to that requirement. The completed form must reiterate the experience being described, including the capacity in which the work was performed and the role of the offeror on the

Project. It is the offeror's responsibility or the firm(s) responsibility, in the case of a joint Proposal, to customize the description to clearly substantiate the qualification.

- Description of how the related service shows the offeror's of firm's experience, capability, and capacity to develop the Deliverables and to achieve this Project's milestones.

The Proposal must list each project experience separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

b) **Required Experience and Qualifications.** The offeror must complete this section to demonstrate that it meets the requirements for experience. For each reference, the offeror must provide the information in the same manner as described above under item a, Mandatory Experience and Qualifications.

THE OFFEROR MAY USE THE EXPERIENCE OR QUALIFICATIONS OF A FIRM THAT HAS JOINED TOGETHER TO SUBMIT A PROPOSAL TO MEET ANY OF THE ABOVE MANDATORY QUALIFICATIONS OR EXPERIENCE. THESE ARE NOT REQUIRED TO BE FULFILLED EXCLUSIVELY THROUGH THE QUALIFICATIONS AND EXPERIENCE OF THE OFFEROR. If the offeror seeks to meet any of the qualifications and experience through a partnering firm, the Proposal must identify the firm by name in the appropriate part of the Project Mandatory Requirements Form, in Attachment Eight to this RFP, for each reference.

Personnel Profile Summaries. Each Proposal must include a profile for each key member of the proposed work team. The DOLC has identified five (5) key team members that must be identified by name within the Proposal. The positions are considered to be key team members:

- Project Manager
- Retail Domain Expert
- Financial Domain Expert
- Architect
- QA Lead

The quality and professional credentials of the proposed named key team members included in the Proposal will be material factors during the State's evaluation process and any decision to enter into a Contract. Therefore, if awarded the Contract, the offeror must use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor may not remove those people from the Work without the prior, written consent of the State, except as provided in the Replacement Personnel section of Attachment Four of this RFP.

This RFP includes Personnel Profile Summary Forms as Attachment Nine, and the offeror must use these forms and fill them out completely for each reference.

The Personnel Profile Summary Forms contained in this RFP have been customized for the applicable candidate requirements. Each page of the forms may contain minor variations. If an offeror elects to duplicate the forms electronically, the offeror must carefully review each form to ensure that it has been copied accurately. Failure to duplicate the forms exactly may lead to the rejection of the offeror's Proposal.

The offeror must propose a Project team that collectively meets all the requirements in this RFP, as demonstrated through the Personnel Profile Summary Forms. The Proposal must name all candidates proposed, and each must meet the technical experience for the candidate's position.

The State recognizes that the Project Management Mandatory Requirements, Retail Domain Expert Mandatory Requirements and Financial Domain Expert Mandatory Requirements may be identical or very similar to the Scored Criteria. Therefore, it is important to emphasize that all project experience included on Personnel Profile Summary Forms must be reflect the experience of the proposed candidate and **not** the corporate experience of the offeror. Corporate experience should be included on Attachment Eight and individual experience of named key team members should be provided on Attachment Nine.

The State will not consider a candidate's overlapping months of experience toward meeting the experience requirements in this RFP. Therefore, for each requirement for a key position, the Personnel Profile Summary Forms for the candidate must demonstrate that the candidate meets the requirement through a work experience that does not overlap in time with any other work experience used to meet the same requirement for the position.

The offeror must demonstrate that all candidate requirements have been met by using the Personnel Profile Summary Forms. The various sections of the forms are described below:

a) Candidate References. If the offeror provides less than three projects, the offeror must explain why. The State may reject the Proposal if less than three projects are given for a candidate.

b) Education and Training. The offeror must use this section to list the education and training of the proposed candidate and demonstrate, in detail, the proposed candidate's ability to properly perform under the Contract. The offeror must show how the candidate's education and training relates to the requirements of the RFP.

c) Required Experience and Qualifications. The offeror must complete this section to show how its candidate meets the experience requirements. (Refer to Attachment Nine.) For each reference, the following information must be provided:

- Candidate's Name.
- Contact Information. The client contact name, title, phone number, email address, company name, and mailing address must be completely filled out. The same information must be included for an alternate client contact, in case the State cannot reach the primary contact. Failure to provide requested contact information may result in the State not including the experience in the evaluation process or rejecting the offeror's Proposal. The contact information given must be for a person within the client's organization and not a co-worker or a contact within the offeror's organization or one of the firms participating in a joint Proposal, subsidiaries, partnerships etc.
- Dates of Experience. The offeror must complete this section with a beginning month and year and an ending month and year to show the length of time the candidate performed the technical experience being described, not just the length of time the candidate worked for the company.
- Description of the Related Service Provided. The State does not assume that, since the technical requirement is provided at the top of the page, all descriptions on that page relate to that requirement. Offerors must reiterate the technical experience being described, including the capacity in which the experience was performed and the role of the candidate in the project as it relates to this Project. It is the offeror's responsibility to customize the description to clearly substantiate the candidate's qualification.

The candidate's project experience must be listed separately and completely every time it is referenced, regardless of whether it is on the same or different pages of the form.

Proposed Solution. The offeror must provide a narrative overview of their solution as well as describe in detail how its proposed solution meets the functional and technical requirements described in this RFP. The offeror may not simply state that the proposed solution will meet or exceed the specified

requirements found in Supplement Four. Instead, the offeror must provide a written narrative that shows that the offeror fully understands the requirement. A response to a particular requirement may refer back to the narrative overview to illustrate how this requirement will be met.

The offeror may recommend features or other elements in excess of the minimum but must clearly identify them as such, provide the rationale behind the recommendations, and explain how they will benefit the State. The recommendations may not result in additional evaluation credit being given.

The requirements found in Supplement Four contains some optional requirements. Your Proposed Solution must address these requirements in a separate section of your response. The costs if any associated with the implementation of these optional requirement must be broken out and clearly indicated in the cost section of your Proposal.

Proposed Staffing Plan. The offeror must provide a staffing plan that identifies all the personnel by position that the offeror proposes and that are required to do the Project. A key aspect of the staffing plan is to identify lead technical resources with respect to each sub area of the project, e.g., Central System, Web Store, Accounting, Data Migration, etc. The staffing plan must show each individual's responsibilities on the Project. The State also requires a staffing plan that matches the proposed Project key personnel and qualifications to the activities and tasks that will be completed on the Project. In addition, the plan must have the following information:

- Project's due date(s);
- The number of people onsite at the DOLC location at any given time to allow the DOLC to plan for the appropriate workspace;
- A matrix matching each team member to the staffing requirements in this RFP.

A contingency plan that shows the ability to add more staff if needed to ensure meeting all the specifications given in this RFP.

Time Commitment. The offeror must submit a statement and a chart that clearly indicate the time commitment of the proposed Project Manager and the offeror's proposed team members for this Project during each phase of the System Development Life Cycle. The offeror also must include a statement indicating to what extent, if any, the Project Manager may work on other projects during the term of the Contract. The State may reject any Proposal that commits the proposed Project Manager or any proposed key Project personnel to other projects during the term of the Project, if the State believes that any such commitment may be detrimental to the offeror's performance.

Proposed System Development Life Cycle Methodology/Approach. The State seeks insightful responses that describe proven, lifecycle system development methods. Recommended solutions must demonstrate that the offeror will be prepared to quickly undertake and successfully complete the required tasks.

The description may define other activities or Deliverables that are not Project requirements but that the offeror deems necessary or appropriate. If additional activities or Deliverables are included, the offeror must describe them in detail and explain why the offeror recommends them. The offeror must make the System Development Life Cycle steps as complete and detailed as possible by including key activities and Deliverables for at least the following System Development Life Cycle Phases:

- Requirements,
- Design,

- Development,
- Testing,
- Documentation and Training,
- Deployment, and
- Post-Deployment.

Development and Testing. The offeror's Proposal must describe the offeror's development approach, methods, tools, and techniques for completing the development process

Documentation and Training. The offeror must describe its proposed approach, methods, tools, and techniques for user and systems documentation and training. In addition, the Proposal must include the activities the offeror will use to train DOLC Project staff on the offeror's system development methodology.

System Deployment and Post-Deployment. The offeror must describe its proposed approach, methods, tools, and techniques for deploying and installing the new system and maintaining its operation throughout the warranty period. The offeror also must describe its approach to installation and maintenance.

Proposed System Development/Deployment Plan. The State encourages responses that demonstrate a thorough understanding of the nature of the Project and what the Contractor must do to get the Project done properly. The State requires an extensive and carefully structure approach to the implementation of each phase. The Contractor must propose a plan that minimizes the inherent risk of a flash cutover but maximizes time to value. To this end, the offeror must submit a high level Development/Deployment Plan. The Development/Deployment Plan with narrative must include detail sufficient to give the State an understanding of how the offeror's knowledge and approach will:

- Manage the Project;
- Introduce new system(s) and new/changed business processes;
- Guide Project execution;
- Document planning assumptions and decisions;
- Facilitate communication among stakeholders;
- Define key management review as to content, scope, and schedule; and
- Provide a baseline for progress measurement and Project control.

At a minimum, the offeror's Project Plan must include the following:

- Description of the Project management approach;
- Scope statement that includes the Project objectives and the Project Deliverables and milestones;
- Work breakdown structure as a baseline scope document that includes Project elements. The work breakdown structure must show the elements at a level of detail that demonstrates the offeror's understanding of the effort required to do the work. The Project elements must include, at a minimum, scope definition, requirements gathering, design, development, conversion, testing, benchmarking, implementation, training, and transition, as applicable;
- High level phased project schedule;
- A more detail project schedule for each phase. The offeror must provide the project schedule as a Microsoft Project Gantt chart, showing major Project tasks on a week-by-week schedule to serve as the basis for managing the Project. The schedule must clearly demonstrate how the Project will become fully operational by the delivery date. The offeror must give relative dates for when all deliverables and milestones will be completed and start and finish dates for high level tasks;
- Major milestones and target date(s) for each milestone that are consistent with this RFP's dates;

- Description of testing strategies for unit, system, user acceptance, volume, and regression testing.

Support Requirements. The offeror must describe the support it wants from the State other than what the State has offered in this RFP. Specifically, the offeror must address the following:

- Nature and extent of State support required in terms of staff roles, percentage of time available, and so on;
- Assistance from State staff and the experience and qualification levels required; and
- Other support requirements.

The State may not be able or willing to provide the additional support the offeror lists in this part of its Proposal. The offeror therefore must indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the offeror's Proposal, if the State is unwilling or unable to meet the requirements.

Equipment and System Elements. The offeror must identify all proposed equipment needed for the Project during the installation, customization (as applicable), implementation, and ongoing operations. The offeror's Proposal must include the proposed manufacturer's name and model for all equipment. Additionally, the offeror must identify any equipment that the State will require for the implementation and ongoing operation of the Project that is not otherwise specified in this RFP.

Pre-existing Materials. The offeror must list any Pre-existing Materials it owns that will be included in a Deliverable if the offeror wants a proprietary notice on copies that the State distributes. For example, the offeror may have standard user interfaces or standard shells that it incorporates in what is otherwise custom software. (See the Ownership of Deliverables section of the General Terms and Conditions.) The State may reject any Proposal that includes existing materials for a custom solution, if the State believes that such is not appropriate or desirable for the Project.

Commercial Materials. The offeror must list any commercial and proprietary materials that the offeror will deliver that are easily copied, such as Commercial Software, and in which the State will have less than full ownership ("Commercial Materials"). Generally, these will be from third parties and readily available in the open market. The offeror need not list patented parts of equipment, since they are not readily copied. If the offeror expects the State to sign a license for the Commercial Material, the offeror must include the license agreement as an attachment. But for Key Commercial Software, the offeror may not include a standard license agreement; rather, the offeror must comply with the next section's requirements regarding Attachment Eleven. If the State finds any provisions of any proposed license agreement objectionable and cannot or does not negotiate an acceptable solution with the licensor, regardless of the reason and in the State's sole discretion, then the offeror's Proposal may be rejected. If the State is not going to sign a license, but there will be limits on the State's use of the Commercial Materials different from the standard license in the General Terms and Conditions, then the offeror must detail the unique scope of license here. Any deviation from the standard license, warranty, and other terms in Attachment Four also may result in a rejection of the offeror's Proposal.

Proposed Changes to the Master Contract for Software Licensing. If the offeror seeks changes to Attachment Eleven, the Master Contract, the offeror must identify those changes, with the precise alternative language the offeror seeks, and include the markup of the Master Contract as an attachment to its Proposal. Generalized objections to the Master Contract's terms and conditions are not acceptable. The State may reject any Proposal with extensive changes to the Master Contract or with changes that the State finds objectionable. Alternatively, the State may seek to negotiate over proposed changes to attempt to make them acceptable to the State. The State, in its sole and exclusive judgment, will

determine whether any changes are acceptable and whether any negotiations make the proposed changes acceptable to the State.

Terms for Commercial Materials. If the offeror proposes a Deliverable that contains Commercial Software or other Commercial Materials with terms that differ from the terms in Attachment Four for Commercial Software and Materials, other than Key Commercial Software, which must be dealt with in accordance with the preceding section, then those terms must be detailed here, and any proposed separate agreement covering those items must be included in the offeror's Proposal. This is required even if the State will not be expected to sign the agreement. Any deviation from the standard terms in Attachment Four may result in a rejection of the offeror's Proposal.

Bond Commitment. The selected offeror must provide a performance bond. The amount of the performance bond must be equal to at least ten percent of the total amount of the Contract, and the bond must remain in place through the term of the Contract and may be renewed or continued annually with the approval of the State. Therefore, each offeror must enclose a letter of commitment from a bonding company for an appropriate performance bond with its Proposal.

The offeror must include the cost of securing the performance bond within its proposed not-to-exceed fixed cost provided on its Cost Summary, Attachment Ten. The State will not compensate or reimburse the Contractor for any costs related to obtaining and maintaining a performance bond during the term of the Contract.

Conflict of Interest Statement. Each Proposal must include a statement indicating whether the offeror or any people that may work on or benefit from the Project through the offeror have a possible conflict of interest (e.g., employed by the State of Ohio, etc.) and, if so, the nature of that conflict. The State may reject a Proposal in which an actual or apparent conflict is disclosed. The State also may terminate the Contract if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

Proof of Insurance. The offeror must provide the certificate of insurance in the form that Attachment Four requires. The policy may be written on an occurrence or claims made basis.

Payment Address. The offeror must give the address to which the State should send payments under the Contract.

Legal Notice Address. The offeror must give the name, title, and address to which the State should send legal notices under the Contract.

W-9 Form. The offeror must complete the attached W-9 form in its entirety. The offeror must submit at least one originally signed W-9. All other copies of a Proposal may contain copies of the W-9. The offeror must indicate on the outside of the binder which Proposal contains the originally signed W-9.

Declaration Regarding Terrorist Organizations. The offeror must complete a Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization in its entirety. The offeror must submit at least one originally signed copy of this form, which should be included with the offeror's originally signed Proposal. All other copies of the offeror's Proposal may contain copies of this form. The form is available at: http://www.homelandsecurity.ohio.gov.

Standard Affirmation and Disclosure Form (EO 2011-12K). The offeror must complete and sign the Affirmation and Disclosure Form (Attachment Twelve) as part of its Proposal.

Affirmative Action. Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be completed using:

http://das.ohio.gov/Divisions/EqualOpportunity/AffirmativeActionProgramVerification.aspx

Approved Affirmative Action Plans can be found by going to the Equal Opportunity Department's Web site: http://eodreporting.oit.ohio.gov/searchAffirmativeAction.aspx .

Copies of approved Affirmative Action plans must be supplied by the offeror as part of its Proposal or inclusion of an attestation to the fact that the offeror has completed the process and is pending approval by the EOD office.

Cost Summary. This RFP includes a Cost Summary Form provided as an attachment. Offerors may not reformat this form. Each offeror must complete the Cost Summary Form in the exact format provided, since the State may reject any Proposal with a reformatted Cost Summary Form or that is not separately sealed. (See: Part Three: General Instructions, Proposal Submittal.)

The Cost Summary Form must not include exceptions, additional terms and conditions, or assumptions.

The offeror's total cost for the entire Project must be represented as the not-to-exceed fixed price. The State seeks a complete Project, and the Contractor must include any incidental items omitted in the RFP Documents as part of the Contractor's not-to-exceed fixed price. The Contractor also must fully identify, describe, and document all systems that are delivered as a part of the Project. Unless expressly excluded elsewhere in the RFP, all hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) necessary for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

The State will pay for any Commercial Off-the-Shelf (COTS) Software it acquires as part of this Contract only on the State's execution of a schedule or other ordering document, delivery of the software freight on board (F.O.B.) destination at the Project site, acceptance of the COTS Software in accordance with the applicable schedule or other ordering document, and receipt of a proper invoice for the COTS Software. Annual support fees, if applicable, will be paid in accordance with the applicable agreement covering the COTS Software.

The Cost Summary Form allows offerors to propose a payment schedule for Tasks and Deliverables required in Attachment Two. DOLC will pay the Contractor based on completion and acceptance of Deliverables and/or Milestones. As stated previously this project is designated as a **Not-to-Exceed Fixed Price**. DOLC will withhold ten percent of the total cost of the Tasks and Deliverables identified in Attachment Two until completion of the Standards of Performance and Acceptance as described in Attachment Four. The offeror must propose a payment schedule utilizing Attachment Ten that is aligned with offeror's proposed phased development/deployment plan. Note that this is just a proposed payment plan. The offeror's proposed development/deployment and payment schedule may need to be revised to be mutually acceptable.

The State will not be liable for or pay any Project costs that the offeror does not identify in its Proposal.

6.4 Attachment Four: General Terms and Conditions

6.4.1 Part One: Performance and Payment

Statement of Work. The RFP and the Contractor's Proposal (collectively, the "RFP Documents") are a part of this Contract and describe the work (the "Project") the Contractor will do and any materials the Contractor will deliver (the "Deliverables") under this Contract. The Contractor must do the Project in a professional, timely, and efficient manner and will provide the Deliverables in a proper fashion. The Contractor also must furnish its own support staff necessary for the satisfactory performance of the Project.

The Contractor will consult with the appropriate State representatives and others necessary to ensure a thorough understanding of the Project and satisfactory performance. The State may give instructions to or make requests of the Contractor relating to the Project, and the Contractor will comply with those instructions and fulfill those requests in a timely and professional manner. Those instructions and requests will be for the sole purpose of ensuring satisfactory completion of the Project and will not amend or alter the scope of the Project.

Term. Unless this Contract is terminated or expires without renewal, it will remain in effect until the Project is completed to the satisfaction of the State, including all optional renewal periods for maintenance or continuing commitments, and the Contractor is paid. However, the current General Assembly cannot commit a future General Assembly to an expenditure. Therefore, this Contract will automatically expire at the end of each biennium, the first of which is **June 30, 2013**. The State may renew this Contract in the next biennium by issuing written notice to the Contractor of the decision to do so. This expiration and renewal procedure also will apply to the end of any subsequent biennium during which the Project continues, including any optional renewal periods. Termination or expiration of this Contract will not limit the Contractor's continuing obligations with respect to Deliverables that the State paid for before termination or limit the State's rights in such.

DOLC's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails to continue funding for the payments and other obligations due as part of this Contract, The State's obligations under this Contract will terminate as of the date that the funding expires without further obligation of the State.

The Project has a completion date that is identified in the RFP Documents. The RFP Documents also may have several dates for the delivery of Deliverables or reaching certain milestones in the Project. The Contractor must make those deliveries, meet those milestones, and complete the Project within the times the RFP Documents require. If the Contractor does not meet those dates, the Contractor will be in default, and the State may terminate this Contract under the termination provision contained below.

The State also may have certain obligations to meet. Those obligations, if any, are also listed in the RFP Documents. If the State agrees that the Contractor's failure to meet the delivery, milestone, or completion dates in the RFP Documents is due to the State's failure to meet its own obligations in a timely fashion, then the Contractor will not be in default, and the delivery, milestone, and completion dates affected by the State's failure to perform will be extended by the same amount of time as the State's delay. The Contractor may not rely on this provision unless the Contractor has in good faith exerted reasonable management skill to avoid an extension and has given the State meaningful written notice of the State's failure to meet its obligations within five business days of the Contractor's realization that the State's delay may impact the Project. The Contractor must deliver any such notice to both the Project Representative and Procurement Representative and title the notice as a "Notice of DOLC Delay." The notice must identify any delay in detail, as well as the impact the delay has or will have on the Project.

Unless the State decides, in its sole and exclusive judgment, that an equitable adjustment in the Contractor's Fee is warranted in the case of an extended delay, an extension of the Contractor's time to perform will be the Contractor's exclusive remedy for the State's delay. Should the State determine that an equitable adjustment in the Contractor's Fee is warranted, the equitable adjustment will be handled as a Change Order under the Changes Section of this Contract, and the extension of time and equitable adjustment will be the exclusive remedies of the Contractor for the State's delay.

The State seeks a complete Project, and the Contractor must provide any incidental items omitted in the RFP Documents as part of the Contractor's not-to-exceed fixed price. The Contractor also must fully identify, describe, and document all systems that are delivered as a part of the Project. Unless expressly excluded elsewhere in the RFP, all hardware, software, supplies, and other required components (such as documentation, conversion, training, and maintenance) necessary for the Project to be complete and useful to the State are included in the Project and the not-to-exceed fixed price.

Compensation. In consideration of the Contractor's promises and satisfactory performance, the State will pay the Contractor the amount(s) identified in the RFP Documents (the "Fee"), plus any other expenses identified as reimbursable in the RFP Documents. In no event, however, will payments under this Contract exceed the "not-to-exceed" amount in the RFP Documents without the prior written approval of the State and, when required, the Ohio Controlling Board and any other source of funding. The Contractor's right to the Fee is contingent on the complete and satisfactory performance of the Project or, in the case of milestone payments or periodic payments of an hourly, daily, weekly, monthly, or annual rate, all relevant parts of the Project tied to the applicable milestone or period. Payment of the Fee also is contingent on the Contractor delivering a proper invoice and any other documents the RFP Documents require. An invoice must comply with the State's then current policies regarding invoices and their submission. The State will notify the Contractor in writing within 15 business days after it receives a defective invoice of any defect and provide the information necessary to correct the defect.

The Contractor must send all invoices under this Contract to the "bill to" address in the RFP Documents or in the applicable purchase order.

The State will pay the Contractor interest on any late payment, as provided in Section 126.30 of the Ohio Revised Code (the "Revised Code"). If the State disputes a payment for anything covered by an invoice, within 15 business days after receipt of that invoice, The State will notify the Contractor, in writing, stating the grounds for the dispute. The State then may deduct the disputed amount from its payment as a nonexclusive remedy. If the Contractor has committed a material breach, in the sole opinion of the State, The State also may withhold payment otherwise due to the Contractor. Both parties will attempt to resolve any claims of material breach or payment disputes through discussions among the Project Manager, the Contractor's Project executive, the Project Representative, and the State Contract Management Administrator. The State will consult with the Contractor as early as reasonably possible about the nature of the claim or dispute and the amount of payment affected. When the Contractor has resolved the matter to the State's satisfaction, the State will pay the disputed amount within 30 business days after the matter is resolved. The State has no obligation to make any disputed payments until the matter is resolved, and the Contractor must continue its performance under this Contract pending resolution of the dispute or claim.

If the State has already paid the Contractor on an invoice but later disputes the amount covered by the invoice, and if the Contractor fails to correct the problem within 30 calendar days after written notice, the Contractor must reimburse the State for that amount at the end of the 30 calendar days as a nonexclusive remedy for the State. On written request from the Contractor, the State will provide reasonable

assistance in determining the nature of the problem by giving the Contractor reasonable access to the State's facilities and any information the State has regarding the problem.

If the RFP Documents provide for any retainage, the State will withhold from each invoice paid the percentage specified in the RFP Documents as retainage. The State will pay the retainage only after the State has accepted the Project, and then only in accordance with the payment schedule specified in the RFP Documents. The State will withhold all amounts under this section arising from claims or disputes in addition to any retainage specified in the RFP Documents.

The State may pay any part of the not-to-exceed fixed price identified in the RFP documents as being for a license in Commercial Material from a third party in accordance with the applicable license agreement, if the license agreement addresses payment. For all Key Commercial Software with a license agreement substantially in the form of Attachment Eleven, payment of any license or support fees will be governed exclusively by that license agreement.

Reimbursable Expenses. The State will pay all reimbursable expenses identified in the RFP Documents, if any, in accordance with the terms in the RFP Documents and, where applicable, Section 126.31 of the Revised Code. The Contractor must assume all expenses that it incurs in the performance of this Contract that are not identified as reimbursable in the RFP Documents.

In making any reimbursable expenditure, the Contractor always must comply with the more restrictive of its own, then current internal policies for making such expenditures or the State's then current policies. All reimbursable travel will require the advance written approval of the State's Project Representative. The Contractor must bill all reimbursable expenses monthly, and the State will reimburse the Contractor for them within 30 business days of receiving the Contractor's invoice.

Right of Offset. The State may set off the amount of any Ohio tax liability or other obligation of the Contractor or its subsidiaries to the State, including any amounts the Contractor owes to the State under this or other contracts, against any payments due from the State to the Contractor under this or any other contracts with the State.

Certification of Funds. None of the rights, duties, or obligations in this Contract will be binding on the State, and the Contractor will not begin its performance until all the following conditions have been met:

(a) All statutory provisions under the Revised Code, including Section 126.07, have been met;

(b) All necessary funds are made available by the appropriate State entities;

(c) If required, the Controlling Board of Ohio approves this Contract; and

(d) If the State is relying on federal or third-party funds for this Contract, the State gives the Contractor written notice that such funds are available.

Employment Taxes. All people furnished by the Contractor (the "Contractor Personnel") are employees or subcontractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of any work done under this Contract. The Contractor will pay all federal, state, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law and measured by wages, salaries, or other remuneration paid by or which may be due from the Contractor to the Contractor Personnel. The Contractor will indemnify, defend (with the consent and approval of the Ohio Attorney General), and hold the State harmless from and against all claims, losses,

liability, demands, fines, and expense (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Contractor Personnel. The Contractor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Contractor Personnel or governmental agency on the basis that any Contractor Personnel are employees or contractors of the State, that the State is the "joint employer" or "co-employer" of any Contractor Personnel, or that any Contractor Personnel are entitled to any employee benefit offered only to eligible regular fulltime or regular part-time employees of the State.

Sales, Use, Excise, and Property Taxes. The State is exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Contractor in connection with the Project, such will be the sole and exclusive responsibility of the Contractor. Further, the Contractor will pay such taxes, together with any interest and penalties not disputed with the appropriate taxing authority, whether they are imposed at the time the services are rendered or a later time.

6.4.2 Part Two: Project and Contract Administration

Related Contracts. The Contractor warrants that the Contractor has not and will not enter into any contracts without written approval of the State to perform substantially identical services for the State, such that the Project duplicates the work done or to be done under the other contracts.

Other Contractors. The State may hold other contracts for additional or related work, including among others independent verification and validation (IV&V) work for this Project. The Contractor must fully cooperate with all other contractors and State employees and coordinate its work with such other contractors and State employees as may be required for the smooth and efficient operation of all related or additional work. The Contractor may not act in any way that may unreasonably interfere with the work of any other contractors or the State's employees. Further, the Contractor must fully cooperate with any IV&V Contractor assigned to this Project. Such cooperation includes expeditiously providing the IV&V Contractor with full and complete access to all Project work product, records, materials, personnel, meetings, and correspondence as the IV&V Contractor may request. Additionally, the Contractor must include the obligations of this provision in all its contracts with its subcontractors that work on this Project.

Subcontracting. The Contractor may not enter into subcontracts related to the Project after award without written approval from the State. Nevertheless, the Contractor will not need the State's written approval to subcontract for the purchase of commercial goods that are required for satisfactory completion of the Project. All subcontracts will be at the sole expense of the Contractor unless expressly stated otherwise in the RFP Documents.

The State's approval of the use of subcontractors does not mean that the State will pay for them. The Contractor will be solely responsible for payment of its subcontractor and any claims of subcontractors for any failure of the Contractor or any of its other subcontractors to meet the performance schedule or performance specifications for the Project in a timely and professional manner. The Contractor will hold the State harmless for and will indemnify the State against any such claims.

The Contractor assumes responsibility for all Deliverables whether it, a subcontractor, or third-party manufacturer produces them in whole or in part. Further, the Contractor will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Contract. Further, the Contractor will be fully responsible for any default by a subcontractor, just as if the Contractor itself had defaulted.

If the Contractor uses any subcontractors, each subcontractor must have a written agreement with the Contractor. That written agreement must incorporate this Contract by reference. The agreement also must pass through to the subcontractor all provisions of this Contract that would be fully effective only if

they bind both the subcontractor and the Contractor. Among such provisions are the limitations on the Contractor's remedies, the insurance requirements, record keeping obligations, and audit rights. Some sections of this Contract may limit the need to pass through their requirements to subcontracts to avoid placing cumbersome obligations on minor subcontractors. This exception is applicable only to sections that expressly provide an exclusion for small-dollar subcontracts. Should the Contractor fail to pass through any provisions of this Contract to one of its subcontractors and the failure damages the State in any way, the Contractor must indemnify the State for the damage.

Record Keeping. The Contractor must keep all financial records in accordance with generally accepted accounting principles consistently applied. The Contractor also must file documentation to support each action under this Contract in a manner allowing the documentation to be readily located. Additionally, the Contractor must keep all Project-related records and documents at its principal place of business or at its office where the work was performed.

Audits. During the term of this Contract and for three years after the payment of the Contractor's Fee, on reasonable notice, and during customary business hours, the State may audit the Contractor's records and other materials that relate to the Project. This audit right also applies to the State's duly authorized representatives and any person or organization providing financial support for the Project.

Insurance. The Contractor must provide the following insurance coverage at its own expense throughout the term of this Contract:

(a) Workers' compensation insurance, as required by Ohio law, and, if some of the Project will be done outside Ohio, the laws of the appropriate state(s) where work on the Project will be done. The Contractor also must maintain employer's liability insurance with at least a $1,000,000.00 limit.

(b) Commercial General Liability insurance coverage for bodily injury, personal injury, wrongful death, and property damage. The defense cost must be outside of the policy limits. Such policy must designate the State of Ohio as an additional insured, as its interest may appear. The policy also must be endorsed to include a blanket waiver of subrogation. At a minimum, the limits of the insurance must be:

$ 2,000,000 General Aggregate

$ 2,000,000 Products/Completed Operations Aggregate

$ 1,000,000 Per Occurrence Limit

$ 1,000,000 Personal and Advertising Injury Limit

$ 100,000 Fire Legal Liability

$ 10,000 Medical Payments

The policy must be endorsed to provide the State with 30-days prior written notice of cancellation or material change to the policy. And the Contractor's Commercial General Liability must be primary over any other insurance coverage.

(c) Commercial Automobile Liability insurance with a combined single limit of $500,000.

(d) Professional Liability insurance covering all staff with a minimum limit of $1,000,000 per incident and $3,000,000 aggregate. If the Contractor's policy is written on a "claims made" basis, the Contractor must provide the State with proof of continuous coverage at the time the policy is renewed. If for any reason the policy expires, or coverage is terminated, the Contractor must purchase and maintain "tail" coverage through the applicable statute of limitations.

The certificate(s) must be in a form that is reasonably satisfactory to the State as to the contents of the policies and the quality of the insurance carriers. All carriers must have at least an "A-" rating by A.M. Best.

Performance Bond. The Contractor must provide the Procurement Representative with a performance bond in the amount required by the RFP Documents within 30 business days after receipt of a purchase order for this Contract. The bond must be issued by a company authorized by Ohio's Department of Insurance to do business in Ohio and must indemnify the State against all direct damages it suffers from any failure of the Contractor to perform properly.

Failure of the Contractor to provide the performance bond on or before the date it is required will result in a breach of this Contract without a cure period and termination or suspension (or ultimately both) of this Contract for cause. The performance bond must remain in place through the term of the contract but may be renewed or continued annually with the approval of the State. Further, the terms of the bond must reflect the terms of this section, or the State will reject it and treat the failure of conformance as a failure by the Contractor to deliver the bond in a timely fashion.

Replacement Personnel. If the RFP Documents contain the names of specific people who will work on the Project, then the quality and professional credentials of those people were material factors in the State's decision to enter into this Contract. Therefore, the Contractor must use all commercially reasonable efforts to ensure the continued availability of those people. Also, the Contractor may not remove those people from the Project without the prior written consent of the State, except as provided below.

The Contractor may remove a person listed in the RFP Documents from the Project, if doing so is necessary for legal or disciplinary reasons. However, the Contractor must make a reasonable effort to give the State thirty (30) calendar days' prior, written notice of the removal.

If the Contractor removes a person listed in the RFP Documents from the Project for any reason other than those specified above, the State may assess liquidated damages in the amount of $1,500.00 for every day between the date on which the individual was removed and the date that this Contract is terminated or the individual's qualified replacement, selected in accordance with the process identified in this section, starts performing on the Project. The State also may provide the Contractor with written notice of its default under this section, which the Contractor must cure within 30 days. Should the Contractor fail to cure its default within the 30 day cure period, this Contract will terminate immediately for cause, and the State will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The Contractor must have qualified replacement people available to replace any people listed in the RFP Documents by name or identified as a key individual on the Project. When the removal of a listed person is permitted under this Section, or if a person becomes unavailable, the Contractor must submit the resumes for two replacement people to the State for each person removed or who otherwise becomes

unavailable. The Contractor must submit the two resumes, along with such other information as the State may reasonably request, within five business days after the decision to remove a person is made or the unavailability of a listed person becomes known to the Contractor.

The State will select one of the two proposed replacements or will reject both of them within ten business days after the Contractor has submitted the proposed replacements to the State. The State may reject the proposed replacements for any legal reason. Should the State reject both replacement candidates due to their failure to meet the minimum qualifications identified in the RFP Documents, or should the Contractor fail to provide the notice required under this Section or fail to provide two qualified replacement candidates for each removed or unavailable person, the Contractor will be in default and the cure period for default specified elsewhere in this Contract will not apply. In any such case, the State will have the following options:

(a) The State may assess liquidated damages in the amount of $1,500.00 for every day between the date on which the Contractor failed to provide the applicable notice, failed to provide the two replacement candidates, or the date the State rejected all candidates for cause and the date on which the Contractor affects a cure or the Contract expires without renewal or is terminated.

(b) The State may terminate this Contract immediately for cause and without any cure period.

Should the State exercise its option under item (a) above, it nevertheless will be entitled anytime thereafter to exercise its option under item (b) above. Additionally, should the State terminate this Contract under this provision, it will be entitled to damages in accordance with the Suspension and Termination Section of this Contract due to the termination. Should the State assess liquidated damages or otherwise be entitled to damages under this provision, it may offset these damages from any Fees due under this Contract.

The State may determine that the proposed replacement candidates meet the minimum qualifications of this Contract and still substantially reduce the value the State perceived it would receive through the effort of the original individual(s) the Contractor proposed and on whose credentials the State decided to enter into this Contract. Therefore, the State will have the right to reject any candidate that the State determines may provide it with diminished value.

Should the State reject both proposed candidates for any legal reason other than their failure to meet the minimum qualifications identified in the RFP Documents, the State may terminate this Contract for its convenience.

The State has an interest in providing a healthy and safe environment for its employees and guests at its facilities. The State also has an interest in ensuring that its operations are carried out in an efficient, professional, legal, and secure manner. Therefore, the State will have the right to require the Contractor to remove any individual involved in the Project, if the State determines that any such individual has or may interfere with the State's interests identified above. In such a case, the request for removal will be treated as a case in which an individual providing services under this Contract has become unavailable, and the Contractor must follow the procedures identified above for replacing unavailable people. This provision also applies to people that the Contractor's subcontractors engage, if they are listed by name or as a key person in the RFP Documents.

Suspension and Termination. The State may terminate this Contract if the Contractor defaults in meeting its obligations under this Contract and fails to cure its default within the time allowed by this Contract, or if a petition in bankruptcy (or similar proceeding) has been filed by or against the Contractor.

the State also may terminate this Contract if the Contractor violates any law or regulation in doing the Project, or if it appears to the State that the Contractor's performance is substantially endangered through no fault of the State. In any such case, the termination will be for cause, and the State's rights and remedies will be those identified below for termination for cause.

On written notice, the Contractor will have thirty (30) calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice, or if the breach is not one that is curable, The State will have the right to terminate this Contract immediately on notice to the Contractor. The State also may terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three times. After the third notice, the State may terminate this Contract on written notice to the Contractor without a cure period if the Contractor again fails to meet any obligation. The three notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all, and those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

The State also may terminate this Contract for its convenience and without cause or if the Ohio General Assembly fails to appropriate funds for any part of the Project. If a third party is providing funding for the Project, the State also may terminate this Contract should that third party fail to release any Project funds. The RFP Documents normally identify any third party source of funds for the Project, but an absence of such in the RFP Documents will not diminish the State’s rights under this section.

The notice of termination, whether for cause or without cause, will be effective as soon as the Contractor receives it. Upon receipt of the notice of termination, the Contractor must immediately cease all work on the Project and take all steps necessary to minimize any costs the Contractor will incur related to this Contract. The Contractor also must immediately prepare a report and deliver it to the State. The report must be all-inclusive and must detail the work completed at the date of termination, the percentage of the Project's completion, any costs incurred in doing the Project to that date, and any Deliverables completed or partially completed but not delivered to the State at the time of termination. The Contractor also must deliver all the completed and partially completed Deliverables to the State with its report. However, if the State determines that delivery in that manner would not be in its interest, then the State will designate a suitable alternative form of delivery, which the Contractor must honor.

If the State terminates this Contract for cause, it will be entitled to cover for the Project by using another Contractor on such commercially reasonable terms as the State and the covering Contractor may agree. The Contractor will be liable to the State for all costs related to covering for the Project to the extent that such costs, when combined with payments already made to the Contractor for the Project before termination, exceed the costs that the State would have incurred under this Contract. The Contractor also will be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause.

If the termination is for the convenience of the State, the Contractor will be entitled to compensation for any work on the Project that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount that the State determines it owes to the Contractor. The State will make that determination based on the lesser of the percentage of the Project completed or the hours of work performed in relation to the estimated total hours required to perform the entire Project.

The State will have the option of suspending rather than terminating the Project, if the State believes that doing so would better serve its interests. In the event of a suspension for the convenience of the State, the Contractor will be entitled to receive payment for the work performed before the suspension. In the case of suspension of the Project rather than termination for cause, the Contractor will not be entitled to any compensation for any work performed. If the State reinstates the Project after suspension for cause, rather than terminating this Contract after the suspension, the Contractor may be entitled to compensation for work performed before the suspension, less any damage to the State resulting from the Contractor's breach of this Contract or other fault. Any amount due for work before or after the suspension for cause will be offset by any damage to the State from the default or other event giving rise to the suspension.

In the case of a suspension for the State's convenience, the State will calculate the amount of compensation due to the Contractor for work performed before the suspension in the same manner as provided in this section for termination for the State's convenience. The Contractor will not be entitled to compensation for any other costs associated with a suspension for the State's convenience, and the State will make no payment under this provision to the Contractor until the Contractor submits a proper invoice. If the State decides to allow the work to continue rather than terminating this Contract after the suspension, the State will not be required to make any payment to the Contractor other than those payments specified in this Contract and in accordance with the payment schedule specified in this Contract for properly completed work.

Any notice of suspension, whether with or without cause, will be effective immediately on the Contractor's receipt of the notice. The Contractor will prepare a report concerning the Project just as is required by this Section in the case of termination. After suspension of the Project, the Contractor may not perform any work without the consent of the State and may resume work only on written notice from the State to do so. In any case of suspension, the State retains its right to terminate this Contract rather than to continue the suspension or resume the Project. If the suspension is for the convenience of the State, then termination of the Contract will be a termination for convenience. If the suspension is with cause, the termination will also be for cause.

The State may not suspend the Project for its convenience more than twice during the term of this Contract, and any suspension for the State's convenience may not continue for more than thirty (30) calendar days. If the Contractor does not receive notice to resume or terminate the Project within the thirty (30)-day suspension, then this Contract will terminate automatically for the State's convenience at the end of the 30 calendar day period.

Any default by the Contractor or one of its subcontractors will be treated as a default by the Contractor and all of its subcontractors. The Contractor will be solely responsible for satisfying any claims of its subcontractors for any suspension or termination and must indemnify the State for any liability to them. Notwithstanding the foregoing, each subcontractor must hold the State harmless for any damage caused to them from a suspension or termination. They must look solely to the Contractor for any compensation to which they may be entitled.

Representatives. The State's representative under this Contract will be the person identified in the RFP Documents or in a subsequent notice to the Contractor as the "Project Representative." The Project Representative will review all reports the Contractor makes in the performance of the Project, will conduct all liaison with the Contractor, and will accept or reject the Deliverables and the completed Project. The Project Representative may delegate his responsibilities for individual aspects of the Project to one or more managers, who may act as the Project Representative for those individual portions of the Project.

The Contractor's Project Manager under this Contract will be the person identified on the RFP Documents as the "Project Manager." The Project Manager will be the Contractor's liaison with the State under this Contract. The Project Manager also will conduct all Project meetings and prepare and submit to the Project Representative all reports, plans, and other materials that the RFP Documents require from the Contractor.

Either party, upon written notice to the other party, may designate another representative. However, the Contractor may not replace the Project Manager without the approval of the State if that person is identified in the RFP Documents by name or as a key individual on the Project.

Work Responsibilities. The State will be responsible for providing only those things, if any, expressly identified in the RFP Documents. If the State has agreed to provide facilities or equipment, the Contractor, by signing this Contract, warrants that the Contractor has either inspected the facilities and equipment or has voluntarily waived an inspection and will work with the equipment and facilities on an "as is" basis.

The Contractor must assume the lead in the areas of management, design, and development of the Project. The Contractor must coordinate the successful execution of the Project and direct all Project activities on a day-to-day basis, with the advice and consent of the Project Representative. The Contractor will be responsible for all communications regarding the progress of the Project and will discuss with the Project Representative any issues, recommendations, and decisions related to the Project.

If any part of the Project requires installation on the State's property, the State will provide the Contractor with reasonable access to the installation site for the installation and any site preparation that is needed. After the installation is complete, the Contractor must complete an installation letter and secure the signature of the Project Representative certifying that installation is complete and the Project, or applicable portion of it, is operational. The letter must describe the nature, date, and location of the installation, as well as the date the Project Representative certified the installation as complete and operational.

Unless otherwise provided in the RFP Documents, the Contractor is solely responsible for obtaining all official permits, approvals, licenses, certifications, and similar authorizations required by any local, state, or federal agency for the Project and maintaining them throughout the duration of this Contract.

Changes. The State may make reasonable changes within the general scope of the Project. The State will do so by issuing a written order under this Contract describing the nature of the change ("Change Order"). Additionally, if the State provides directions or makes requests of the Contractor without a change order, and the Contractor reasonably believes the directions or requests are outside the specifications for the Project, the Contractor may request a Change Order from the State. The parties will handle such changes as follows: The Contractor will provide pricing to the State. The State will execute a Change Order once it and the Contractor have agreed on the description of and specifications for the change, as well as any equitable adjustments that need to be made in the Contractor's Fee or the performance schedule for the work. Then within five business days after receiving the Change Order, the Contractor must sign it to signify agreement with it.

If a change causes an increase in the cost of, or the time required for, the performance of the Project, the Contractor must notify the State in writing and request an equitable adjustment in its Fee, the delivery schedule, or both before the Contractor signs the Change Order. If the Contractor claims an adjustment under this section in connection with a change to the Project not described in a written Change Order, the

Contractor must notify the State in writing of the claim within five business days after the Contractor is notified of the change and before work on the change begins. Otherwise, the Contractor will have waived the claim. In no event will the State be responsible for any increase in the Fee or revision in any delivery schedule unless the State expressly ordered the relevant change in writing and the Contractor has complied with the requirements of this section. Provided the State has complied with the procedure for Change Orders in this section, nothing in this clause will excuse the Contractor from proceeding with performance of the Project, as changed.

Where an equitable adjustment to the Contractor's Fee is appropriate, the State and the Contractor may agree upon such an adjustment. If the State and the Contractor are unable to agree, either party may submit the dispute to the senior management of the Contractor and the senior management of the State's Department of Administrative Services for resolution. If within thirty (30) calendar days following referral to senior management, the claim or dispute has not been resolved, the Contractor must submit its actual costs for materials needed for the change (or estimated amount if the precise amount of materials cannot be determined) and an estimate of the hours of labor required to do the work under the Change Order. The Contractor must break down the hours of labor by employee position, and provide the actual hourly pay rate for each employee involved in the change. The total amount of the equitable adjustment for the Change Order then will be made based on the actual cost of materials (or estimated materials) and actual rate for each person doing the labor (based on the estimated hours of work required to do the change). Labor rates will be increased by 25% to cover benefits and taxes. The equitable adjustment for the Change Order then will be set based on this amount, plus 15% to cover overhead and profit. This amount will be the not-to-exceed amount of the Change Order. If the change involves removing a requirement from the Project or replacing one part of the Project with the change, the State will get a credit for the work no longer required under the original scope of the Project. The credit will be calculated in the same manner as the Contractor's Fee for the change, and the not-to-exceed amount will be reduced by this credit.

The Contractor is responsible for coordinating changes with its subcontractors and adjusting their compensation and performance schedule. The State will not pay any subcontractor for the Change Order. If a subcontractor will perform any work under a Change Order, that work must be included in the Contractor's not-to-exceed amount and calculated in the same manner as the Contractor's equitable adjustment for the portion of the work the Contractor will perform. The Contractor will not receive an overhead percentage for any work a subcontractor will do under a Change Order.

If the RFP Documents provide for the retainage of a portion of the Contractor's Fee, all equitable adjustments for Change Orders also will be subject to the same retainage, which the State will pay only on completion and acceptance of the Project, as provided in the RFP Documents.

Excusable Delay. Neither party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. In the event of any such excusable delay, the date of performance or of delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party also must describe the cause of the delay and what steps it is taking to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Contractor's subcontractors will be considered controllable by the Contractor, except for third-party manufacturers supplying commercial items and over whom the Contractor has no legal control.

Independent Status of the Contractor. The parties are independent of one another, and the Contractor's Personnel may act only in the capacity of representatives of the Contractor and not as representatives of the State. Further, the Contractor's Personnel will not be deemed for any purpose to be employees, representatives, or agents of the State. The Contractor assumes full responsibility for the actions of the Contractor's Personnel while they are performing under this Contract and will be solely responsible for paying the Contractor's Personnel (including withholding, and paying income taxes and social security, workers' compensation, disability benefits and the like). The Contractor may not commit, and is not authorized to commit, the State in any manner. The Contractor's subcontractors will be considered the agents of the Contractor for purposes of this Contract.

Publicity. The Contractor may not advertise or publicize that it is doing business with the State or use this Contract or the Contractor's relationship with the State as a marketing or sales tool, unless the State agrees otherwise in writing.

6.4.3 Part Three: Ownership and Handling of Intellectual Property and Confidential Information

Confidentiality. The State may disclose to the Contractor written material or oral or other information that the State treats as confidential ("Confidential Information"). Title to the Confidential Information and all related materials and documentation the State delivers to the Contractor will remain with the State. The Contractor must treat such Confidential Information 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 public, other contractors, potential contractors with the State, or individuals or organizations about whom the State keeps information. By way of example, information must be treated as confidential if it includes any proprietary documentation, materials, flow charts, codes, software, computer instructions, techniques, models, information, diagrams, know-how, trade secrets, data, business records, or marketing information. By way of further example, the Contractor also must treat as confidential materials such as police and investigative records, files containing personal information about individuals or employees of the State, such as personnel records, tax records, and so on, court and administrative records related to pending actions, any material to which an attorney-client, physician-patient, or similar privilege may apply, and any documents or records excluded by Ohio law from public records disclosure requirements.

The Contractor may not disclose any Confidential Information to third parties and must use it solely to do the Project. The Contractor must restrict circulation of Confidential Information within its organization and then only to people in the Contractor's organization that have a need to know the Confidential Information to do the Project. The Contractor will be liable for the disclosure of such information, whether the disclosure is intentional, negligent, or accidental, unless otherwise provided below.

The Contractor will not incorporate any portion of any Confidential Information into any work or product, other than a Deliverable, and will have no proprietary interest in any of the Confidential Information. Furthermore, the Contractor must cause all of its Personnel who have access to any Confidential Information to execute a confidentiality agreement incorporating the obligations in this section.

The Contractor's obligation to maintain the confidentiality of the Confidential Information will not apply where such: (1) was already in the Contractor's possession before disclosure by the State, and such was received by the Contractor without obligation of confidence; (2) is independently developed by the Contractor; (3) except as provided in the next paragraph, is or becomes publicly available without breach of this Contract; (4) is rightfully received by the Contractor from a third party without an obligation of

confidence; (5) is disclosed by the Contractor with the written consent of the State; or (6) is released in accordance with a valid order of a court or governmental agency, provided that the Contractor (a) notifies the State of such order immediately upon receipt of the order and (b) makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production. The Contractor must return all originals of any Confidential Information and destroy any copies it has made on termination or expiration of this Contract.

Information that may be available publicly through other sources about people that is personal in nature, such as medical records, addresses, phone numbers, social security numbers, and similar things are nevertheless sensitive in nature and may not be disclosed or used in any manner except as expressly authorized in this Contract. Therefore, item (3) in the preceding paragraph does not apply, and the Contractor must treat such information as Confidential Information whether it is available elsewhere or not.

The Contractor may disclose Confidential Information to its subcontractors on a need-to-know basis, but the Contractor first must obligate them to the requirements of this section.

Confidentiality Agreements: When the Contractor performs services under this Contract that require the Contractor's and its subcontractors' personnel to access facilities, data, or systems that the State in its sole discretion deems sensitive, the State may require the Contractor's and its subcontractors' personnel with such access to sign an individual confidential agreement and policy acknowledgements, and have a background check performed before accessing those facilities, data, or systems. Each state agency, board, and commission may require a different confidentiality agreement or acknowledgement, and the Contractor's and its subcontractors' personnel may be required to sign a different confidentiality agreement or acknowledgement for each agency. The Contractor must immediately replace any of its or its subcontractors' personnel who refuse to sign a required confidentiality agreement or acknowledgment or have a background check performed.

Ownership of Deliverables. The State owns all Deliverables that the Contractor produces under this Contract, including any software modifications, and documentation, with all rights, title, and interest in all intellectual property that come into existence through the Contractor's custom work being assigned to the State. Additionally, the Contractor waives any author rights and similar retained interests in custom-developed material. The Contractor must provide the State with all assistance reasonably needed to vest such rights of ownership in the State. The Contractor will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and preexisting shells, subroutines, and similar material incorporated into any custom Deliverable ("Pre-existing Materials"), if the Contractor provides the non-exclusive license described in the next paragraph.

The Contractor may grant the State a worldwide, non-exclusive, royalty-free, perpetual license to use, modify, and distribute all Pre-existing Materials that are incorporated into any custom-developed Deliverable rather than grant the State ownership of the Pre-existing Materials. The State may distribute such Pre-existing materials to third parties only to the extent required by governmental funding mandates. The Contractor may not include in any custom Deliverable any intellectual property unless such has been created under this Contract or qualifies as Pre-existing Material. If the Contractor wants to incorporate any Pre-existing Materials into a custom Deliverable, the Contractor must first disclose that desire to the State in writing and seek the State's approval for doing so in advance. The State will not be obligated to provide that approval, unless the Contractor disclosed its intention to do so in the RFP Documents. On the Contractor's request, the State will incorporate into any copies of a custom Deliverable any proprietary notice that the Contractor included with the original copy, if that notice is reasonably

necessary to protect the Contractor's interest in any Pre-existing Materials contained in the custom Deliverable.

Subject to the limitations and obligations of the State with respect to Pre-existing Materials, the State may make all custom Deliverables available to the general public without any proprietary notices of any kind.

For Deliverables that include custom materials such as software, scripts, or similar computer instructions developed for the State, the State is entitled to the source material. Scripts and similar functionality may not be locked or otherwise protected from access by the State, unless the State has any passwords or other tools necessary to access the material. Source material must include annotations or comments according to industry standards. Further, the State is entitled to any working papers the Contractor has developed during the performance of the Project that would reasonably assist the State in using the Deliverables that include source materials or that would help the State protect its interests in the Deliverable or update, modify, or otherwise maintain the Deliverable. This also includes all design and architectural materials, such as schemas.

License in Commercial Material. As used in this section, "Commercial Material" means anything that the Contractor or a third party has developed at private expense, is commercially available in the marketplace, subject to intellectual property rights, and readily copied through duplication on magnetic media, paper, or other media. Examples include written reports, books, pictures, videos, movies, computer programs, and computer source code and documentation. It does not include Key Commercial Software that will be governed by Attachment Eleven, Master Contract, but does include other Commercial Software.

Any Commercial Material that the Contractor intends to deliver as a Deliverable must have the scope of the license granted in such material disclosed in the RFP Documents or as an attachment referenced in the RFP Documents, if that scope of license is different from the scope of license contained in this section for Commercial Materials.

Except for Commercial Material that is software ("Commercial Software"), if the Commercial Material is copyrighted and published material, then the State will have the rights permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material is patented, then the State will have the rights permitted under the federal patent laws for each copy of the Commercial Material delivered to it by the Contractor.

Except for Commercial Software, if the Commercial Material consists of trade secrets, then the State will treat the material as confidential. In this regard, the State will assume all obligations with respect to the Commercial Material that the Contractor assumes under the Confidentiality section of this Contract with respect to the State's Confidential Information. Otherwise, the State will have the same rights and duties permitted under the federal copyright laws for each copy of the Commercial Material delivered to it by the Contractor, whether or not the material is copyrighted when delivered to the State.

For Commercial Software, the State will have the rights in items (1) through (6) of this section with respect to the software. The State will not use any Commercial Software except as provided in the six items below or as expressly stated otherwise in this Contract. The Commercial Software may be:

1. Used or copied for use in or with the computer or computers for which it was acquired, including use at any State installation to which such computer or computers may be transferred;

2. Used or copied for use in or with a backup computer for disaster recovery and disaster recovery testing purposes or if any computer for which it was acquired is inoperative;

3. Reproduced for safekeeping (archives) or backup purposes;

4. Modified, adapted, or combined with other computer software, but the modified, combined, or adapted portions of the derivative software incorporating any of the Commercial Software will be subject to same restrictions set forth in this Contract;

5. Disclosed to and reproduced for use on behalf of the State by support service contractors or their subcontractors, subject to the same restrictions set forth in this Contract; and

6. Used or copied for use in or transferred to a replacement computer.

Commercial Software delivered under this Contract is licensed to the State without disclosure restrictions unless it is clearly marked as confidential or secret. The State will treat any Commercial Software that is marked as confidential or secret as Confidential Information to the extent that such is actually the case.

Key Commercial Software will be covered by a separate Master Contract for Software Licensing, in the form of Attachment Eleven. When such a Master Contract is executed, it will be a separate agreement and not part of this Contract, though the Contractor remains responsible for ensuring that the completed Project, including any Key Commercial Software, meets the requirements of this Contract and performs according to the RFP Documents' requirements.

6.4.4 Part Four: Representations, Warranties, and Liabilities

General Warranties. The Contractor warrants that the recommendations, guidance, and performance of the Contractor under this Contract will: (1) be in accordance with sound professional standards and the requirements of this Contract and without any material defects; and (2) unless otherwise provided in the RFP Documents, be the work solely of the Contractor. The Contractor also warrants that: (1) no Deliverable will infringe on the intellectual property rights of any third party; and (2) the Contractor's work and the Deliverables resulting from that work will be merchantable and fit for the particular purposes described in the RFP Documents.

Additionally, with respect to the Contractor's activities under this Contract, the Contractor warrants that: (1) the Contractor has the right to enter into this Contract; (2) the Contractor has not entered into any other contracts or employment relationships that restrict the Contractor's ability to perform the contemplated services; (3) the Contractor will observe and abide by all applicable laws and regulations, including those of the State regarding conduct on any premises under the State's control and security for the State's data, systems, and networks; (4) the Contractor has good and marketable title to any goods delivered under this Contract and in which title passes to the State; (5) the Contractor has the right and ability to grant the license granted in any Deliverable in which title does not pass to the State; and (6) the Contractor is not subject to any unresolved findings of the Auditor of State under Revised Code Section 9.24 and will not become subject to an unresolved finding that prevents the extension or renewal of this Contract.

The warranties regarding material defects, merchantability, and fitness are one-year warranties. All other warranties will be continuing warranties. If any portion of the Project fails to comply with these warranties, and the Contractor is so notified in writing, the Contractor must correct such failure with all due speed or must refund the amount of the compensation paid for such portion of the Project. The Contractor also must indemnify the State for any direct damages and claims by third parties based on a breach of these warranties. This obligation of indemnification will not apply where the State has modified or misused the

Deliverable and the claim is based on the modification or misuse. The State will give the Contractor notice of any such claim as soon as reasonably practicable. If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement claim that is pending may actually succeed, the Contractor must do one of the following things: (1) modify the Deliverable so that it is no longer infringing; (2) replace the Deliverable with an equivalent or better item; (3) acquire the right for the State to use the infringing Deliverable as it was intended for the State to use under this Contract; or (4) remove the Deliverable and refund the amount the State paid for the Deliverable and the amount of any other Deliverable or item that requires the availability of the infringing Deliverable for it to be useful to the State.

Software Warranty. If this Contract involves software as a Deliverable, then, on acceptance and for 12 months after the date of acceptance of any Deliverable that includes software, the Contractor warrants as to all software developed under this Contract that: (a) the software will operate on the computer(s) for which the software is intended in the manner described in the relevant software documentation, the Contractor's Proposal, and the RFP Documents; (b) the software will be free of any material defects; (c) the Contractor will deliver and maintain relevant and complete software documentation, commentary, and source code; and (d) the source code language used to code the software is readily available in the commercial market, widely used and accepted for the type of programming involved, and support programming in the language is reasonably available in the open market; and (e) the software and all maintenance will be provided in a professional, timely, and efficient manner.

For Commercial Software licensed from a third party that is incorporated into a Deliverable, and for which the State has not approved a separate license agreement governing that Commercial Software's warranties as part of the RFP process, the Contractor represents and warrants that it has done one of the following things: (a) obtained the right from the third-party licensor to commit to the warranties and maintenance obligations in this Section; (b) obtained a binding commitment from the licensor to make those warranties and maintenance obligations directly to the State; or (c) fully disclosed in the RFP Documents any discrepancies between the requirements of this section and the commitment the third-party licensor has made.

In addition, for Commercial Software that is incorporated into a Deliverable, the Contractor will: (a) maintain or cause the third-party licensor to maintain the Commercial Software so that it operates in the manner described in the RFP Documents (or any attachment referenced in the RFP Documents) and relevant Commercial Software documentation; (b) supply technical bulletins and updated user guides; (c) supply the State with updates, improvements, enhancements, and modifications to the Commercial Software and documentation and, if available, the commentary and the source code; (d) correct or replace the Commercial Software and/or remedy any material programming error that is attributable to the Contractor or the third-party licensee; (e) maintain or cause the third-party licensor to maintain the Commercial Software and documentation to reflect changes in the subject matter the Commercial Software deals with; (f) maintain or obtain a commitment from the third-party licensor to maintain the Commercial Software so that it will properly operate in conjunction with changes in the operating environment in which it is designed to operate.

For purposes of the warranties and the delivery requirements in this Contract, software documentation means well written, readily understood, clear, and concise instructions for the software's users as well as a system administrator. The software documentation will provide the users of the software with meaningful instructions on how to take full advantage of all of the capabilities designed for end users. It also means installation and system administration documentation for a system administrator to allow proper control, configuration, and management of the software. Source code means the uncompiled operating instructions for the software. However, the Contractor will not be obligated to provide source

code for Commercial Software unless it is readily available from the licensor. The source code must be provided in the language in which it was written and will include commentary that will allow a competent programmer proficient in the source language to readily interpret the source code and understand the purpose of all routines and subroutines contained within the source code.

Equipment Warranty. If any electrical equipment, mechanical device, computer hardware, telecommunications hardware, or other type of physical machinery ("Equipment") will be a part of any Deliverable, the following warranties apply. The Contractor warrants that the Equipment fully complies with all government environmental and safety standards applicable to the Equipment. The Contractor also warrants for one year from the acceptance date of the Equipment that the Equipment will perform substantially in accordance with specifications described in the RFP Documents, the user manuals, technical materials, and related writings published by the manufacturer for the Equipment. The foregoing warranties will not apply to Equipment that is modified or damaged after title passes to the State.

The Contractor must notify the State in writing immediately upon the discovery of any breach of the warranties given above.

The Contractor must do the following if any Equipment does not meet the above warranties:

(a) Cause the Equipment to perform as required, or, if that is not commercially practicable, then;

(b) Grant the State a refund equal to the amount the State paid for the Equipment or, if such has not been individually priced, the manufacturer's suggested retail price for the Equipment.

Except where the Contractor's breach of a warranty makes it not possible for DOLC to do so, DOLC will return the affected Equipment to the Contractor in the case of a refund under the previous paragraph.

GENERAL EXCLUSION OF WARRANTIES. THE CONTRACTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESS WARRANTIES CONTAINED IN THIS CONTRACT.

Indemnity for Property Damage and Bodily Injury. The Contractor must indemnify the State for all liability and expense resulting from bodily injury to any person (including injury resulting in death) and damage to tangible or real property arising out of the performance of this Contract, provided that such bodily injury or property damage is due to the negligence or other tortious conduct of the Contractor, its employees, agents, or subcontractors. The Contractor will not be responsible for any damages or liability to the extent caused by the negligence or willful misconduct of the State, its employees, other contractors, or agents.

Limitation of Liability. Neither party will be liable for any indirect, incidental, or consequential loss or damage of the other party, including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of such damages. Additionally, neither party will be liable to the other for direct or other damages in excess of two times the not-to-exceed fixed price of this Contract. The limitations in this paragraph do not apply to any obligation of the Contractor to indemnify the State against claims made against it or for damages to the State caused by the Contractor's negligence or other tortious conduct.

6.4.5 Part Five: Acceptance and Maintenance

Standards of Performance and Acceptance. There will be a period for performance testing of the completed Project. During the performance period, the State, with the assistance of the Contractor, will

perform acceptance testing. The performance period will last up to ninety (90) calendar days, during which time the Project must meet the standard of performance required by the RFP Documents for thirty (30) consecutive calendar days. The performance criteria in the RFP Documents will be supplemented with the relevant user manuals, technical materials, and related writings, to the extent that the specifications in those writings supplement and refine rather than contradict the performance criteria in the RFP Documents. Acceptance of the Project depends on a successful completion of the performance period defined in this section and the RFP Documents. This section applies to the Project, and any part of it, as well as replacements or substitutes for the Project after completion of a successful performance period.

If the Project does not meet the standard of performance during the initial performance period, the State will give the Contractor details about the problems in a timely manner and in a useful and relevant form. Until the Contractor demonstrably corrects all outstanding problems, the second performance period will not start, and the State will not accept the Project (or part thereof). The second performance test will continue on a day-by-day basis until the standard of performance is met for a total of thirty (30) consecutive calendar days or until the ninety (90)-day performance period has ended without meeting the standard of performance.

If the Project fails to meet the standard of performance after ninety (90) calendar days from the start of the second performance period, the Contractor will be in default and will not have a cure period. In addition to all other remedies the State may have under this Contract, the State may request a correction or replacement of the relevant portion of the Project.

The Project may have components that can be tested for acceptance individually. If that is so, there may be acceptance criteria listed on the RFP Documents for each part of the Project that will be independently tested and accepted. However, unless the RFP Documents expressly provide otherwise, the failure of any independently tested component to meet its acceptance criteria will give the State the right to reject the entire Project. Alternatively, if the State determines that it is in the State's interest to reject only the part of the Project that was independently and unsuccessfully tested, it may do so. If the State chooses this option, the State will be entitled to a refund or credit toward the Contractor's Fee equal to the cost of acquiring a replacement for the rejected component.

The acceptable level of performance for the Project will be 98.5%, unless otherwise specified in the RFP Documents. The performance level for the Project is computed by dividing the sum of the uptime by the number of working hours during the test time. “Uptime” means the total hours, rounded to the nearest quarter hour, during which all components of the Project are operational and all functions of the Project are available to its users. The number of “working hours” means the total number of working hours for the period during which the Project was scheduled to be available to its users. Uptime and downtime will be measured in hours and quarter hours.

The Project “downtime” is that period when any part of the Project is inoperable due to failure of the Project or a particular Deliverable to operate according to the specifications in the RFP Documents, the user documentation, or the published technical specifications. During a period of downtime, the State may use operable components of the Project when that will not interfere with repair of inoperable components of the Project. Downtime will start from the time the State notifies the Project Manager of the inoperable condition of the Project until the Project is returned in proper operating condition.

The Project will not be accepted until the performance period is complete.

Should it be necessary, the State may delay the start of the performance period, but the delay will not exceed thirty (30) consecutive calendar days after the scheduled date for implementation of the Project. Such a delay will not be considered a suspension of work under the Suspension and Termination section of this Contract.

Passage of Title. Title to any Deliverable will pass to the State only on acceptance of the Deliverable. All risk of loss, regardless of the cause, will remain with the Contractor until title to the Deliverable passes to the State.

Software Maintenance. If this Contract involves software as a Deliverable, then, during the warranty period, as well as any optional maintenance periods that the State exercises, the Contractor must correct any material programming errors that are attributable to the Contractor within a reasonable period of time. However, the State must notify the Contractor, either orally or in writing, of a problem with the software and provide sufficient information for the Contractor to identify the problem.

The Contractor's response to a programming error will depend upon the severity of the problem. For programming errors that slow the processing of data by a small degree, render minor and non-mandatory functions of the System inoperable or unstable, or require users or administrators to employ workarounds to fully use the software, Contractor will respond to the request for resolution within four business hours. Furthermore, the Contractor must begin working on a proper solution for the problem within one business day, dedicating the resources required to fix the problem. For any defects with more significant consequences, including those that render key functions of the system inoperable or significantly slow processing of data, the Contractor will respond within two business hours of notice. The Contractor also must begin working on a proper solution for the problem immediately after responding and, if requested, provide on-site assistance and dedicate all available resources to resolving the problem.

For software classified as Commercial Software in the Ownership of Deliverables section and for which the State has not signed a separate license agreement, the Contractor must acquire for the State the right to maintenance for one year. That maintenance must be the third-party licensor's standard maintenance program, but at a minimum, that maintenance program must include all, updates, patches, and fixes to the software. It also must include a commitment to keep the software current with the operating environment in which it is designed to function (and, if applicable, the subject matter covered by the software) and to correct material defects in the software in a timely fashion. Additionally, the Contractor must obtain a commitment from the licensor to make maintenance available for the product for at least four years after the first year of maintenance. The Contractor also must obtain a commitment from the licensor to limit increases in the annual Fee for maintenance to no more than 7% annually. If the licensor is unable to provide maintenance during that five-year period, then the licensor must be committed to doing one of the following two things: (a) give the State a *pro rata* refund of the license fee based on a five-year useful life; or (b) release the source code for the software (except third party software) to the State for use by the State solely for the purpose of maintaining the copy(ies) of the software for which the State has a proper license. For purposes of receiving the source code, the State agrees to treat it as confidential and to be obligated to the requirements under the Confidentiality section of this Contract with respect to the source code. That is, with respect to the source code that the State gets under this section, the State will do all the things that the Confidentiality section requires the Contractor to do in handling the State's Confidential Information.

Equipment Maintenance. If this Contract involves Equipment as a Deliverable, then, upon Equipment delivery and for twelve (12) months after acceptance, the Contractor must provide Equipment maintenance to keep the Equipment in or restore the Equipment to good working order. If the State exercises its right to any optional maintenance periods, the Contractor’s obligations hereunder will extend

to those periods as well. This maintenance must include preventative and remedial maintenance, installation of safety changes, and installation of engineering changes based upon the specific needs of the individual item of Equipment. This maintenance must include the repair, replacement, or exchange deemed necessary to keep the Equipment in good working condition. For purposes of this Contract, Equipment restored to good working condition means Equipment that performs in accordance with the manufacturer's published specifications and the RFP Documents.

The Contractor must exert its best efforts to perform all fault isolation and problem determination attributed to the Equipment covered under this Contract.

The following services are outside the scope of this Contract:

a. Maintenance to bring the Equipment into compliance with any law, rule, or regulation if such law, rule, or regulation was not in effect on the acceptance date.

b. Repair and replacement work or increase in maintenance time as a result of damage or loss resulting from casualty or the State's misuse of the Equipment, damage resulting from improper packing or failure to follow prescribed shipping instructions (if such is done by the State), failure of electrical power, air conditioning or humidity control, use of supplies not approved by the original manufacturer of the Equipment as described or included in the Contractor's Proposal, or causes other than ordinary use of the Equipment.

c. Furnishing supplies or accessories, making specification changes, or adding or removing approved accessories, attachments, or other devices.

d. Maintenance or any increase in maintenance time resulting from any maintenance or inappropriate connection to other equipment (not done by the Contractor) that results in damage to the Equipment.

e. Activities required to restore the Equipment to good operating condition if the problem has resulted from someone other than Contractor's authorized service personnel repairing, modifying, or performing any maintenance service on the Equipment.

Equipment Maintenance Standards. This section applies if Equipment will be a Deliverable under this Contract.

The Contractor must complete all remedial Equipment maintenance within eight business hours after notification by the State that maintenance is required. In the case of preventative maintenance, the Contractor must perform such in accordance with the manufacturer's published schedule and specifications. If maintenance is not completed or substitute equipment provided within eight hours after notification by the State, the Contractor will be in default.

All maintenance also must meet any standards contained in the RFP Documents. Failure of the Contractor to meet or maintain these requirements will provide the State with the same rights and remedies specified elsewhere in the RFP Documents for default, except that the Contractor will only have eight hours to remedy the default.

The Contractor must provide adequate staff to provide the maintenance required by this Contract.

Equipment Maintenance Continuity. This section applies if Equipment will be a Deliverable under this Contract.

If the Contractor is unable to provide maintenance services to meet the State's ongoing performance requirements for Equipment delivered under this Contract, and if, in the State's sole opinion, the Contractor is unlikely to resume providing warranty services that meet the State's ongoing performance requirement, the Contractor will be in default. the State then will be entitled to the remedies in the default section of this Contract. However, the State will also be entitled to the following items from the Contractor: (a) all information necessary for the State to perform the maintenance, including logic diagrams, maintenance manuals and system and unit schematics, as modified by the Contractor; and (b) a listing of suppliers capable of supplying necessary spare parts.

Any information in items (a) and (b) above that is rightfully identified by the Contractor as confidential information will be maintained in confidence by the State, except where disclosure to a third party is necessary for the State to continue the maintenance. However, any third party to whom disclosure is made must agree to hold such proprietary information in confidence and to make no further disclosure of it. Further, any such confidential information will be used solely to perform the Contractor's maintenance obligations hereunder and will be returned to the Contractor upon completion of such use.

Principal Period of Maintenance (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must make maintenance available nine working hours per weekday, between 8:00 a.m. and 5:00 p.m. Travel time and expenses related to remedial and preventive maintenance will not be considered billable but will be included in the Contractor's firm, fixed Fee for the Project during the warranty period and a part of the annual maintenance Fee during later annual maintenance periods.

Maintenance Access (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must keep the Project in good operating condition during the warranty period and any annual maintenance period during which the State contracts for continued maintenance. The State will provide the Contractor with reasonable access to the Project to perform maintenance. All maintenance that requires the Project to be inoperable must be performed outside the State's customary working hours, except when the Project is already inoperable. Preventive or scheduled maintenance will be performed at mutually agreeable times, within the parameters of the manufacturer's published schedule.

Key Maintenance Personnel (General). This section applies if software or Equipment will be a Deliverable under this Contract.

The Contractor must identify all key people responsible for providing maintenance on the Project, furnish the State with a means of identifying these people, furnish the State with their credentials, and notify the State at least thirty (30) calendar days in advance of any reductions in staffing levels of key people at the office serving the State.

6.4.6 Part Six: Construction

Entire Document. This Contract is the entire agreement between the parties with respect to its subject matter and supersedes any previous agreements, whether oral or written.

Binding Effect. This Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.

Amendments – Waiver. No change to any provision of this Contract will be effective unless it is in writing and signed by both parties. The failure of either party at any time to demand strict performance by

the other party of any of the terms of this Contract will not be a waiver of those terms. Waivers must be in writing to be effective, and either party may at any later time demand strict performance.

Severability. If any provision of this Contract is held by a court of competent jurisdiction to be contrary to law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity.

Construction. This Contract will be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

Headings. The headings used herein are for the sole sake of convenience and may not be used to interpret any section.

Notices. For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate contact provided elsewhere in the Contract, unless such party has notified the other party, in accordance with the provisions of this section, of a new mailing address. This notice requirement will not apply to any notices that this Contract expressly authorized to be made orally.

Continuing Obligations. The terms of this Contract will survive the termination or expiration of the time for completion of Project and the time for meeting any final payment of compensation, except where such creates an absurdity.

Time. Unless otherwise expressly provided, any reference in this document to a number of days for an action or event to occur means calendar days, and any reference to a time of the day, such as 5:00 p.m., is a reference to the local time in Columbus, Ohio.

6.4.7 Part Seven: Law and Courts

Compliance with Law. The Contractor must comply with all applicable federal, state, and local laws while performing under this Contract.

Drug-Free Workplace. The Contractor must comply with all applicable state and federal laws regarding keeping a drug-free workplace. The Contractor must make a good faith effort to ensure that all the Contractor's Personnel, while working on State property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

Conflicts of Interest. None of the Contractor's Personnel may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Additionally, the Contractor may not knowingly permit any public official or public employee who has any responsibilities related to this Contract or the Project to acquire an interest in anything or any entity under the Contractor's control, if such an interest would conflict with that official's or employee's duties. The Contractor must disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. The Contractor also must take steps to ensure that such a person does not participate in any action affecting the work under this Contract. However, this will not apply when the State has determined, in light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

Ohio Ethics Law and Limits on Political Contributions. The Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of the Ohio ethics laws. The Contractor also certifies that all applicable parties listed in the Ohio Revised Code Section 3517.13 are in full compliance with the Ohio Revised Code Section 3517.13.

Unresolved Finding for Recovery. If the Contractor was subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on the date the parties sign this Contract, the Contract is void. Further, if the Contractor is subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on any date on which the parties renew or extend this Contract, the renewal or extension will be void.

Equal Employment Opportunity. The Contractor will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111 and all related Executive Orders.

Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be submitted to the Department of Administrative Services Equal Opportunity Division to comply with the affirmative action requirements. Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by going to the Ohio Business Gateway at: http://business.ohio.gov/efiling/.

Security & Safety Rules. When using or possessing State data or accessing State networks and systems, the Contractor must comply with all applicable State of Ohio and State rules, policies, and regulations regarding data security and integrity. And when on any property owned or controlled by the State, the Contractor must comply with all security and safety rules, regulations, and policies applicable to people on those premises.

Declaration of Material Assistance ("DMA"). The Contractor represents and warrants that is has not provided any material assistance, as that term is defined in ORC Section 2909.33(C), to an organization that is identified by, and included on, the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the DMA form. The Contractor further represents and warrants that it has provided or shall provide the DMA form through the Ohio Business Gateway at http://business.ohio.gov/efiling/ prior to execution of this Contract. If these representations and warranties are found to be false, this Contract shall be void and the Contractor shall immediately repay to the State any funds paid under this Contract.

Injunctive Relief. Nothing in this Contract is intended to limit the State's right to injunctive relief, if such is necessary to protect its interests or to keep it whole.

Governing the Expenditure of Public Funds on Offshore Services (EO 2011-12K).

I. **Executive Order Requirements:** The Contractor affirms to have read and understands Executive Order 2011-12K and shall abide by those requirements in the performance of this Contract. Notwithstanding any other terms of this Contract, the State reserves the right to recover any funds paid for services the Contractor performs outside of the United States for which it did not receive a waiver. The State does not waive any other rights and remedies provided the State in this Contract.

   The Contractor agrees to complete the attached Executive Order 2011-12K Affirmation and Disclosure Form which is incorporated and becomes a part of this Agreement.

Assignment. The Contractor may not assign this Contract or any of its rights or obligations under this Contract without the prior, written consent of the State. The State is not obligated to provide its consent to any proposed assignment.

Governing Law. This Contract will be governed by the laws of Ohio, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

6.5 Attachment Five: Sample Contract

A CONTRACT BETWEEN

THE DEPARTMENT OF ADMINISTRATIVE SERVICES

ON BEHALF OF THE DEPARTMENT OF COMMERCE

AND

_____

(CONTRACTOR)

THIS CONTRACT, which results from RFP 0A1100, entitled "Replacement of DOLC Merchandising, Point-of-Sale and Supply Chain Management Support Systems RFP", is between the State of Ohio, through the Department of Administrative Services, on behalf of the Department of Commerce and _____ (the "Contractor").

This Contract consists of the referenced RFP, including all its attachments and supplements, written amendments to the RFP, the Contractor's Proposal, and written, authorized amendments to the Contractor's Proposal. It also includes any materials incorporated by reference in the above documents and any purchase orders and Change Orders issued under the Contract. The form of the Contract is this one page document, which incorporates by reference all the documents identified above. The General Terms and Conditions for the Contract are contained in an attachment to the RFP. If there are conflicting provisions among the documents that make up the Contract, the order of precedence for the documents is as follows:

SAMPLE

1. This document;
2. The RFP, as amended;
3. The documents and materials incorporated by reference in the RFP;
4. The Contractor's Proposal, as amended, clarified, and accepted by the State; and
5. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, Change Orders and amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent of them will take precedence over anything else that is part of the Contract.

This Contract has an effective date of the later of _____, 20___, or the occurrence of all conditions precedent specified in the General Terms and Conditions.

TO SHOW THEIR AGREEMENT, the parties have executed this Contract as of the dates below.

CONTRACTOR	STATE OF OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES
SAMPLE – DO NOT FILL OUT _____	
By:	By: Robert Blair
Title: _____	Title: Director
Date: _____	Date: _____

6.6 Attachment Six: Sample Deliverable/Milestone Submittal Form

Client Name:	**[Insert Client Name]**
Project Name:	**[Insert Project Name]**
Contract Number:	**[Insert Contract Number]**
Deliverable To Be Reviewed or Milestone Attained:	**[Insert Deliverable/Milestone Name and Work Breakdown Structure Task #]**
Date Deliverable Submitted for Review or Milestone Achievement Date:	**[Insert Applicable Date]**

The **[insert Deliverable/milestone name]** Deliverable/milestone is complete. This Deliverable/milestone has been completed/attained by **[insert Corporate name]** in accordance with the requirements specified in the RFP and Project Plan. Please obtain signatures below indicating the compliance of **[insert Deliverable/milestone name]**. Please obtain all signatures within **XX** calendar days of the Submitted or Achievement Date, above, **[insert date XX calendar days from submitted date]**.

Please contact_____ at **XXX-XXX** with any questions.

Sincerely,

[Insert Company Name]

[Insert Project Name] Project Manager

_____

Printed Name
Contractor Project Manager

{Same as person signing above}

COMPLIANT: **Deliverable Payment Authorized: Yes _____ No _____ N/A _____**

_____

Signature of DOLC Project Representative/Date

NOT COMPLIANT:

Describe reason(s) for non-compliance:

(Continue on back if necessary)

_____

Signature of DOLC Project Representative/ Date **Payment Not Authorized**

6.7 Attachment Seven: Offeror Certification Form

1. The offeror is not currently subject to an "unresolved" finding for recovery under Revised Code Section 9.24, and the offeror will notify the Procurement Representative any time it becomes subject to such a finding before the award of a Contract arising out of this RFP.

2. The offeror certifies that it will not and will not allow others to perform work for the State of Ohio outside the geographic limitations contained in Attachment Two or take data that belongs to the State of Ohio outside the geographic limitations contained in Attachment Two without express written authorization from The State.

3. The offeror certifies that its responses to the following statements are true and accurate. The offeror's answers apply to the last seven years. Please indicate yes or no in each column.

Yes/No	Description
	The offeror has had a contract terminated for default or cause.
	The offeror has been assessed any penalties in excess of $10,000.00, including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity).
	The offeror was the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
	Trading in the stock of the company has ever been suspended with the date(s) and explanation(s).
	The offeror, any officer of the offeror, or any owner of a 20% interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
	The offeror, any officer of the offeror, or any owner with a 20% interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.

If the answer to any item above is affirmative, the offeror must provide complete details about the matter. While an affirmative answer to any of these items will not automatically disqualify an offeror from consideration, at the sole discretion of the State, such an answer and a review of the background details may result in a rejection of the Proposal. The State will make this decision

based on its determination of the seriousness of the matter, the matter's possible impact on the offeror's performance under the Contract, and the best interest of the State.

4. The offeror certifies that neither it nor any of its people that may work on or benefit from the Contract through the offeror has a possible conflict of interest (e.g., employed by the State of Ohio, etc.) other than the conflicts identified immediately below:

Potential Conflicts (by person or entity affected)

(Attach an additional sheet if more space is need.)

The State may reject a Proposal in which an actual or apparent conflict is disclosed. And the State may cancel or terminate the Contract for cause if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

5. The offeror certifies that all its and its subcontractors' personnel provided for the Project will have a valid I-9 form on file with the offeror or subcontractor, as appropriate, and will have presented valid employment authorization documents, if they are not United States citizens.

6. The offeror certifies that it's regular, fulltime employees will perform at least 30% of the work on the Project.

7. The following is a complete list of all subcontractors, if any, that the offeror will use on the Project, if the State selects the offeror to do the work:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

The offeror certifies that it has obtained and submitted a subcontractor letter, as required by Attachment Three, for each subcontractor it plans to use on the project.

8. The offeror certifies that that any EDGE program participants will provide necessary data to ensure program reporting and compliance.

Please provide the following information for a contact person who has authority to answer questions regarding the offeror's Proposal:

Name:	
Title:	
Mailing Address:	
Office Phone Number:	
Cell Phone Number:	
Fax Number:	
Email Address:	

_____
Signature

_____
Name

_____
Title

_____
Company Name

_____
Company D-U-N-S Number

6.8 Attachment Eight: Proposal Mandatory Requirements Form

PROJECT MANDATORY REQUIREMENTS

MANDATORY REQUIREMENT #1: The State is seeking a proposal that exhibits extensive experience and the resources to manage the Project effectively. Therefore the proposal must describe extensive experience in the implementation of a project of similar size and complexity. *Extensive experience* is defined as having delivered fully functional application source code on at least two (2) or more projects that integrated two (2) or more COTS applications together that encompassed an entire defined business process. *Size and complexity* is defined as delivery of an application that incorporates a 3-tier infrastructure (presentation, logic, database layers) that supported remote retail point of sale sites, financial sales transactions, and at least one (1) e-commerce application with on-line payment.

<table>
<tr><td colspan="2">Since the Mandatory Requirements of this RFP may be met by a single offeror or one of the firms submitting a joint proposal, this form requires identification of the organization submitting the project experience reference.</td><td colspan="2">Name of Organization Submitting Experience:</td></tr>
<tr><td>Company Name:</td><td>Contact Name:

Primary or Alternate:</td><td colspan="2">Contact Title:</td></tr>
<tr><td colspan="2">Address:</td><td colspan="2">Contact Phone Number:

Email Address:</td></tr>
<tr><td colspan="2">Project Name:</td><td>Beginning Date of Expr: Month/Year</td><td>Ending Date of Expr: Month/Year</td></tr>
<tr><td colspan="4">List Related Service Provided:

Description of technical experience, capacity performed, and role that is related to services to be provided for this Project:</td></tr>
</table>

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT EIGHT

PROJECT MANAGEMENT MANDATORY REQUIREMENTS

MANDATORY REQUIREMENT #2: The State is seeking a proposal that describes Project Management services provided on a minimum of two (2) projects that encompassed the full system development life cycle from initiation through implementation on a project of similar size and complexity. *Size and complexity* has the same definition as used in the Project Mandatory Requirement above.

<table>
<tr><td colspan="2">Since the Mandatory Requirements of this RFP may be met by a single offeror or one of the firms submitting a joint proposal, this form requires identification of the organization submitting the project experience reference.</td><td colspan="2">Name of Organization Submitting Experience:</td></tr>
<tr><td>Company Name:</td><td>Contact Name:

Primary or Alternate:</td><td colspan="2">Contact Title:</td></tr>
<tr><td colspan="2">Address:</td><td colspan="2">Contact Phone Number:

Email Address:</td></tr>
<tr><td colspan="2">Project Name:</td><td>Beginning Date of Expr: Month/Year</td><td>Ending Date of Expr: Month/Year</td></tr>
<tr><td colspan="4">List Related Service Provided:

Description of technical experience, capacity performed, and role that is related to services to be provided for this Project:</td></tr>
</table>

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT EIGHT

RETAIL DOMAIN EXPERT MANDATORY REQUIREMENTS

MANDATORY REQUIREMENT #3: The State is seeking a proposal that exhibits expert knowledge of Retail systems as exhibited by delivery of, or integration with, two (2) or more retail point of sale system implementations involving management of multiple stock keeping units (SKUs) of similar size and complexity, either as part of a professional services contract or as a process leader in a business setting. *Size and complexity* has the same definition as used in the Project Mandatory Requirement above.

<table>
<tr><td colspan="2">Since the Mandatory Requirements of this RFP may be met by a single offeror or one of the firms submitting a joint proposal, this form requires identification of the organization submitting the project experience reference.</td><td colspan="2">Name of Organization Submitting Experience:</td></tr>
<tr><td>Company Name:</td><td>Contact Name:

Primary or Alternate:</td><td colspan="2">Contact Title:</td></tr>
<tr><td colspan="2">Address:</td><td colspan="2">Contact Phone Number:

Email Address:</td></tr>
<tr><td colspan="2">Project Name:</td><td>Beginning Date of Expr: Month/Year</td><td>Ending Date of Expr: Month/Year</td></tr>
<tr><td colspan="4">List Related Service Provided:

Description of technical experience, capacity performed, and role that is related to services to be provided for this Project:</td></tr>
</table>

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT EIGHT

FINANCIAL DOMAIN EXPERT MANDATORY REQUIREMENTS

MANDATORY REQUIREMENT #4: The State is seeking a proposal that describes expert knowledge of Financial and Accounting systems as exhibited by the delivery of, or integration with, two (2) or more financial and accounting system implementations which supported a financial statement based on GAAP, either as part of a professional services contract or as a process leader in a business setting.

<table>
<tr><td colspan="2">Since the Mandatory Requirements of this RFP may be met by a single offeror or one of the firms submitting a joint proposal, this form requires identification of the organization submitting the project experience reference.</td><td colspan="2">Name of Organization Submitting Experience:</td></tr>
<tr><td>Company Name:</td><td>Contact Name:

Primary or Alternate:</td><td colspan="2">Contact Title:</td></tr>
<tr><td colspan="2">Address:</td><td colspan="2">Contact Phone Number:

Email Address:</td></tr>
<tr><td colspan="2">Project Name:</td><td>Beginning Date of Expr: Month/Year</td><td>Ending Date of Expr: Month/Year</td></tr>
<tr><td colspan="4">List Related Service Provided:

Description of technical experience, capacity performed, and role that is related to services to be provided for this Project:</td></tr>
</table>

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

6.9 Attachment Nine: Personnel Profile Summary

Complete a <u>CANDIDATE REFERENCE FORM</u> for each reference for each key team member

Candidate's Name: **Project Role:**

References. Provide three references for which the proposed candidate has successfully demonstrated meeting the requirements of the RFP on projects of similar size and scope in the past five years. The name of the person to be contacted, phone number, company, address, brief description of project size and complexity, and date (month and year) of employment must be given for each reference. These references must be able to attest to the candidate's specific qualifications.

The reference given should be a person within the client's organization and not a co-worker or a contact within the offerors organization.

If less than three references are provided, the offeror must explain why. The State may disqualify the Proposal if less than three references are given.

Candidate Reference #1

Client Company Name:	**Client Contact Name:** (Indicate Primary or Alternate) **Client Contact Title:**	
Client Company Address:	**Client Contact Phone Number:** **Client Contact Email Address:**	
Project Name:	**Beginning Date of Employment (month/year):**	**Ending Date of Employment (month/year):**
Description of services provided that are in line with those to be provided as part of this Project: **Description of how client project size and complexity are similar to this project:**		

ATTACHMENT NINE
PERSONNEL PROFILE SUMMARY

CANDIDATE REFERENCES CONTINUED

Candidate's Name:

Candidate Reference #2

Client Company Name:	**Client Contact Name:** (Indicate Primary or Alternate) **Client Contact Title:**	
Client Company Address:	**Client Contact Phone Number:** **Client Contact Email Address:**	
Project Name:	**Beginning Date of Employment (month/year):**	**Ending Date of Employment (month/year):**
Description of services provided that are in line with those to be provided as part of this Project: **Description of how client project size and complexity are similar to this project:**		

Candidate Reference #3

Client Company Name:	**Client Contact Name:** (Indicate Primary or Alternate) **Client Contact Title:**	
Client Company Address:	**Client Contact Phone Number:** **Client Contact Email Address:**	
Project Name:	**Beginning Date of Employment (month/year):**	**Ending Date of Employment (month/year):**
Description of services provided that are in line with those to be provided as part of this Project: **Description of how client project size and complexity are similar to this project:**		

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ATTACHMENT NINE
PERSONNEL PROFILE SUMMARY

CANDIDATE EDUCATION AND TRAINING

Complete a CANDIDATE EDUCATION AND TRAINING FORM for each reference for each key team member

Candidate's Name:

Education and Training. This section must be completed to list the education and training of each proposed candidate and must demonstrate in detail the proposed candidate's ability to properly execute the Contract based on the relevance of the education and training to the requirements of the RFP.

EDUCATION & TRAINING	**MONTHS/ YEARS**	**WHERE OBTAINED**	**DEGREE/MAJOR YEAR EARNED**
College			
Technical School			
Other Training			

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ATTACHMENT NINE
PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

PROJECT MANAGER

Candidate's Name:

Requirement: Experience as the project manager on a minimum of two (2) projects that encompassed the full system development life cycle from initiation through post implementation on a project that utilized an iterative development methodology of similar size and complexity. *Extensive experience* and *Size and complexity* are as defined in the project mandatory requirement.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

PROJECT MANAGER

Candidate's Name:

Requirement: A minimum experience of 36 months using various project management tools such as MS Project, Project Workbench, etc.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

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ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

RETAIL DOMAIN EXPERT

Candidate's Name:

Requirement: Expert knowledge of Retail systems as exhibited by delivery of, or integration with, two (2) or more retail systems point-of-sale system implementations involving management of multiple stock keeping unit (SKUs) of a similar size and complexity, either as part of a professional services contract or as a process leader in a business setting. *Size and complexity* are as defined in the project mandatory requirement.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

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ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

FINANCIAL DOMAIN EXPERT

Candidate's Name:

Requirement: Expert knowledge of Financial and Accounting systems as exhibited by delivery of two (2) or more financial and accounting system implementations which supported a financial statement based on GAAP, either as part of a professional services contract or as a process leader in a business setting.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

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ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

ARCHITECT

Candidate's Name:

Requirement: A minimum of 36 months of full-time experience as an information technology system architect for projects that were enterprise-wide in scope that involved networking, multiple systems integration, data migration, reporting, and n-tier Web architectures.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

ARCHITECT

Candidate's Name:

Requirement: A minimum of 24 months experience managing a technical team and its activities from inception to implementation on projects of similar size and complexity.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

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ATTACHMENT NINE
PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

QA LEAD

Candidate's Name:

Requirement: A minimum of 12 months of full-time experience as an information technology quality assurance lead for projects that were enterprise-wide in scope that involved networking, multiple systems integration, data migration, reporting, and n-tier Web architectures.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

ATTACHMENT NINE

PERSONNEL PROFILE SUMMARY

CANDIDATE REQUIREMENTS
(Experience and Qualifications)

QA LEAD

Candidate's Name:

Requirement: A minimum of 12 months experience coordinating full life-cycle testing on projects of similar size and complexity.

Company Name:	**Contact Name:** **Primary or Alternate:**	**Contact Title:**	
Address:		**Contact Phone Number:** **Email Address:**	
Project Name:		**Beginning Date of Expr: Month/Year**	**Ending Date of Expr: Month/Year**
Description of technical experience, capacity performed, and role that is related to services to be provided for this Project: **Description of how the client work size and complexity are similar to the Work:**			

****** COPY THIS FORM AS MANY TIMES AS NEEDED ******

6.10 Attachment Ten: Cost Summary

Tasks and Deliverables	Cost
{Insert Deliverable/milestone Name}	$
	$
	$
	$

Not to Exceed Fixed Price for Tasks and Deliverables (Tasks 1 – 10)					$
Annual System Maintenance for First Five Years of Maintenance (Excluding Key and other Commercial Software Support):					$
1st Year	2nd Year	3rd Year	4th Year	5th Year	
$0.00	$	$	$	$	
Commercial Software License Fees (From Breakdown Sheet):					$
Annual Support Fees for Commercial Software for First Five Years of Support (From Breakdown Sheet):					$
1st Year	2nd Year	3rd Year	4th Year	5th Year	
$	$	$	$	$	
Key Commercial Software License Fees (From Breakdown Sheet):					$
Annual Support Fees for Key Commercial Software for First Five Years of Support (From Breakdown Sheet):					$
1st Year	2nd Year	3rd Year	4th Year	5th Year	
$	$	$	$	$	
Performance Bond					**(Included)**
Total Not to Exceed Fixed Price:					$

(CONTINUED)

Optional Requirements	Cost
Localization (Section 14.1 of Supplement Four)	**$**
Robust Workflow (Section 14.2 of Supplement Four)	**$**
Document Management (Section 14.3 of Supplement Four)	**$**

Recommended Hardware	Cost
(Insert Details Here– Brand, Model, Description etc..)	**$**
(Insert Details Here– Brand, Model, Description etc..)	**$**
(Insert Details Here– Brand, Model, Description etc..)	**$**
(Insert Details Here– Brand, Model, Description etc..)	**$**
(Insert Details Here– Brand, Model, Description etc..)	**$**
(Insert Details Here– Brand, Model, Description etc..)	**$**

(CONTINUED)

COST SUMMARY (COMMERCIAL SOFTWARE LICENSE FEES BREAKDOWN SHEET)

Tasks and Deliverables					Cost
Commercial Software Product Name:					$
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					$
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Commercial Software Product Name:					$
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					$
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Commercial Software Product Name:					$
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					$
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Commercial Software Product Name:					$
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					$
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	

(CONTINUED)

COST SUMMARY (KEY COMMERCIAL SOFTWARE LICENSE FEES BREAKDOWN SHEET)

Key Commercial Software Product Name:					**$**
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					**$**
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Key Commercial Software Product Name:					**$**
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					**$**
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Key Commercial Software Product Name:					**$**
Type License:					
License Count:					
Annual Support Fees for above Software for First Five Years of Support:					**$**
1st Year	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	
$	**$**	**$**	**$**	**$**	
Total Cost for Key and other Commercial Software, including Annual Support for Five Years:					**$**

6.11 Attachment Eleven: Master Contract for Software licensing

(MLA NUMBER [0000000])

THIS CONTRACT (the "Contract") is between the State of Ohio ("the State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215, and *[Company name of the Contractor]* (the "Contractor"), with offices at *[street address, city, state and zip code for the Contractor]*, and whose Federal Tax ID Number is *[the Contractor's TIN]* and D-U-N-S Number is *[the Contractor's D-U-N-S]*.

6.11.1 Background

DOLC and the Contractor have entered into this Contract to provide the terms and conditions under which the Contractor will grant one or more perpetual, nonexclusive licenses to the State to use certain software that the Contractor publishes or markets (the "Software"). Any such licenses will be described in one or more schedules to this Contract ("Schedules") and will include a license to use the Software's user and technical documentation (the "Documentation"). It also may include a license to use the Software's source code and related material ("Source Code"), if it is so indicated elsewhere in this Contract or on the applicable Schedule. Additionally, this Contract governs the Contractor's obligation to provide the State with assistance troubleshooting the Software and with updates, correction, enhancements, and new releases of the Software ("Support").

6.11.2 Part I: License and Use

1. **Grant of License.** The Contractor grants to the State a nonexclusive, nontransferable, and perpetual license to use the executable code version of the Software identified in each Schedule under this Contract, along with the related Documentation, and if indicated in an applicable Schedule, the Source Code for the Software. The license begins on the date identified in the applicable Schedule as the start date for the license (the "Start Date"). Unless indicated otherwise in this Contract, such use will be limited to use solely for the exercise of any function of State government by any State agency or political subdivision of the State ("Affiliated Entities"). The applicable Schedule governing the license will describe the scope of each license granted to the State in further detail, and the State agrees to limit its use of the Software as described in the applicable Schedule. The State may not republish the Software or the Documentation or distribute it to any third party, unless and only to the extent that this Contract or the scope of license in the applicable Schedule expressly so permits. The State will have a right to use the Software at any of its locations worldwide, subject only to applicable restrictions on export of technology from the US, the scope of license in the applicable Schedule, and the restrictions in this Contract on using the Software in hazardous environments.

2. **Generated Files.** "Generated Files" are files that the State creates using the Software and in which the State's data or results from the State's instructions are stored. Examples of such files could include, among others, text files generated with a word processor, data tables created with a database engine, and image files created with a graphics application. Applications consisting of instruction sets created with a programming language that the Contractor licensed to the State also would be considered Generated Files. As between the State and the Contractor, the State will own all Generated Files that the State prepares by using the Software, excluding such portions of the Generated Files that consist of embedded portions of the Software. The Contractor or its licensors will retain ownership of any portions of the Software embedded into Generated Files. But the Contractor grants to the State a nonexclusive, royalty-free right to reproduce and distribute to third parties any portions of the Software embedded in any Generated Files that the State creates while using the Software in the manner in which the Software is designed to be used. In the State's distribution of the Generated Files, the State may not use the Contractor's name, logo, or trademarks, except to the extent that such are incorporated in such Generated Files by the design of the Software when used as intended.

3. **License Restrictions.** The State may not reverse engineer, de-compile, or disassemble any Software for which it is not licensed to use the Software's Source Code. Additionally, the State may not assign, transfer, or redistribute the Software to any party in whole or in part, except as expressly provided by this Contract or the applicable Schedule. It also may not rent, time share, or operate a service bureau with respect to the Software. And the State may not charge a fee to any third party for access to or use of the Software, unless this Contract or the applicable Schedule permits such. (One Affiliated Entity using the Software on behalf of another Affiliated Entity is not the operation of a service bureau for purposes of this Contract, even if the Affiliated Entity charges the other Affiliated Entity for the costs of the service.) Additionally, except as authorized in this Contract or the applicable Schedule, the State may not grant any sublicense to access or use the Software. Notwithstanding the foregoing, and provided they have agreed in writing to honor the terms of this Contract, the State's Affiliated Entities may use the Software in the same manner as the State, subject to the applicable limits on the license and the obligations contained in this Contract. Further, for any Software designed for communications, such as e-commerce applications, or for Web presentations, the State may communicate with third parties using the Software and use the Software for presentations to third parties via the Internet. Additionally, the State engages various contractors to do work for it, and the State may provide such contractors with access to and use of the Software solely for use on behalf of the State, including in a facilities management, hosting, disaster recovery, or outsourcing arrangement. But the State may not provide access to the Software to any such contractors except for use solely on behalf of the State.

4. **Locking Devices.** Some Software may require the use of a key to prevent unauthorized installation and use of the Software, but the Software may not include expiration codes, "time bombs", or similar devices that can disable the software once a proper key is provided. Further, the software may not contain any routines, functions, or devices that can or are designed to transmit or transfer any data surreptitiously to the Contractor or any other party. Nor may the software contain any routines, functions, or similar devices designed to permit the Contractor or a third party to surreptitiously access data on the State's network or on any of the State's computers. Should the State need assistance with a key or similar device to use the Software within the State's scope of license, the Contractor will assist the State at any time and without charge or fee, regardless of whether such Software is then under Support.

5. **Copies.** In addition to the copies of the Software authorized by the license in the applicable Schedule, the State may make a reasonable number of copies of the Software for backup, archival, disaster recovery, testing, development, and image management purposes. And the State may use these copies for such purposes without paying any additional fee or charge, so long as any such additional copies are not used in a production environment while the production copy or copies of the Software are used for production. No other copies of the Software may be made by or for the State. With respect to the Documentation for any Software, the State may make as many copies of it in either paper-based or electronic form as the State may reasonably require for its own internal purposes. Additionally, the State may incorporate portions of the Documentation in other materials, such as training and reference manuals, provided that such materials are used solely for the internal purposes of the State and the use bears a reasonable nexus to the State's use of the Software. Each copy of the Software or Documentation that the State makes must bear the same copyright and other proprietary notices that appear on the original copy provided to the State. If the Contractor has granted the State a license to use the Source Code for the Software, the State may make a reasonable number of copies of the Source Code, modify it, compile it, and otherwise use it as reasonably necessary to support its licensed use of the Software.

6. **Hazardous Environments.** The State recognizes that some Software may not be designed or intended for use as or with online control equipment or systems in hazardous environments requiring fail-safe performance. This includes equipment or systems such as those used in the operation of nuclear facilities, aircraft navigation, air traffic control, direct life support machines, and munitions. It also includes any other equipment or systems in which the State reasonably can foresee that failure of the Software could lead to death, personal injury, or severe physical or environmental damage. For any Software designated as not intended for hazardous environments in the applicable

Schedule, the State may not use or permit the use of the Software in conjunction with any such equipment or systems.

7. **Object Reassignment.** Any Software licensed by the number of items that it may be used on, by, or in conjunction with, such as nodes, computers, users, or sites ("Objects"), may be reassigned to other, similar Objects within the State at any time and without any additional fee or charge. For example, a computer-specific license may be transferred to another computer, a site license may be transferred to another site, and a named user license may be assigned to another user. But any such reassignment must be in conjunction with termination of use by or with the previous Object, if such termination is required to keep the total number of licensed Objects within the scope of the applicable license. Should the State require a special code, a unique key, or similar device to reassign the Software as contemplated by this section, the Contractor will provide such a code, key, or similar device to the State at any time and without a fee or charge, regardless of whether such Software is then under Support. A later section in this Contract governs assignment of the State's license in any Software to a successor in interest.

8. **Upgrades, Updates, and Corrections.** All portions of the Software, including any corrections, patches, service packs, updates, upgrades, and new versions and releases are the property of Contractor, are part of the Software, and are governed by the State's license in the Software. In no event will the Software or any modification of it be deemed a work made for hire, even if the Contractor has made the modification expressly for the State, unless the parties agree

6.11.3 Part II: Fees and Payment

1. **Fees**. The State will pay to the Contractor the fees for licensing the Software identified in each Schedule under this Contract ("License Fees"), as well as all applicable fees for Support of the Software ("Support Fees") that are identified in any Schedule under this Contract. The License Fee for each license is due and payable on the 30th day after the later of the date on which the applicable license starts (the "Start Date") or the date the State receives a proper invoice for the License Fee at the office designated in the applicable purchase order. A Support Fee will be due payable on the 30th day after the later of the date on which the applicable period of Support (the "Support Period") begins or the date the State receives a proper invoice for the Support Fee at the office designated in the applicable purchase order. The State will not be obligated to acquire or renew Support for any Software unless it issues a purchase order for such.

2. **Taxes**. The State is exempt from all sales, use, excise, property, and similar taxes ("Taxes"). To the extent any Taxes are imposed on the Contractor in connection with this Contract or the Software, the Contractor must pay such Taxes, together with any interest and penalties not properly disputed with the appropriate taxing authority.

3. **Invoices.** The Contractor must submit an original invoice with three copies to the office designated in the purchase order as the "bill to" address. To be a proper invoice, the invoice must include the following information:

   (1) Name and address of the Contractor, as designated in this Contract.

   (2) The Contractor's federal tax identification number, as designated in this Contract.

   (3) The Contractor's invoice remittance address, as designated in this Contract.

   (4) The purchase order number authorizing the delivery of the Software or Support.

   (5) A description of what the Contractor delivered, including, as applicable, the time period, serial number, unit price, quantity, and total price of the Software and Support. If the invoice is for Software with multiple installments of the License Fee, the Contractor also must include the payment number (e.g., 11 of 36).

If an invoice does not meet this section's requirements, or if the Contractor fails to give proper notice of a price increase (see the Pricing section below), the State will send the Contractor written notice. The State will send the notice, along with the improper invoice, to the Contractor's address designated for receipt of purchase orders within 15 days. The notice will contain a description of the defect or impropriety and any additional information the Contractor needs to correct the invoice. If such notification has been sent, the payment due date will be 30 days after the State receives a corrected and proper invoice or the applicable Start Date in the Schedule, whichever is later. The date the State issues a warrant (the State's equivalent to a check) in payment of an invoice will be considered the date payment is made. Without diminishing the Contractor's right to timely payment, the payment will be overdue only if it is not received by the 30th day after the payment's due date. If the State has not issued payment by then, interest will begin to accrue under Ohio Revised Code ("Code") Section 126.30.

4. **Non-Appropriation of Funds.** The State's funds are contingent on the availability of lawful appropriations by the Ohio General Assembly. If the Ohio General Assembly fails to continue funding for the Fees due hereunder, as determined by the Director of the Department of Administrative Services, this Contract will terminate with respect to the Software or Support affected by the non-appropriation as of the date that the funding expires, and the State will have no further obligation to make any payments. This provision will not alter the rights of the State in any Software or to any Support for which the State already has made payment at the time of the non-appropriation.

5. **OBM Certification.** This Contract is subject to Code Section 126.07. All orders and Schedules under this Contract are void until the Director of the Office of Budget and Management for the State certifies that there is a balance in the appropriation available to pay for the order.

6. **Currency.** The State will make all payments under this Contract by warrant (the State's equivalent to a check) in US Dollars, regardless of the location where the Support is provided or the Software is located.

7. **Disputed Amounts.** The parties will resolve any amounts disputed under this Contract expeditiously and in good faith by having the representatives of the parties who signed this Contract enter into informal discussions. Once resolved through the dispute resolution process, the amount must be paid within 30 days of the resolution. If the State disputes any amount under this Contract in good faith, the State may withhold its payment pending resolution notwithstanding anything to the contrary elsewhere in this Contract.

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 [redacted]% 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 [redacted] 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.

6.11.4 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, 200[ ]. 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.

1. **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.

2. **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.

3. **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 deliverers 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. The receiving party will be liable to the disclosing party for any damages that result from its improper or unauthorized disclosure of any Confidential Information.

Except for Software, Source Code, or Documentation that represents Confidential Information, neither party may incorporate any portion of the other party's Confidential Information into any work or product. With respect to Software, Source Code, or Documentation that is Confidential Information, the foregoing will not apply to any portion of the Software incorporated into Generated Files by the design of the Software when used as intended. Nor will the foregoing apply to portions of the Documentation that the State incorporates into material such as training and reference manuals in accordance with this Contract's applicable provisions. And the foregoing will not apply to any Source Code properly licensed to the State that the State modifies for use within the scope if its license in the applicable Software. Furthermore, the receiving party must cause all of its personnel who have access to any Confidential Information of the other party to execute a confidentiality agreement incorporating the obligations of this section. Additionally, for any director, officer, employee, partner, agent, or subcontractor of the Contractor ("Contractor Personnel") that require access to the State's premises, the State may require an individual non-disclosure agreement incorporating the terms of this section to reinforce the importance of such obligations. The State may bar any Contractor Personnel who refuse to execute such a non-disclosure agreement from entering the State's facilities.

The receiving party's obligation to maintain the secrecy of the Confidential Information will not apply where it:

(a) Was already in the receiving party's possession before disclosure by the other party, and the receiving party obtained it without an obligation of confidence;

(b) Is independently developed by the receiving party;

(c) Except as provided in the next paragraph, is or becomes publicly available without breach of this Contract;

(d) Is rightfully obtained by the receiving party from a third party without an obligation of confidence;

(e) Is disclosed by the receiving party with the written consent of the other party; or

(f) Is released in accordance with a valid order of a court or governmental agency, provided that the receiving party:

(1) Notifies the other party of such order immediately upon receipt of the order; and

(2) Makes a reasonable effort to obtain a protective order from the issuing court or agency limiting disclosure and use of the Confidential Information solely for the purposes intended to be served by the original order of production.

Information that may be available publicly through other sources about people that is personal in nature, such as medical records, addresses, phone numbers, social security numbers, and similar things are nevertheless sensitive in nature and may not be disclosed or used in any manner except as expressly authorized in this Contract. Therefore, item (3) in the preceding paragraph does not apply, and the Contractor must treat such information as Confidential Information whether it is available elsewhere or not.

Except for properly licensed Software, Source Code, or Documentation that contains Confidential Information, the receiving party must return or destroy all copies of any Confidential Information when it is no longer needed for the

receiving party to perform under this Contract, but in any case, no later than on termination of this Contract. For properly licensed Software, Source Code, and Documentation that represents Confidential Information, the State may retain it for so long as the State has a valid license in it.

The receiving party may disclose Confidential Information to its contractors on a need-to-know basis, but only after they have agreed in writing to be obligated to the requirements of this section.

4. Escrow. Except for Software that the Contractor delivers to the State with its Source Code, the Contractor must escrow the Source Code for all Software with Escrow Associates, LLC (the "Agent") under an existing professional manner.

The release will apply only to the Source Code for Software affected by the triggering event. The Source Code for the Software will be in the form customarily used by programmers to read and modify such Source Code. It also will include all supporting documentation and annotations reasonably required for productive use of the Source Code by a competent programmer skilled in the programming language in which the Source Code is written. The Contractor will deliver to the Agent the Source Code for each version or release of the Software that the State acquires. The State will be solely responsible for paying all escrow fees associated with the escrow agreement, and upon any release of Source Code from escrow, the State will treat the material as Confidential Information and use it solely to maintain the Software for its own internal purposes.

The escrow agreement with the Agent is a supplementary agreement to this Contract, within the meaning of Title 11, Section 365(n), of the United States Code, and neither the Contractor nor its trustee in bankruptcy may interfere with the State's license in the Software or right to access any Source Code by virtue of any bankruptcy proceedings.

From time to time, the State may change the company it uses as the Agent. The State will do so only on written notice to the Contractor and will use only a US-based, well-recognized escrow company.

5. Insurance. During any Support Period for which the State has paid the applicable Support Fee, the Contractor must purchase and maintain the following minimum insurance coverages at its sole expense:

(A) Worker's compensation insurance covering all employees to comply with the laws of the state or states where operations are conducted and employer's liability insurance with a limit of not less than $1,000,000. If operations are conducted in a monopolistic state, the employer's liability insurance must be provided through a stop gap endorsement.

(B) General liability insurance covering all operations under this Contract, with a combined single limit of not less than $1,000,000 each occurrence. The policy must include with its other coverages products and completed operations, broad form property damage, blanket contractual liability coverage, independent contractors (work sublet) and cross liability.

(C) Automobile liability insurance covering all automotive equipment used in performing under this Contract (whether owned, non-owned, or hired) with a combined single limit of not less than $1,000,000 each accident.

The policies specified in (A) above must be with companies acceptable to the State and endorsed to waive rights of subrogation against the State. The policies specified in (B) and (C) above must be endorsed to include the State as an additional insured with respect to operations performed under this Contract. All the above policies must be primary to any policies the State purchases or maintains.

The Contractor must furnish the State with an insurance certificate as evidence of the above coverages and requirements. The certificate also must contain the following statement:

> "Thirty days' prior written notice will be given to the State of Ohio in the event of cancellation or material change in coverage."

The coverages required represent the State's minimum requirements, and they may not be construed to void or limit the Contractor's indemnity obligations under this Contract.

6. **Excusable Delay.** Neither party will be liable for any delay in its performance under this Contract that arises from causes beyond its control and without its negligence or fault. The delayed party must notify the other promptly of any material delay in performance and must specify in writing the proposed revised performance date as soon as practicable after notice of delay. For any such excusable delay, the date of performance or delivery will be extended for a period equal to the time lost by reason of the excusable delay. The delayed party must also describe the cause of the delay and what steps it is taking or will take to remove the cause. The delayed party may not rely on a claim of excusable delay to avoid liability for a delay if the party has not taken commercially reasonable steps to mitigate or avoid the delay.

7. Network Security. The Contractor may not connect to the State's internal computer network without the prior, written consent of the State, which the State will reasonably provide if necessary or appropriate for the Contractor to provide Support. But as a condition of connecting to the State's computer network, the Contractor must secure its own connected systems in a manner consistent with the State's then-current security policies, which the State will provide to the Contractor on request. The State may audit the Contractor's security measures in effect on any such connected systems without notice. The State also may terminate the Contractor's network connections immediately should the State determine that the Contractor's security measures are not consistent with the State's policies or are otherwise inadequate given the nature of the connection or the data or systems to which the Contractor may have access.

8. Termination. This Contract will continue in full force and effect unless terminated according to the terms of this Contract. Either party may terminate this Contract at any time on 30 days prior written notice to the other party or in the event of any default by the other party, which the defaulting party fails to cure within 30 days after written notice. Either party also may terminated this Contract upon any sale of a majority interest in the other party to a third party or if a receiver, liquidator, trustee, or like official is appointed for the other party or any substantial portion of its property. Additionally, either party may terminate this Contract if the other party files or consents to any petition in bankruptcy or other insolvency proceedings or makes any assignment for the benefit of its creditors. Termination of this Contract will not extinguish any of the rights and obligations of a party under this Contract that, by the terms of that right or obligation, continue after the date of termination. And no termination will extinguish any of the rights or obligations that, by their very nature, must continue after termination to give full effect to the purpose of those rights and obligations. Termination of this Contract will not entitle the State to any refund of any License or Support Fee, nor will it extinguish any license or price-hold the State has acquired in any Software before the date of termination, except as provided in the next paragraph.

With or without terminating this Contract in accordance with the paragraph above, on 30 days prior written notice to the State, the Contractor may terminate any license in any Software granted to the State under this Contract. But the Contractor may do so only if the State materially breaches any terms of this Contract with respect to the license or licenses the Contractor seeks to terminate. Such termination notice will be effective 30 days after the State receives it, provided that the State does not cure its breach of this Contract within those 30 days. All Software licenses not affected by the State's breach will remain in place and unaffected by the termination. Any such termination will be in addition to any other remedies the Contractor may have under this Contract for the State's breach.

escrow agreement between the State and the Agent. The Agent may release the Source Code to the State on the occurrence of any of the following:

(a) The Contractor ceases business without a successor in interest that assumes all the Contractor's obligations under this Contract;

(b) The Contractor files or has filed against it a petition in bankruptcy or similar proceeding that is not dismissed within 60 days;

(c) The Contractor stops supporting any Licensed Software;

(d) The State terminates this Contract for cause; or

(e) The Contractor materially or consistently fails to perform its Support obligations in a timely and

6.11.5 Part IV: Warranties, Liabilities, and remedies

1. **Warranties**. The Contractor warrants for one year from the Start Date that the Software will be free of material defects and will function in substantial conformance to its Documentation when used in the operating environment for which it is intended and in accordance with its Documentation. The Contractor also warrants that the Software will be merchantable and fit for the particular purpose for which the State acquired it**.** Moreover, the Contractor warrants that the Software will be free of viruses at the time of its delivery under this Contract. Additionally, the Contractor warrants that all media on which the Software is delivered to the State will be free from defects for one year after delivery to the State.

2. **Warranty Exclusions.** The Contractor's warranties with respect to the Software's performance in accordance with its Documentation, its fitness, and its merchantability do not cover any error caused by any change to the Software made by any party other than the Contractor and not at the Contractor's request or otherwise in accordance with this Contract or the Software's Documentation. It also does not cover damage to the Software caused by accident, neglect, or misuse of the Software by any party other than the Contractor or anyone else acting on the Contractor's behalf. Further, the State's use of the Software in an operating environment or in conjunction with a hardware platform that does not meet the Contractor's minimum specifications, as set out in the applicable Schedule or Documentation, may result in errors or failures that are outside the scope of the Contractor's warranty. Additionally, use of the Software in combination with other software, hardware, firmware, data, or technology not licensed or approved by the Contractor in writing may cause failures that also are outside the scope of the Contractor's warranty, provided that the Software is not designed or intended for use with such items.

   THE EXPRESS WARRANTIES IN THIS CONTRACT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.

3. **Remedies.** The Contractor's entire liability and the State's sole remedy for any breach of the above media warranty is limited to requiring the Contractor to replace the defective media expeditiously and without charge to the State. Furthermore, the Contractor's entire liability and the State's sole remedy for any breach of the above warranties of fitness, merchantability, and against defects in the Software will be limited to the Contractor expeditiously correcting the defect or issue and providing the State with a patch containing the correction. If within the times given below, the Contractor does not provide a replacement copy for defective media or Software containing a virus or fails to deliver a fix for a defect in the Software or a correction solving a fitness or merchantability issue, the Contractor must refund all License Fees paid by the State for the affected the Software. In the case of defective media or Software containing a virus, the Contractor will have 15 days after written notice to provide a replacement. In the case of other defects, merchantability issues, or fitness issues, the Contractor will have 30 days after written notice to deliver a correction that resolves the problem. Upon the Contractor's issuance of a refund, the State will return or destroy all copies of the Software and, upon the Contractor's request, certify in writing that it has done so.

   THE FOREGOING REMEDIES ARE THE STATE'S EXCLUSIVE REMEDIES FOR THE WARRANTIES PROVIDED ABOVE.

4. **Indemnity.** The Contractor will indemnify the State for all direct damages to the State caused by the negligence or willful misconduct of the Contractor. The Contractor also agrees to indemnify, defend, and hold the State harmless from and against all claims, liabilities, demands, losses, expenses (including by way of example only, court costs and experts' and attorneys' fees), and causes of action of every kind and character in favor of any third party caused or arising out the activities or performance of the Contractor or the Contractor's Personnel.

The foregoing obligations do not apply to the extent caused by the State's actual negligence or willful misconduct. Any defense of the State requires and is subject to the approval and consent of the Ohio Attorney General.

5. **Infringement.** The Contractor will release, protect, indemnify, defend, and hold the State harmless from and against any claims of infringement by any third parties based on the Software, Source Code, or Documentation licensed under this Contract. Any defense of the State requires and is subject to the approval and consent of the Ohio Attorney General and will be at the Contractor's sole cost and expense. Further, the Contractor will indemnify the State for any liability resulting from any such claims, demands, or suits, as well as hold the State harmless for the Contractor's liability, losses, and damages resulting from such. This obligation of defense and indemnification will not apply where the State has modified or misused the Software, Source Code, or Documentation, and the claim or the suit is based on the modification or misuse. The Contractor's obligation to hold the State harmless also will not apply if the claim, suit, liability, or damage arises out of the State's misuse of the Software, Source Code, or Documentation. The State agrees to give the Contractor notice of any such claim as soon as reasonably practicable and to allow the Contractor to control the defense of the any such claim, upon consultation with and the approval of the Office of the State's Attorney General.

   If a successful claim of infringement is made, or if the Contractor reasonably believes that an infringement or similar claim that is pending actually may succeed, the Contractor will do one of the following four things as soon as reasonably possible to avoid or minimize any interruption of the State's business:

(a) Modify the offending Software, Source Code, or Documentation so that it is no longer infringing;

(b) Replace the offending Software, Source Code, or Documentation with an equivalent or better item;

(c) Acquire the right for the State to use the infringing Software, Source Code, or Documentation as it was intended for the State to use under this Contract; or

(d) Remove the infringing Software, Source Code, or Documentation and refund the amount the State paid for the Software and the amount of any other Software or item that requires the availability of the infringing Software, Source Code, or Documentation for it to be useful to the State.

6. **LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS CONTRACT, NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES OTHER THAN DIRECT DAMAGES. THIS EXCLUSION OF DAMAGES INCLUDES, BY WAY OF EXAMPLE ONLY, INDIRECT, INCIDENTAL, EXEMPLARY, AND CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. ADDITIONALLY, NEITHER PARTY WILL BE LIABLE FOR DIRECT DAMAGES IN EXCESS OF TWO TIMES THE TOTAL LICENSE AND SUPPORT FEES PAID UNDER THIS CONTRACT OR $_____, WHICHEVER IS GREATER. BUT THIS LIMITATION OF LIABILITY WILL NOT LIMIT THE CONTRACTOR'S OBLIGATION TO INDEMNIFY THE STATE UNDER THE INDEMNITY AND INFRINGEMENT PROVISIONS OF THIS CONTRACT FOR DIRECT DAMAGES FROM THE CONTRACTOR'S NEGLIGENCE OR WILLFUL MISCONDUCT. THIS LIMITATION OF LIABILITY ALSO WILL NOT LIMIT THE CONTRACTOR'S OBLIGATIONS UNDER THE INDEMNITY AND INFRINGEMENT SECTIONS OF THIS CONTRACT FOR CLAIMS MADE AGAINST THE STATE FOR INFRINGEMENT OR FOR NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CONTRACTOR, REGARDLESS OF THE NATURE OF THE DAMAGES SOUGHT FOR ANY SUCH CLAIM. THIS LIMITATION OF LIABILITY WILL SURVIVE TERMINATION OF THIS CONTRACT.**

6.11.6 Part V: Software Support

1. **Support.** Each Support Period will be one year in duration, with the first Support Period beginning on the [first anniversary of the] Start Date for the applicable license. Subsequent Support Periods will begin on each anniversary of the Start Date of the applicable license (the "Anniversary Date"). During each Support Period for

which the State has paid the applicable Support Fee, the Contractor will provide the State with telephonic assistance and advice for using the Software. The Contractor also will provide remote troubleshooting and problem resolution by developing and providing fixes or patches for errors in the Software. As part of the annual Support that the Contractor provides in exchange for the applicable Support Fee, the Contractor also will deliver to the State all service packs for the Software, as well as all updates and new releases and versions of the Software. The annual Support Fee will be calculated as a percentage of the then current License Fee for the applicable Software license. The percentage used to calculate the Support Fee will be provided in the applicable Schedule governing the Software license. The manner in which the Contractor provides Support will be governed by the Contractor's policies and programs described in the applicable Software Documentation or other materials that the Contractor uses to notify its customers generally of such policies. But regardless of the Contractor's policies and programs, unless otherwise agreed in the applicable Schedule, in all cases such Support must comply with the requirements of this Contract. And the Contractor must provide the Support in a competent, professional, and timely manner.

2. **Minimum Availability.** Support for any Software licensed under this Contract must be available for a minimum of seven years from the Start Date of the license. Thereafter, for so long as the Contractor makes Support available to other customers, the State will be entitled to participate in that Support under the terms of this Contract and in exchange for the Support Fee identified in the applicable Schedule.

3. **Reductions.** The State may acquire licenses that are based on the number of users, nodes, computers, processors, instances of the Software or other counts of objects covered by a license ("Objects"). In any such cases, the State may request that the Support Fees for a Support Period be calculated based on fewer Objects than included in the previous Support Period, with an appropriate adjustment in the applicable Support Fee. But patches, services packs, updates, and new versions or releases of the Software made available to the State under this Contract for such Software may be applied only to the number of Objects included in the then current Support Period. Nevertheless, the State may continue using any version of the Software that is available at the time Support was reduced on or for the unsupported Objects, provided that such is physically possible based on the Software's configuration. In any case where supported and unsupported Objects cannot be treated separately (e.g., a single server license supporting multiple concurrent connection), the State must limit its use of the Software to the supported number of Objects to take advantage of its reduction rights under this section.

4. **Lapse and Reinstatement.** If the State opts to not renew Support for some or all of the Software licensed by the State under this Contract, the State may subsequently purchase Support for such Software. But it may do so only if the Contractor continues to make it generally available to its customers when the State makes the decision to reacquire Support. Further, any such Support will require, in addition to the Support Fee for the then current Support Period, the payment of the immediately preceding year's Support Fees for that Software, or the applicable instances of it. Notwithstanding anything to the contrary in this Contract, no interest will be due on the Support Fees for the past Support Periods. In conjunction with the reinstatement of Support, the State will be entitled to any patches, service packs, upgrades, and new releases, and versions of the Software issued during the unsupported interval.

5. **Support Parameters.** The State may initiate Support requests for problems it encounters with the Software by telephone, email, Internet, or fax, and the Contractor must maintain lines of communication that support all four forms of communication. The Contractor must make Support available from at least 7:00 AM to 6:00 PM in each time zone where the Contractor maintains a Support center, and it must do so by staffing its Support function with an adequate number of qualified personnel to handle its traditional volume of calls. Further, the Contractor must maintain at least one Support center in North America with adequate English-speaking Support personnel. Support must be available during the business hours identified above from at least Monday through Friday throughout the Support Period, except for customary holidays. Further, subject to the State's obligation to pay the applicable Support Fees, the Contractor must support both the most recent major release of the Software as well

as the immediately preceding major release of Software. The State's technical staff may contact any Support center that the Contractor maintains, and they may choose to do so based on convenience, proximity, service hours, languages spoken, or otherwise.

6. **Incident Classification.** The Contractor must classify and respond to Support calls by the underlying problem's effect on the State. In this regard, the Contractor may classify the underlying problem as critical, urgent, or routine. The guidelines for determining the severity of a problem and the appropriate classification of, and response to, it are described below.

   The Contractor must designate a problem as "critical" if the Software is functionally inoperable, the problem prevents the Software from being used in production mode or there is significant potential for data integrity problems. This classification assumes there is no existing patch for the problem. The Contractor must classify a problem as "urgent" if the underlying problem significantly degrades the performance of the Software or materially restricts the State's use of the Software in a production mode. A problem also will be considered urgent if a commonly used feature often generates application errors, causes the Software to freeze, locks up the computer on which the Software is running, or otherwise routinely does not work as intended. Classification of a problem as urgent rather than critical assumes that the State still can conduct business with the Software. As with the critical classification, the urgent classification assumes there is no existing patch or acceptable workaround procedure for the problem. Finally, the Contractor may classify a Support call as "routine" if the underlying problem is a question on end use or configuration of the Software. It also may be classified as routine when the problem does not materially restrict the State's use of the Software in its production environment, such as when a feature or combination of features generates minor or rare errors. Also, if any problem that otherwise should be classified as critical or urgent can be solved either by a known workaround or an existing patch, the problem may be treated as routine.

   The Contractor must apply the above classifications in good faith to each call for Support, and the Contractor must give due consideration to any request by the State to reclassify a problem, taking into account the State's unique business and technical environments and any special needs it may have.

7. **Incident Response.** The Contractor must respond to critical problems by ensuring that appropriate managerial personnel are made aware of the problem and that they actively track and expedite a resolution. The Contractor must assign Support or development personnel at the appropriate level to the problem, and those personnel must prepare a work plan for the problem's expeditious resolution. The work plan must assume that the Contractor's appropriate staff will work without material interruption until the problem is resolved properly. The Contractor's personnel must maintain daily contact with the State's technical staff to keep the State abreast of efforts being made to solve the problem. The Contractor also must provide the State's technical staff with direct access to the Contractor's Support personnel and product development personnel, if appropriate, who are assigned to the problem. If the resolution of the problem requires a patch, the Contractor will ship the patch electronically as soon as the patch is available.

   The Contractor must respond to urgent problems by having its product development and Support personnel work in concert to develop a fix or a workaround. The Contractor's Support personnel must maintain regular contact with the State to keep its technical staff abreast of progress toward a resolution of the problem. The Contractor's Support staff must include the problem in regular status reports to the Contractor's management team. And the Contractor's Support staff must provide the Software patch or workaround procedure as soon as it is available.

   The Contractor must respond to routine problems by providing the State with a patch or workaround on a priority basis if the problem is one for which an existing patch or workaround already exists. For newly identified problems falling into this classification, the Contractor's Support personnel must generate a problem report, and the appropriate development or Support personnel then must prioritize the problem in relation to other outstanding

product issues. The assigned priority then will govern the problem solving or developmental work needed to address the problem and the schedule for delivering a solution. For routine calls that involve end usage and configuration issues rather than bugs or other technical problems, the Contractor's first or second level Support personnel must provide the State's technical staff with telephonic assistance on a non-priority basis.

8. **Response Times.** The maximum time that the Contractor takes to respond initially to a Support request may vary based upon the classification of the request. During normal hours of operation for the Contractor's Support function, the Contractor's response time for a critical Support request will be less than one hour. The Contractor's response time for an urgent request must be less than two hours during operating hours. And the Contractor's response time for a routine Support request must be less than four hours during normal operating hours.

9. **Escalation Process.** Any Support call that is not resolved must be escalated to the Contractor's management under the following parameters. Unresolved problems that are classified as critical must be escalated to the Contractor's Support manager within four hours and to the director level after one day. If a critical problem is not resolved within three days, it must escalate to the corporate officer level and then to the CEO level after five days. The Contractor's Support staff will escalate unresolved urgent problems to its Support manager within three days, to the director level after seven days, and to the corporate officer level after 14 days.

10. **State Obligations.** To facilitate the Contractor meeting its Support obligations, the State must provide the Contractor with the information reasonably necessary to determine the proper classification of the underlying problem. It also must assist the Contractor as reasonably necessary for the Contractor's Support personnel to isolate and diagnose the source of the problem. Additionally, to assist the Contractor's tracking of Support calls and the resolution of Support issues, the State must make a reasonable effort to use any ticket or incident number that the Contractor assigns to a particular incident in each communication with the Contractor. The State also must install and implement the most recently available Software updates, including service packs and patches, if the Contractor reasonably believes it to be necessary to achieve a satisfactory resolution of a problem.

11. **Limitations.** The Contractor is not responsible for the resolution of problems caused by the State's use of the Software on hardware that does not meet the minimum specifications set out in the Software's Documentation. The Contractor also is not responsible for resolving problems caused by third party software not approved by the Contractor for use with the Software. Additionally, the Contractor need not resolve problems caused by unauthorized modifications to the Software.

12. **Updates.** The Contractor must make all Software updates and service packs, as well as new releases and new versions of it, available to the State at no additional charge and as part of its Software Support. The Contractor will notify the State of the availability of any Software updates and new versions and releases on at least a quarterly basis. The Contractor may post patches and updates on the Internet rather than delivering them to the State on physical media. The Contractor must provide Support, including upgrades, service packs, new releases, and new versions, as appropriate, to keep current with changes in the operating systems and critical applications with which the Software is designed to run for a minimum of seven years from the date the Software is licensed to the State. For purposes of the last sentence, a "critical application" is any computer program that the Software is specifically designed to work in conjunction with. An example would be Software that requires an Oracle database engine to function. The Oracle database engine would be a critical application for that Software.

13. **Follow-on Software.** If the Contractor stops supporting or upgrading any Software but then offers or later releases another product that performs substantially similar functions, the State will be entitled to convert its license for the unsupported Software to a license in the new Software. Any such conversion will be without charge to the State, provided only that the State has paid all applicable Support Fees for the unsupported Software since first acquiring it through the time when the Contractor terminated Support.

14. **Functionality Migration.** If the Contractor eliminates functionality material to the use or performance of any Software licensed under this Contract ("Original Software") and then includes the functionality in a new product ("New Software"), the Contractor must grant the State a license to use the migrated functionality of such New Software, but not to any other functionality in the New Software, if (i) the State is a subscriber to Support for the Original Software at the time the New Software is available and is entitled to receive subsequent releases of the Original Software, and (ii) the New Software is available for the same operating system or technical environment as the Original Software. The license granted to the State for the New Software will be (i) pursuant to the terms and conditions of this Contract and the applicable Schedule governing the Original Software, (ii) subject to the use restrictions and other limitations for the Original Software in this Contract and applicable Schedule, (iii) granted without the payment of additional fees other than fees for Support which would otherwise be due for the Original Software.

15. **Support Location.** For each Schedule under this Contract, the Contractor must disclose the location(s) where it will perform all Support, the location(s) where any State data applicable to this Contract will be maintained or made available, and the principal place of business for the Contractor and all its subcontractors that may perform Support under this Contract. While performing under this Contract, the Contractor may not change the location(s) where Support is performed or change the location(s) where it maintains or makes the State's data available to a location outside the country of the original location(s) without prior, written approval of the State, which the State is not obligated to provide. Further, each of the Contractor's subcontractors that perform Support under this Contract must agree in writing to and be bound by this and all other provisions of this Contract that inure to the benefit of the State.

6.11.7 Part VI: Construction

1. **Entire Document.** This Contract will apply to all Software that the State acquires from the Contractor during the term of this Contract, unless the parties expressly agree otherwise in a written document signed by the duly authorized representatives of the parties. Furthermore, this Contract, along with the Schedules and Addenda entered into under it, is the entire agreement between the parties with respect to its subject matter, and it supersedes any previous statements or agreements, whether oral or written.

2. **Additional Documents.** All terms and conditions contained in any document not signed by both parties, such as a purchase order, invoice, or a click-wrap license, are excluded from this Contract and will have no legal effect.

3. **Binding Effect.** Subject to the limitations on assignment provided elsewhere in this Contract, this Contract will be binding upon and inure to the benefit of the respective successors and assigns of the State and the Contractor.

4. **Amendments.** No amendment or modification of any provision of this Contract will be effective unless it is in writing and signed by both parties.

5. **Waiver.** The failure of either party at any time to demand strict performance by the other party of any of the terms of this Contract will not be construed as a waiver or a relinquishment of any such term. Either party may at any later time demand strict and complete performance by the other party of such a term.

6. **Severability.** If any provision of this Contract is held by a court of competent jurisdiction to be contrary to applicable law, the remaining provisions of this Contract will remain in full force and effect to the extent that such does not create an absurdity or material injustice.

7. **Plain Meaning.** This Contract must be construed in accordance with the plain meaning of its language and neither for nor against the drafting party.

8. **Headings.** The headings used herein are for the sole sake of convenience and may not be used to interpret any section.

9. **Notices.** For any notice under this Contract to be effective, it must be made in writing and sent to the address of the appropriate party first appearing above, unless that party has notified the other party, in accordance with the provisions of this section, of a new mailing address for notices.

10. **Continuing Obligations.** To the extent necessary to carry out their purpose, the terms of this Contract will survive the termination of this Contract. Some such provisions that require survival to carry out their full intent include the indemnity, warranty, and limitation of liability provisions. Other examples include the confidentiality section, the escrow section, and the grant of Software licenses. Additional provisions include the Support obligations for existing licenses, and the Pricing section with respect to related Software licenses and caps on increases in Support for existing licenses.

11. **Counterparts.** This Contract may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

6.11.8 Part VII: law and Courts

Compliance with Law. The parties will comply with all applicable federal, State, and local laws in all endeavors under this Contract.

2. **Export Restrictions.** The State may not directly or indirectly export or transmit the Software or Documentation to any country in violation of any applicable US regulation, order, or statute.

3. **UCITA.** The Uniform Computer Information Transactions Act ("UCITA") will not apply to this Contract. To the extent that UCITA, or any version of it that is adopted by any jurisdiction in any form, is applicable, the parties agree to opt out of it pursuant to the opt-out provisions contained therein. Likewise, the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Contract.

   Injunctive Relief. Nothing in this Contract is intended to limit either party's right to injunctive relief if such is necessary to protect its interests or to keep it whole.

   Governing Law. The laws of Ohio will govern this Contract, excluding its laws dealing with conflict of law, and venue for any disputes will lie exclusively with the appropriate court in Franklin County, Ohio.

6.11.9 Part VIII: Miscellaneous

1. **Conflict of Interest.** No Contractor Personnel may voluntarily acquire any personal interest that conflicts with their responsibilities under this Contract. Further, the Contractor will not knowingly permit any Ohio public official or public employee who has any responsibilities related to this Contract to acquire any interest in anything or any entity under the Contractor's control, if such an interest would conflict with that official's or employee's duties. The Contractor will disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Contract. And the Contractor will take steps to ensure that such a person does not participate in any action affecting the work under this Contract. But this will not apply when the State has determined, in light of the personal interest disclosed, that the person's participation in any such action would not be contrary to the public interest.

2. **Assignment.** Neither party may assign this Contract without the prior, written consent of the other party, which the other party will not withhold unreasonably. Any such assignment, unless otherwise agreed in writing, is contingent on the assignee assuming all the assignor's rights and obligations under this Contract.

3. **Independent Status.** Each party is an independent Contractor. Neither party will have any authority to bind the other unless expressly agreed in writing. Nothing in this Contract may be construed to create a partnership, agency, or employer-employee relationship between the Contractor and the State, and in no event will the Contractor and the State be deemed joint employers.

4. **Employees.** All Contractor Personnel are employees or contractors of the Contractor, and none are or will be deemed employees or contractors of the State. No Contractor Personnel will be entitled to participate in, claim benefits under, or become an "eligible employee" for purposes of any employee benefit plan of the State by reason of the subject matter of this Contract or work performed under this Contract. The Contractor must pay all federal, State, local, and other applicable payroll taxes and make the required contributions, withholdings, and deductions imposed or assessed under any provision of any law, rule, or regulation and measured by wages, salaries, or other remuneration paid by or which may be due from the Contractor to the Contractor Personnel. The Contractor will indemnify, defend, and hold the State harmless from and against all claims, losses, liability, demands, fines, and expenses (including court costs, defense costs, and redeemable attorney fees) arising out of or relating to such taxes, withholdings, deductions, and contributions with respect to the Contractor Personnel. The Contractor's indemnity and defense obligations also apply to any claim or assertion of tax liability made by or on behalf of any Contractor Personnel or governmental agency on the basis that any Contractor Personnel are employees or contractors of the State, that the State is the "joint employer" or "co-employer" of any Contractor Personnel, or that any Contractor Personnel are entitled to any employee benefit offered only to eligible regular fulltime and regular part-time employees of the State. Notwithstanding the foregoing, any defense of the State requires and is subject to the approval and consent of the Ohio Attorney General.

5. **Publicity.** The Contractor will not advertise or publicize that it is doing business with the State or use this Contract as a marketing or sales tool, unless otherwise agreed to in writing by the State.

6. **Cancellation.** The State may cancel this Contract without cause and on 30 days written notice or at any time if the General Assembly or any other funding source fails to continue funding. But in the case of any license of Software entered before the effective date of the cancellation, the State will have the right to continue such license after termination on the terms contained in this Contract.

7. **Deliveries.** All deliveries will be F.O.B. destination.

8. **EEO.** The Contractor must comply with all Ohio laws, rules, and Executive Orders of the Governor of Ohio regarding equal employment opportunity, including Ohio Revised Code Section 125.111.

9. **Drug Free Workplace.** The Contractor must comply with all applicable Ohio laws regarding maintaining a drug-free workplace. The Contractor will make a good faith effort to ensure that all its employees, while working on the State's property, do not possess and will not be under influence of illegal drugs or alcohol or abuse prescription drugs.

10. **Ohio Ethics Law and Limits on Political Contributions**. The Contractor certifies that it is currently in compliance and will continue to adhere to the requirements of the Ohio ethics laws. The Contractor also certifies that all applicable parties listed in Ohio Revised Code Section 3517.13 are in full compliance with Ohio Revised Code Section 3517.13.

11. **Travel Expenses.** Any travel or living expenses required by the Contractor to do its obligations under this Contract will be at the Contractor's expense. The State will pay for any additional travel that it

requests only with prior, written approval. All additional travel and living expenses that the State requests in addition to what this Contract requires the Contractor to provide at the Contractor's expense will be paid in accordance with the Office of Budget and Management's Travel Rules in Section 126-1-02 of the Ohio Administrative Code.

12. **Order of Priority.** If there is any inconsistency or conflict between this Contract and any provision of anything incorporated by reference, this Contract will prevail.

13. **Record Keeping**. The Contractor must keep all financial records in accordance with generally accepted accounting principles consistently applied. The Contractor will file documentation to support each action under this Contract in a manner allowing it to be readily located. And the Contractor will keep all related records and documents at its principal place of business.

14. **Audits.** During the term of this Contract and for three years after the payment of any fee to the Contractor under this Contract, on reasonable notice and during customary business hours, the State may audit the Contractor's records and other materials that relate to this Contract. This audit right will also apply to the State's duly authorized representatives and any person or organization providing the State with financial support related to this Contract.

    If any audit reveals any misrepresentation or any overcharge to the State, the State will be entitled to recover damages, as well as the cost of the audit.

16. **Ohio Revised Code Section 9.24.** Contractor warrants that it is not subject to an unresolved finding for recovery under Ohio Revised Code Section 9.24. If this warranty was false on the date the parties signed this Contract, the Contract is void. Further, if the Contractor is subject to an unresolved finding of the Auditor of State under Revised Code Section 9.24 on any date on which the parties renew or extend this Contract, the renewal or extension will be void.

17. **Declaration Regarding Terrorism.** Pursuant to Ohio Revised Code Section 2909.33, unless Contractor has been pre-certified, the Contractor must complete a Declaration Regarding Material Assistance/non-assistance to Terrorist Organizations ("Declaration") in its entirety to enter into this Contract and to renew it. If the State discovers that the Contractor submitted a false Declaration to obtain this Contract or any renewal of it, this Contract will terminate for cause, and the State will be entitled to the damages specified in this Contract for such a termination. Should this Contract require renewal for completion of any services the Contractor performs under it or for the State to obtain maintenance for any Deliverable acquired during the term of this Contract, the Contractor must submit a new Declaration as part of that process. The Contractor's failure to submit an acceptable Declaration in such a situation will entitle the State to damages as in the case of a termination of this Contract for cause.

18. **Security & Safety Rules.** When using or possessing State data or accessing State networks and systems, the Contractor must comply with all applicable State rules, policies, and regulations regarding data security and integrity. And when on any property owned or controlled by the State, the Contractor must comply with all security and safety rules, regulations, and policies applicable to people on those premises.

TO SHOW THEIR AGREEMENT, the parties have executed this Contract as of the dates appearing below.

FOR THE CONTRACTOR:	**FOR STATE OF OHIO**
	DEPARTMENT OF ADMINISTRATIVE SERVICES
By:	**By:**
Name:	**Name:** Robert Blair
Title:	**Title:** Director
Date:	**Date:**

PRICE HOLD ADDENDUM NUMBER [0000000.00]

This license addendum ("Addendum") is between the State of Ohio (the "State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215, and *[Company name of the Contractor]* (the "Contractor"), with offices at *[street address, city, state and zip code for the Contractor]*, and is entered into under that certain Master Contract for Software Licensing between the State and the Contractor that is dated *[Date of the Contract]* and numbered [0000000] (the "Contract").

This Addendum does not represent a license of Software. Instead, it provides a price-hold for the Software listed below and permits the State to acquire the Software in exchange for the License Fees and Support Fees listed below. The State is not obligated to license any of the Software listed below, but if it does at any time during the period starting on the date this Addendum is signed and _____ thereafter (Price-hold Period), the State will be entitled to acquire such Software for the Fees specified below. The State may acquire such Software by executing a standard Schedule in the form of that attached to the Contract. The State has the right to acquire some or all of the Software listed below and to acquire the Software in increments during the Price-hold Period using multiple Schedules. Nothing in the Addendum commits the State to any volume of licensing or total expenditure. The State may acquire some, all, or none of the Software in such volumes as it determines during the Price Hold Period.

Software	**Copies Delivered**	**License Type**	**# of Licenses (E.g., Users)**	**List License Price**	**Discount**	**Actual License Fee***	**Support Percentage†**	**Operating System(s)**	**Start Date**

*The License Fee [ ] does [ ] does not include the Support Fee for the first Support Period for each Software license identified above.

† The Support percentage is based on [ ] list price [ ] discounted price. Any increase in annual maintenance must be equal to or less that the annual increase in the list price of the Software and is subject to the caps specified in the Contract.

License Descriptions

License Type	Description of License
[Insert License Type]	*[Insert License Description]*
[Insert License Type]	*[Insert License Description]*
[Insert License Type]	*[Insert License Description]*
[Insert License Type]	*[Insert License Description]*

TO SHOW THEIR AGREEMENT, the parties have executed this Addendum as of the dates appearing below.

FOR THE CONTRACTOR:

By:

Name:

Title:

Date:

FOR STATE OF OHIO

DEPARTMENT OF ADMINISTRATIVE SERVICES

By:

Name: Robert Blair

Title: Director

Date:

LICENSE SCHEDULE NUMBER [0000000.00]

This license schedule ("Schedule") is between the State of Ohio (the "State"), through the Department of Administrative Services, Investment and Governance Division, with offices at 30 East Broad Street, Columbus, Ohio 43215 for the beneficial use of *[agency]*, and *[Company name of the Contractor]* (the "Contractor"), with offices at *[street address, city, state and zip code for the Contractor]*, and is entered into under that certain Master Contract for Software Licensing between the State and the Contractor that is dated *[Date of the Contract]* and numbered [0000000] (the "Contract").

Granted Licenses

Software	**Copies Delivered**	**License Type**	**# of Licenses (E.g., Users)**	**List License Price**	**Discount**	**Actual License Fee***	***Support Percentage†***	**Operating System(s)**	**Start Date**

*The License Fee [ ] does [ ] does not include the Support Fee for the first Support Period for each Software license identified above.

† The Support percentage is based on [ ] list price [ ] discounted price. Any increase in annual maintenance must be equal to or less than the annual increase in the list price of the Software and is subject to the caps specified in the Contract.

License Descriptions

License Type	Description of License
[Insert License Type]	*[Insert License Description]*
[Insert License Type]	*[Insert License Description]*
[Insert License Type]	*[Insert License Description]*

Location Information

Service Types	Locations
Locations where the Contractor will provide Support:	*[Insert Locations]*
Locations where the Contractor will provide services or keep the State's data or from which the data may be accessed:	*[Insert Locations]*
Locations where any subcontractor will provide support or keep the State's data or from which the data may be accessed:	*[Insert Locations]*

TO SHOW THEIR AGREEMENT, the parties have executed this Schedule as of the dates appearing below.

FOR THE CONTRACTOR:	**FOR STATE OF OHIO** **DEPARTMENT OF ADMINISTRATIVE SERVICES**
By:	**By:**
Name:	**Name:** Robert Blair
Title:	**Title:** Director
Date:	**Date:**

6.12 Attachment Twelve: Standard Affirmation and Disclosure Form, including Order 2011-12K

STANDARD AFFIRMATION AND DISCLOSURE FORM

EXECUTIVE ORDER 2011-12K

Governing the Expenditure of Public Funds on Offshore Services

All of the following provisions must be included in all invitations to bid, requests for proposals, state term schedules, multiple award contracts, requests for quotations, informal quotations, and statements of work. This information is to be submitted as part of the response to any of the procurement methods listed.

By the signature affixed hereto, the Contractor affirms, understands and will abide by the requirements of Executive Order 2011-12K. If awarded a contract, both the Contractor and any of its subcontractors shall perform no services requested under this Contract outside of the United States.

The Contractor shall provide all the name(s) and location(s) where services under this Contract will be performed in the spaces provided below or by attachment. Failure to provide this information may subject the Contractor to sanctions. If the Contractor will not be using subcontractors, indicate "Not Applicable" in the appropriate spaces.

1. Principal location of business of Contractor:

   _____ _____
   (Address) (City, State, Zip)

   Name/Principal location of business of subcontractor(s):

   _____ _____
   (Name) (Address, City, State, Zip)

   _____ _____
   (Name) (Address, City, State, Zip)

2. Location where services will be performed by Contractor:

   _____ _____
   (Address) (City, State, Zip)

   Name/Location where services will be performed by subcontractor(s):

   _____ _____
   (Name) (Address, City, State, Zip)

   _____ _____
   (Name) (Address, City, State, Zip)

3. Location where state data will be stored, accessed, tested, maintained or backed-up, by Contractor:

_____	_____
(Address)	(Address, City, State, Zip)

Name/Location(s) where state data will be stored, accessed, tested, maintained or backed-up by subcontractor(s):

_____	_____
(Name)	(Address, City, State, Zip)
_____	_____
(Name)	(Address, City, State, Zip)
_____	_____
(Name)	(Address, City, State, Zip)
_____	_____
(Name)	(Address, City, State, Zip)
_____	_____
(Name)	(Address, City, State, Zip)

Contractor also affirms, understands and agrees that Contractor and its subcontractors are under a duty to disclose to the State any change or shift in location of services performed by Contractor or its subcontractors before, during and after execution of any Contract with the State. Contractor agrees it shall so notify the State immediately of any such change or shift in location of its services. The State has the right to immediately terminate the contract, unless a duly signed waiver from the State has been attained by the Contractor to perform the services outside the United States.

On behalf of the Contractor, I acknowledge that I am duly authorized to execute this Affirmation and Disclosure form and have read and understand that this form is a part of any Contract that Contractor may enter into with the State and is incorporated therein.

By: _____
Contractor

Print Name: _____

Title: _____

Date: _____

SUPPLEMENTAL INFORMATION HEADER

The following pages contain supplemental information for this competitive document. The supplemental information is contained between this header and a trailer page. If you receive the trailer page, all supplemental information has been received.

If you do not receive the trailer page of this supplement, use the inquiry process described in the document to notify the Procurement Representative.

Note: portions of the supplemental information provided may or may not contain page numbers. The total number of pages indicated on the cover page does not include the pages contained in this supplement.

Supplement One - W-9 Form

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ – ☐☐ – ☐☐☐☐

Employer identification number
☐☐ – ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Supplement Two - Overview of the Current DOLC

Ohio Department of Commerce
Division of Liquor Control

Retail, Supply Chain Management, and Accounting Systems Modernization Project

Overview of the Current State

December 2011

NOTICE: Proprietary and Confidential

Contents

Section	Slide
Business Case	3
A System's View	21
Process Flows	50

Business Case

Scope and Expectations

This section summarizes what to expect:

- ✓ How will financial performance improve?
- ✓ What impact can better information have?

Usual Suspects:

Where you normally look for financial improvements

- ⇧ Revenue
- ⇩ Cost (goods and operations)
- ⇧ Working capital investment

Cost reduction opportunities are limited.

⇧ Revenue

⇩ Cost (goods and operations)

⇧ Working capital investment

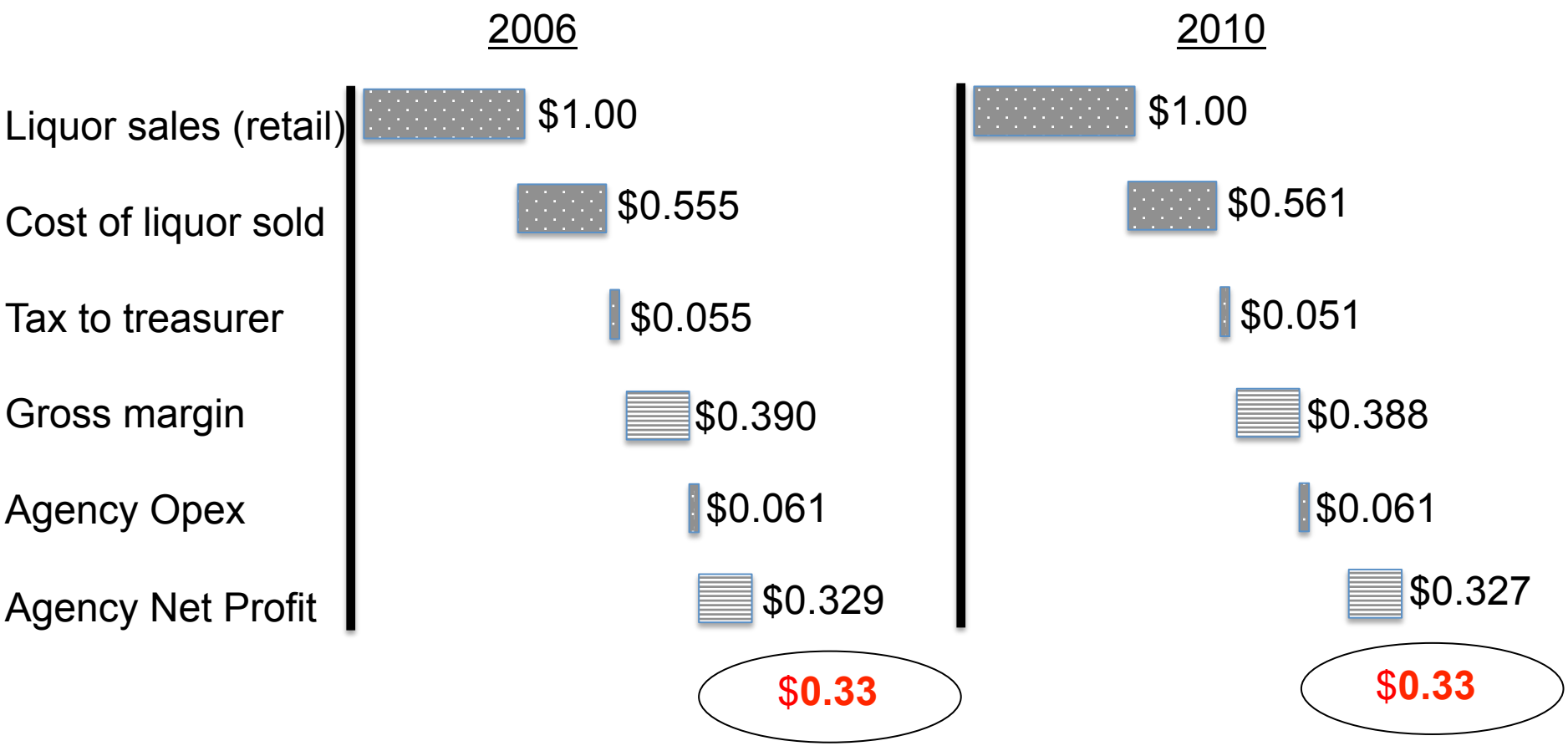
We performed a detailed assessment of costs.

We found:

- Cost are highly variable with sales.
- Liquor costs are not negotiated.
- Labor costs are off limits.
- Operating costs haven't increased independently of activity.
- Supply chain costs are fairly low and tied to volume.

Relative profit remains the same regardless of output levels.

One dollar in sales generates…



Notes
Agency opex remained constant (CAGR basically 0 when considering rounding error). Cost of liquor remained nearly constant (CARG of 0.2% - within rounding error of 0)

Things would need to be different to find material improvements.

⇧ Revenue

⇩ Cost (goods and operations)

⇧ Working capital investment

What would need to happen

1. Larger cost pool

- Current pool too small for large savings

Good thing!

2. Reduce cost of liquor

- Reduce quoted price
- Rebid distribution
- Reduce the use of supply chain

3. Operating costs Off limits

- Reduce labor at DOLC
- Fewer variable costs

We will focus on two usual suspects.

Revenue

What does this mean?

Result of more legally and socially acceptable liquor

Working capital investment

What does this mean?

Reduce inventory

Create opportunity to invest capital

Impact: More Cash for Ohio

How will this happen?

Revenue examples

- Store & inventory location
- Online ordering
- Improved merchandising
- Alternative revenue streams

Working capital investment examples

- Reduce store inventory
- Adjust case sizes
- Consolidate inventory
  - High value, slow moving
  - Bulk purchases
- Inventory disposition strategy

Second Source of Value – Information

Three examples where information is key:

1. Marketing & merchandising
2. Sales price negotiation
3. Forecasting & replenishment

Improving each of these areas can lead to improved financial performance.

Marketing & Merchandising

1. Effective planogram experiments and practices
2. Product performance by location
3. Product lifecycle management

Sales Price Negotiations

With volume and sales data, product discounts might be made available through negotiations

Forecasting & Replenishment

1. Demand by location
2. Location and multi-location (cluster) inventory management and replenishment
3. Improved reorder quantities

So What's Next?

Quantify and Qualify Suggestions

- Which ideas makes sense? Which should be eliminated?
- What impact can we reasonably expect?
  - ⇢ Ideas from both within and outside industry
- Suggest cash-based value opportunity.
  - ⇢ Margins generated by sales
  - ⇢ Investment opportunity from inventory
- Compare to cash outlays.

A Selection of Enabling Strategies

Customer Experience	Activity	Value	Enabling capabilities
Locate	Locate store home or vicinity	•Availability	• Website with locations • iPhone/Android AP • Integration with existing Aps (around me, navigation) • Search by zip of GPS location
	Locate inventory	•Availability	• Website with locations • iPhone/Android AP • Integration with existing Aps (around me, navigation) • Real-time or near real-time inventory by SKU by location
Buy regular	New items	•Availability	• POG design (new item space) • Social media strategy (Facebook, Twitter feeds) announcing “coming” and “arrival”
	Top selling items in store	•Availability	• POG design • Social media strategy (Facebook, Twitter feeds)
	Trends (ie Cosmopolitan from Sex and the City)	•Availability	• POG design • Social media strategy (Facebook, Twitter feeds) • Market trends/research • Sales data – outside Ohio
	Hard to find products	•Availability	• Website with SKU-LOC • Website with ordering capabilities • Website with locations • iPhone/Android AP • Integration with existing Aps (around me, navigation) • Real-time or near real-time inventory by SKU by location

A Selection of Enabling Strategies (Cont'd)

Buy online	• Items not carried in stores • Large quantities • Expensive items • Party planning	•Availability & working capital	• Website with catalogue/ordering capabilities(order and select store to pick up) • Delivery (home – adult sign) • Reverse inventory consolidation in warehouses • Direct ship from warehouse
Buy promotions	Sale Items	•Availability	• POG design • iPhone/Android AP • Integration with existing Aps (around me, navigation) • Social media strategy (Facebook, Twitter feeds) • Inventory/demand forecasting • Integration with vendor marketing/programs
	Featured combination (Cosmopolitan from – Sex and the City, Cinco de Mayo)	• Availability	• POG design • Work with vendors on specials & new promotions

A Selection of Enabling Strategies (Cont'd)

Agency Experience	Activity	Value	Enabling capabilities
Inventory mgmt.	Inventory planning and management – reduce inventory levels	• Working capital	• POG design • Effective reorder management (Pull? Forecasting? Order-to-max? Other?) • On-order visibility • Access to other agency inventory position • Target inventory levels
	Increased visibility into orders processes – see approved orders & ATP	• Working capital	• See "cut products" • Review orders updated at agency • See what is due to be shipped • See what is in transit and to be shipped
	Order receiving	• Efficiency, availability, working capital	• ASN with cuts identified • Receive directly into inventory
	SKU reorder	• Working capital, availability	• POG design • Demand data (seasonality included) • Forecast data (seasonality included) • Desired case pack size
	Damaged goods accounting	• Working capital	• Process for managing damaged goods • Reconcile with DOLC inventory
Sales	Out of stock condition	• Availability	• Stock information local stores • Local store location information by zip code/distance • Advanced shipping information (approved order/shipped order)
	License transfer	• Agency goodwill	• Maintain loyalty to agencies by creating the option for agency and wholesale customer to maintain relationship when moving

A Selection of Enabling Strategies (Cont'd)

Agency Ops Experience	Activity	Value	Enabling capabilities
Ordering	• Simplified order processing • Auto recommendation of order quantities • "Are you sure" check for order quantities	• Efficiency, working capital	• Ideal level inventory management reorder process • Ideal inventory levels and reorder points
Inventory 1mgmt..	Determine ideal inventory levels	• Efficiency, Working capital	• Fulfillment capabilities • Demand history • Demand variability • Replenishment algorithm attribute management
	Ideal inventory level management	• Working capital	• Demand visibility • Consumption visibility • Appropriate reorder point logic • Variable case size • Knowledge capture
	Manage product lifecycles	• Working capital,	• Product selection process/criteria • Product performance measurement data • Product end of life discount schedule with vendor dollar support • Product retirement/disposition strategy
	Manage inventory – slow moving/obsolete (SLOB)	• Working capital, availability	• Aged inventory report • Discount/disposition strategy • Negotiations with vendors – vendor discount dollars
Sales	POG design	• Availability	• Maneuver space in agencies • Agency cooperation • POG design testing capabilities • Improved management of lower inventory levels • Store layout-space attribute information

A Selection of Enabling Strategies (Cont'd)

	Sales promotions in stores	• Availability	• Demand data • Vendor capacity • Additional sales promotions • Potential social media strategy – sales info/inventory info on smart phone
	Sales through renewable gift cards	• Availability	• Create relationship with gift card company • Buy at retail outlets • Charge at DOLC website (credit cards?)
	Advertising	• Availability	• Compare prices on top brands to boarder towns
	Sell sales data	• Revenue	• Capture sales data by vendor, product, location
	Sales kiosks	• Availability	• Kiosk technology

A System’s View

System Architecture and Interactions

There are three primary systems of interest:

- ***CICS***

  The set of online and batch programs that run on a DOLC mainframe IBM computer that is collectively known as CICS (based on IBM's Transaction Monitor that runs the online component). The CICS supports both Permitting and Agency Operations (i.e. Inventory Management, Ordering, etc.)

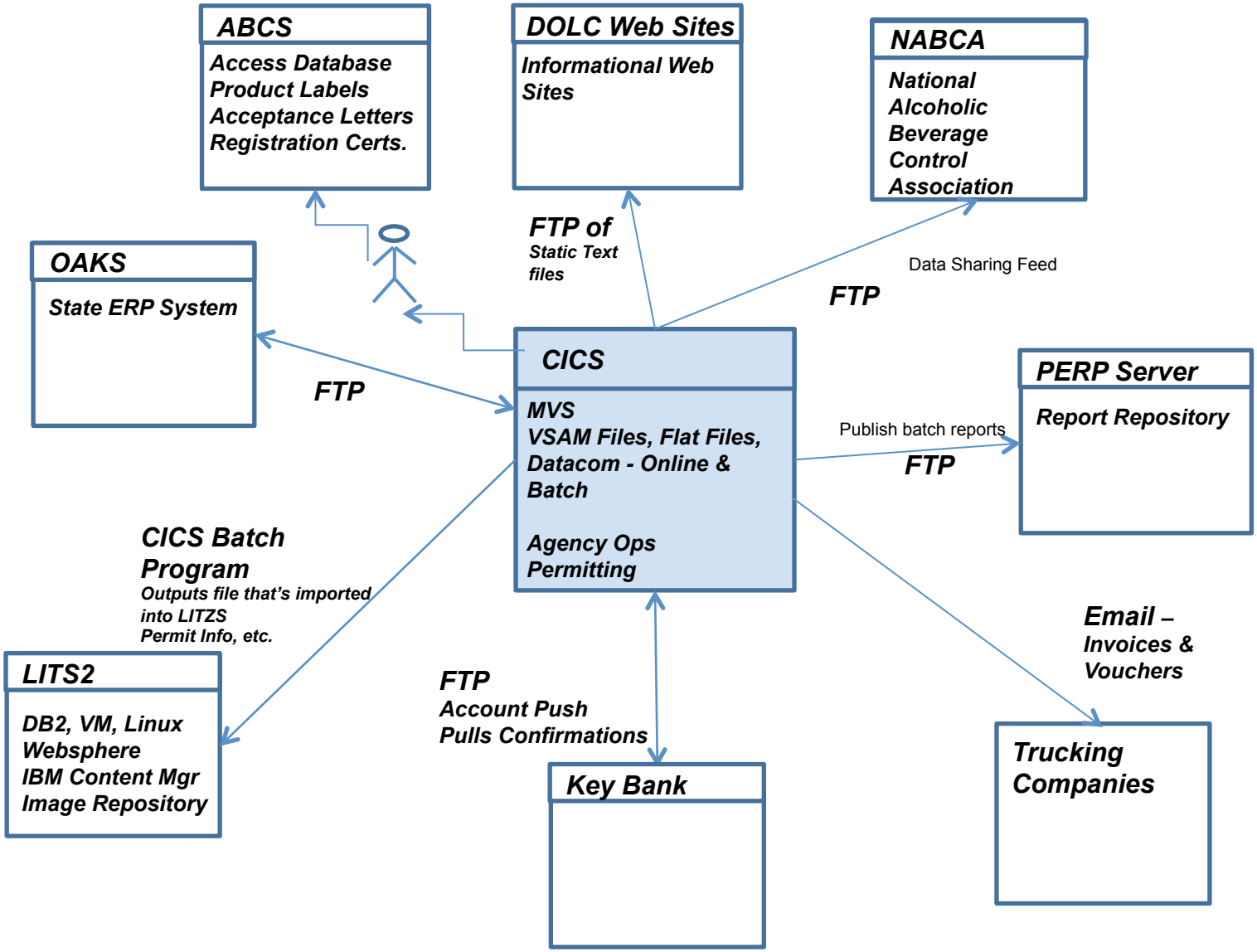
- ***LiquorBase***

  LiquorBase7 is an inventory control, wholesale point of sale and compliance reporting system that is deployed in Agencies stores. LiquorBase is a FoxPro based application that exchanges information with the CICS system nightly, via a file transfer mechanism that is based on a dial-up modem technology.

- ***APEXWAR***

  Apexware is an auditor control tool. A FoxPro based PC application that interfaces with an UPC scanner and LiquorBase to automate an inventory audit.

A System's View



Our main interest is the interaction and data exchange between:

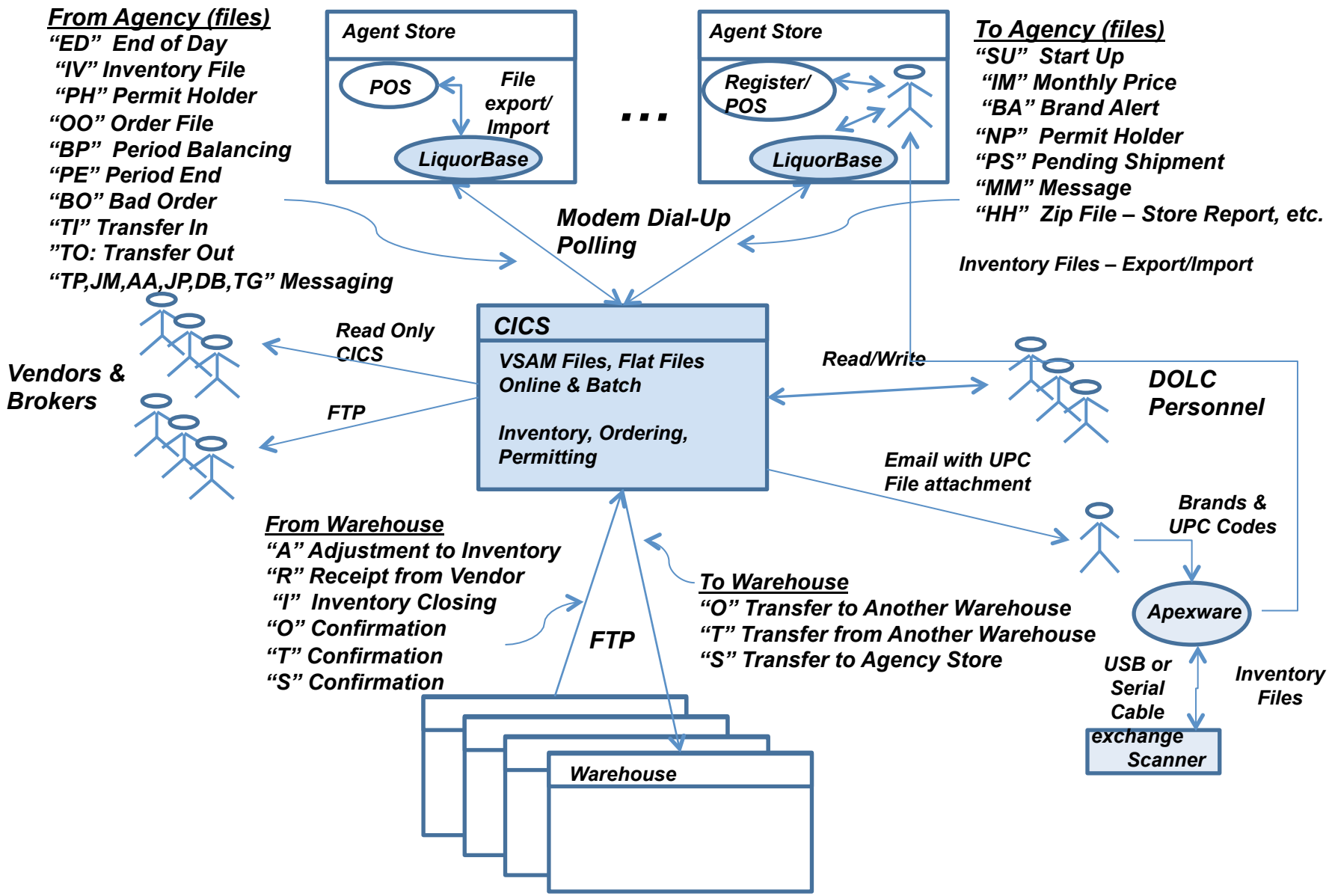
- ***CICS & LiquorBase***

  This interchange is scheduled to be done at the end of each business day. There are times when the exchange is not completed due to a number of factors.

- ***CICS & Warehouses***

  Outbound exchanges occur multiple times per day and inbound generally once per day but may be more. These are data file imports and exports handled by DOLC — trucking and warehouse companies do not currently have direct access to CICS.

A System's View



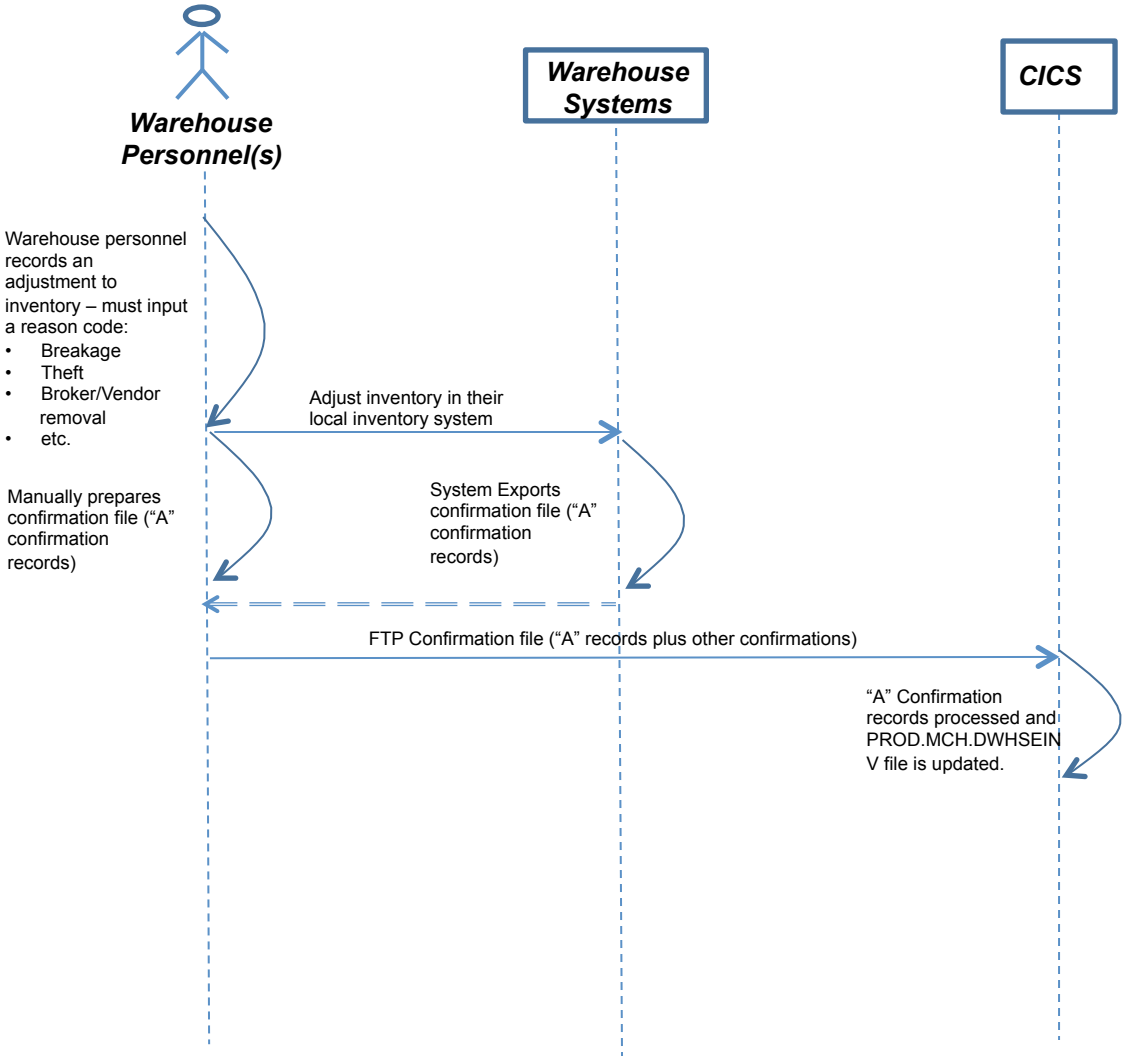
From Warehouse to CICS

"A" — Adjustment to Inventory:
Adjustment to warehouse inventory. Could be the result of breakage, theft, etc.

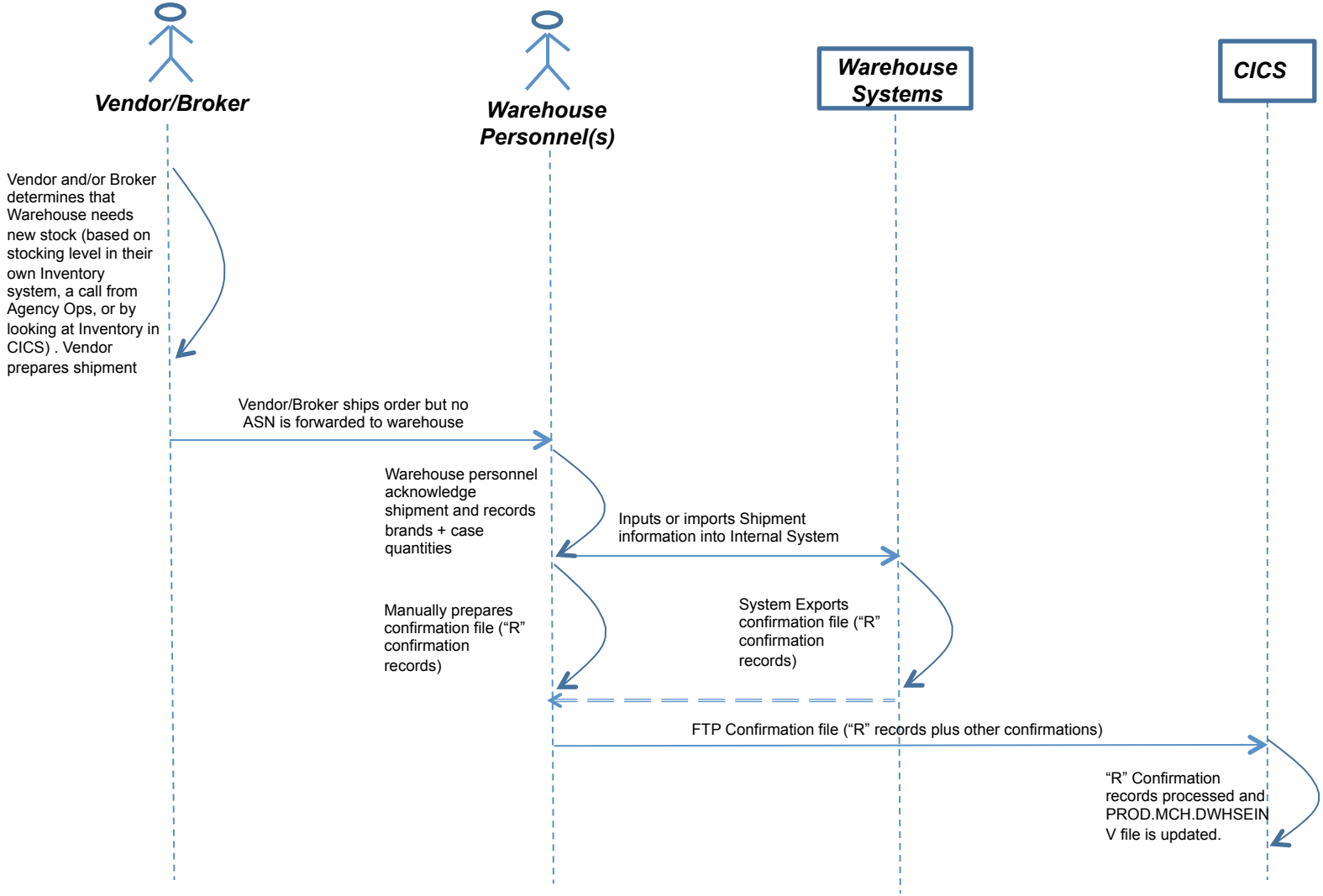
"R" — Receipt from Vendor:
Receipt of liquor from manufacturer, vendor or broker

"I" — Inventory Closing:
Warehouse closing inventory

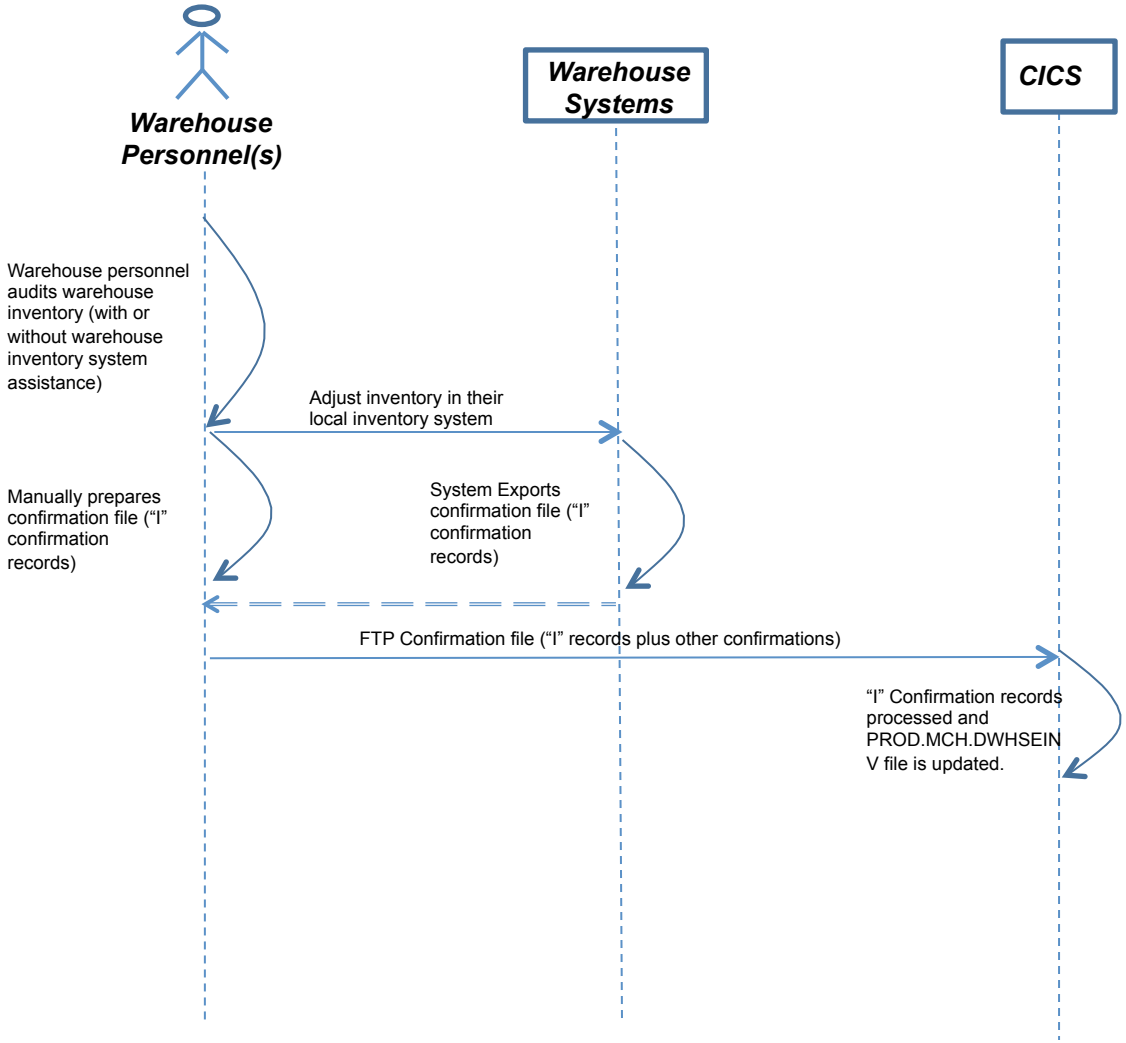
Adjustment to Warehouse Inventory From Warehouse to CICS



Receipt from Vendor
From Warehouse to CICS



Inventory Closing
From Warehouse to CICS



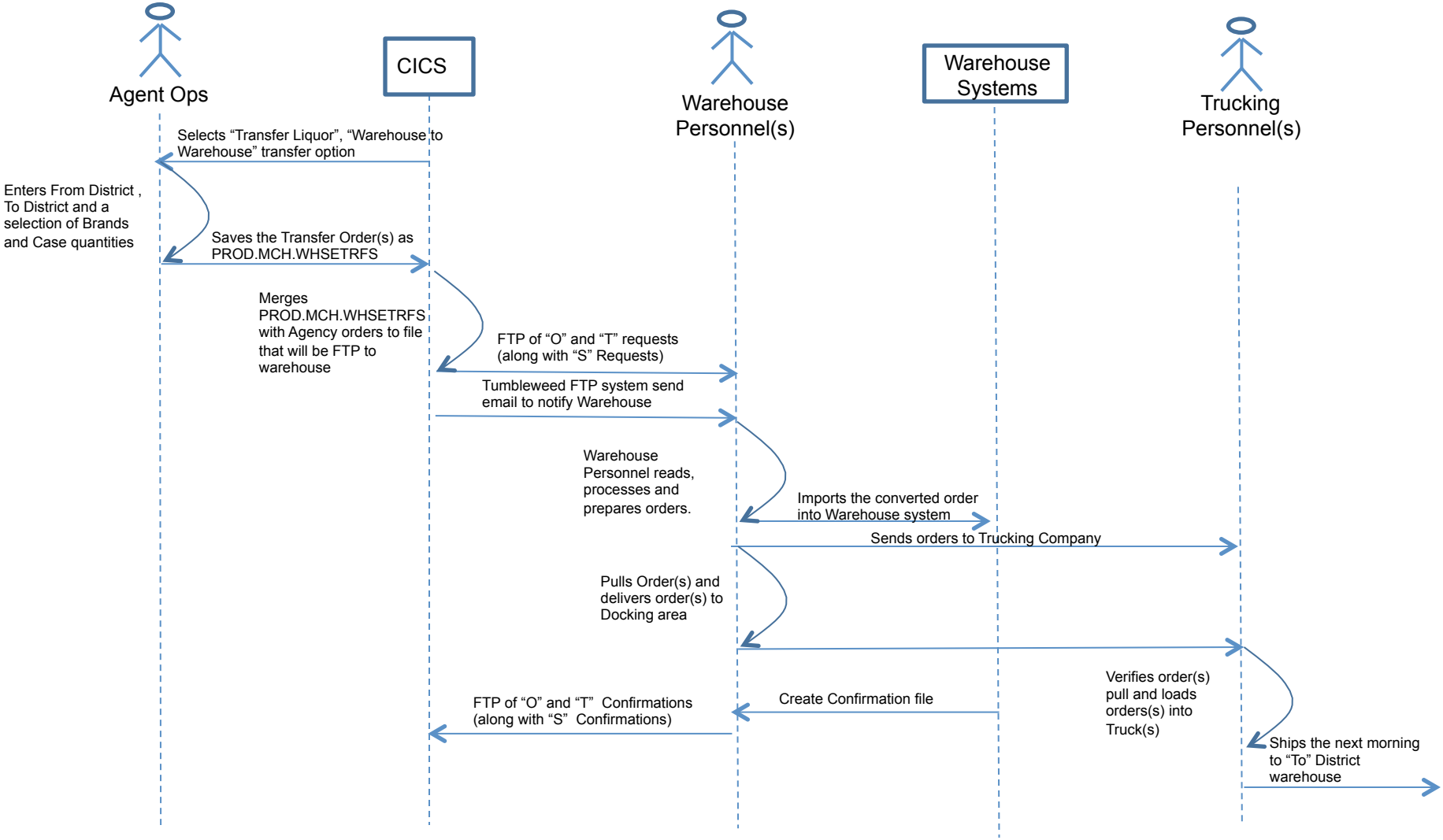
From CICS to Warehouse

"O" — Transfer to Another Warehouse:
DOLC request to have your warehouse transfer liquor, to another warehouse

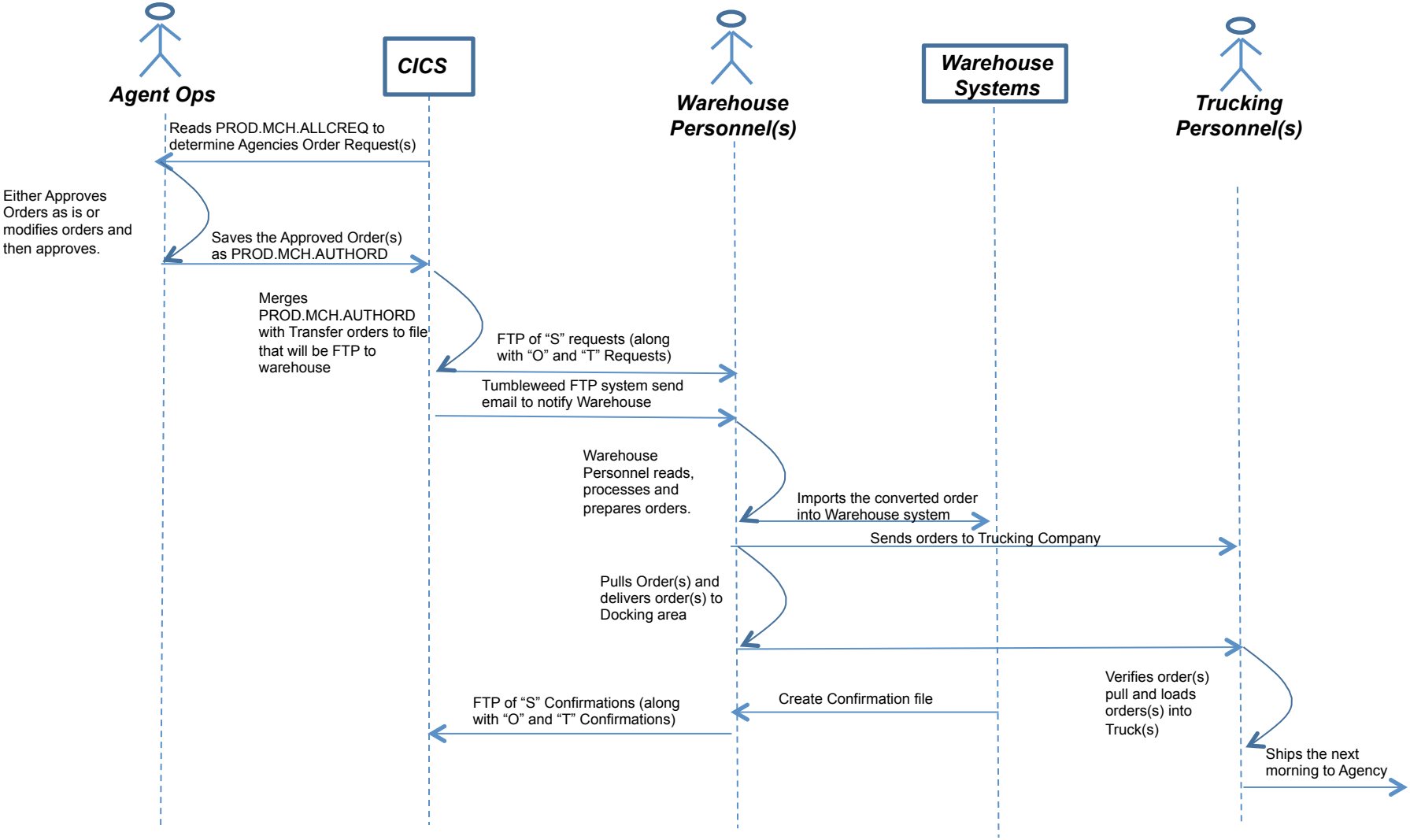
"T" — Transfer from Another Warehouse:
Notification that DOLC have requested another warehouse to transfer liquor to your warehouse

"S" — Shipment to Agency Store:
DOLC request to have your warehouse ship liquor to an Agency store

Transfer to/from Another Warehouse
From CICS to Warehouse



Shipment to Agency Store From CICS to Warehouse



From CICS to Agency

"SU" — Start Up:
Loads initial inventory into a new Agency store

"IM" — Monthly Price:
Monthly price file. Sent to each Agency one week prior to the next month.

"BA" — Brand Alert:
Created and sent to each Agency after the close of every sales period. Consists of the brand code and bottle count which represent the minimal stocking level.

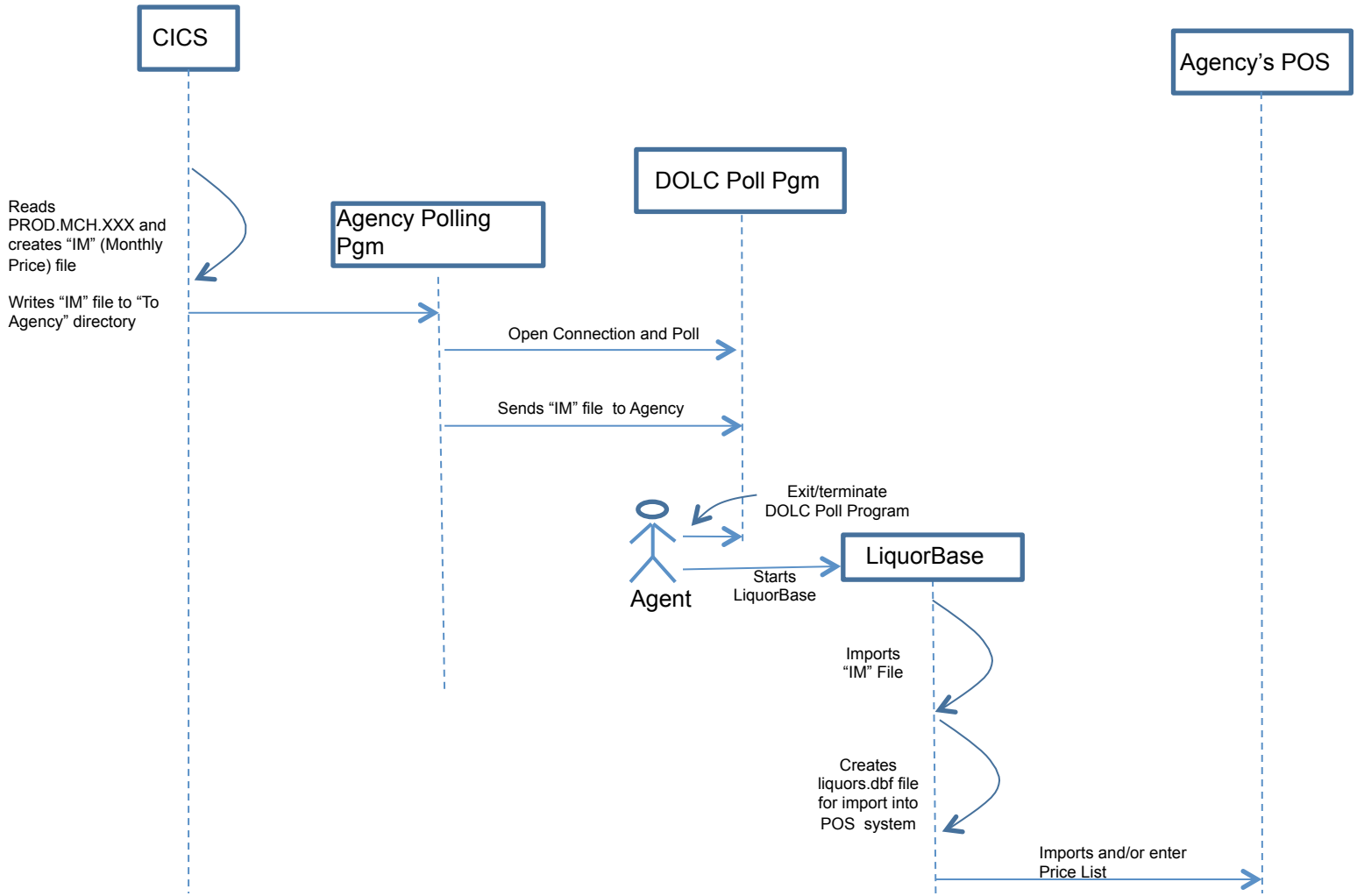
"NP" — Permit Holder:
Created and sent to Agency when one of the currently assigned permit holders renews their permit number.

"PS" — Pending Shipment:
Created and sent to the Agency the day an order is processed for them.

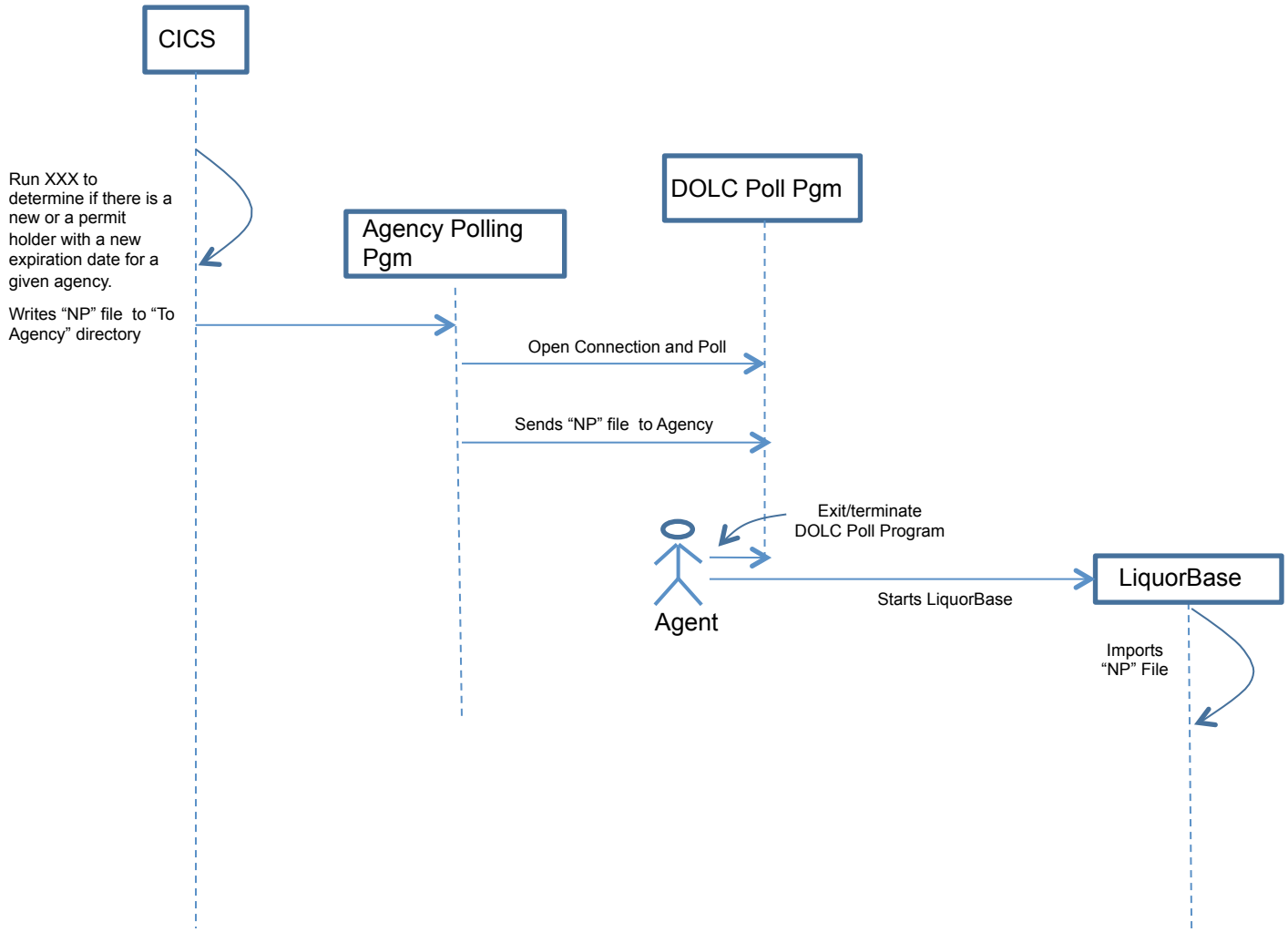
"MM" — Message:
Message file used to notify Agency of a policy or schedule change

"HH" — Zip File – Store Report, etc.:
Zip file containing Store Report, Inventory Difference Report, 501 Out of Balance, and Price Bulletin

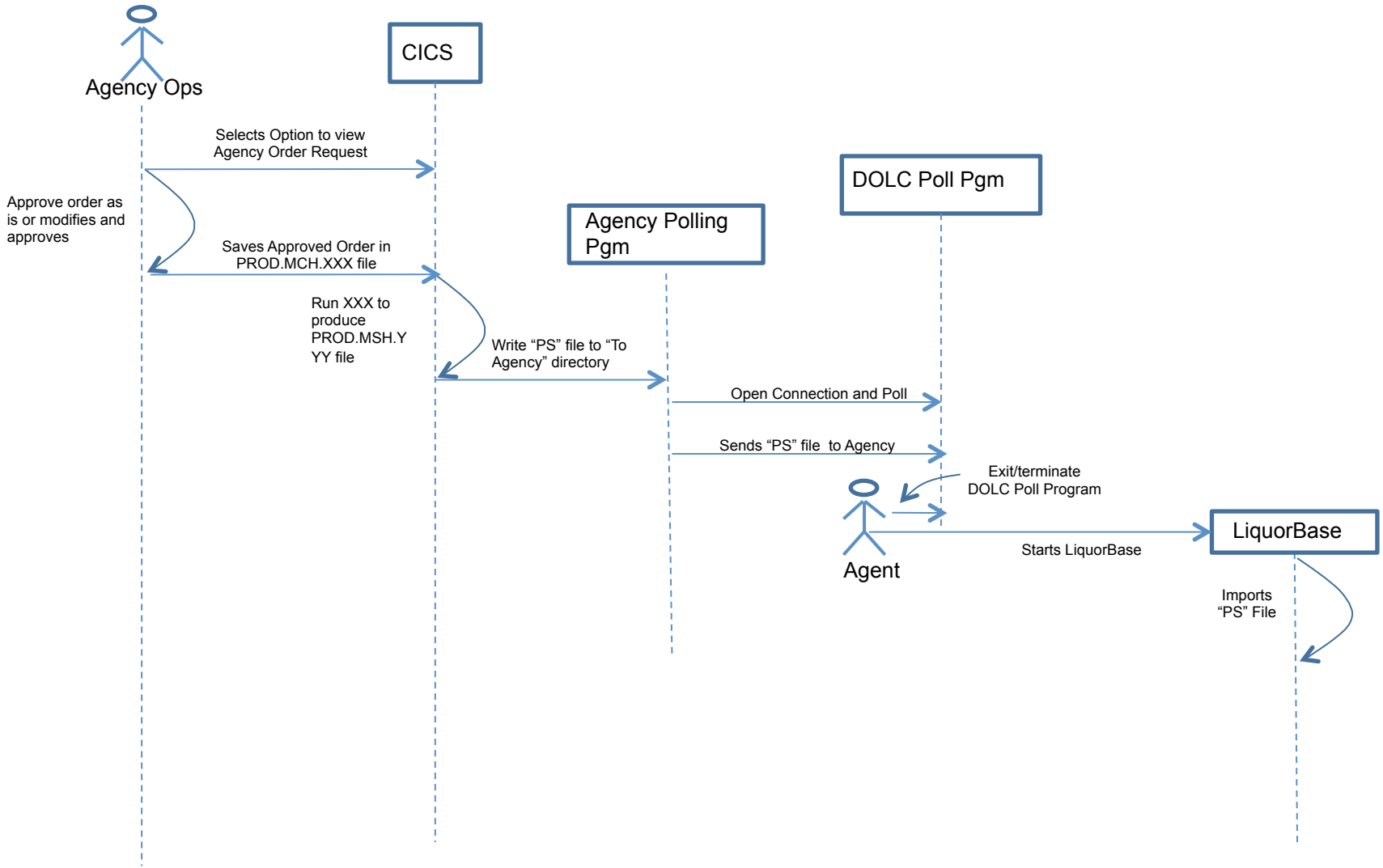
Monthly Price
From CICS to Agency



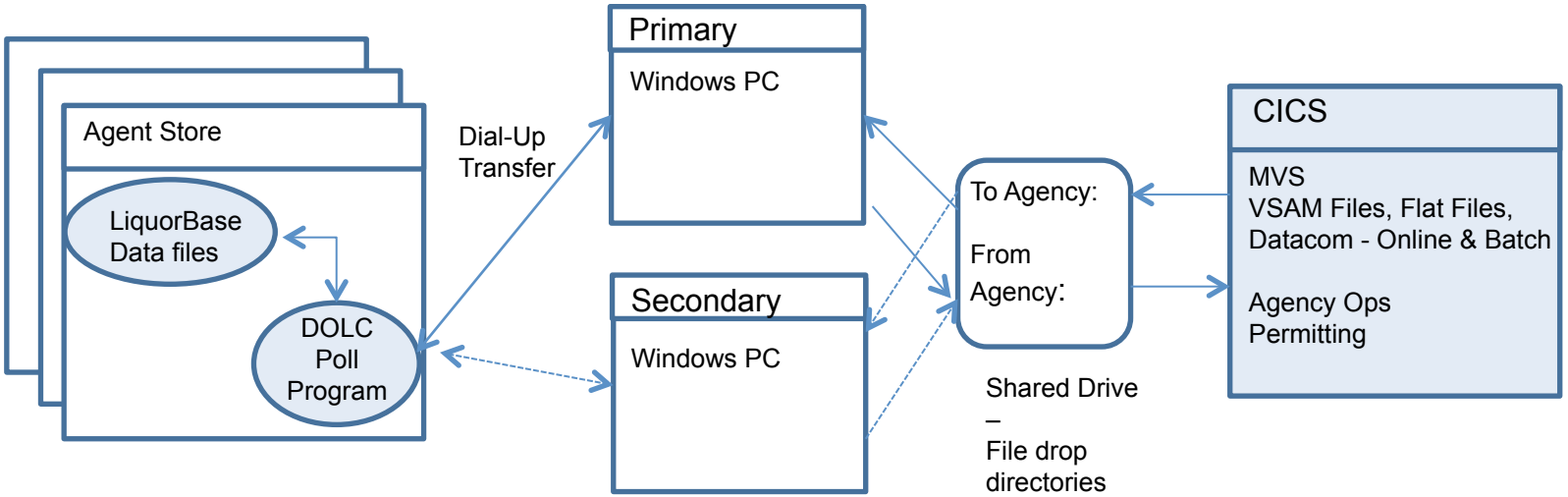
Permit Holder
From CICS to Agency



Pending Shipment From CICS to Agency



Modem-based Transfer Architecture Between Agency and CICS



From Agency to CICS

"OO" — Order File:
The (requested) order file. Created whenever the Agent submit their order to DOLC.

"PH" — Permit Holder:
Contain wholesales for the day.

"ED" — End of Day:
Created and sent at the end of every business day that includes dollar sales and other cash/sales information.

"IV" — Inventory File:
Created and sent daily. Contains inventory and current period sales count.

"BP" — Period Balancing:
Contains current period sales. Created and sent when sales for the last day of the sales period are posted.

From Agency to CICS (cont'd)

"PE" — Period End:
The period end inventory file. Created and sent when sales for the last day of the sales period are posted.

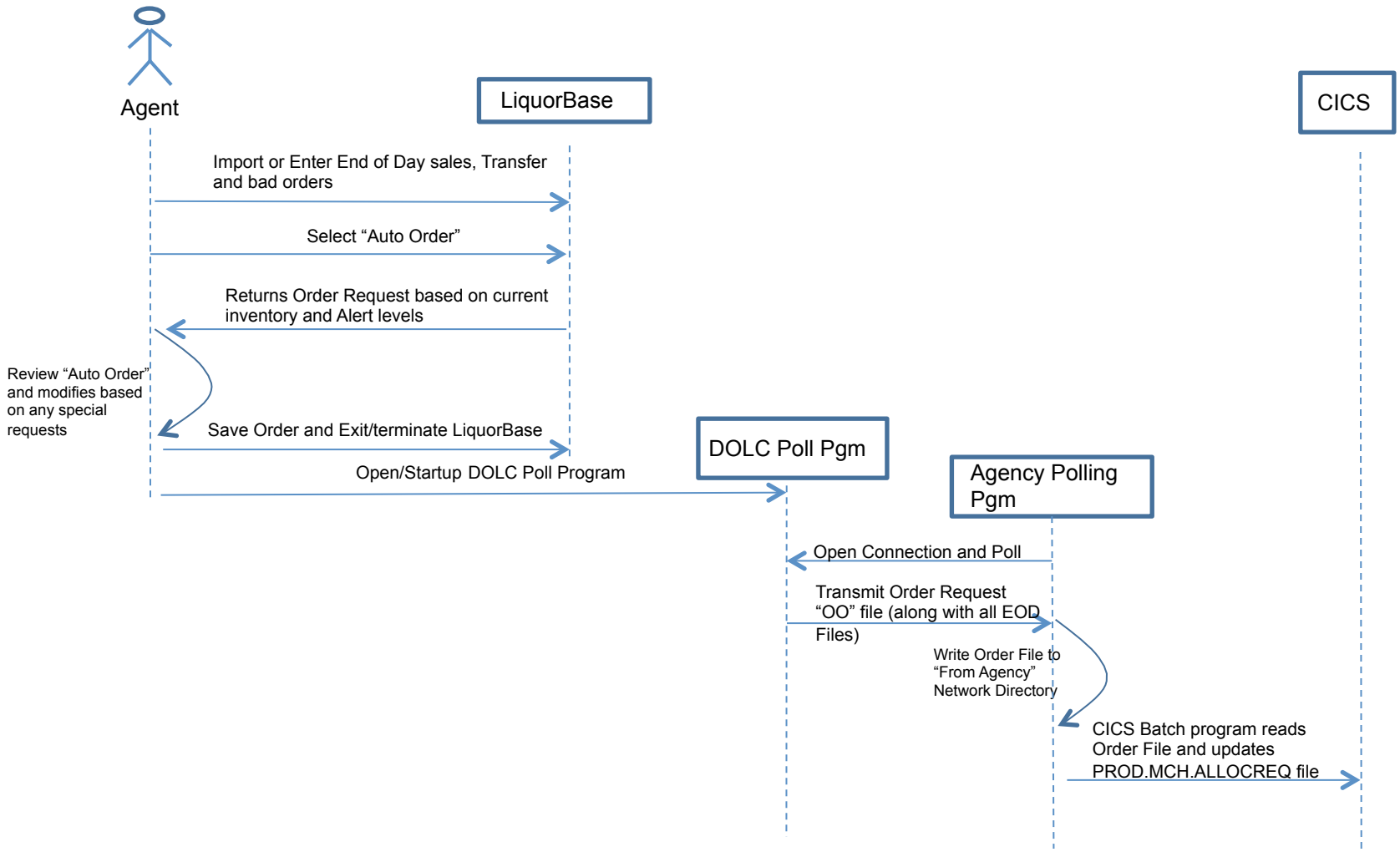
"TI" — Transfer In:
Created when an Agency processes a transfer in from another Agency.

"TO" — Transfer Out:
Created when an Agency processes a transfer out to another Agency.

"BO" — Bad Order:
Created by Agency but not sent to CICS until approved by Auditor. A field auditor approves the bad order (Affidavit of Claim). Used to indicate breakage by customer or during shipment and short shipments.

"TP, JM, AA, JP, DB, TG" — Messaging:
These are the different file names for messages that Agencies can send to the DOLC.

Order File
From Agency to CICS



Alert Level Setting Algorithm

Current Configuration driven based on two parameters: Sales per week and Number of days of supply to keep in the Agency store.

5 possible level but only 3 level are being used now.

A last four period sales is used to compute an average sales per week.

Sales Per Week	Store's Order Frequency	Supply to keep on hand
<= 12	Weekly	3.5 week supply
<= 12	Bi - Weekly	4.5 week supply
<= 20	Weekly	2.5 week supply
<=20	Bi - Weekly	3.5 week supply
>20	Weekly	2.2week supply
>20	Bi - Weekly	3.5 week supply

LiquorBase Reorder Algorithm

Auto Order sets the reorder quantity for a given brand to be the number of cases required to bring the stock on hand up to or over the Alert Level that was set by the alert leveling setting algorithm described in the previous slide.

Once the order is generated then Agents can override the order for a given brand (either decrease or increase the number of cases).

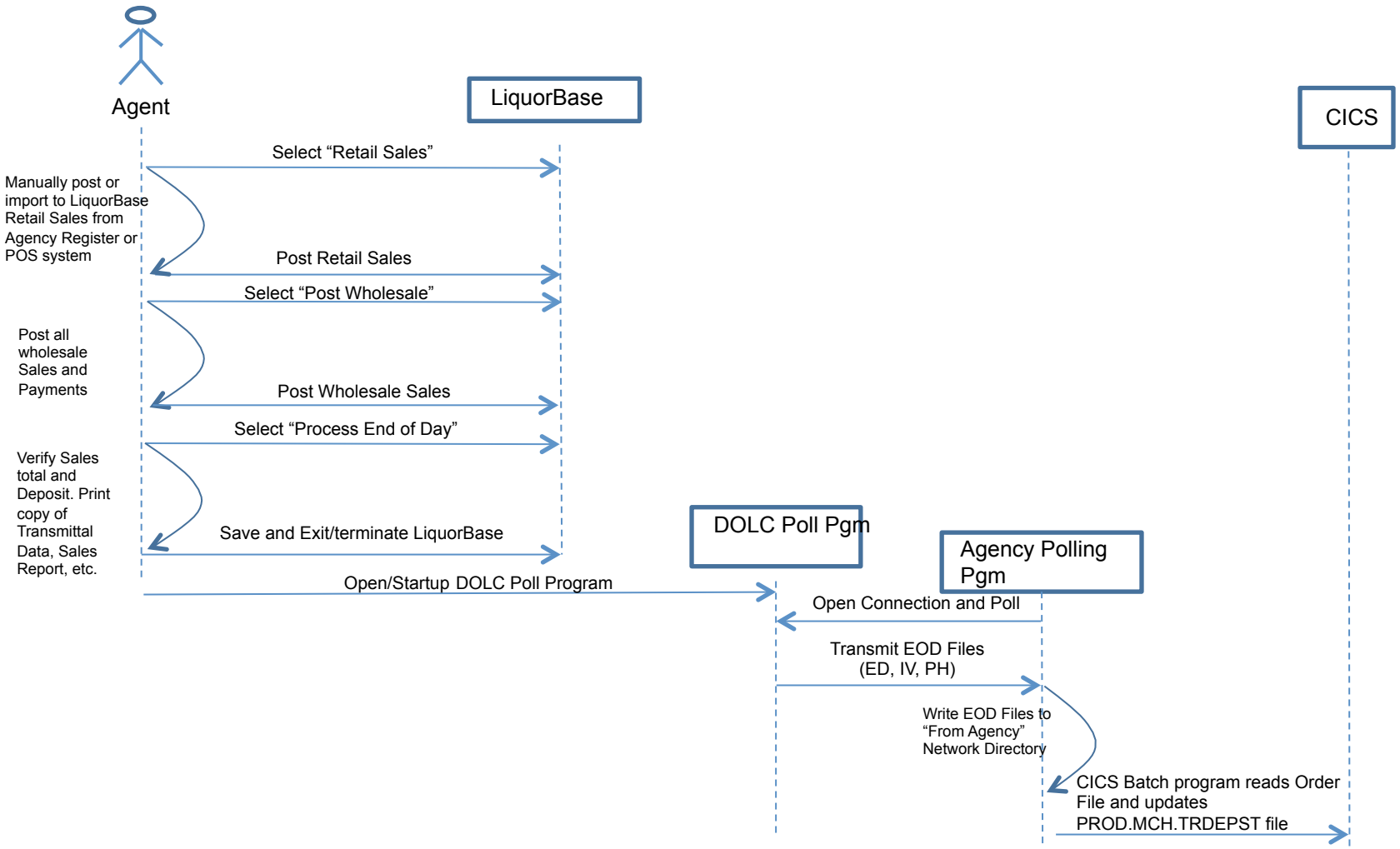
Orders that exceed the number of cases generated based on the "auto order" algorithm are marked for review by Agency Ops.

Agency Ops reviews and can modify any order (either increase or decrease).

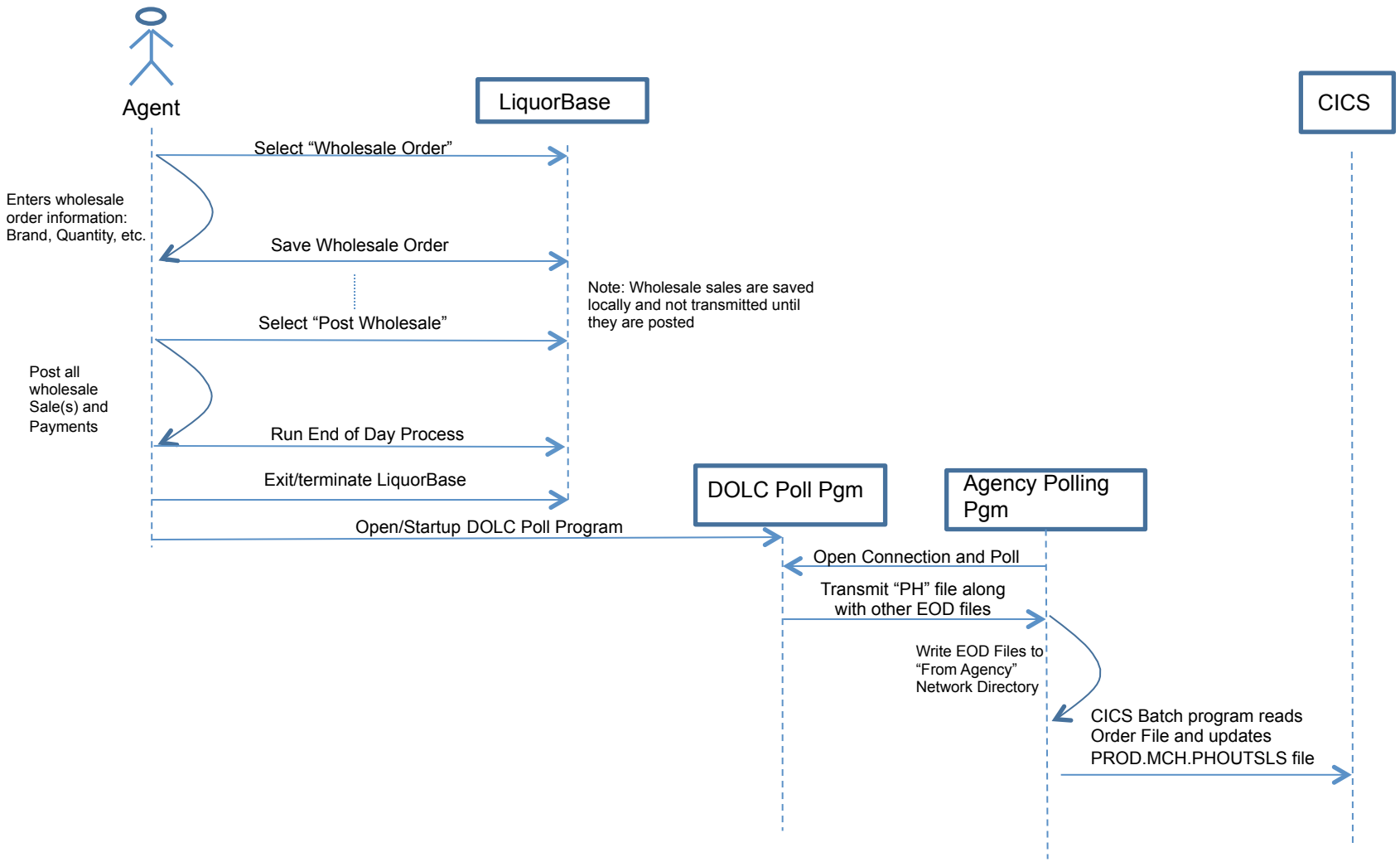
For slow moving brands the inflexibility to order anything smaller that a single case is problematic. Agency Ops may adjust inventory of slow moving brands by utilizing Agency to Agency transfers.

Agents can override the Alert Level but these levels will be reset at the end of the sales period by the CICS alert level setting algorithm.

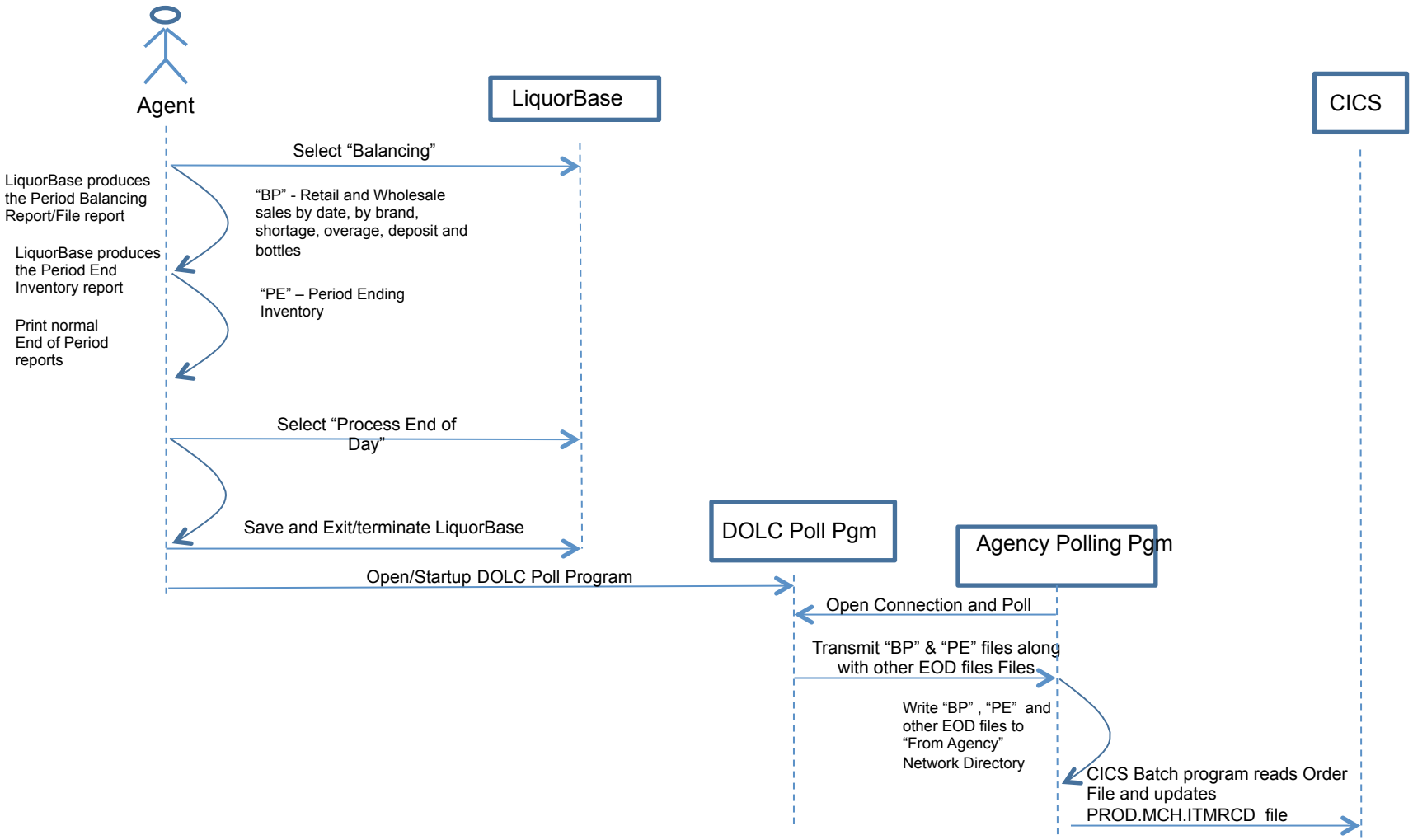
Agency Outlet End of Day Process From Agency to CICS



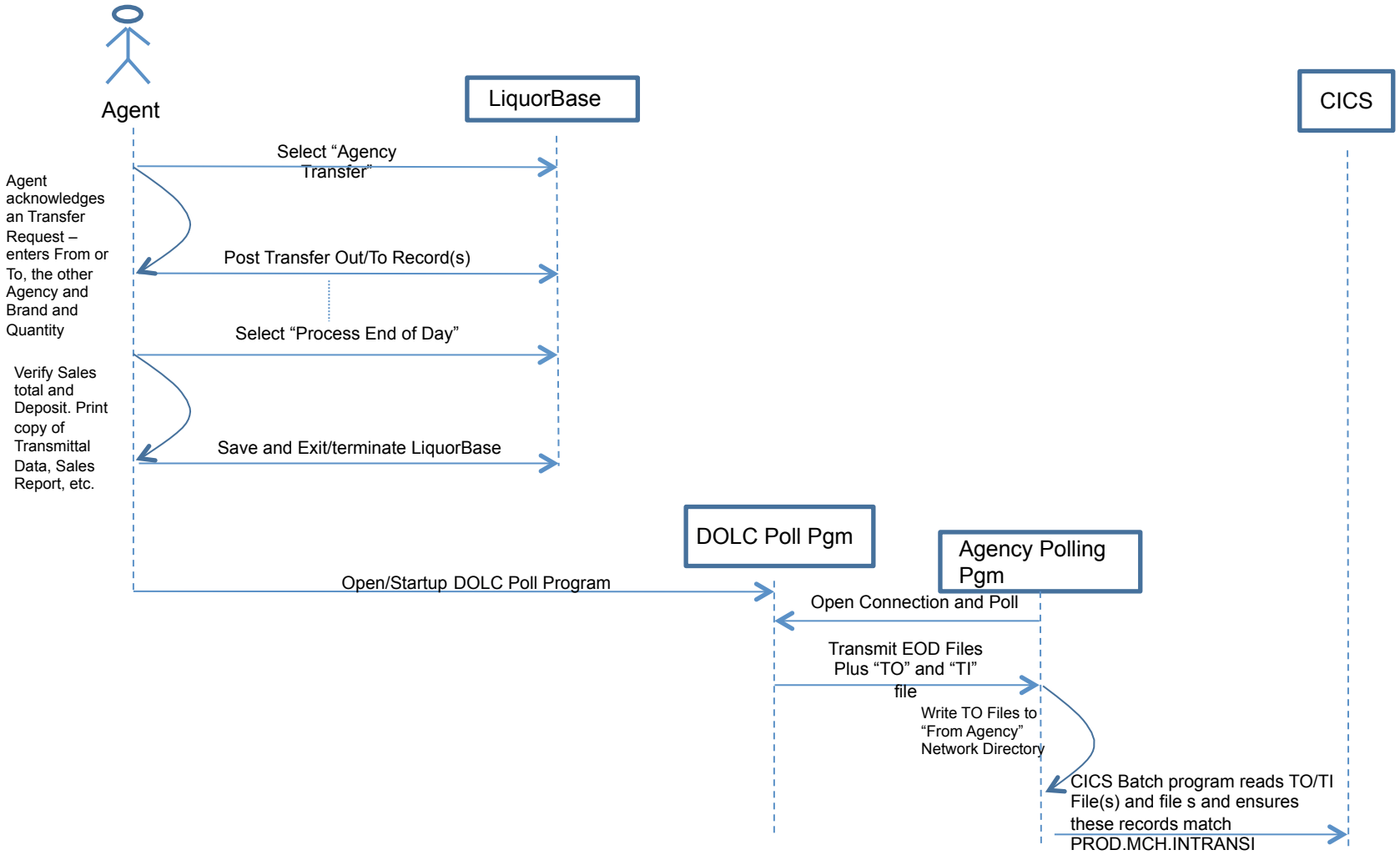
Permit Holder
From Agency to CICS



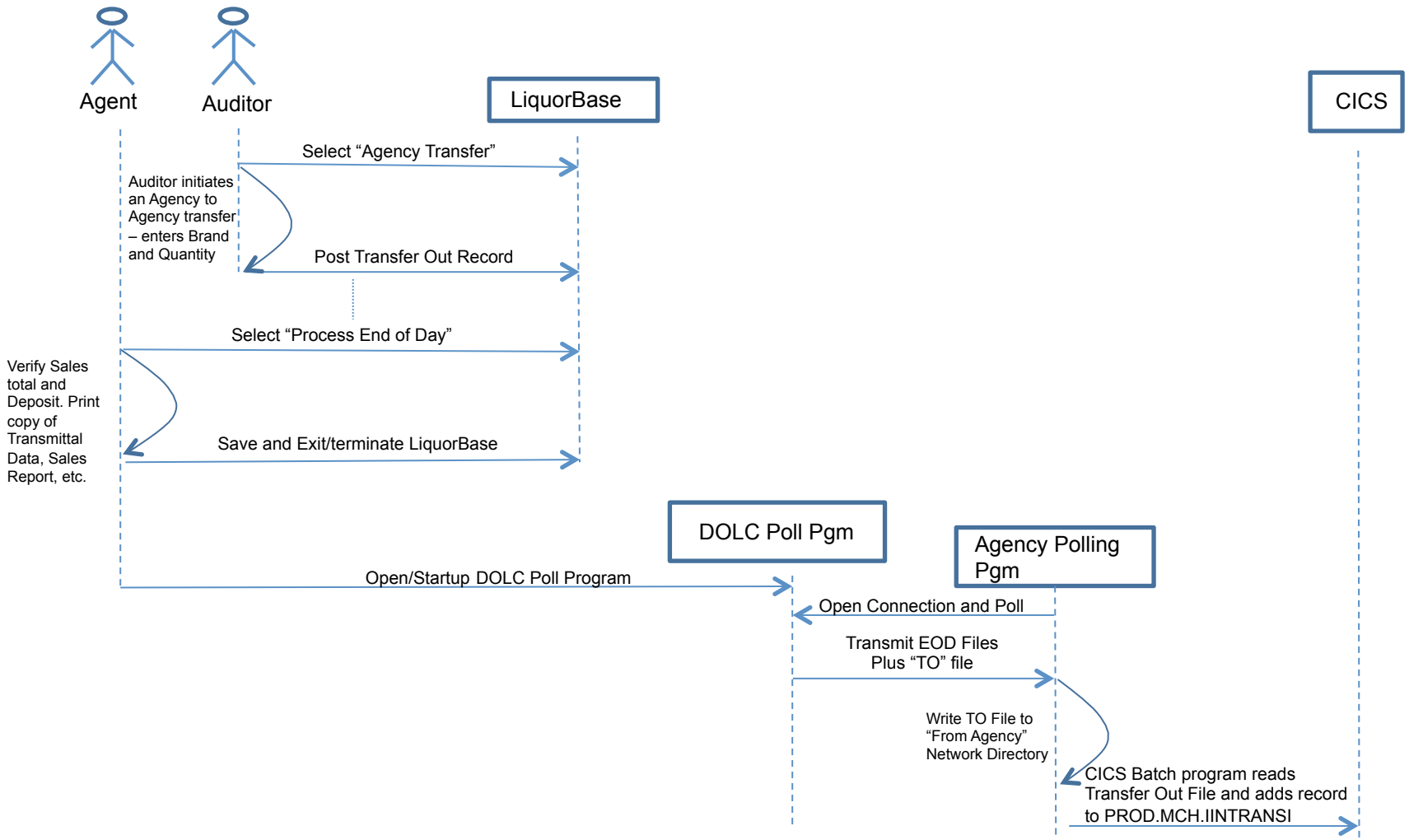
Period Balancing and Period End From Agency to CICS



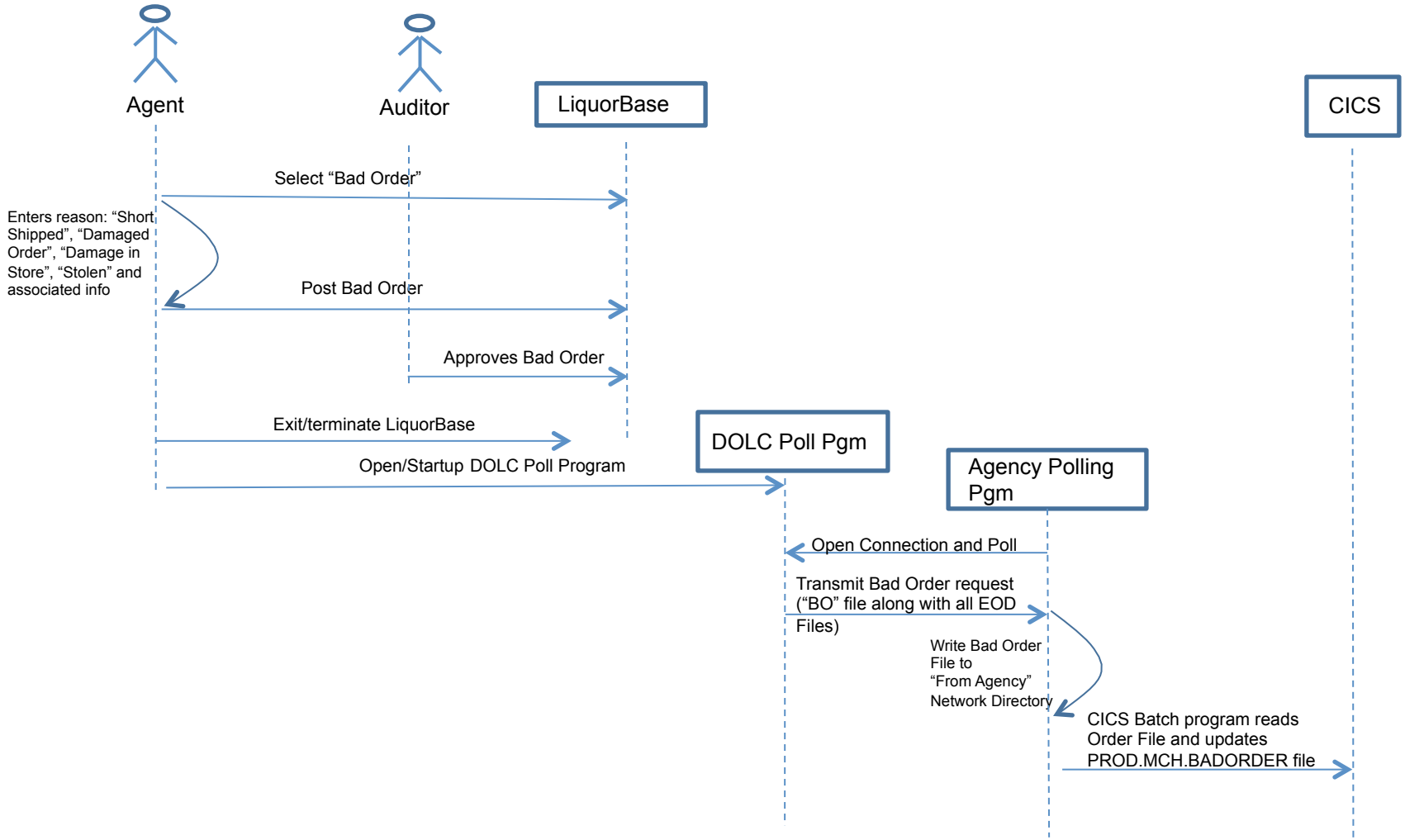
Transfer In/Out (Initiated by Agent) From Agency to CICS



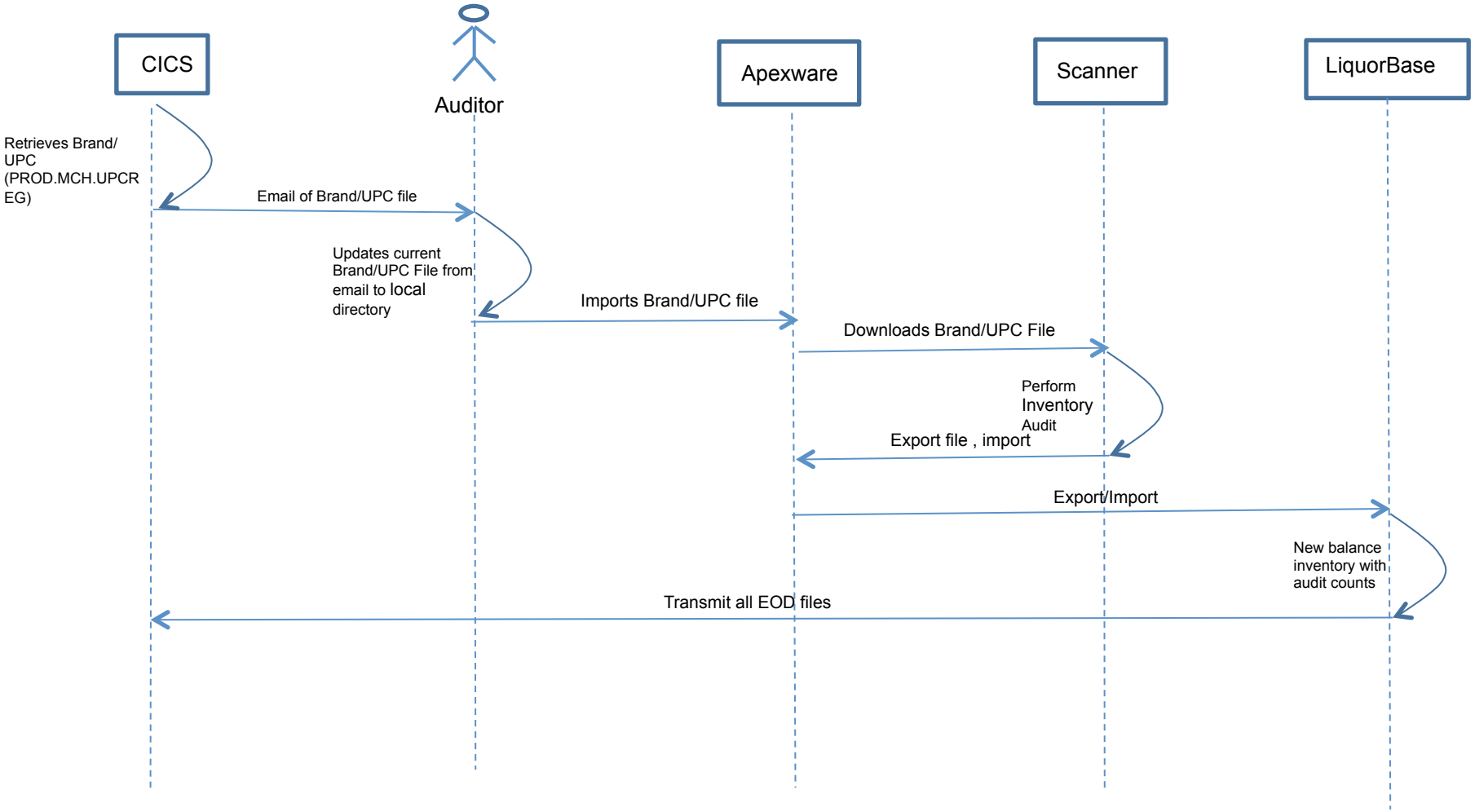
Transfer Out (Initiated by Auditor) From Agency to CICS



Bad Order
From Agency to CICS



Audits Using Scanners From CICS to CICS



Process Flows

High-Level Overview of DOLC Operations

Store/Agent Processes

Process	Description	Range
Order Products	Store/Agent places an order with the Division of Liquor Control.	1.1-1.6
Check In Delivery	Store/Agent checks shipment from delivery truck.	2.1-2.11
Check In Transfer	Store/Agent checks shipment from agency transfer.	2.12-2.16
Post Received Inventory	Store/Agent posts delivery confirmation to DOLC.	2.17-2.22
Process Returns	Store/Agent process retail or wholesale returns.	2.23-2.34
Sell Retail	Store/Agent sells the product through retail.	3.1-3.4
Sell Wholesale	Store/Agent sells the product through wholesale.	3.5-3.24
Send Out Transfer	Store/Agent sends out the product through agency transfer.	3.25-3.30
Adjust Order Levels	Store/Agent adjusts order levels if necessary.	4.1-4.5
Update Prices	Store/Agent updates prices if necessary.	4.6-4.12
Take Physical Inventory	Store/Agent takes inventory every month.	4.13-4.18
Post Sales	Store/Agent posts all sales made for the day.	4.19-4.30
Process End of Day	Store/Agent process end of day procedures to send data to DOLC.	4.31-4.40

DOLC Purchasing Processes

Process	Description	Range
Update Inventory Record	DOLC makes vendor-requested price and description changes.	1.1-1.6
Add Items	DOLC adds new items.	1.7-1.11
Delist Items	DOLC finds and removes underperforming items.	1.12-1.22
Process Orders	DOLC orders from warehouse or places an agency transfer.	2.1-2.6
Pay for Products	DOLC pays for products and transportation charges.	3.1-3.7

DOLC Operating Processes

Process	Description	Range
Update Store/Agent Info	DOLC makes ownership/location changes and renewals.	1.1-1.3
Add Store/Agent	DOLC adds a new Store/Agent.	1.4-1.8
Remove Store/Agent	DOLC removes a Store/Agent.	1.9-1.13
Reconcile Daily Sales	DOLC balances all reported sales for the day.	2.1-2.6
Collect Money	DOLC collects daily cash deposits for all transactions.	2.7-2.10
Check Compliance	Auditor makes monthly compliance visits to Store/Agent.	3.1-3.5
Conduct Physical Audit	Auditor conducts a full audit on Store/Agent.	3.6-3.14
Process Period End	DOLC balances all records at the end of a period.	4.1-4.5
Make Cash Adjustments	DOLC makes cash adjustments after closing end of month period.	4.6-4.10

Process Appendices

Process	Description	Section
Policy Highlights	This is a list of selected policies associated with current processes.	A
LB7 Reports	These are currently reports that are provided by LB7.	B

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Store/Agent Processes

Process	Description	Range
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Adjust Order Levels	Store/Agent adjusts order levels if necessary.	4.1 – 4.5
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Post Sales	Store/Agent posts all sales made for the day.	4.19 – 4.30
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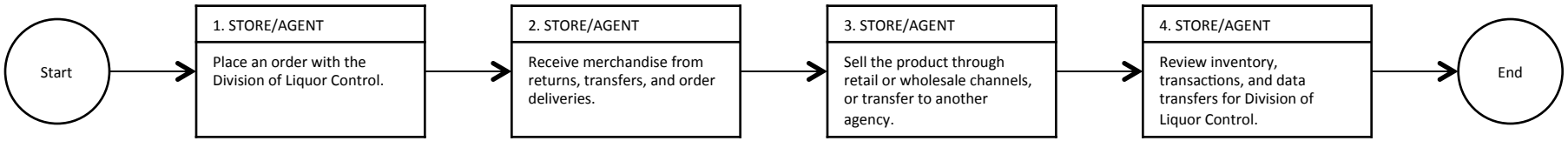
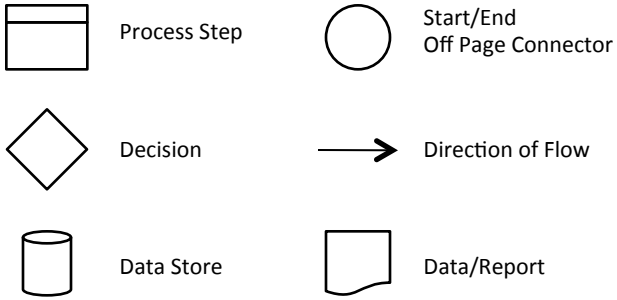
Store/Agent Overview



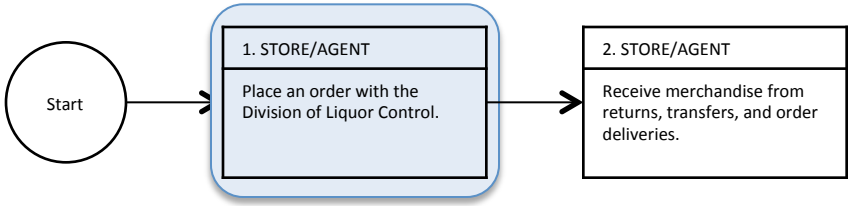
Notes

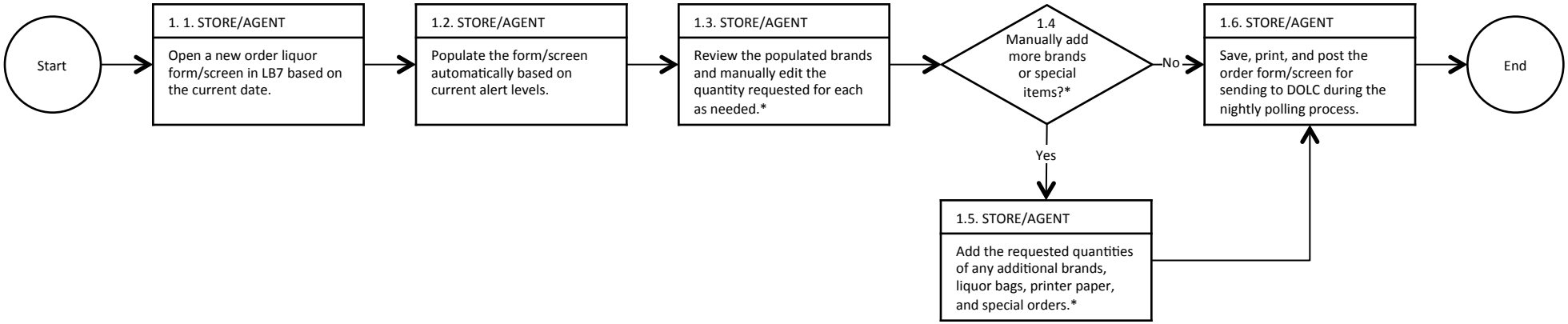


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

1.1 – 1.6

ORDER PRODUCTS





Notes

1.3

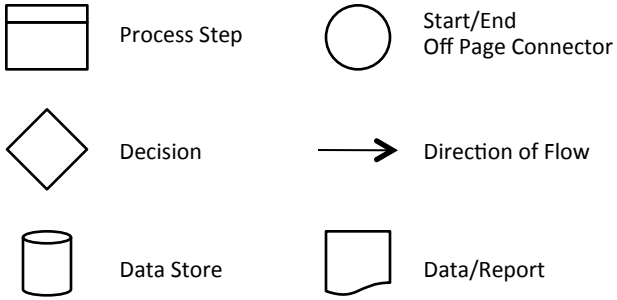
- It is best practice to preemptively change alert levels with the Division of Liquor Control rather than manually edit quantities.
- Generally, the store/agent should notify the Division of Liquor Control of the reason for quantity changes.

1.4

- Liquor bag orders are limited to a preset allocated quarterly amount based on the previous year's sales.

1.5.

- The Division of Liquor processes orders either weekly or bi-weekly. The store/agent may submit only one order form per order period. If agent submits more than one, only the last order is used.



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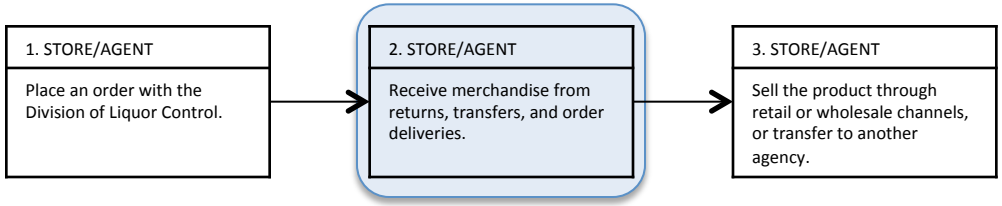
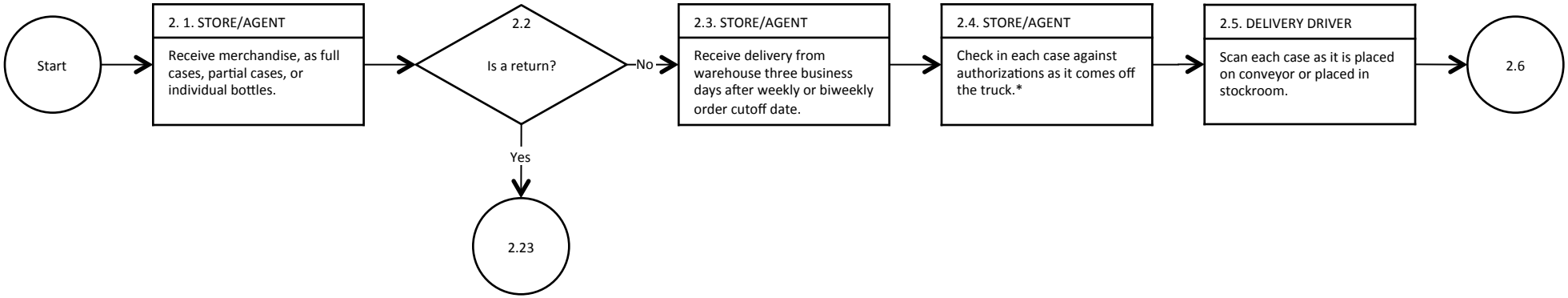
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

2.1 – 2.11

CHECK IN DELIVERY

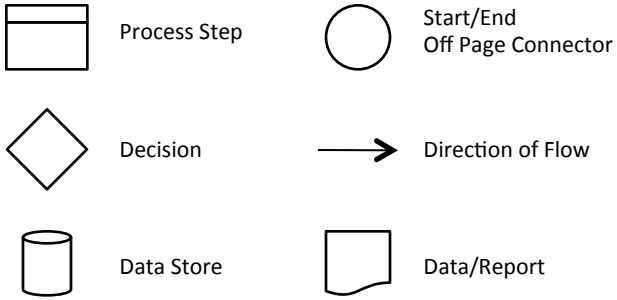




Notes

2.4.

• A field transfer can be moved by not only the trucking company, but also vendor representatives and DOLC personnel. All procedures remain the same as regular transfers initiated by DOLC and received from warehouse trucks.



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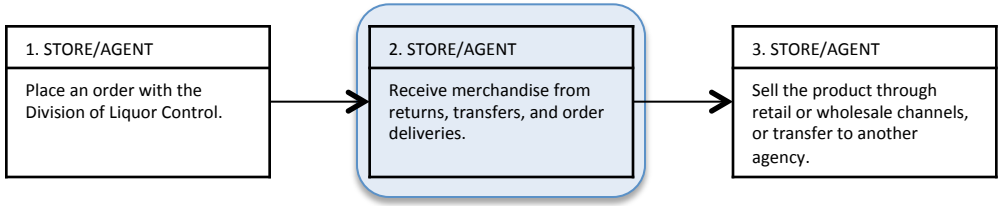
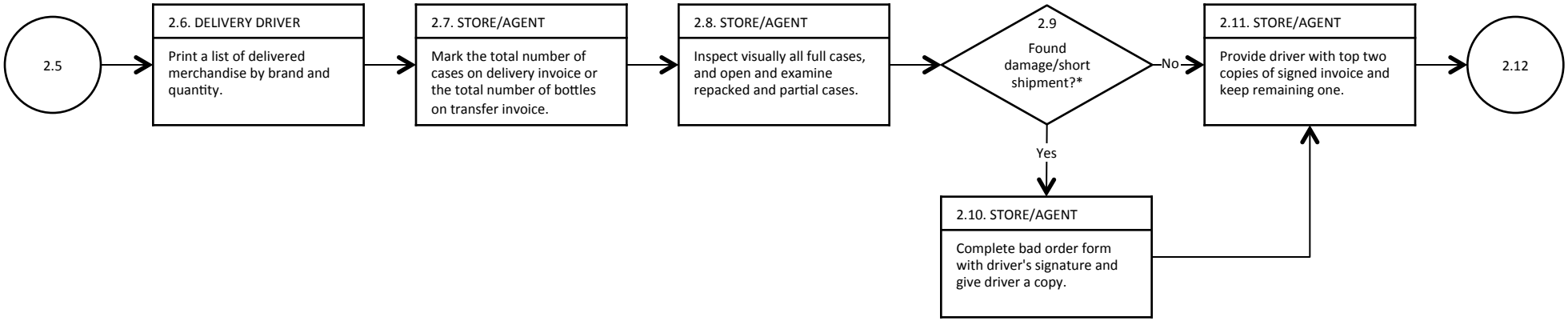
Approved by: Jason Leatherman	Date: 10/05/11

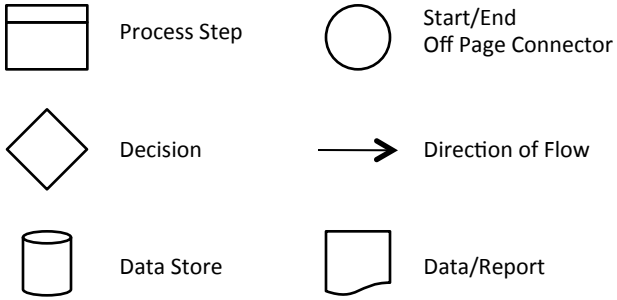




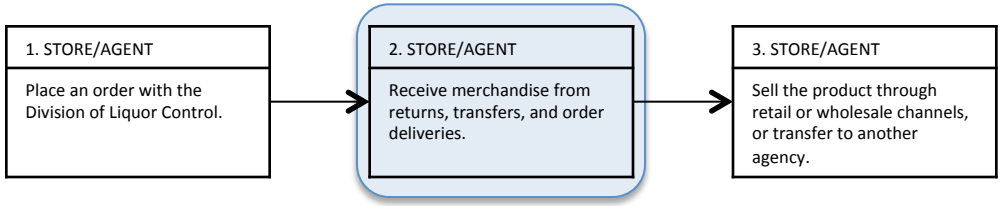
Notes

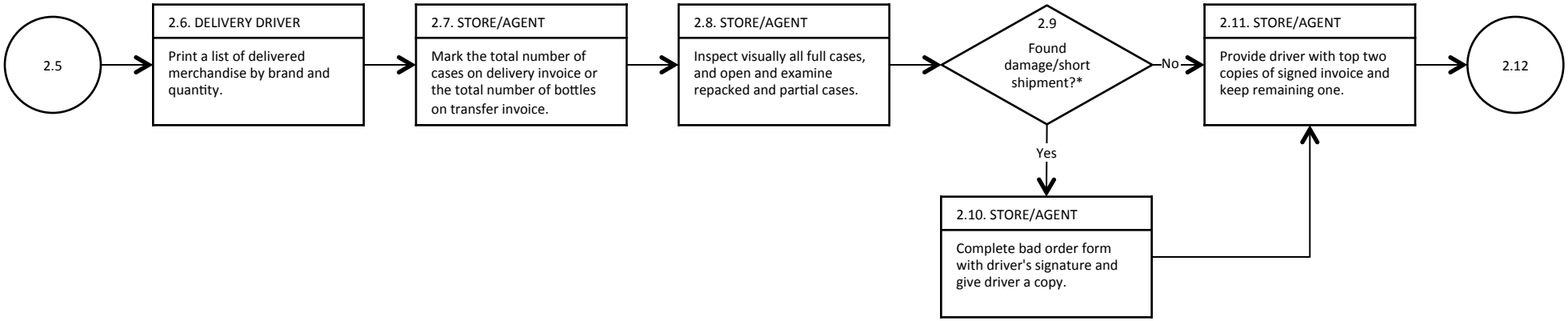
2.9

- If there are too many cases, just leave with delivery driver to return to warehouse.



Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11





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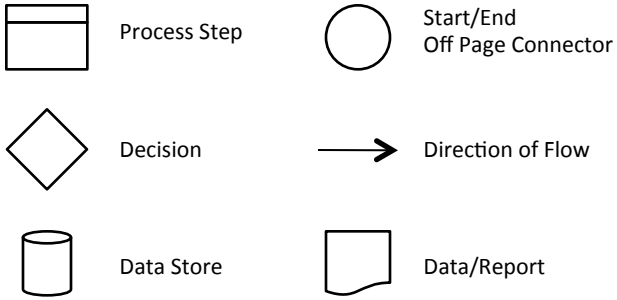
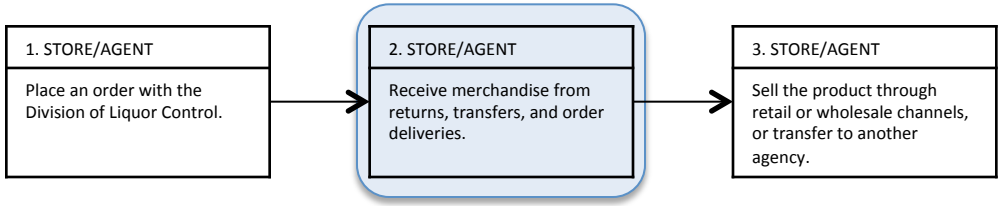
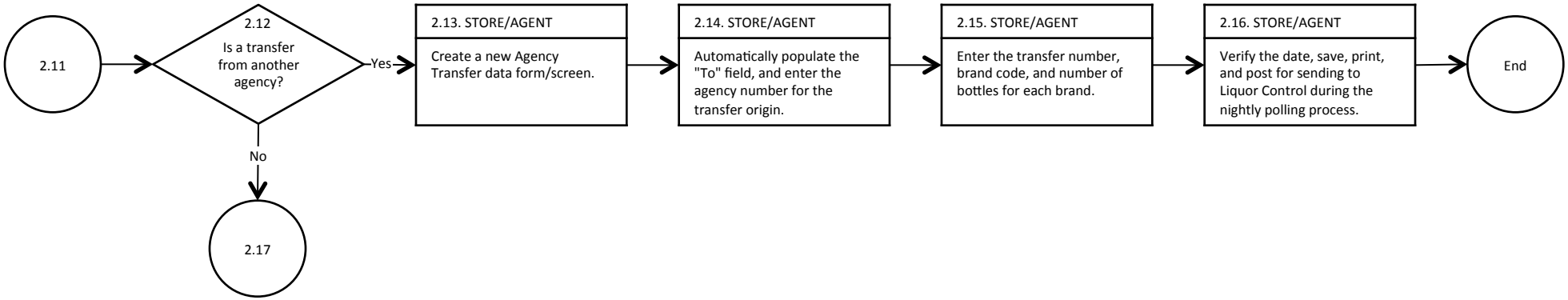


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

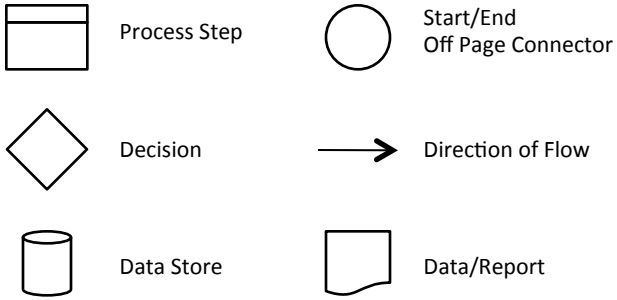
2.12 – 2.16

CHECK IN TRANSFER





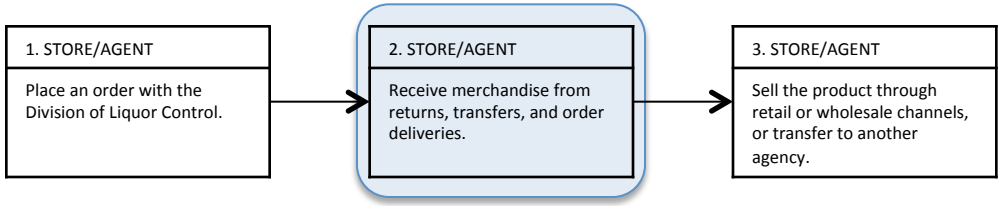
Notes

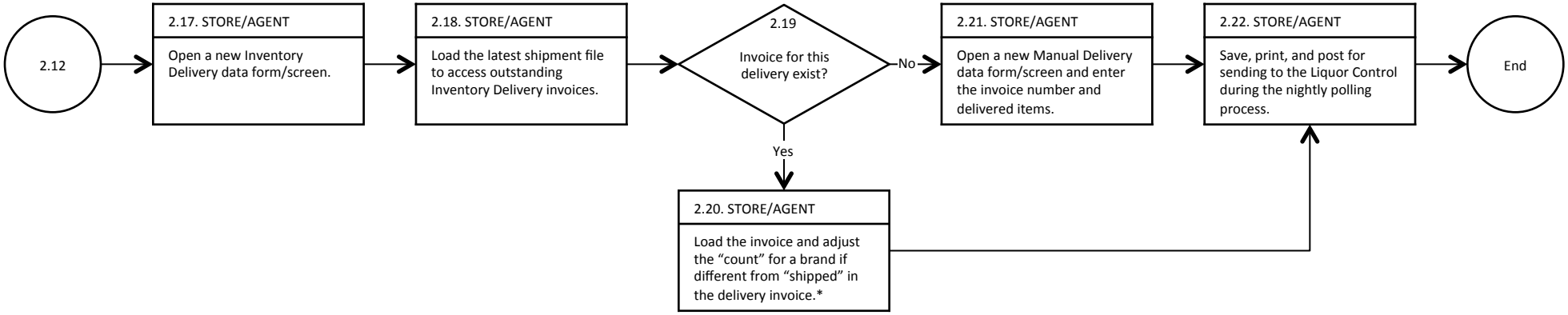


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

2.17 – 2.22

POST RECEIVED INVENTORY

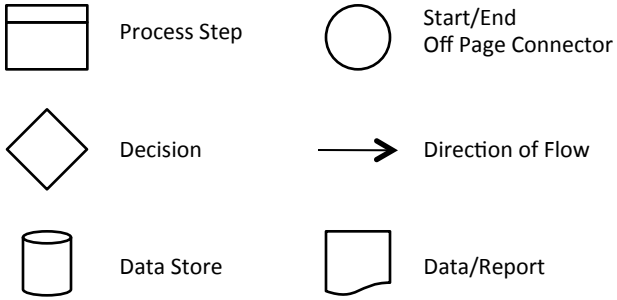




Notes

2.20

- This is to be used if the warehouse deliberately shipped less than expected, not for bad orders/short shipments.



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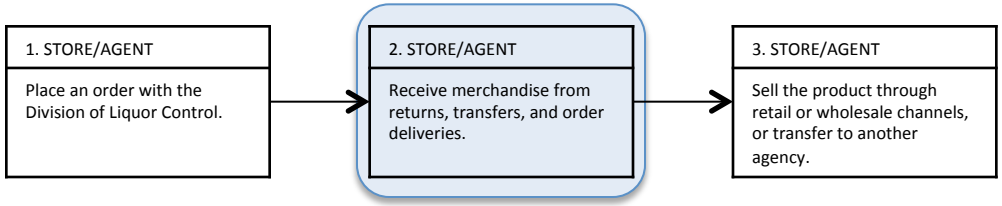
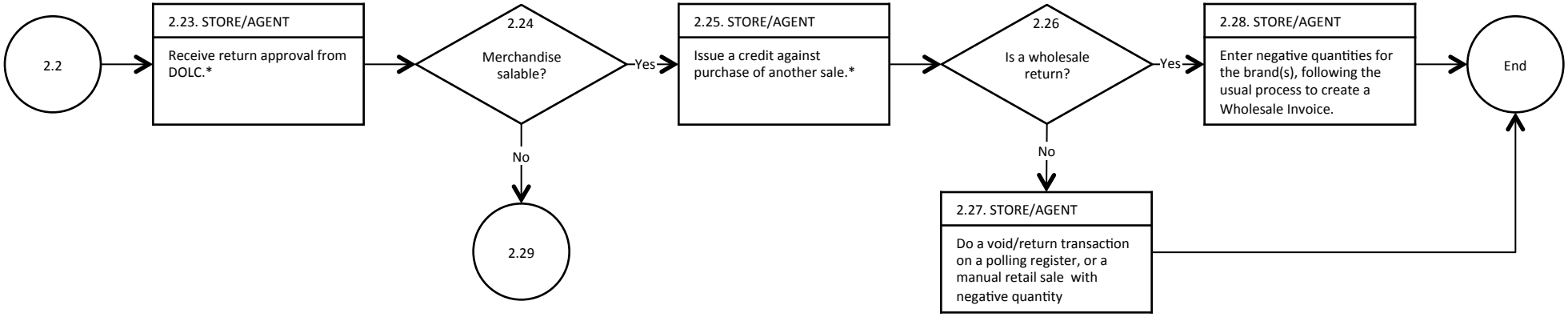
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

2.23 – 2.34

PROCESS RETURNS

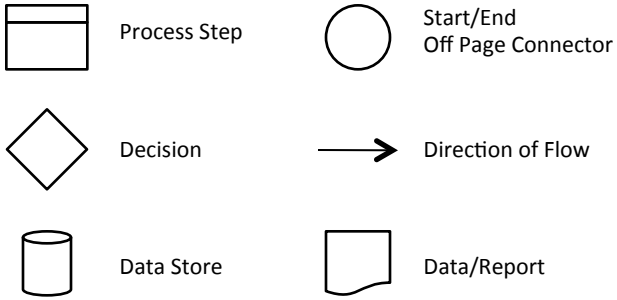




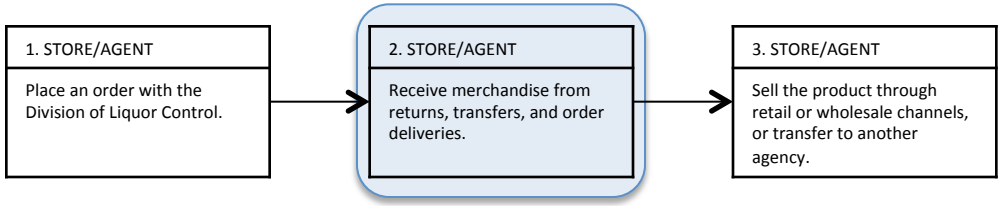
Notes

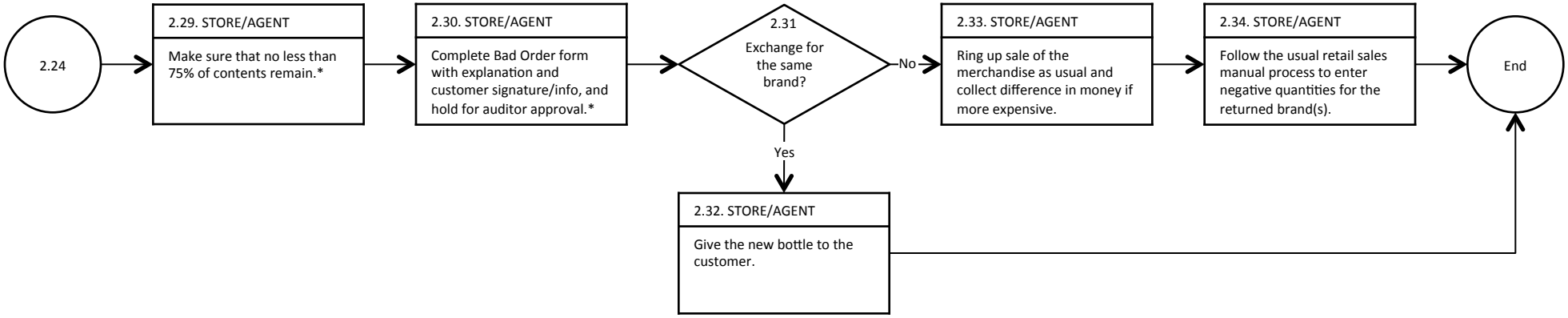
2.23
- All retail sales are final except extenuating circumstances.
- Wholesale returns are generally approved.

2.25
- Never give out cash refunds.



Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

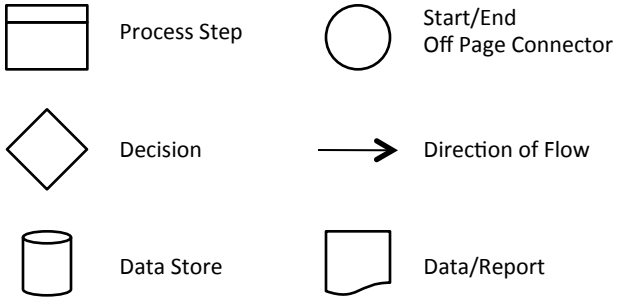




Notes

2.30

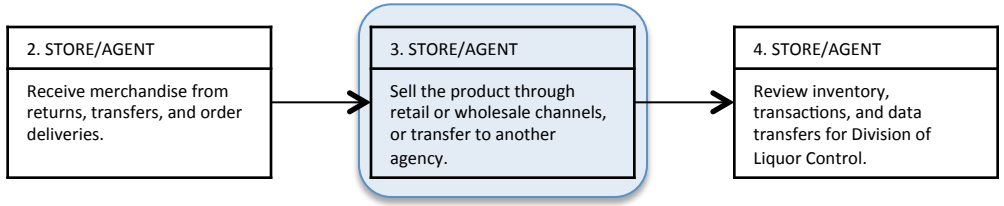
- Separate paper may be used for customer information.
- Hold the bottle, damaged case, and other evidence for External Auditor approval, and if it needs to be returned to the vendor, until the vendor representative picks it up.

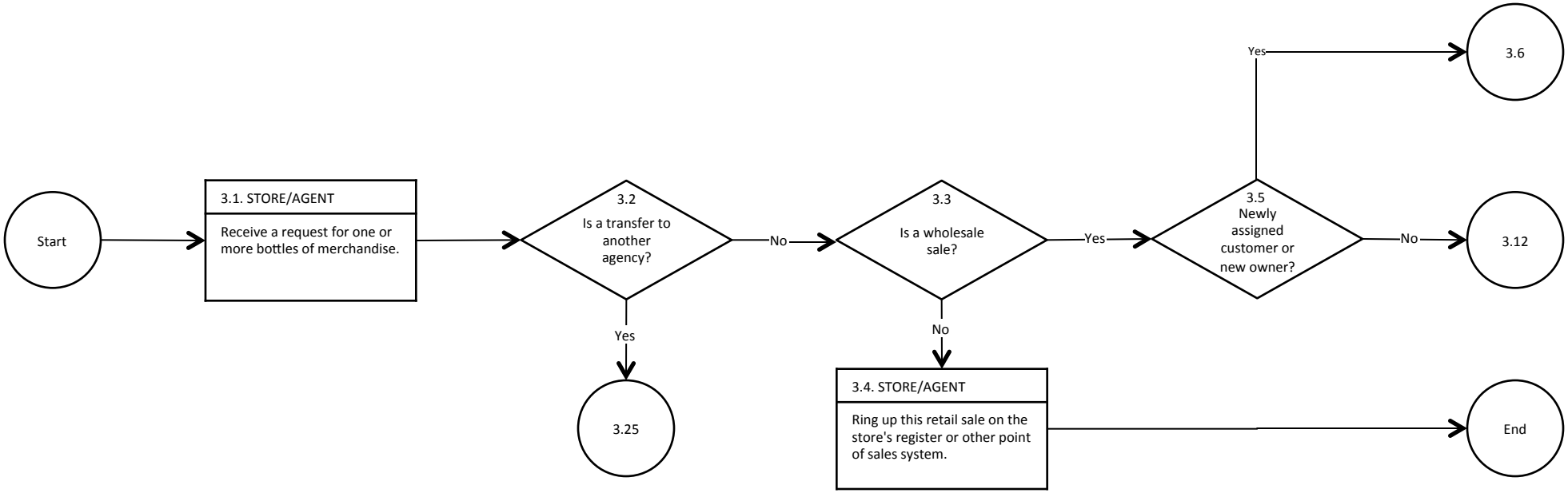


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

3.1 – 3.4

SELL RETAIL





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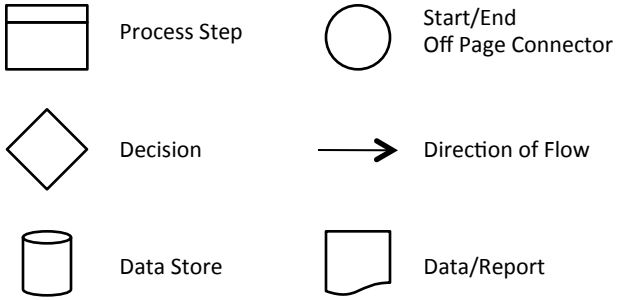
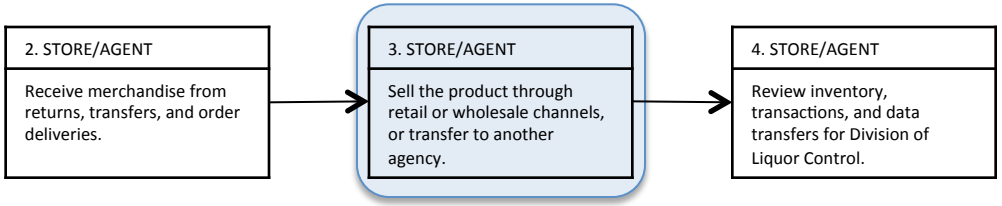
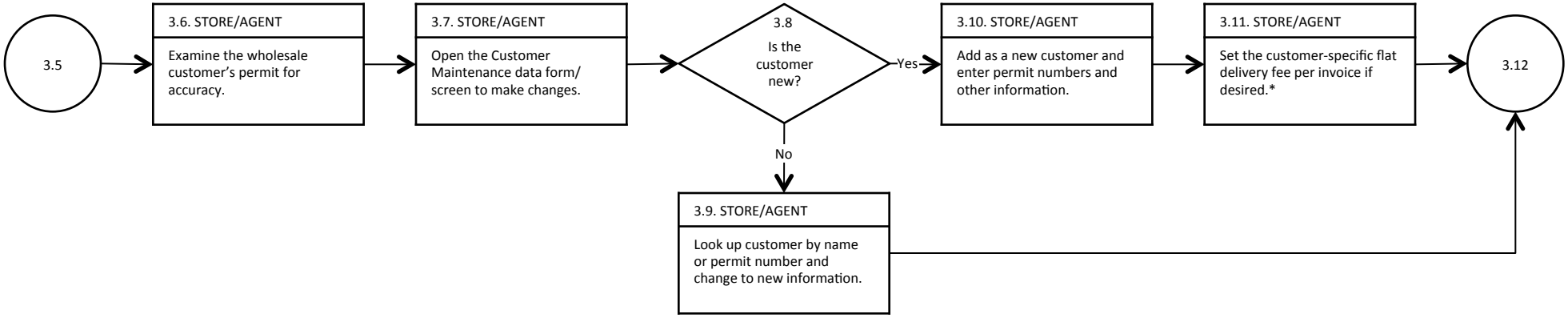


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

3.5 – 3.24

SELL WHOLESALE



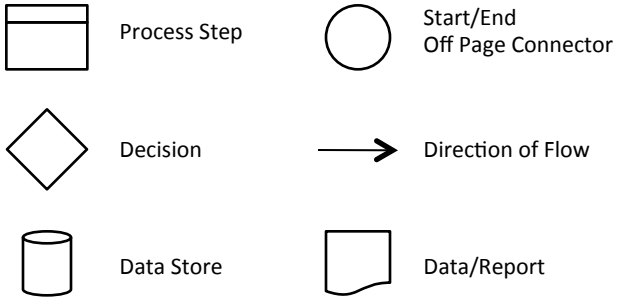


Notes

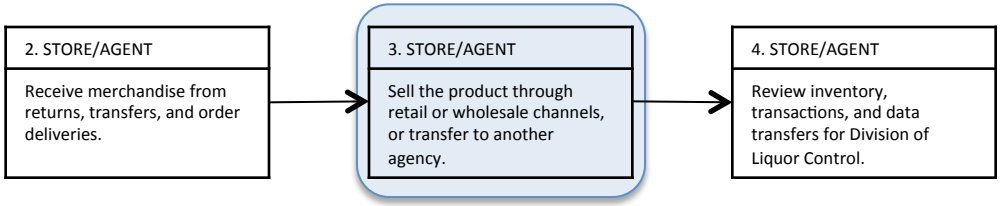
3.11

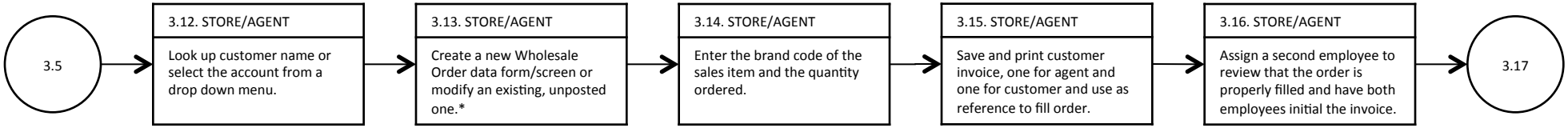
- There is a global setting to set delivery fees as well but that is not functioning.

* Often the agent just writes in a delivery fee to provide more flexibility.



Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

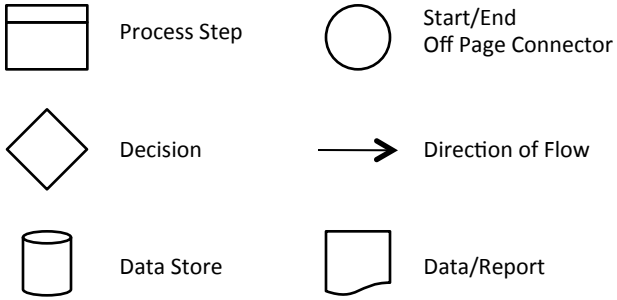




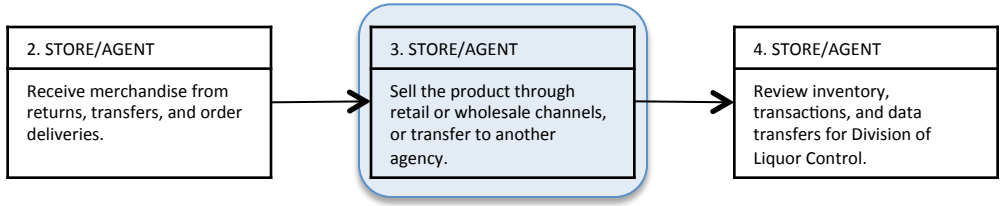
Notes

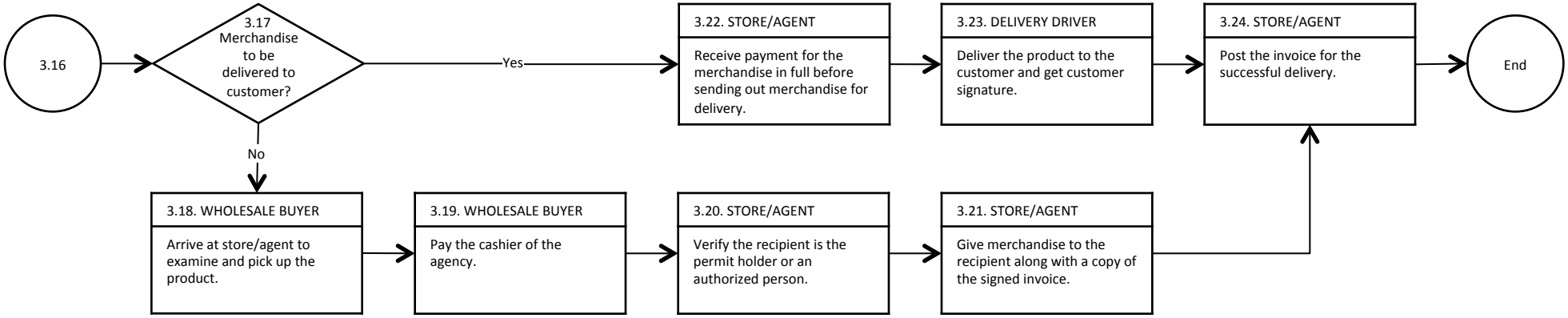
3.13

- You can also delete an old one and start completely anew.

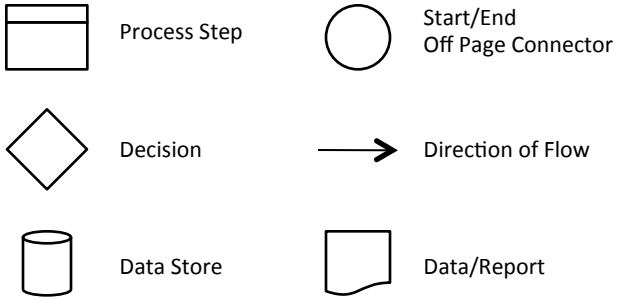


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11





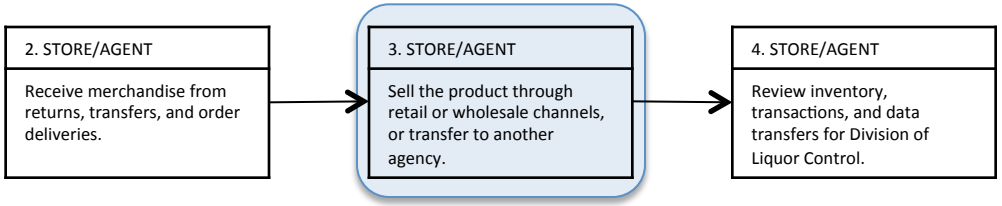
Notes

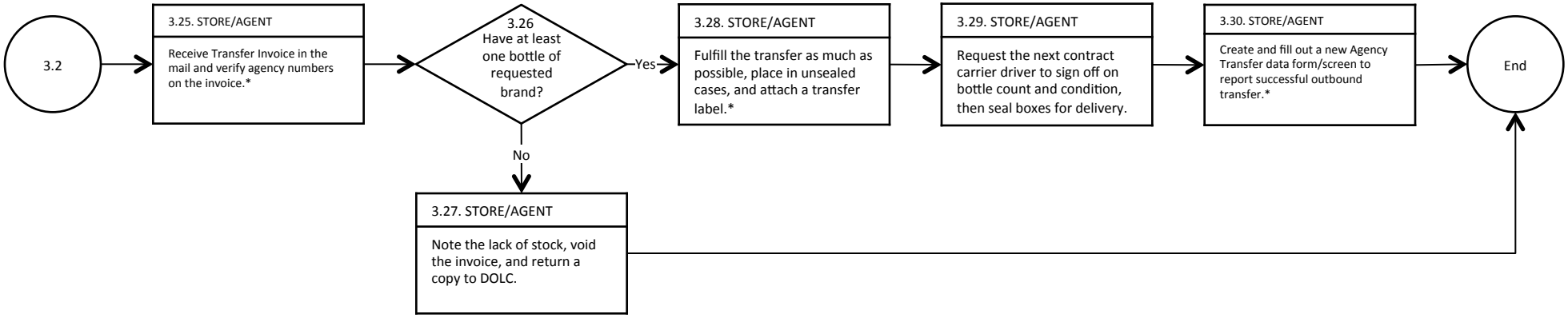


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

3.25 – 3.30

SEND OUT TRANSFER





Notes

3.25

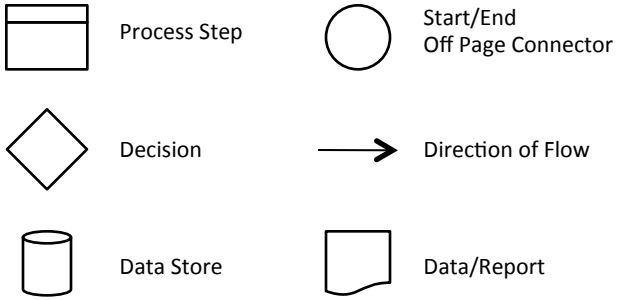
- Sometimes vendor representatives will transfer merchandise using a faxed copy. Once the original transfer form arrives in the mail, fill it out, sign, and file with the faxed copy.

3.28

- If reusing a case, make sure the old label is covered up and only current information is showing.
- While waiting for delivery truck pick up, the bottles are available for retail sales.

3.30

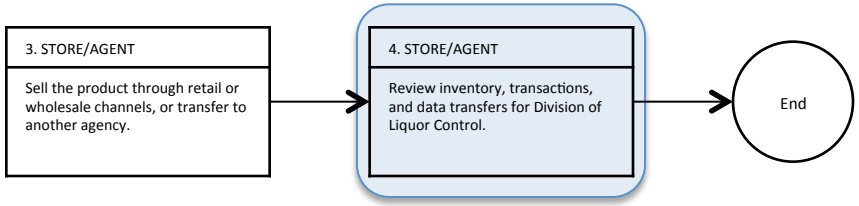
- See 2.12. It is the same form used to receive transfers.

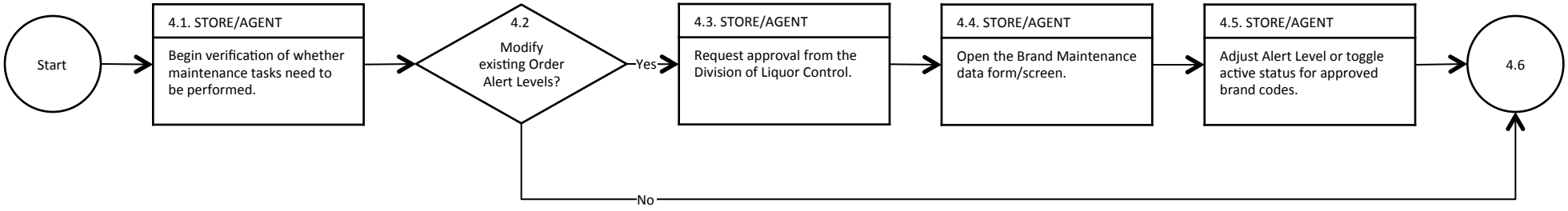


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

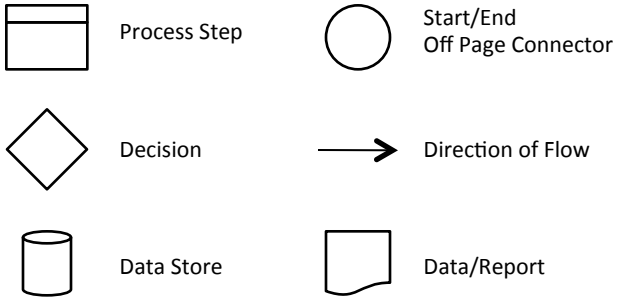
4.1 – 4.5

ADJUST ORDER LEVELS





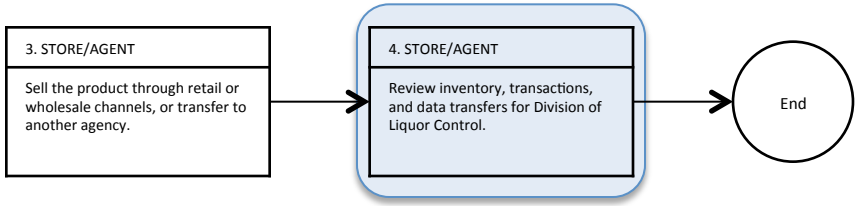
Notes

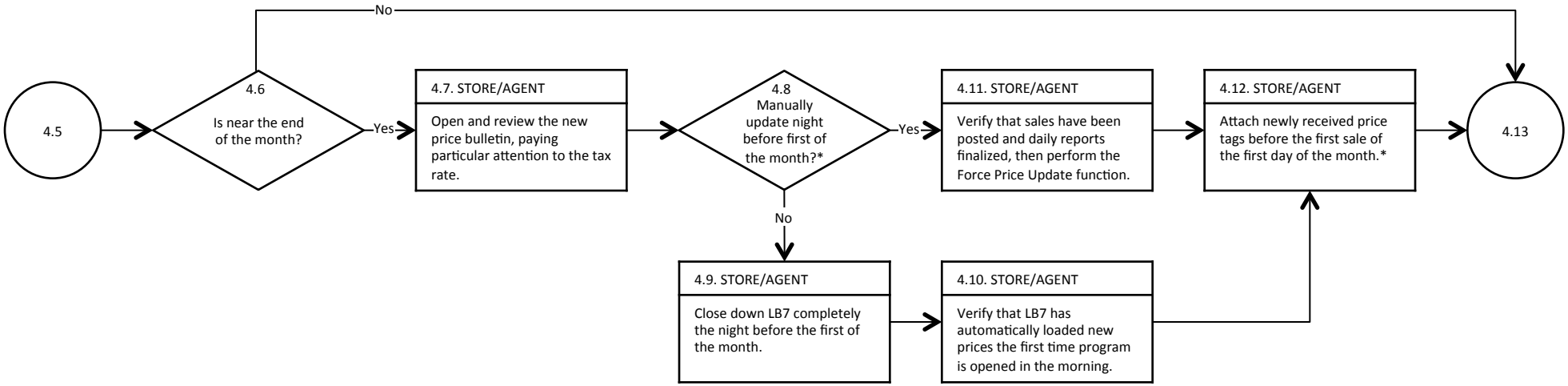


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

4.6 – 4.12

UPDATE PRICES





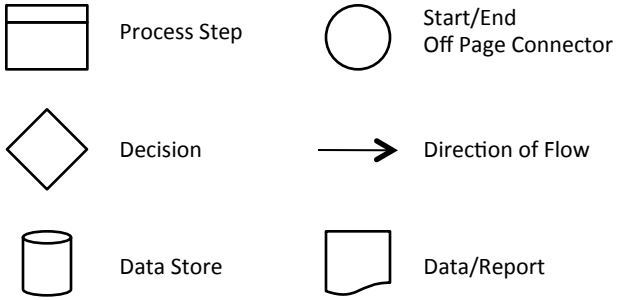
Notes

4.8

- If the price change file (separate from the bulletin and used to automatically update local prices in LB7) hasn't been downloaded five days prior to the end of the month, an alert will pop up. Contact LB7 support to get price file.

4.12

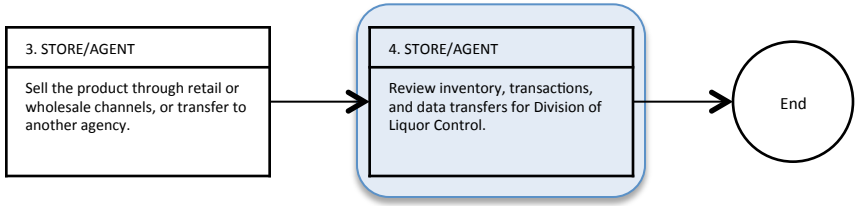
- Price tags with new prices will be sent monthly, before price change takes effect.
- Every February and August, new shelf tags will be sent for every brand in the agent/store's inventory, and must be replaced at this time.

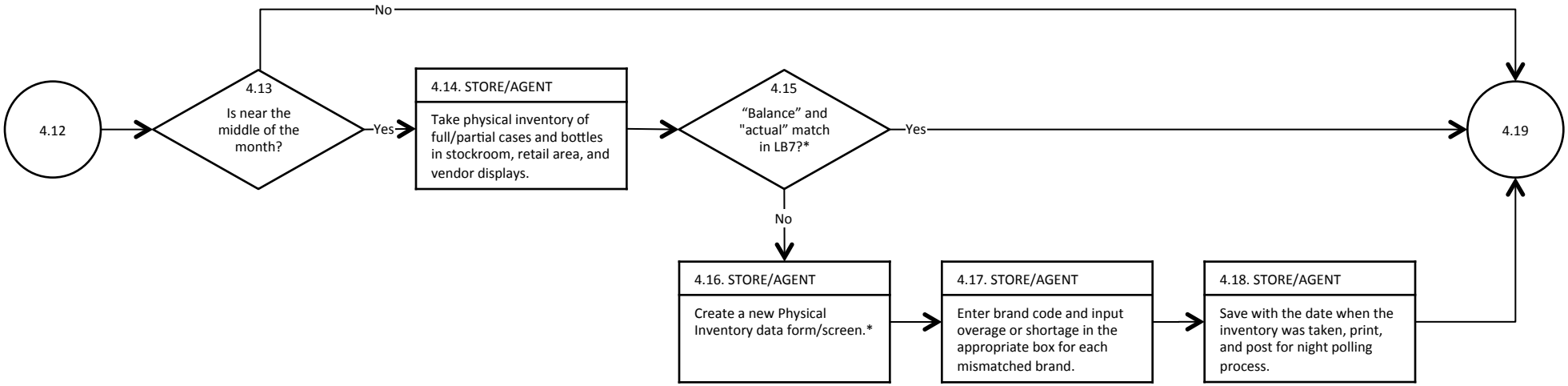


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

4.13 – 4.18

TAKE PHYSICAL INVENTORY

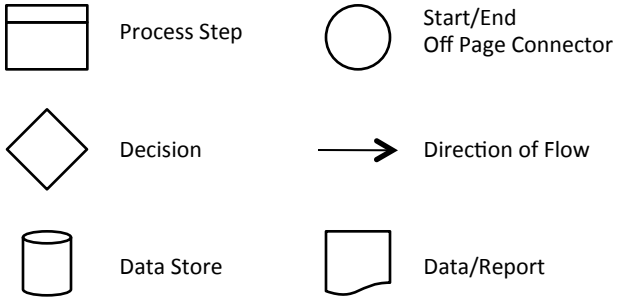




Notes

4.16

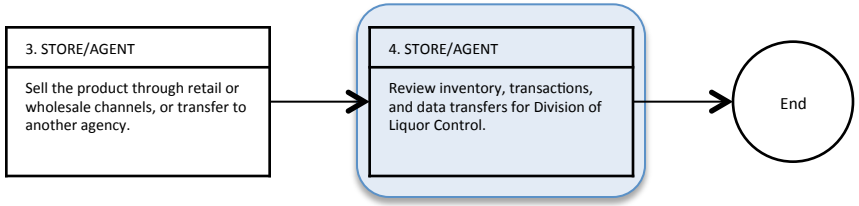
- The "actual" count includes differences noted in a previous inventory.

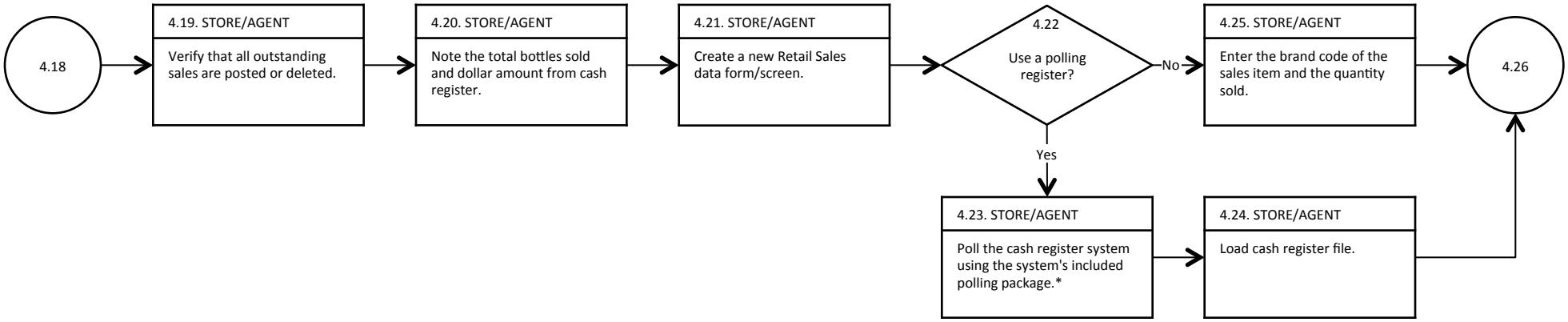


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

4.19 – 4.30

POST SALES

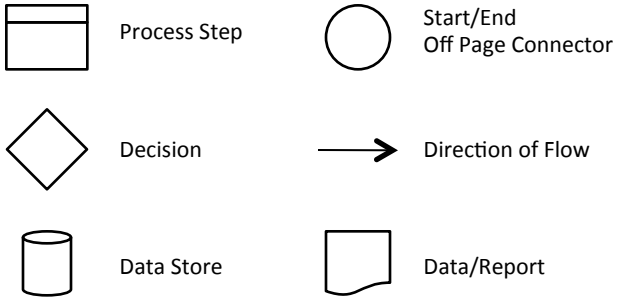




Notes

4.23

- The connection between cash register and LB7 is not supported by the Division of Liquor Control.



Created by: Keith K. Tsang	Date: 09/27/11
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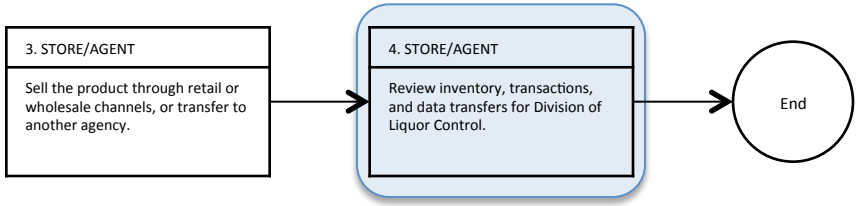
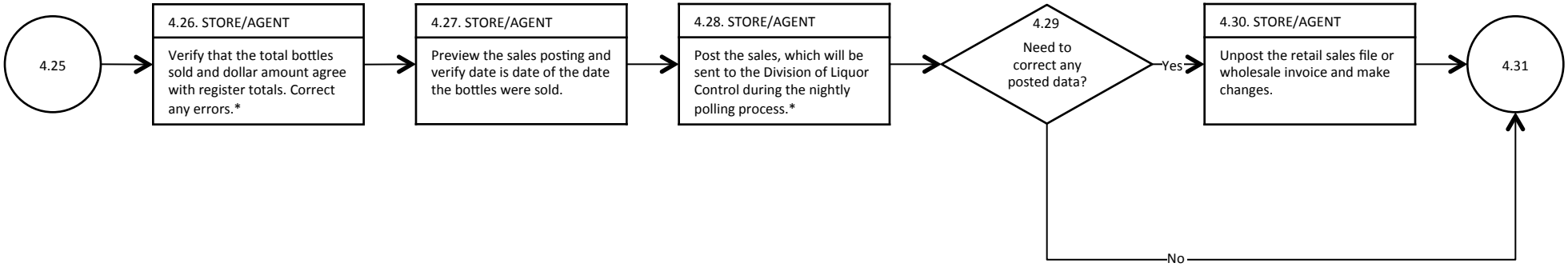
Approved by: Jason Leatherman	Date: 10/05/11





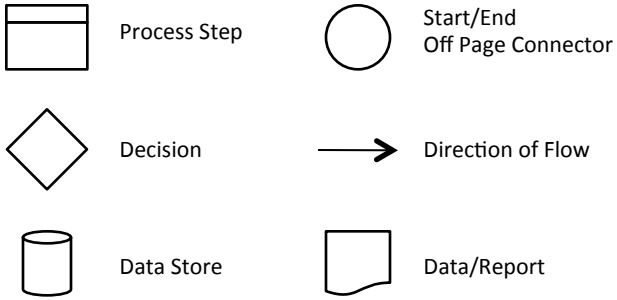
Notes

4.26

- If there were pricing errors, describe them in the Daily Transmittal report.

4.28

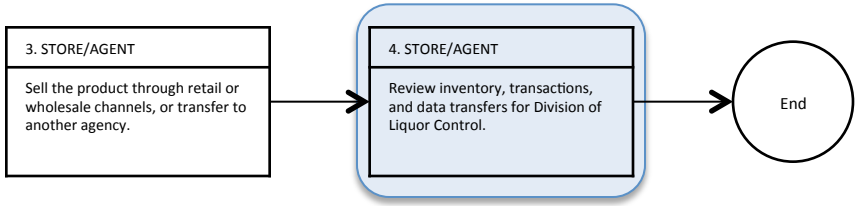
- There is a backdate option that automatically decrements one day for people who post in the next morning. It is very common among store/agents to perform end of day procedures the next morning.

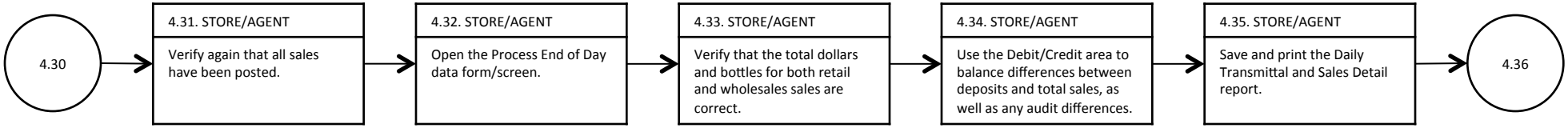


Created by: Keith K. Tsang	Date: 09/27/11
Revised by: Keith K. Tsang	Date: 10/05/11
Approved by: Jason Leatherman	Date: 10/05/11

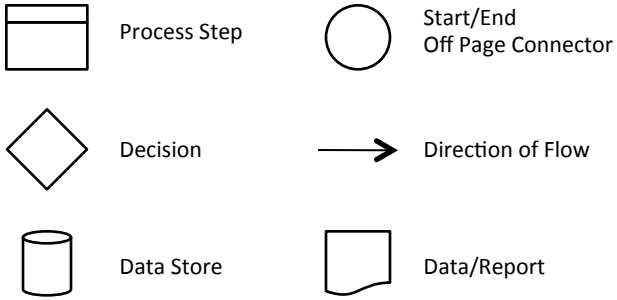
4.31 – 4.40

PROCESS END OF DAY

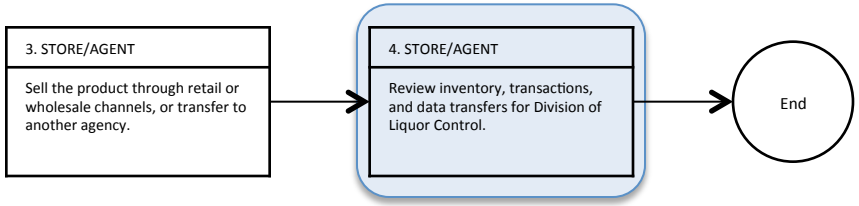


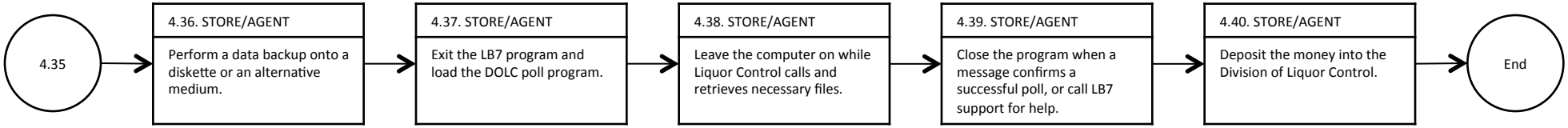


Notes

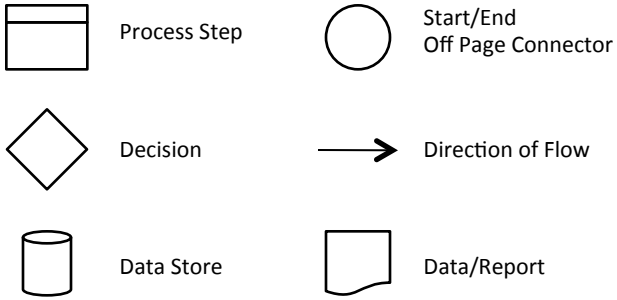


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11





Notes

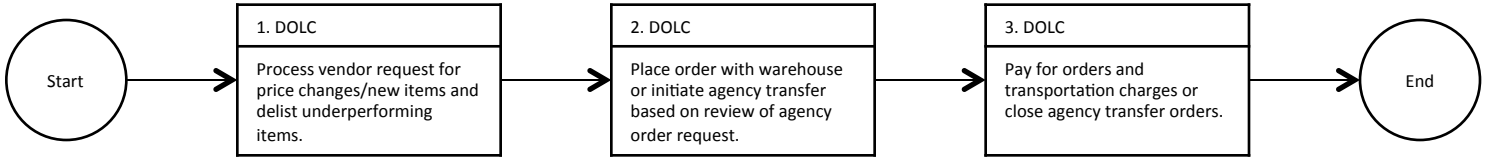


Created by: Keith K. Tsang	Date: 09/27/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 10/05/11

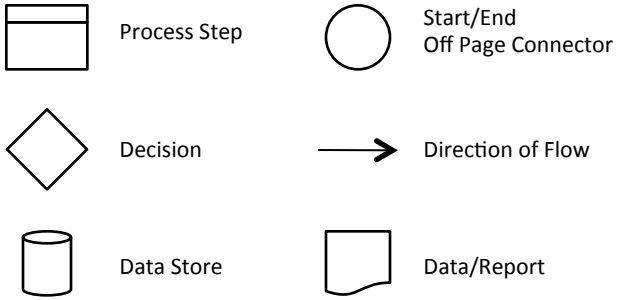
DOLC Purchasing Processes

Process	Description	Range
Update Inventory Record	DOLC makes vendor-requested price and description changes.	1.1 – 1.6
Add Items	DOLC adds new items.	1.7 – 1.11
Delist Items	DOLC finds and removes underperforming items.	1.12 – 1.22
Process Orders	DOLC orders from warehouse or places an agency transfer.	2.1 – 2.6
Pay for Products	DOLC pays for products and transportation charges.	3.1 – 3.7

DOLC Purchasing Overview



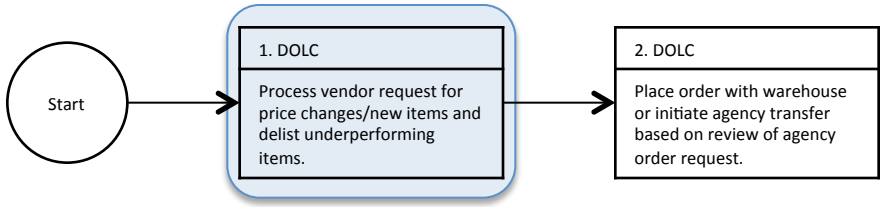
Notes

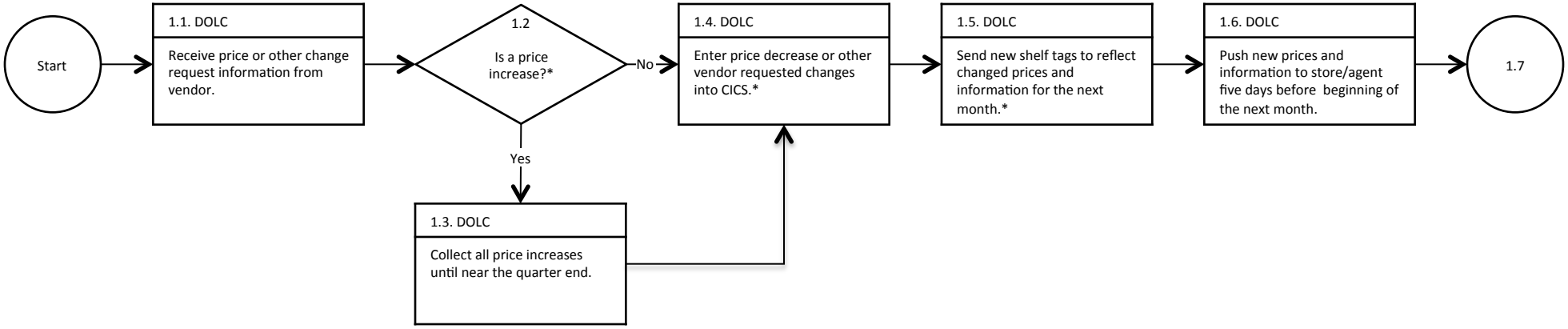


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

1.1 – 1.6

UPDATE INVENTORY RECORD



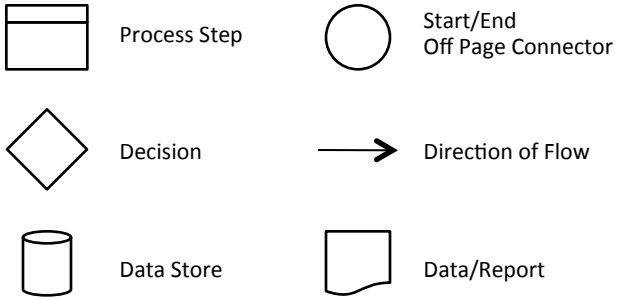


Notes

1.2
- Price increases are only performed once a quarter. Price decreases take effect the next month.

1.4
- Other changes include bottles per case, UPC, assigned broker, etc.

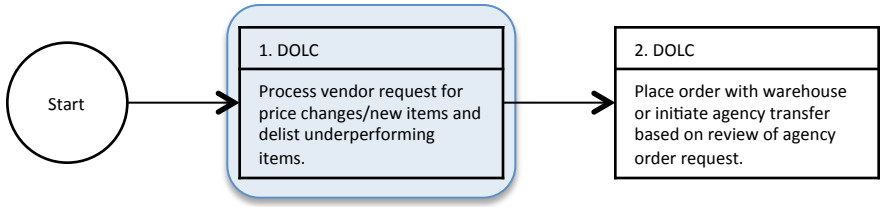
1.5
- New shelf tags for all products, even if there are no changes, are sent twice a year.

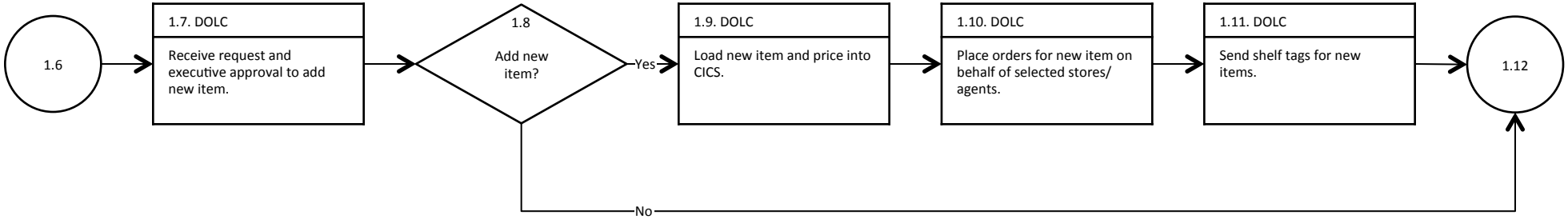


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

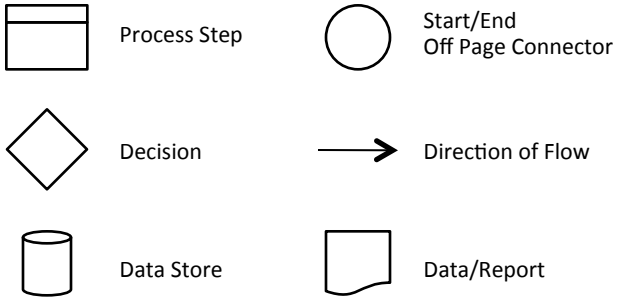
1.7 – 1.11

ADD ITEMS





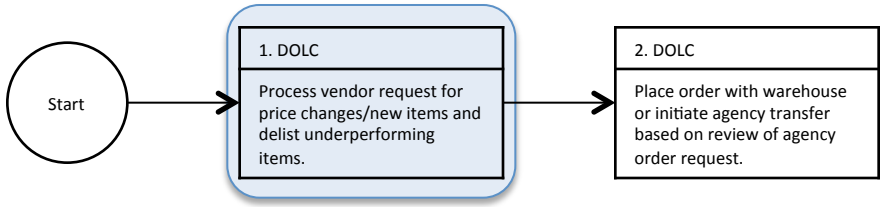
Notes

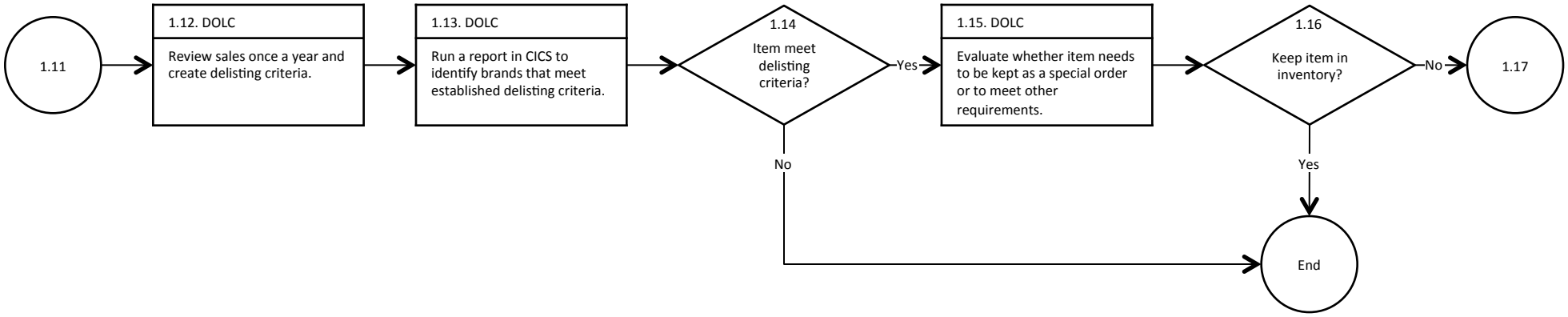


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

1.12 – 1.22

DELIST ITEMS





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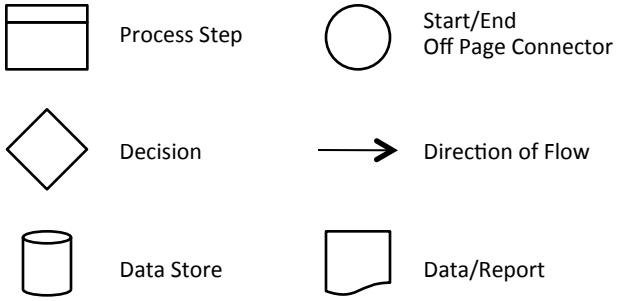
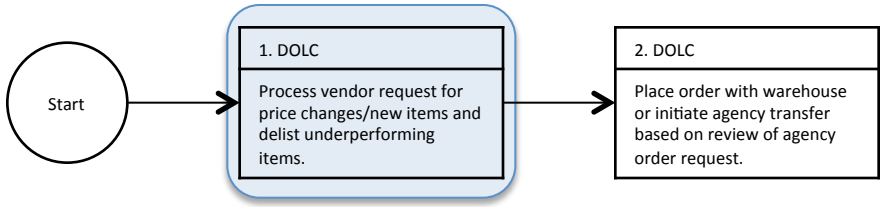
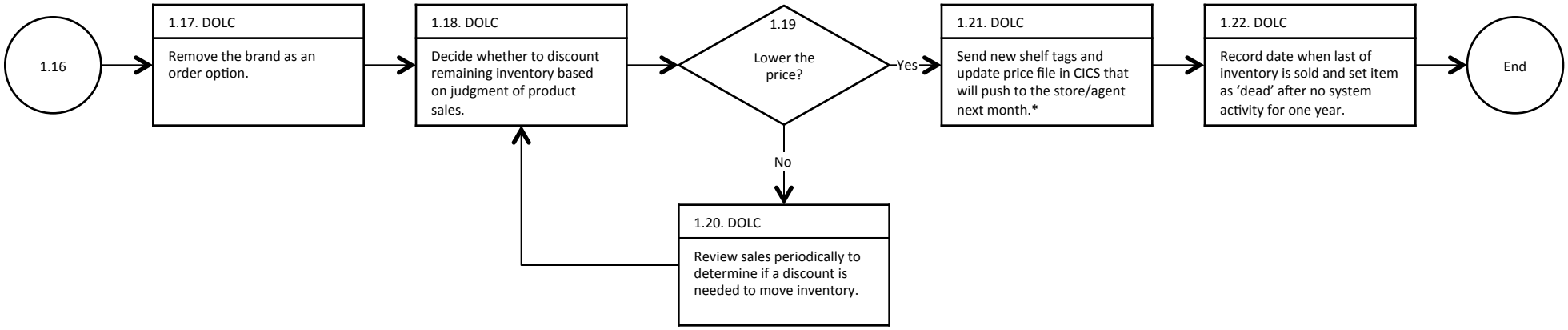


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

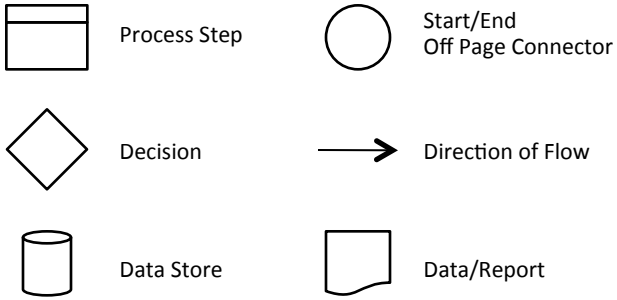




Notes

1.21

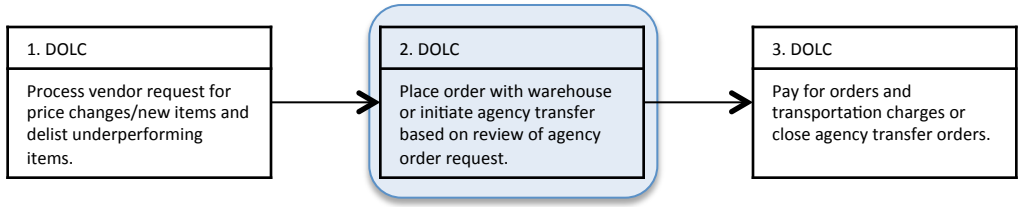
- Sometimes it may take several iterations of discounting before all inventory is sold.

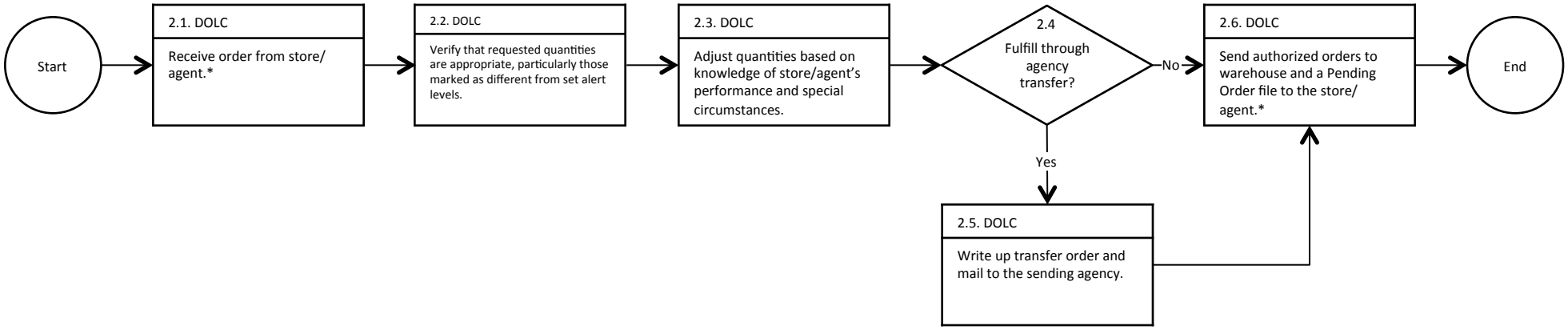


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

2.1 – 2.6

PROCESS ORDERS





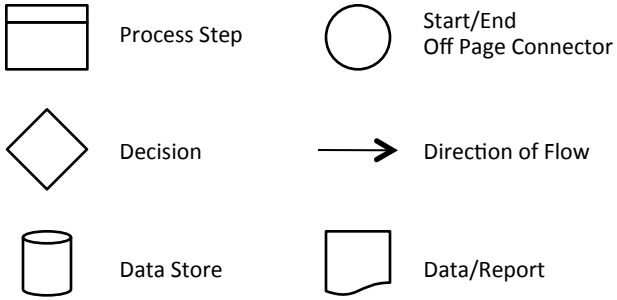
Notes

2.1

- Each store/agent is assigned a weekly or biweekly order cutoff date.

2.6

- The warehouse will fill partial orders with whatever inventory is available. If there is no inventory available at all, allocation will keep the order only if it is for a top 200 item.
- A variance report is generated to show what orders were not fulfilled completely.



Created by: Dennis G. Palko	Date: 10/05/11
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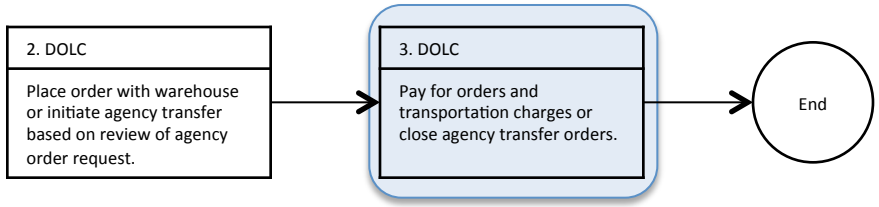
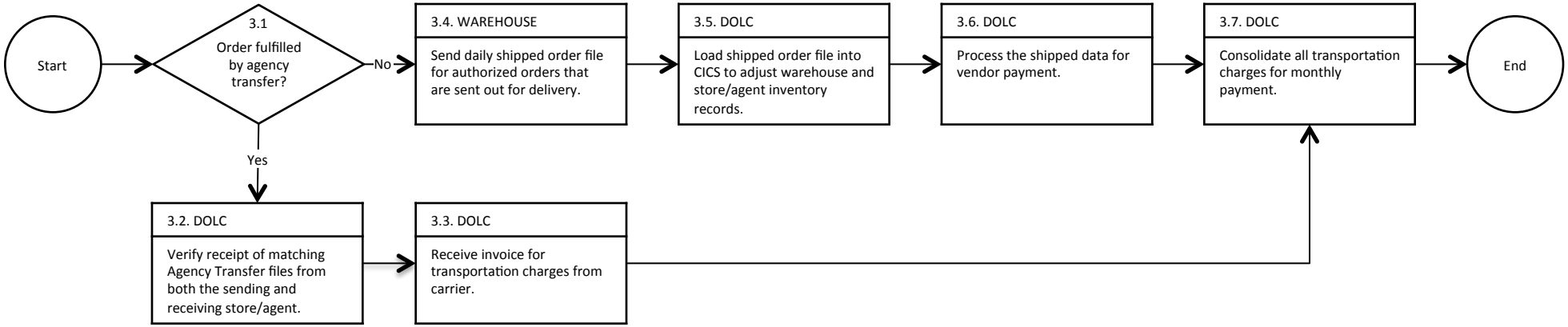
Approved By: Janet Watson	Date: 10/07/11

3.1 – 3.7

PAY FOR PRODUCTS





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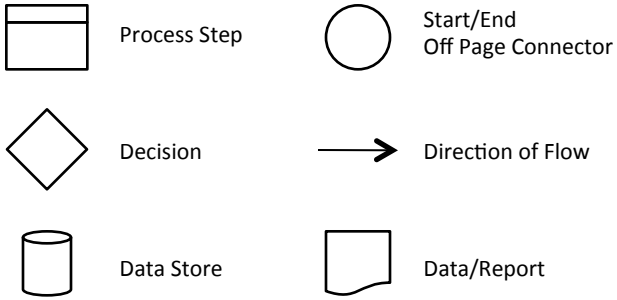

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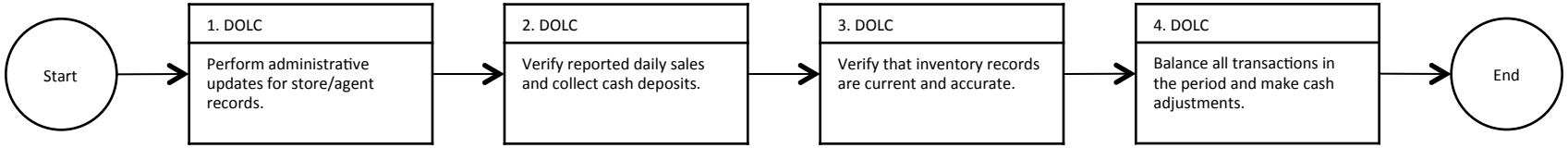
Revised by: Keith K. Tsang	Date: 10/06/11
Approved By: Janet Watson	Date: 10/07/11

DOLC Operating Processes

Process	Description	Range
Update Store/Agent Info	DOLC makes ownership/location changes and renewals.	1.1 – 1.3
Add Store/Agent	DOLC adds a new store/agent.	1.4 – 1.8
Remove Store/Agent	DOLC removes a store/agent.	1.9 – 1.13
Reconcile Daily Sales	DOLC balances all reported sales for the day.	2.1 – 2.6
Collect Money	DOLC collects daily cash deposits for all transactions.	2.7 – 2.10
Check Compliance	Auditor makes monthly compliance visits to store/agent.	3.1 – 3.5
Conduct Physical Audit	Auditor conducts a full audit on store/agent.	3.6 – 3.14
Process Period End	DOLC balances all records at the end of a period.	4.1 – 4.5
Make Cash Adjustments	DOLC makes cash adjustments after closing end of month period.	4.6 – 4.10

DOLC Operating Overview



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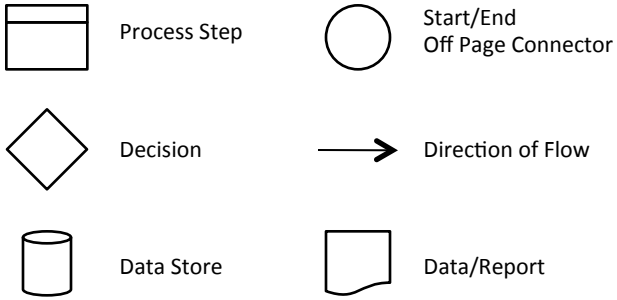
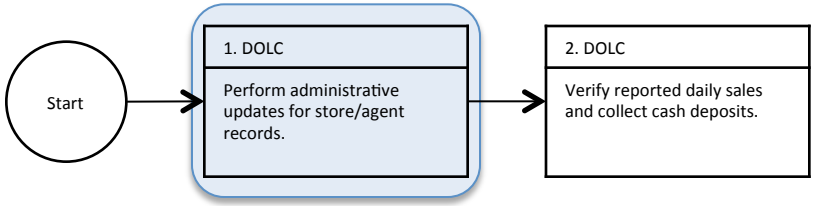
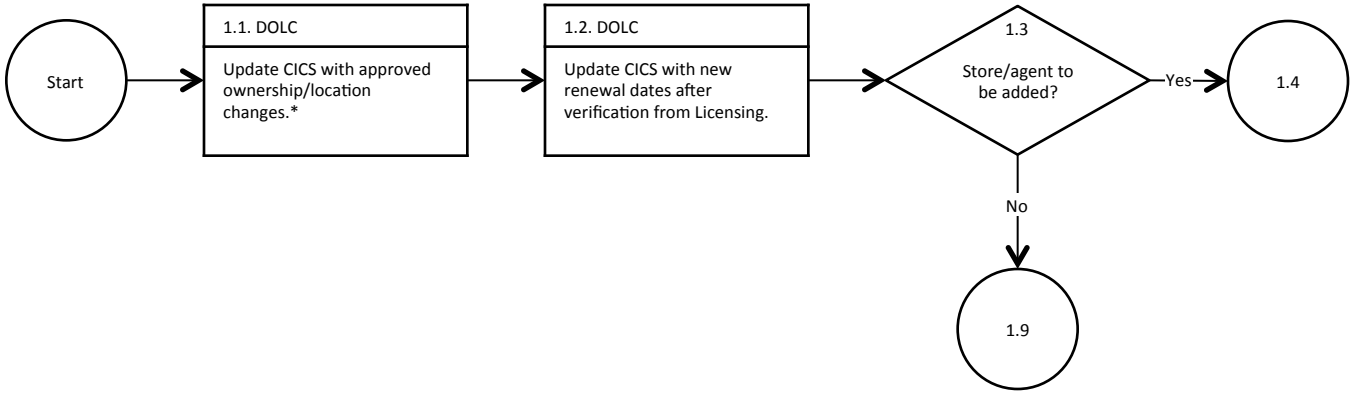


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved by: Jason Leatherman	Date: 10/07/11

1.1 – 1.3

UPDATE STORE/AGENT INFO

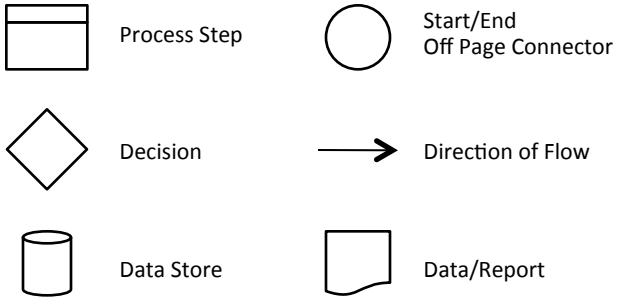




Notes

1.1

- The process to get approved for ownership/location changes is akin to the application for a new store/agent and goes through the same evaluation process. See 1.4.



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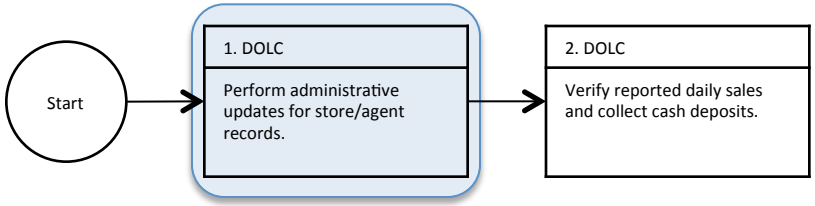
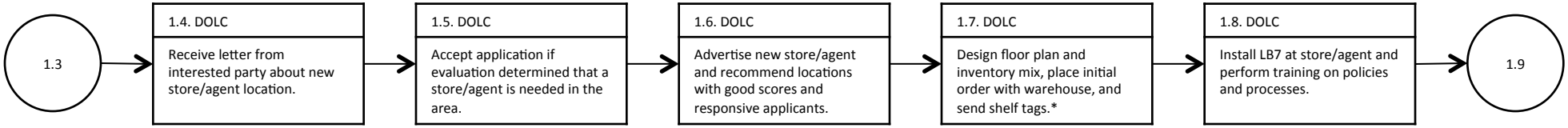
Approved by: Jason Leatherman	Date: 10/07/11

1.4 – 1.8

ADD STORE/AGENT

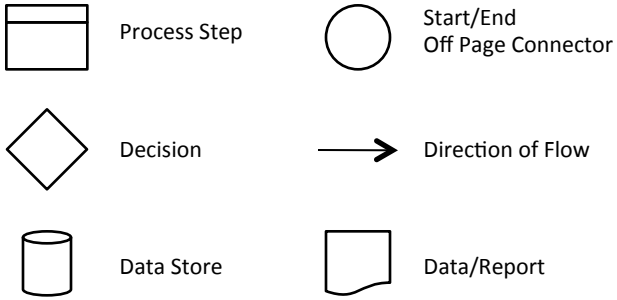




Notes

1.7

- The design is based off of locations with similar size, demographic, environment, etc.



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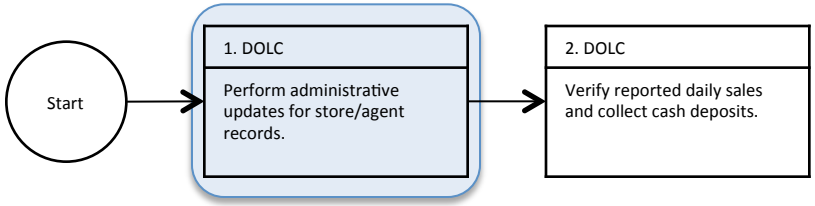
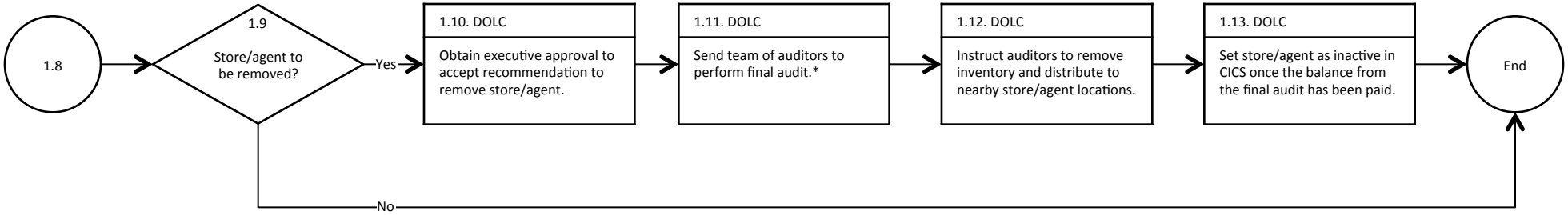
Approved by: Jason Leatherman	Date: 10/07/11

1.9 – 1.13

REMOVE STORE/AGENT

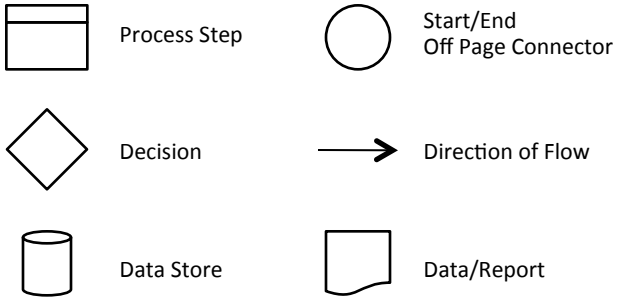




Notes

1.11

- Generally, the store/agent is not told until morning of termination to prevent theft.



Created by: Dennis G. Palko	Date: 10/05/11
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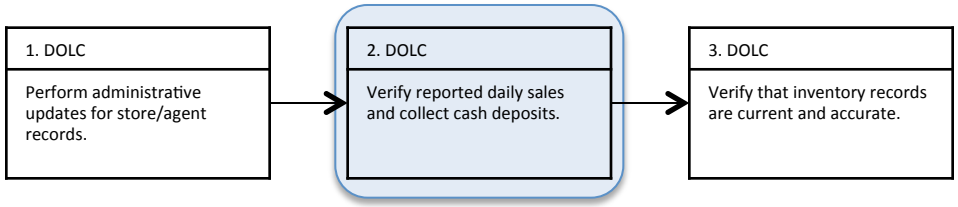
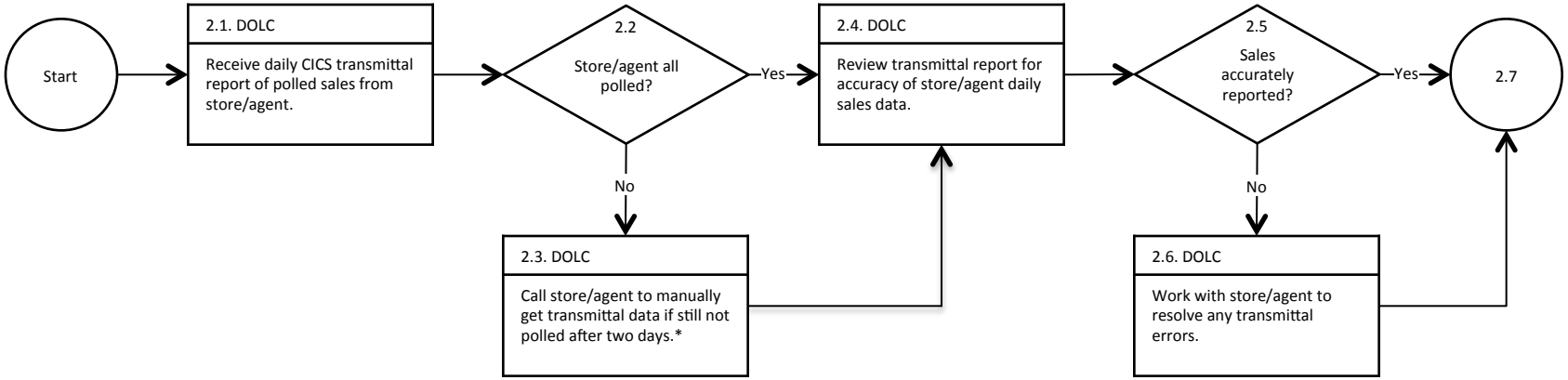
Approved by: Jason Leatherman	Date: 10/07/11

2.1 – 2.6

RECONCILE DAILY SALES

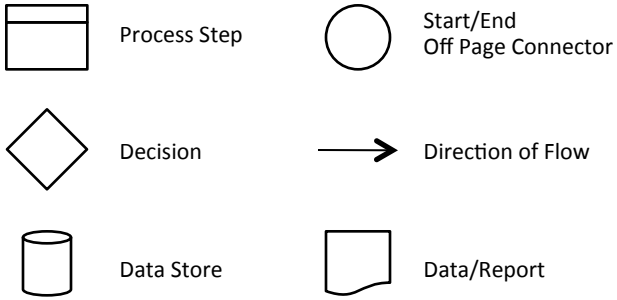




Notes

2.3

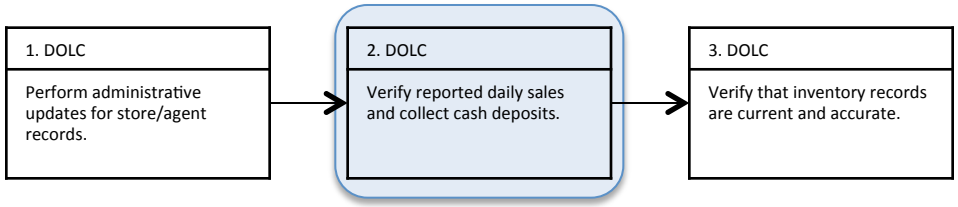
- Around 80-90% of issues reported to DOLC are about polling failures.
- Solutions may include polling initiated from DOLC, emailing files, or entering sales data manually into CICS.

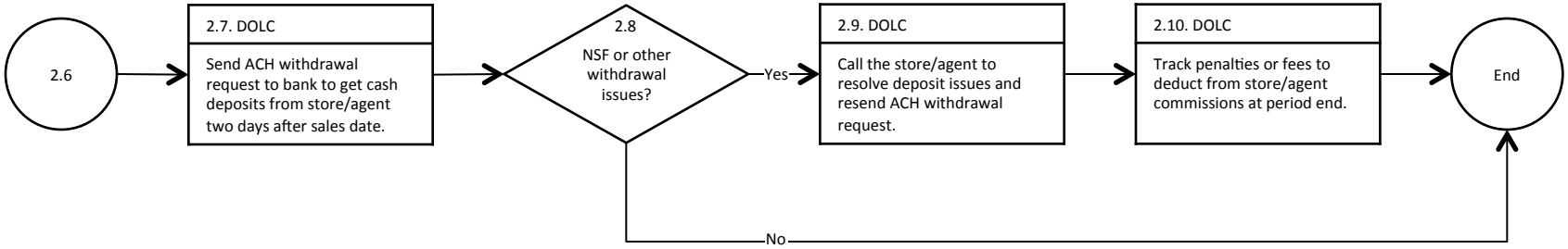


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved by: Julie Johnson	Date: 10/07/11

2.7 – 2.10

COLLECT MONEY





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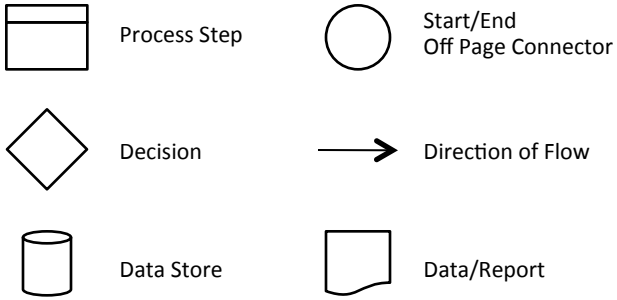
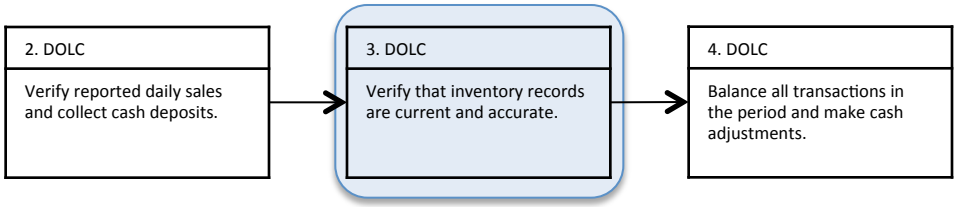
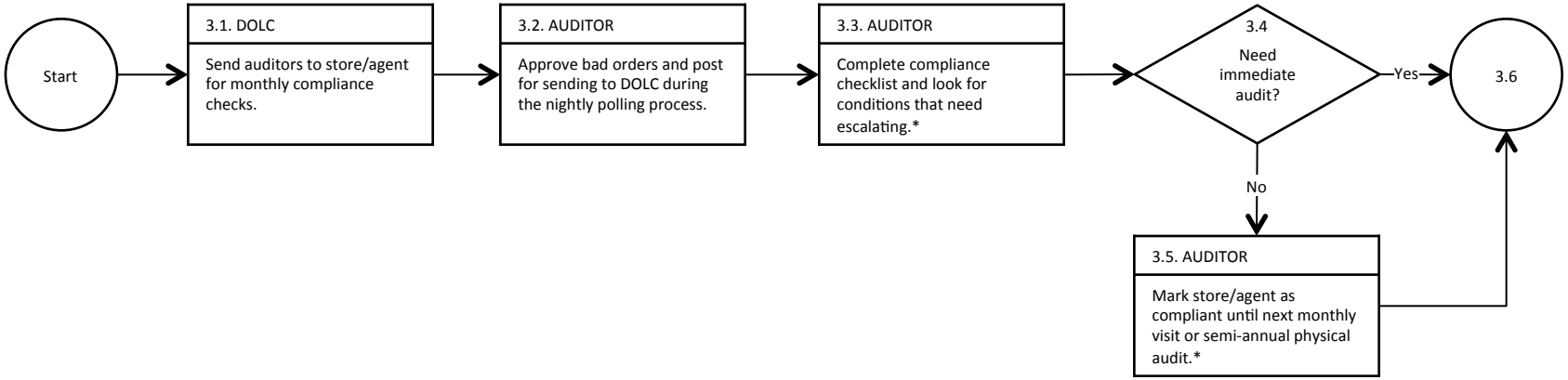


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved by: Julie Johnson	Date: 10/07/11

3.1 – 3.5

CHECK COMPLIANCE





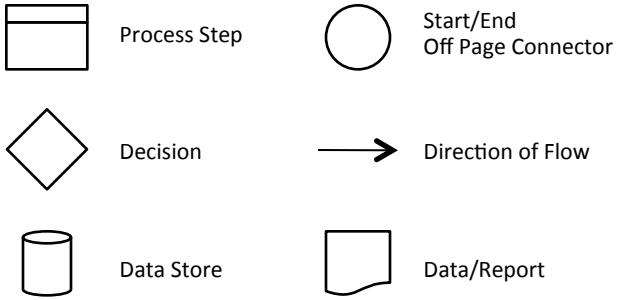
Notes

3.3

- In most cases, auditor will call DOLC for guidance on immediately resolving issues.
- Results from compliance checks are mailed in to DOLC Weekly in written form.

3.5

- DOLC may conduct more than two physical audits for a particularly large or troublesome store/agent.



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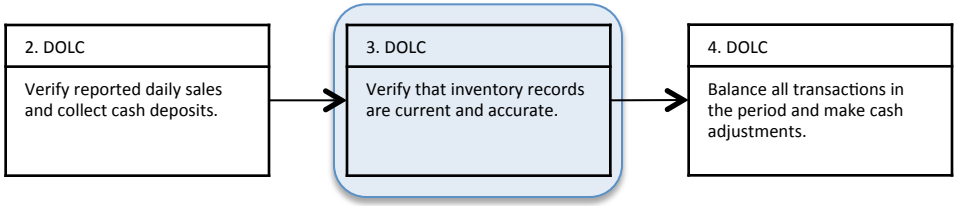
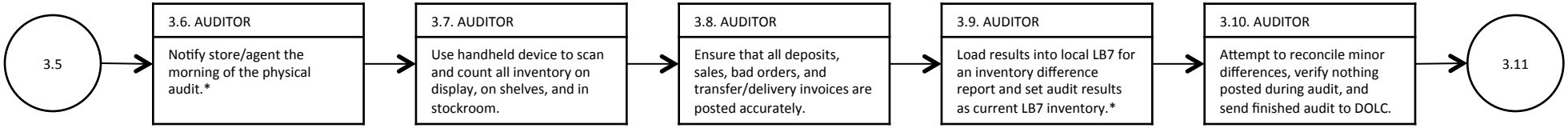
Approved by: Tom Watson	Date: 10/07/11

3.6 – 3.14

CONDUCT PHYSICAL AUDIT





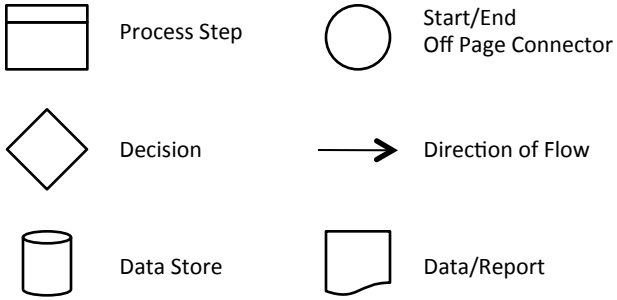
Notes

3.6

- When the auditor begins an audit, he/she ensures all work from previous day is posted and notifies agent not to post anything into LB7. All outstanding changes needed for balancing will be submitted later as cash adjustment results from the audit.
- There is no button or command in LB7 to prevent agent from posting during audit. Auditor monitors LB7 to verify nothing has been posted while they were not watching.

3.9

- The auditor loads results from handheld device to his/her laptop. Then he exports a file that will be transferred on a USB drive and loaded into LB7 at the store/agent.
- The file will set the inventory numbers from the file as the current, actual inventory numbers in the agency computer (DOLC inventory numbers do not change).



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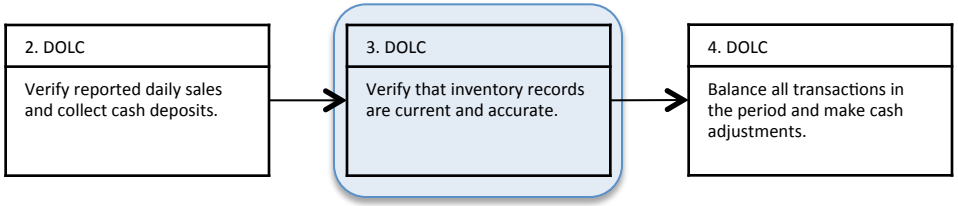

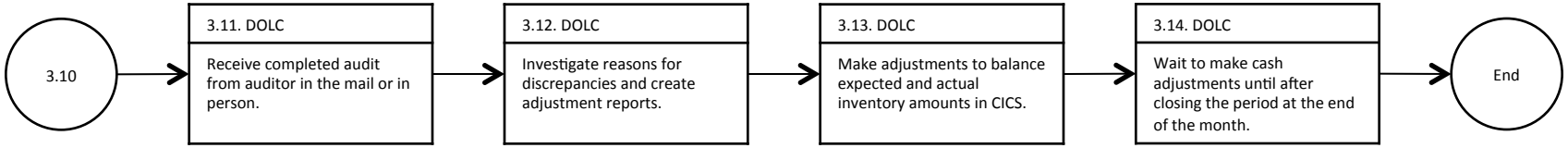

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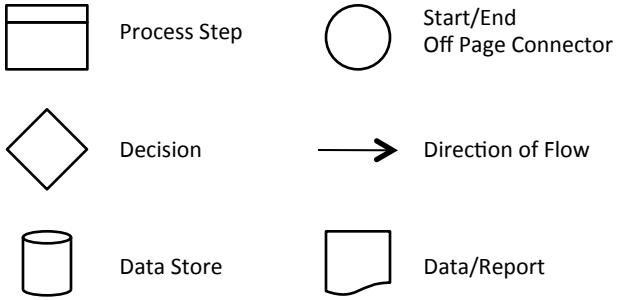
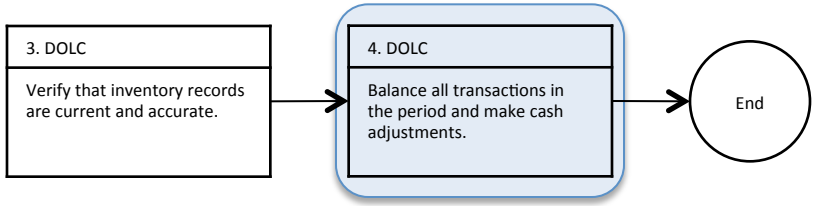
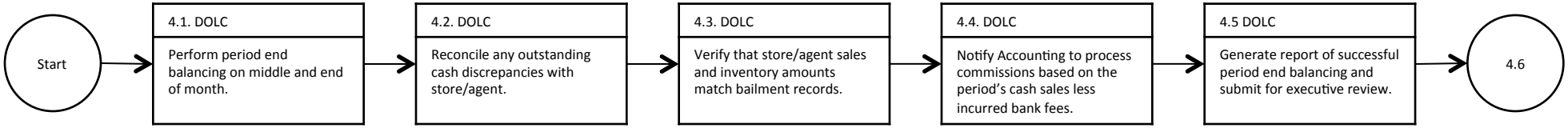


Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved by: Julie Johnson	Date: 10/07/11

4.1 – 4.8

BALANCE PERIOD END





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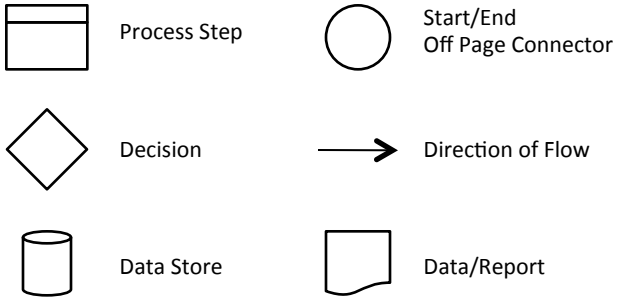

Created by: Dennis G. Palko	Date: 10/05/11
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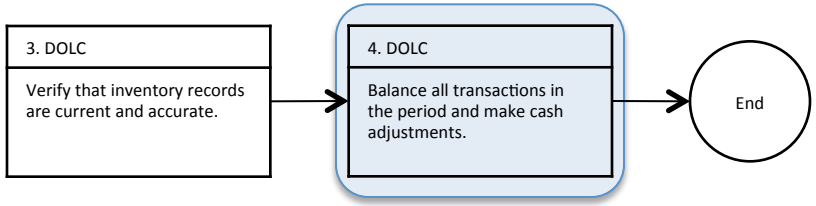
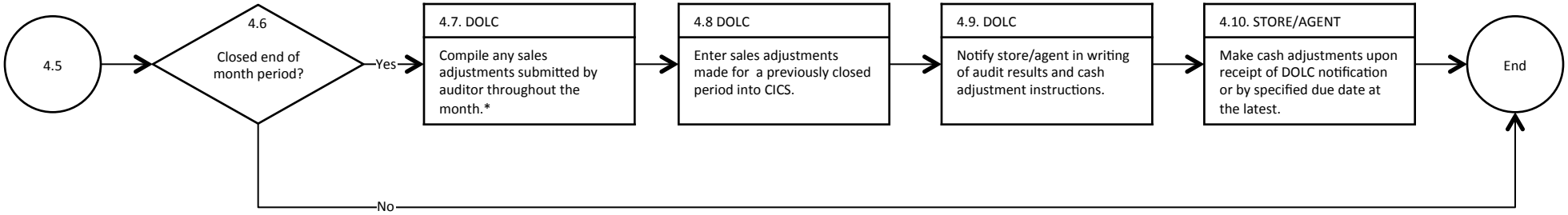
Approved by: Julie Johnson	Date: 10/07/11

4.6 – 4.10

MAKE CASH ADJUSTMENTS

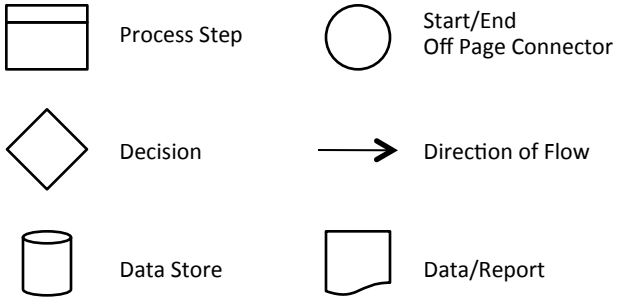




Notes

4.7

- This includes cash adjustments found during a physical audit and sales adjustments for errors in reported sales for a previously closed period.



Created by: Dennis G. Palko	Date: 10/05/11
Revised by: Keith K. Tsang	Date: 10/06/11
Approved by: Julie Johnson	Date: 10/07/11

Appendices

Process	Description	Section
Policy Highlights	This is a list of selected policies associated with current processes.	A
LB7 Reports	These are currently reports that are provided by LB7.	B

Appendix A

POLICY HIGHLIGHTS

Policy Highlights

These are a selection of the unique policies in place at DOLC. Details for these and other business rules can be found in existing DOLC artifacts, such as the LiquorBase manual.

- Retail
  - Stores must respect established hours and change requests must be approved by Agency Ops.
  - No sales on Christmas.
  - Sunday sales must be voted in by local option.
  - Sales must be reported for day sale was made; early cut-off not permitted.
  - Payment by check, credit, or debit at agent's discretion, i.e., agent is responsible for bad checks and debit.
  - No retail deliveries.
- Wholesale
  - Checks from the licensed permit holder (with permit number written on upper left-hand corner) and payable to the store/agent are permitted at the agent's discretion; debit and credit cards are not permitted.
  - Every wholesale invoice must be signed by the permit holder or his authorized agent.
  - Using the wholesale permit ID number for personal or other use is forbidden.
  - Agencies may charge a delivery fee.
  - At least one wholesale invoice must stay at agency at all times, and kept for a minimum of six years.
  - Solicitation of another agent's wholesale accounts is forbidden and all transfers must be submitted by wholesale account to DOLC, but can approach new restaurants.
- Bad Orders
  - Bad orders during delivery, i.e., damaged shipments or short shipments, must be signed off by the truck driver.
  - Bad orders may also be from customer returns.
  - Employee breakage cannot be claimed, but customer breakage can be.
  - All bad orders must be held for inspection by auditors.
- Miniatures
  - Do not allow direct customer access to miniatures.
  - Sell in sleeve quantities only; do not sell individual bottles.
  - Report the entire sleeve as damaged even if only one bottle is affected.

Appendix B

LB7 REPORTS

LB7 Reports

Name	Purpose
Agency Transfer	Summarize all Agency Transfers during a selected time period.
Alert Level	Show the current inventory balance and order alert level for all or selected brands.
Bad Orders Summary	List all bad orders, by brand and/or date, since the last audit.
Brand Balance Review	Show brand(s) transaction information for selected brands during selected time periods.
Brand Masters List	List price for all brands, with filters such as liters, vodkas, etc.
Customer List	Provide detailed list of all Wholesale Customers.
Customer Sales Activity	Show all wholesale sales activity for a specific customer, for a selected time period.
Inventory Worksheet	Generate a one or two-column worksheet with brand information to aid physical inventory.
Invoice List	List all wholesale invoices for a specified period of time.
Pending Sales - Brand	List all pending wholesale brands showing available quantity, number on order, etc.
Pending Sales - Customer	List all pending wholesale orders for each customer, sorted by permit number.
Period End Detail	List, by brand, all wholesale and retail sales during a 15-day sales period, as well as current inventory.
Period to Date	Show all sales and receipts from beginning of selected period to current date.
Price Change	Show all price changes for the next month (only after receiving change file but before actual updates).
Unposted Retail	Provide list of any unposted retail sales for any date.
Store/Inventory Difference	Show sales, receipts, and inventory based on semi-monthly reporting by each outlet.
Differences	List all brands with “actual” counts on a specific date.

Supplement Three - Overview of the Future DOLC

The Ohio State Department of Commerce
Department of Liquor Control

The Liquor Control Project

Retail Supply Chain Design

“To-Be” Definition

December 2011

NOTICE: Proprietary and Confidential

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Overview

Situation

The Division of Liquor Control oversees the liquor supply chain for 452 agencies and 4 warehouses. Management would like to:

- Improve the ability to make key retail and inventory plans and adjustments
- Maximize store performance through better processes and customer access
- Implement new revenue generating opportunities

Complication

Current technology constrains the ability to improve financial performance as common retail processes are difficult to support.

- Information analysis is difficult if not impossible
  - Some key data don't exist (sales dollars by SKU by location)
  - Management reporting is limited due to difficult or impossible to extract data
  - Data storage is inflexible and cannot change with business trends (data warehousing for improved merchandising)
- Unreliable communications inhibit timely decisions
  - Problematic polling limits timely access to sales, replenishment, and inventory information – delays of many days are common
- Limited technology leads to manual, often inefficient processes
  - Sales, reorder, and inventory transactions can be untimely with subjective decisions

Question

How can DOLC eliminate technology as a constraint and achieve management goals?

Recommendation

1. Remove technology as a constraint

- Improved and flexible reporting
- More up to date information such as daily inventory and sales data
- More relevant data and relationships (SKU-location-sales)

2. Use new technology as a basis to improve processes

- Inventory management
- Merchandising, marketing, and product life cycles
- Improve access to stores, inventory, and products

3. Use new capabilities and information to develop alternative revenue streams

- Sales kiosks
- Online ordering and fulfillment
- Use of social media
- DOLC-agency gift cards

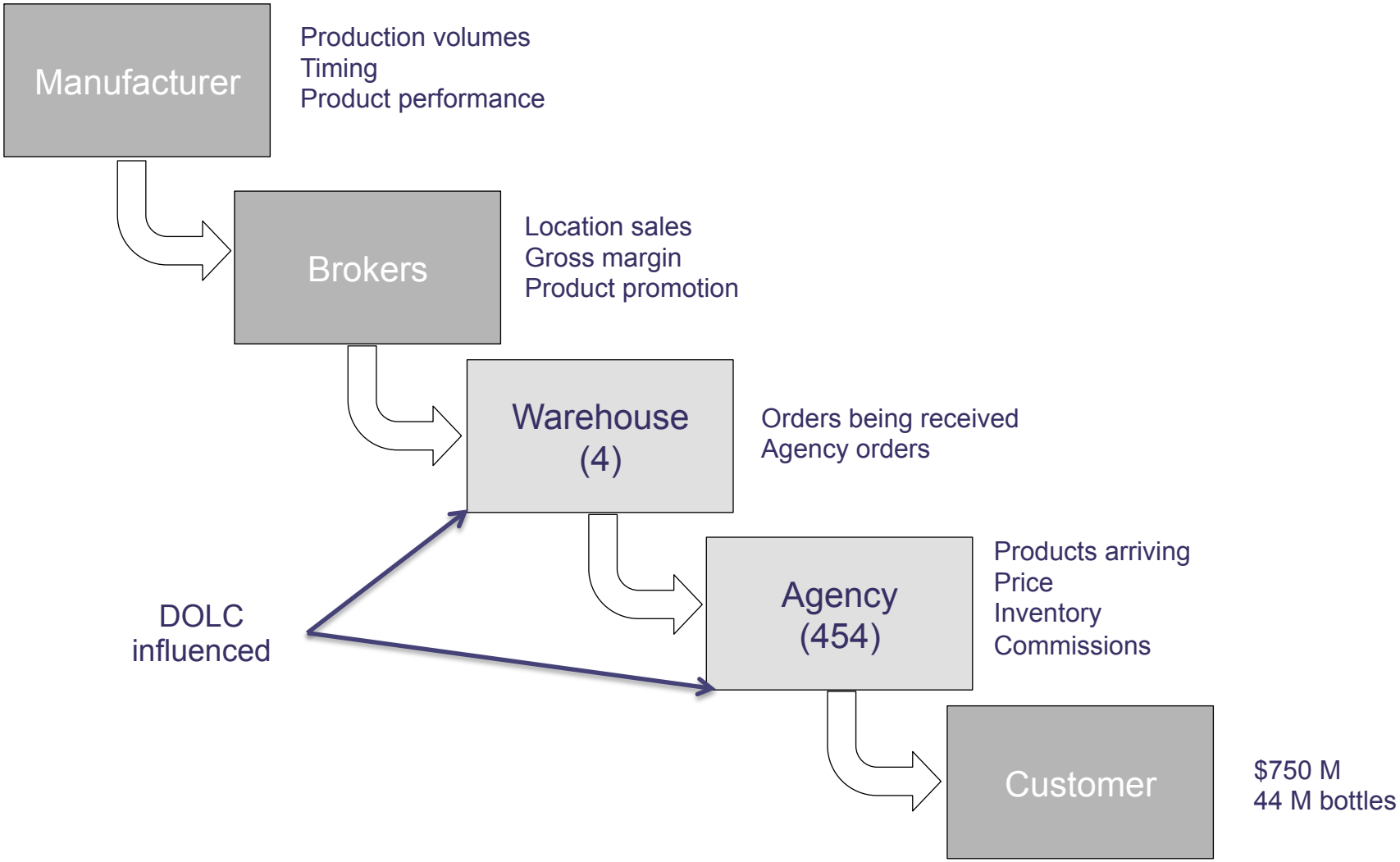
The value proposition is solid:

- Inventory reductions from the current $40M to less than $20M
- Revenue unrelated to liquor sales between $1M and $5M p.a.
- Improved accessibility (internet sales, seasonal stores, etc.) and communication will add between $2M and $7M p.a.
    - E-Commerce accounted for 4.2% of total retail sales in Q2 of 2011 (U.S. Department of Commerce)
    - M-commerce will grow 39% per year until 2016 starting from a base of $6B. (Forrester Research)

Situation

- Improve the ability to make key retail and inventory plans and adjustments
- Maximize store performance through better processes and customer access
- Implement new revenue generating opportunities

The supply chain has many players with varying information requirements.



From various conversations the following desires came out…

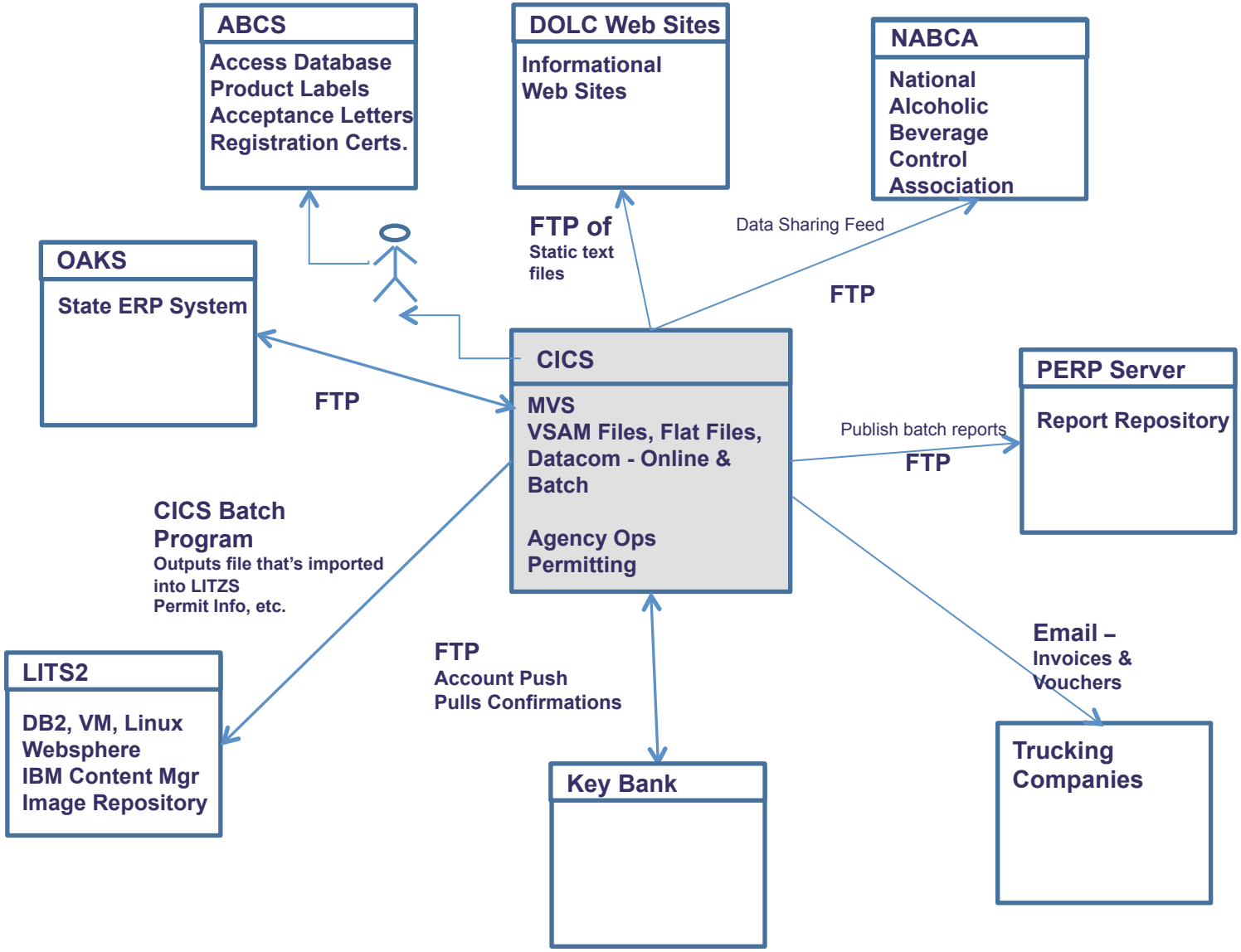
Inventory Management
- Reduce inventory levels
- Right inventory, right location
- Simplified replenishment process
- Higher confidence that Inventories are accurate

Merchandising
- Enhanced product introduction and retirement
- Product placement and promotion
- Increase pricing flexibility
- Product promotion and communication

Operations
- Improve inventory order process
- More reliable data interchange
- Improved integration with POS
- Flexible ad-hoc reporting

Additional and Alternate Revenue Sources
- Advertising with collateral material and “Facebook”-like features
- Internet Sales
- Information
- New platforms and channels such as seasonal stores, Internet sales and clearance warehouse

The supporting technology is dated but currently functional.



Complication

- Reporting is difficult as some key information doesn’t exist
- Unreliable communications inhibit timely decisions
- Manual process lead to inaccuracies and a lack of compliance

Reporting is difficult as some key information doesn't exist.

Examples include:

- Product sales dollars by location over time
- Store-to-store comparisons
- Product-to-product comparisons
- Difficult to forecast
- Impossible to "enrich" the data
  - Data from external sources e.g. Census data detailing demographics
  - Additional informational attributes e.g. store descriptors that describe the store platform
- Explore the data to discover relationships and trends

This impacts the ability to:

- Define appropriate strategies regarding store type, store location, and product placement
- Optimize the product portfolio for any given store, geography, or demographic
  - Core products
  - Pacing items
  - Winners
  - Laggards
- Effectively utilize store shelf space
- Assess the time-phased inventory and replenishment needs by product and store
- Graph and view the long-run historical performance of products and stores to set future plans and expectations
- Understand store performance according to key attributes
- Uncover and seize opportunities

Unreliable communications inhibit timely decisions.

Examples include:

- Sales information can be days late
- Inventory levels are go unreported

This impacts decisions about:

- Inventory levels and reorder points that support a certain sales velocity, forecast , demand plan, and replenishment
- Incidence and severity of stock-outs that reduce customer service and affect accessibility
- Forecasted demand with the appropriate time horizon and aggregation
- Effective control over store operations to manage inventory investment
- Exceptions that require human intervention

Manual processes lead to inaccuracies and a lack of compliance.

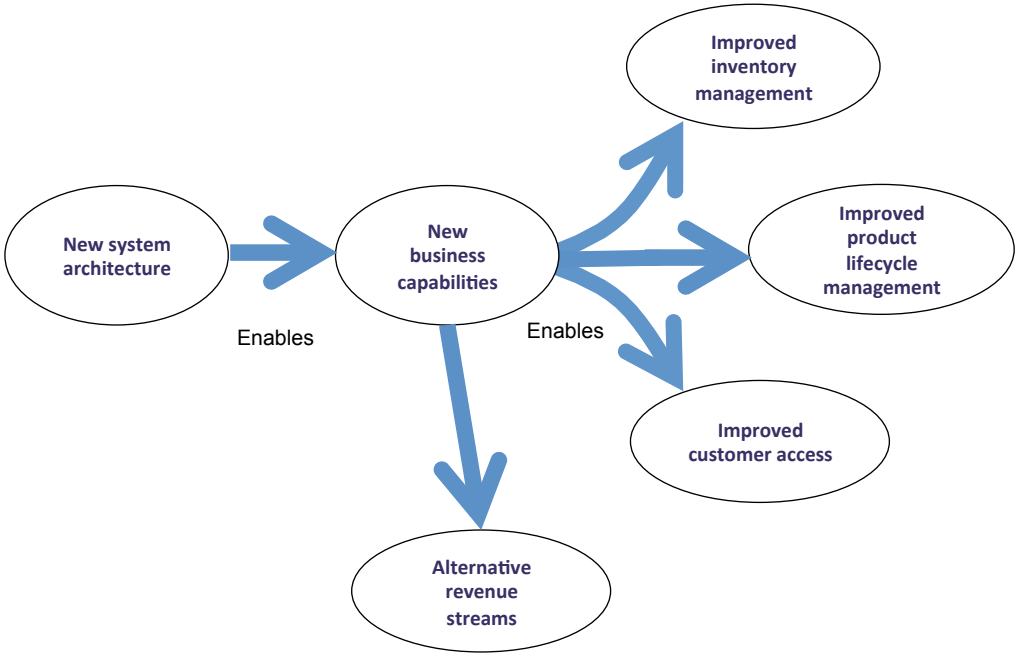
Areas of concern include:

- Sales order entry is not automatically captured by Liquorbase but is entered manually as an end of day process. Since the data is entered manually, it is prone to data entry errors
- Physical inventories are required every period but there is no way to enforce this requirement. Further, the process is manual and is prone to data entry errors and miscounts
- Delivery receipts are received manually and are prone to data entry errors and the timely input of delivery information.

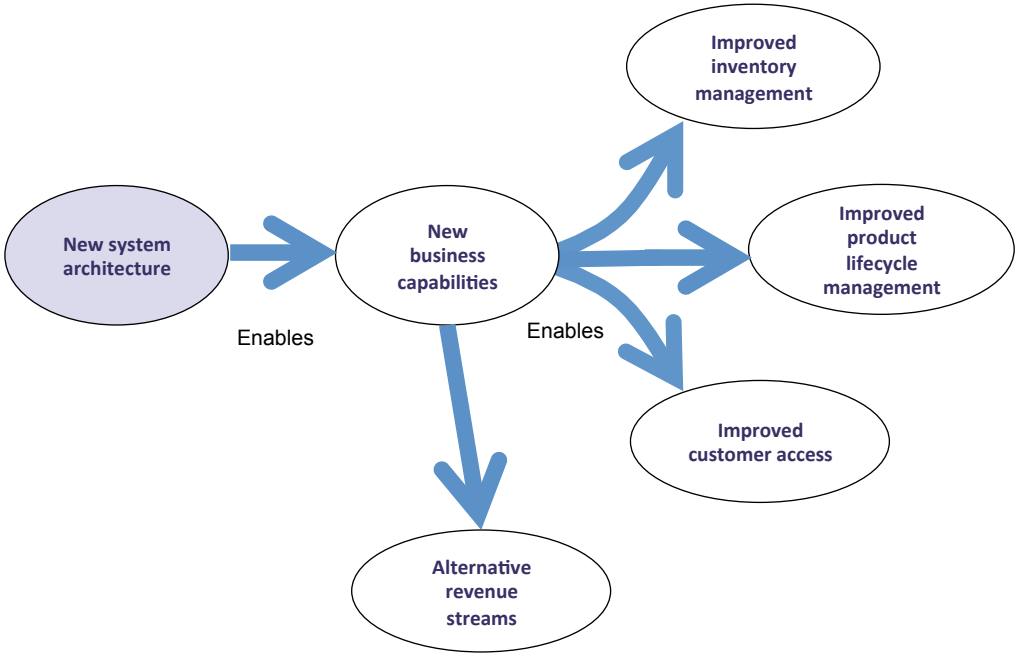
This causes:

- Poor understanding of true sales velocity
- Inappropriate ordering decisions
- Excessive in-transit and backroom inventories

Recommendations



Recommendation:
Eliminate Technology as a Constraint



Recommendation: Eliminate Technology as a Constraint

The primary value-add business changes are:

- Complete replacement of CICS
  - New systems with a scalable, robust and high-availability architecture based on Microsoft technologies
  - Allow State personnel to maintain, support, and augment the systems
  - Avoid sustainability issues as CICS expertise decreases
- Web-based access to key functionality and data
  - Retire error prone, hard to support polling architecture
  - Internet connectivity will ensure POS and new centralized system remains in synch
  - Avoid the replication of data (minimal data synchronization issues)
  - Ensure that store inventory and sales total are up-to-date (updated at the start of each business day)
- Retail/Wholesale Web store
  - Improve customer access
- Product lifecycle management capabilities
  - Ease product testing, introduction, and removal
- Optimized store inventory levels
  - Forecasting anticipated demand
  - Automatic replenishment order generation
  - Enabling inner packs and non-stock items
- Flexible ad-hoc reporting
  - Relational database enables what-if type of analysis. The ability to slice and dice data any number of ways.
  - Support to run marketing what-if tests (e.g. what if we ran this promotion in these stores)
  - Separation of the reporting system from the transactional system
  - Add the ability to retrieve Key Performance Indicators - KPIs (support for dashboards)
  - Support for both scheduled as well as on-demand reports.

Enabling vs. Introduction

A number of changes to business processes requires contract changes, legislative changes, etc.

- The new system(s) need to enable a number of new business capabilities.
- The introduction of these business capabilities is a separate issue. For example:
  - Non-Stock items, Inner packs
  - Pick and packing at Warehouse
  - Variable pricing
  - Home Delivery

The primary systems of interest are:

- New Central System
  A web based application that utilizes a core relational database. Permitting needs to ported off of CICS. It may or may not be a part of this new system.

- New Retail/Wholesale Web Store
  A web based application that utilizes the same core relational database. Permits retail and wholesale customer to order via the web.

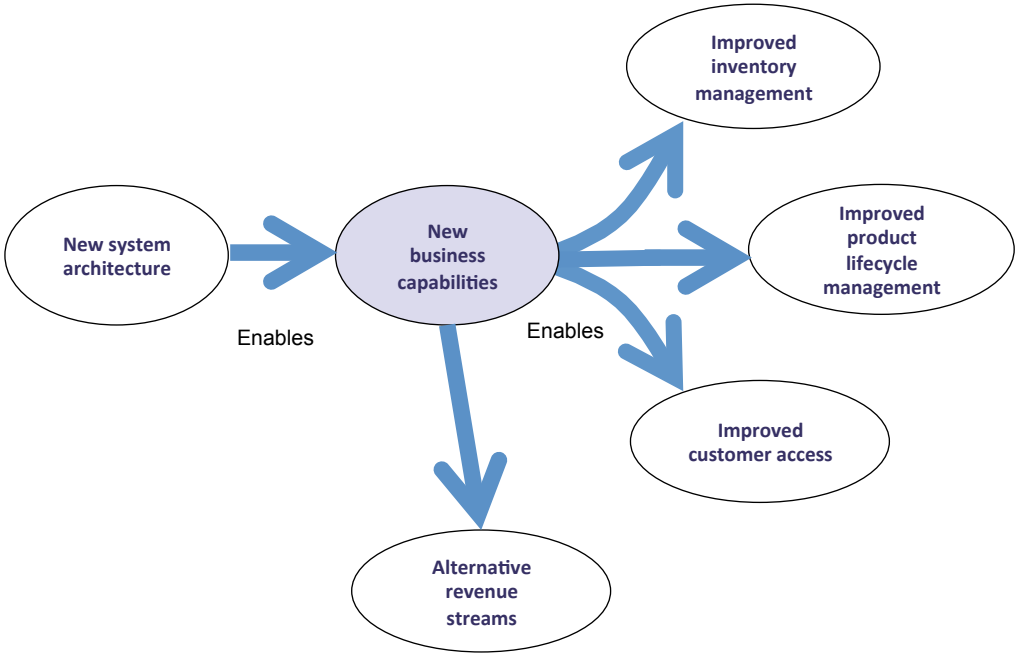
- DOLC Approved POS with certified and tested API
  A pretested and approved but not mandated point of sales system for Agencies stores. The Contractor will work with the non-corporate Agencies to define and certify the set of integration APIs which are outline in the requirements between the New Central System and with the chosen POS system

- New Scanner Audit and Shipment Receipt System
  A new State own scanner system that interfaces to the New Central System that allows both auditors and Agents to perform inventory and for Agents to receive shipments. Contractor will be required to research and select the Scanner system.

- Reporting and Analysis System
  A system that supports schedule reporting, ad-hoc reporting and what-if analysis

- New COTS Accounting System
  An off-the shelf Accounting System with an open API

Recommendation:
Use Technology as a Basis to Develop New Capabilities



With more data and easier access to the data, many processes can be improved …

Examples of improved capabilities:

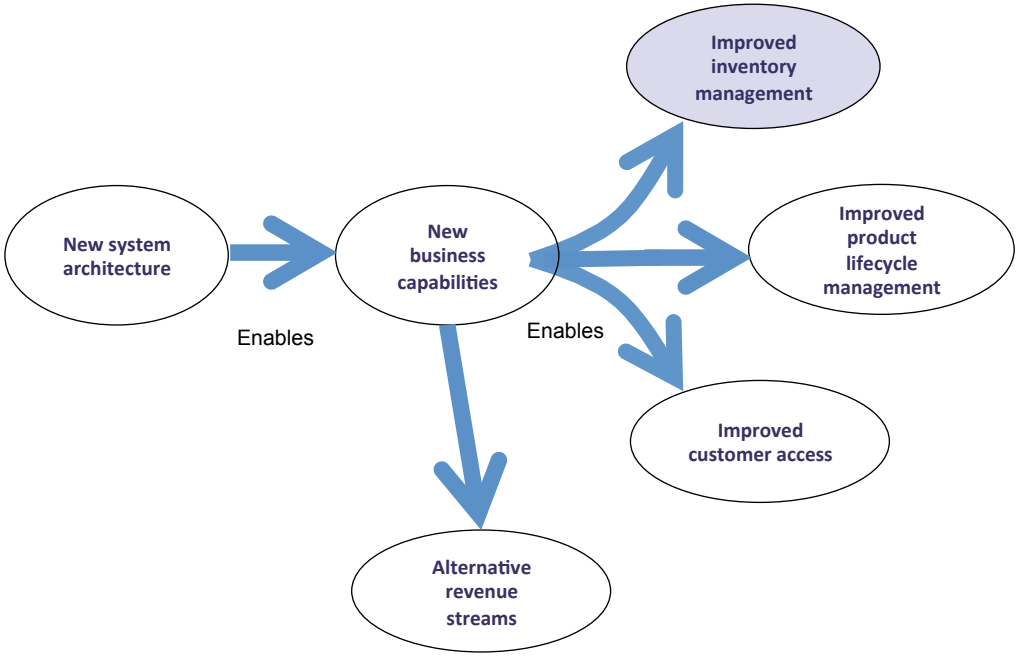
- Inventory – improving forecasting, ordering, managing levels, location, and determining on-hand quantities
- Product lifecycles – selection, sales management, merchandising, retirement, disposition
- Reporting – sales by multiple categories, attributes, constituencies, performance reporting and management

… and lead to expanded revenue streams and cost savings.

Examples of expanded capabilities:

- Use of social media
- Internet ordering for retail and wholesale

Recommendation:
Improve Inventory Management and Levels



Recurring themes from what we heard…

- Reduce inventory levels.
- Stock the right inventory in the right places.
- Simplify replenishment process.
- Raise confidence on accurate inventory levels.

Executing important steps will improve inventory management and reduce levels.

Key information and capabilities required:

- Sales history by SKU and location
- Price and inventory information by SKU and location
- Forecasting with seasonality
- Improved inventory reorder point logic
- Simplified order review process

Classifying inventory will create a simple and effective way to refer to inventory.

- Classify inventory
- Determine stock location plan
- Set target inventory & replenish plan
- Update reorder process
- Reduce excess inventory

Perform ABC classification in two dimensions

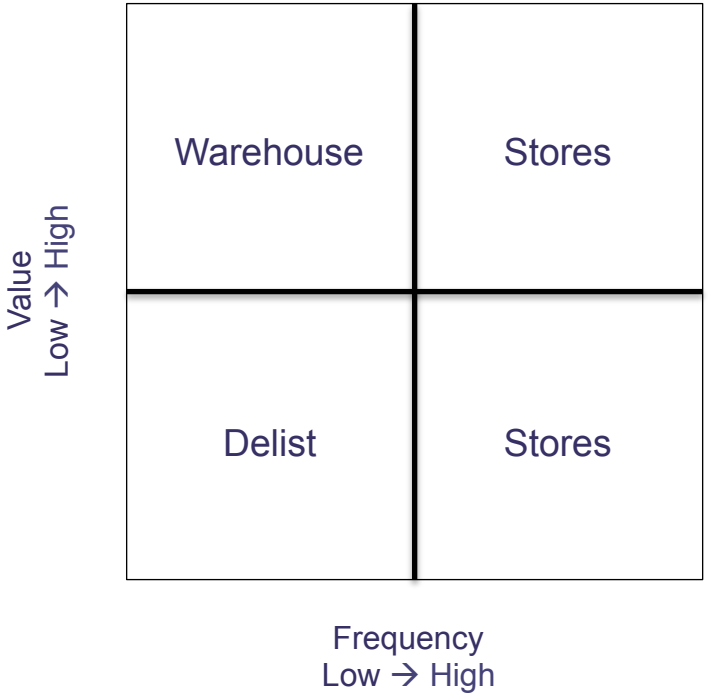
1. By value or sales price
2. By sales or transaction frequency (e.g. bottles per day)

This classification will create insight into both how much items contribute to inventory value and the rate at which they sell. All items can be classified by both dimensions.

				Velocity						
				VL	L	LM	M	H	VH	EH
			Low	0	1,000	5,000	10,000	25,000	50,000	150,000
			High	1,000	5,000	10,000	25,000	50,000	150,000	500,000
Cost			IDX	1	2	3	4	5	6	7
Class	Low	High								
VL	$0	$5	1	48	31	27	56	31	29	7
L	$5	$10	2	107	171	137	145	69	41	12
LM	$10	$15	3	288	113	83	82	44	23	9
M	$15	$20	4	108	67	28	30	18	12	4
UM	$20	$30	5	112	53	18	26	11	6	2
H	$30	$60	6	82	23	4	2	1	1	0
VH	$60	$100	7	22	1	0	0	0	0	0
EH	$100	$1,500	8	24	0	0	0	0	0	0

Real DOLC data can be categorized by sales frequency (velocity) and cost for easy analysis

The inventory stocking strategy should use inventory value and movement.

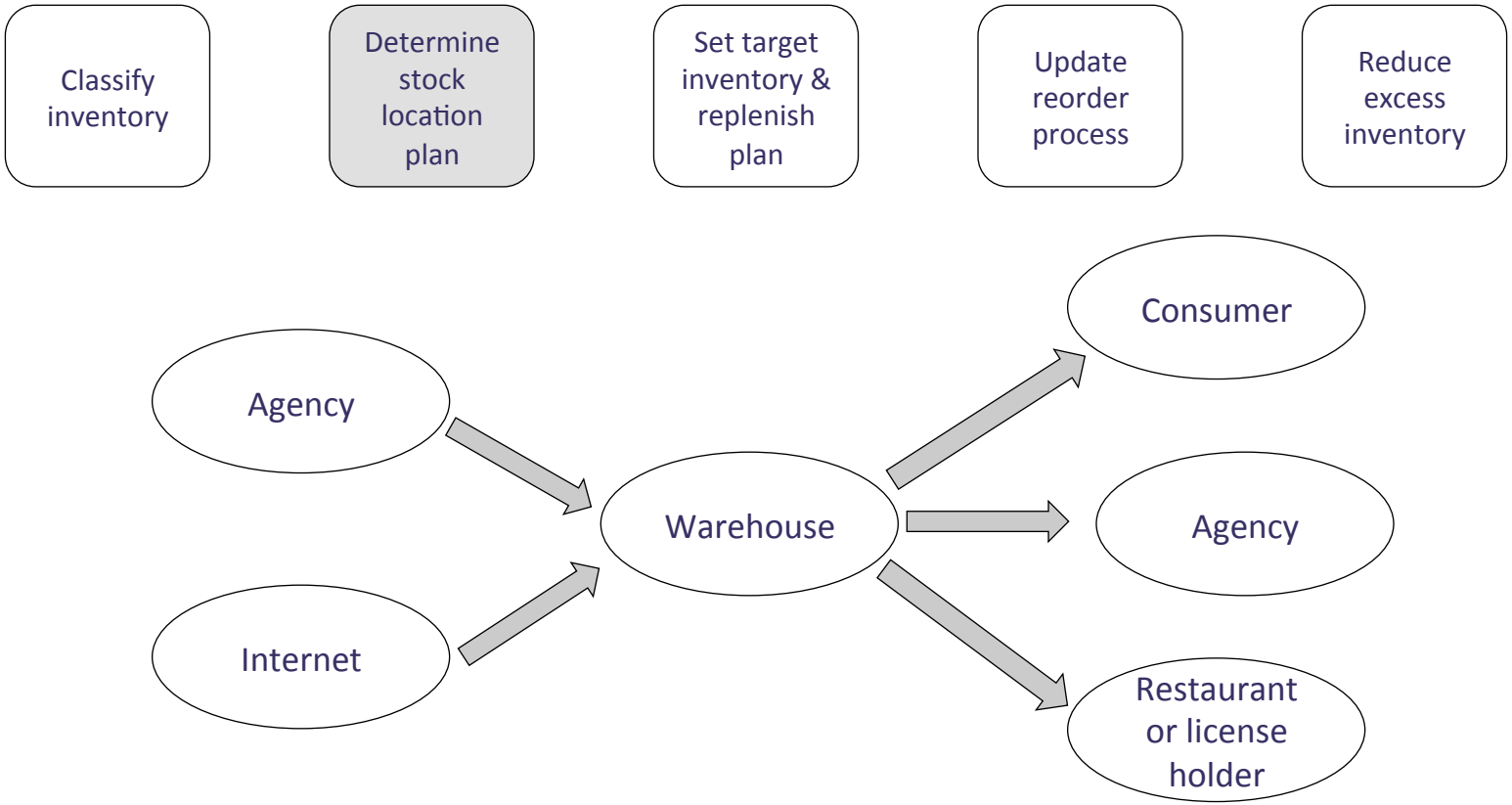


Stores: High frequency items regardless of value

Warehouse: High value items that sell more slowly such as high end scotches

Delist: Items that do not meet sales requirements unless high value, such as Remy Martin Louis XIII

Moving expensive and bulk purchases to warehouse fulfillment reduces inventory.



Ordering
- High value items
- Bulk/large quantities
- Wholesale

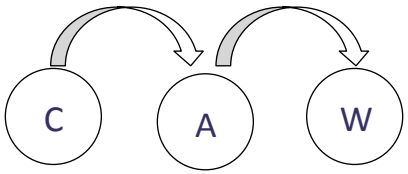
Fulfillment
- Pick, pack, ship

Delivery
- Shipped directly to consumer (including license holder) or to agency for pick up

There are two main options for maintaining target inventory level.

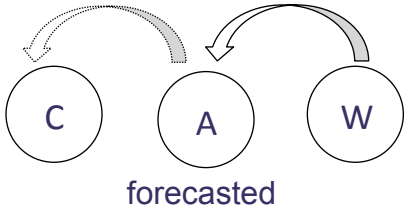
Target: ***14 days maximum inventory in store***

Replenishment options



- Consumer takes 3 from agency
- Agency orders 3 from warehouse
- Stocking level fixed

Ordering what was used maintains inventory level.



- Forecasted consumer sales of 3 units
- Order 3 from warehouse to address expected sales
- Stocking level dynamic based on historical demand

Ordering expected consumption maintains inventory level.

Implement a simplified and improved auto reorder process.

Auto-Reorder

- System suggests reorder quantity and timing
- Quantities designed to keep max inventory 14 or less
- Orders are automatically approved

Exceptions

- Deviations to Auto-reorder involve separate order
- Each exception must meet with a reason code
- Reviewed by Janet's group
- Consolidated post approval

Reducing inventory will require slowing rate to store and increasing rate out.

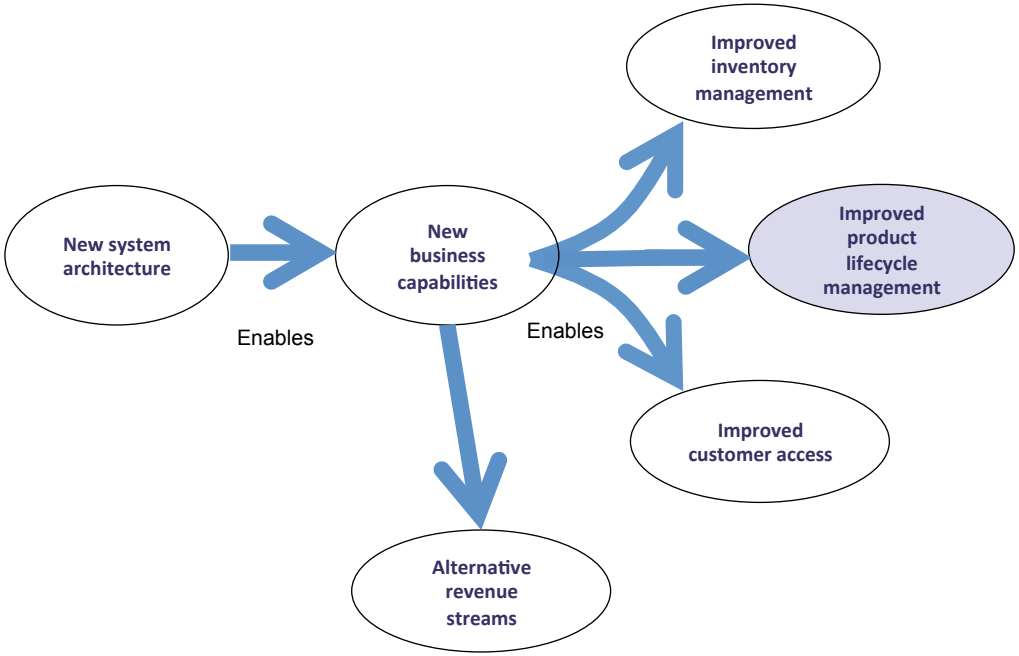
Reduce rate in:

- Set reorder process to reduce inventory through attrition.
- Use smaller case sizes for slower moving items.
- Fulfill slow moving, high value items from warehouse.

Increase rate out:

- Aggressively move slow, low value items out.
- Relocate stock based on sales history and projections.
- Consider “logical” outlet store at warehouse.

Recommendation:
Improve Product Lifecycle Management & Merchandising



Technology will enable better lifecycle management.

Product selection

Current
- Listen to broker
- Perform basic research
- Make decision on gut feel

Possible
- Select test markets
- Assess sales performance
- Project sales and decide which stores
- Set appropriate reorder policy

Sales performance

Current
- Key info unavailable
  - SKU by location
  - Revenue per SKU
  - Store-to-store performance
- Limited pricing flexibility

Possible
- All key data are available
- Ad hoc query capability
- Able to implement variable pricing

Product retirement

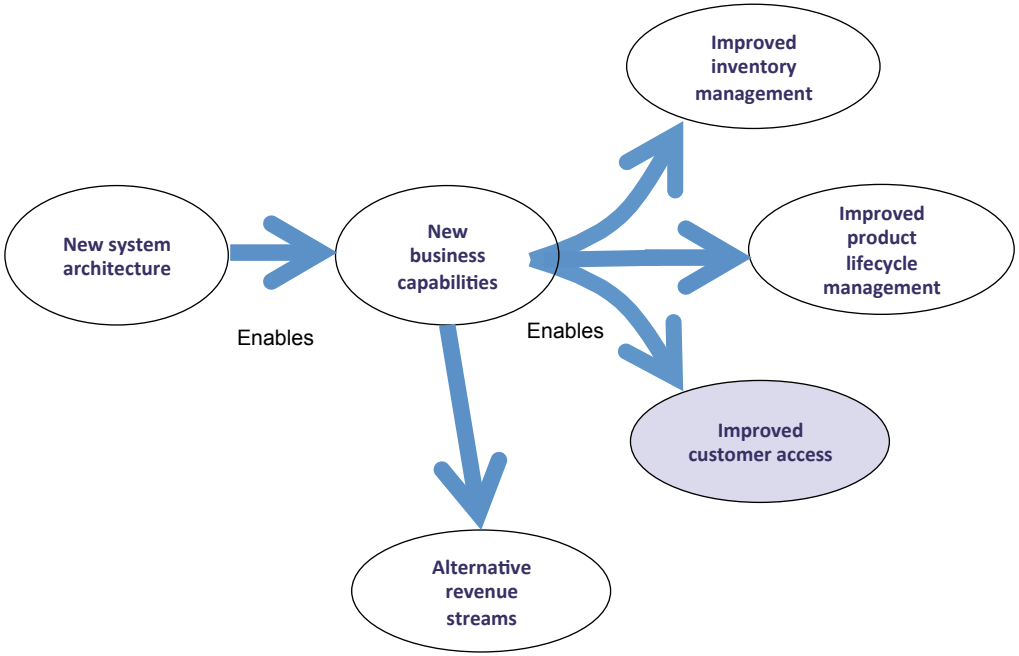
Current
- Review bottle sales
- Assess bottle sales per store and decide to delist
- Discount and review sales data when disposing inventory

Possible
- Review sales and bottle volume
- Compare delisting to warehouse fulfillment
- Delist based on overall financial contribution vs bottles sold

Merchandising can be substantially improved with technology.

- Use data to help assess impact of in-store ideas.
  - Aggregating new items affect new item sales?
  - Grouping top sellers increase their sales?
  - Will grouping ingredients for most popular recipes influence sales?
- Consider what merchandise should be kept in stores (see inventory section).
- Improve store and store cluster planning.
  - Use sales data to align merchandise with localized demand.
  - Plan SKU variety and quantity by store or similar stores.

Recommendation:
Improve Customer Access to Inventory



Technology enables greater customer access and supports market share gains.

Find store

Current
- Current knowledge
- Difficult internet search
- Phonebook

Possible
- DOLC website with locations and directions
- Utilize SEO
- Smartphone AP
  - Search by current location or by desired location
  - Provide directions to store

Find inventory

Current
- Call or visit agency

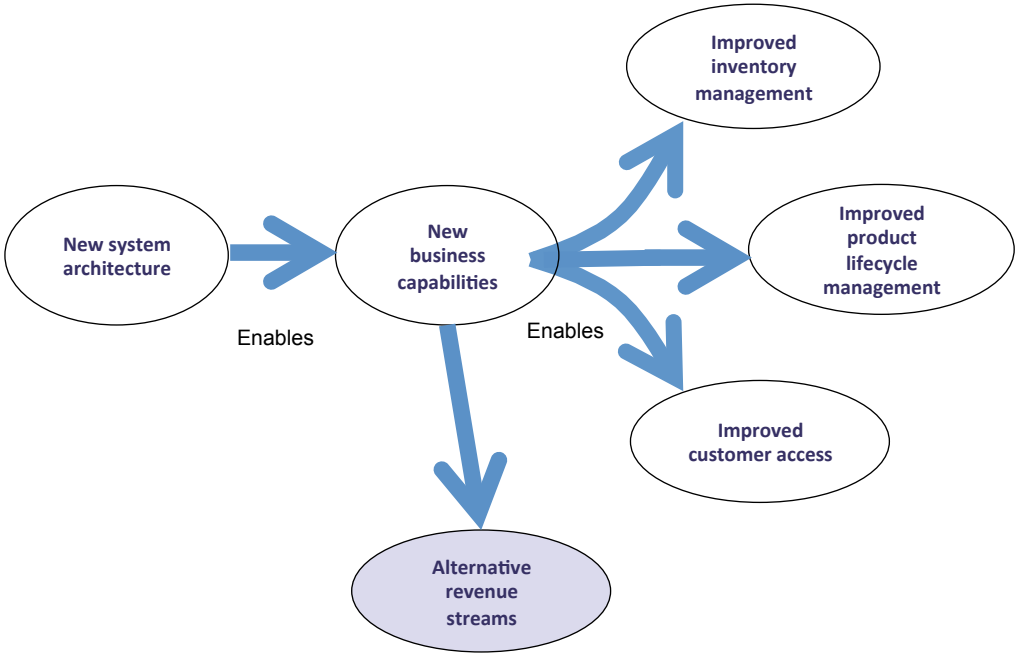
Possible
- Website with updated inventory levels
- Store clerks share with customer closest stores with desired inventory

Make purchase

Current
- Buy from agency

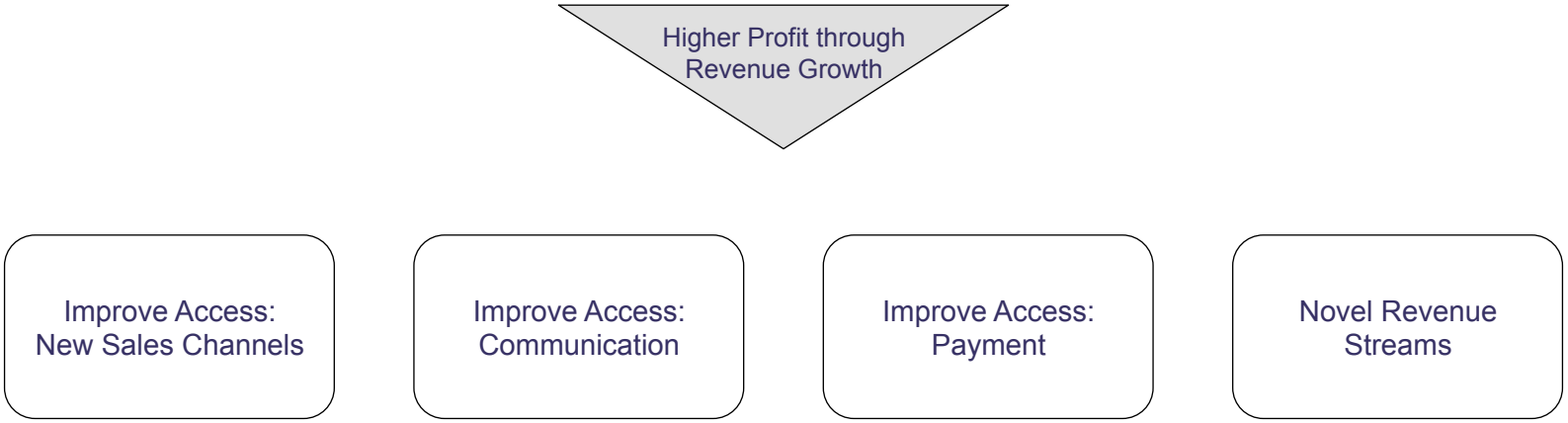
Possible
- Wholesale places order online
  - Direct or agency delivery
- Expensive, slow moving items ordered online and shipped from warehouse
- Bulk quantities for special events ordered through warehouse

Recommendation:
Develop Alternative Revenue Streams

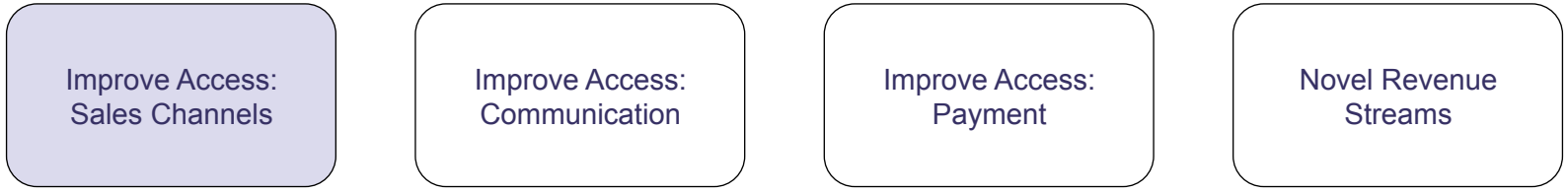


Growing profit – what we heard and discovered:

- The idea of growing revenue through increased liquor sales is a sensitive issue.
- Improving accessibility and increasing market share is an alternative.
- There is little opportunity to cut costs.
- Profit margins are formulaic and bounded.
- Reducing per bottle cost reduces profit dollars.
- Information has value to distillers.

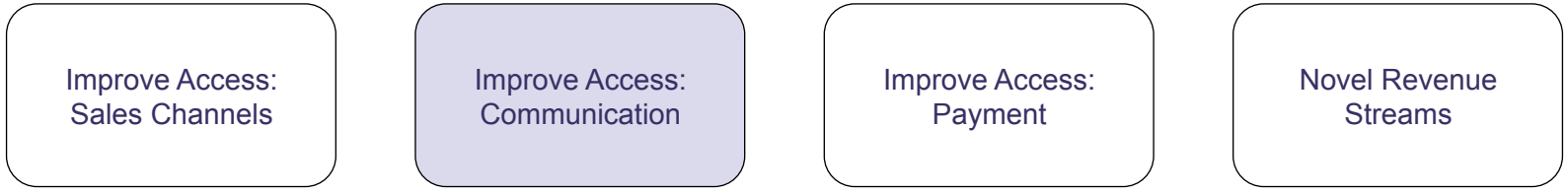


Recommendation: Develop Alternative Revenue Streams



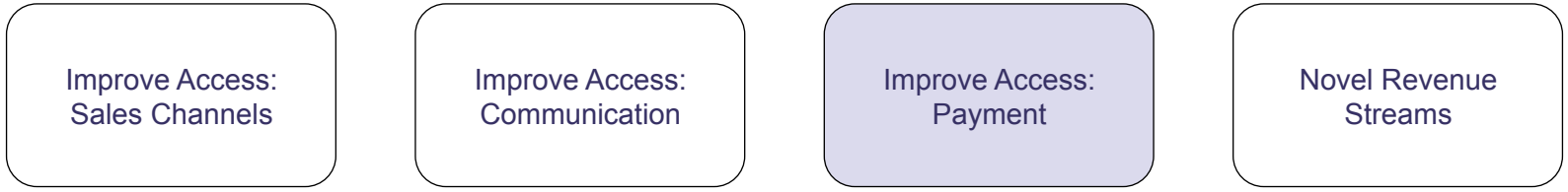
New Sales Channels	New Process	New Technology
Seasonal Liquor Stores • With a new information platform, decision makers will be able to identify those products that will sell most effectively in a mall center-store format • Processes can be developed to replenish these stores more frequently • The superintendent will need to be granted permission to have these stores	• Small platform • Low stock • Frequent replenishments	• Absolute requirement for daily sales and inventory • Potential for internet sales at site
Internet Sales • Pay for on-line and ship to store	• Fulfillment from distribution center • Package delivery	• Internet sales platform • Product list on site
Liquor Kiosks • Identify top selling products and make them available through vending machines • Ability to read ID card and perform face recognition • Perform sobriety test	• Relationships to refill product • Automated ordering for kiosks	• Unattended ordering
Clearance Warehouse • A place for deeply discounted items at end of life	• Reverse logistics • Markdown management	• Price flexibility

Recommendation: Develop Alternative Revenue Streams



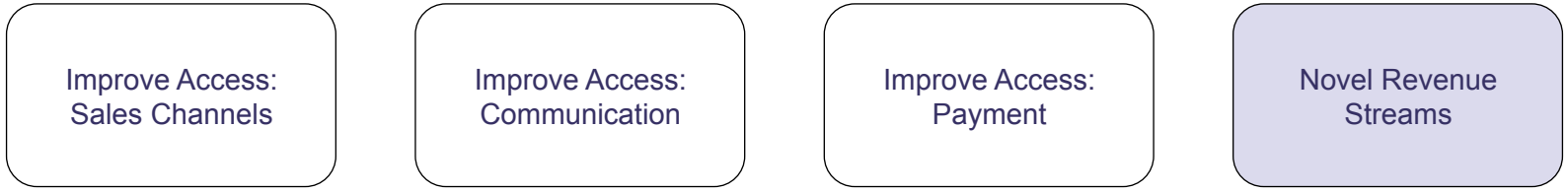
New Communication Streams	New Process	New Technology
Advertising • Use social media to connect with customers and stores regarding new products, store locations, sales • Run email campaigns	• Customer engagement • Campaign management	• Content management • Marketing applications
Loyalty Card Programs • Backed by distillers and vendors to provide rewards • Provides access to customers	• Partnerships with distillers and vendors	• Transaction processing • Data storage and retrieval
Third-Party Applications • Location-services applications developed through the new platform's API	• Application development • Developer support	• Open API

Recommendation: Develop Alternative Revenue Streams



New Payment Methods	New Process	New Technology
Gift Card Programs • Pay in advance • All the same restrictions apply for any purchase • Can use for online purchases	• Program management	• Transaction processing
Credit Card Chargeback and Recovery • Robust transactional processing to capture credit card payments • Identify brokers/vendors willing to reimburse	• Chargeback and recovery management	• Transaction processing • data storage and retrieval

Recommendation: Develop Alternative Revenue Streams

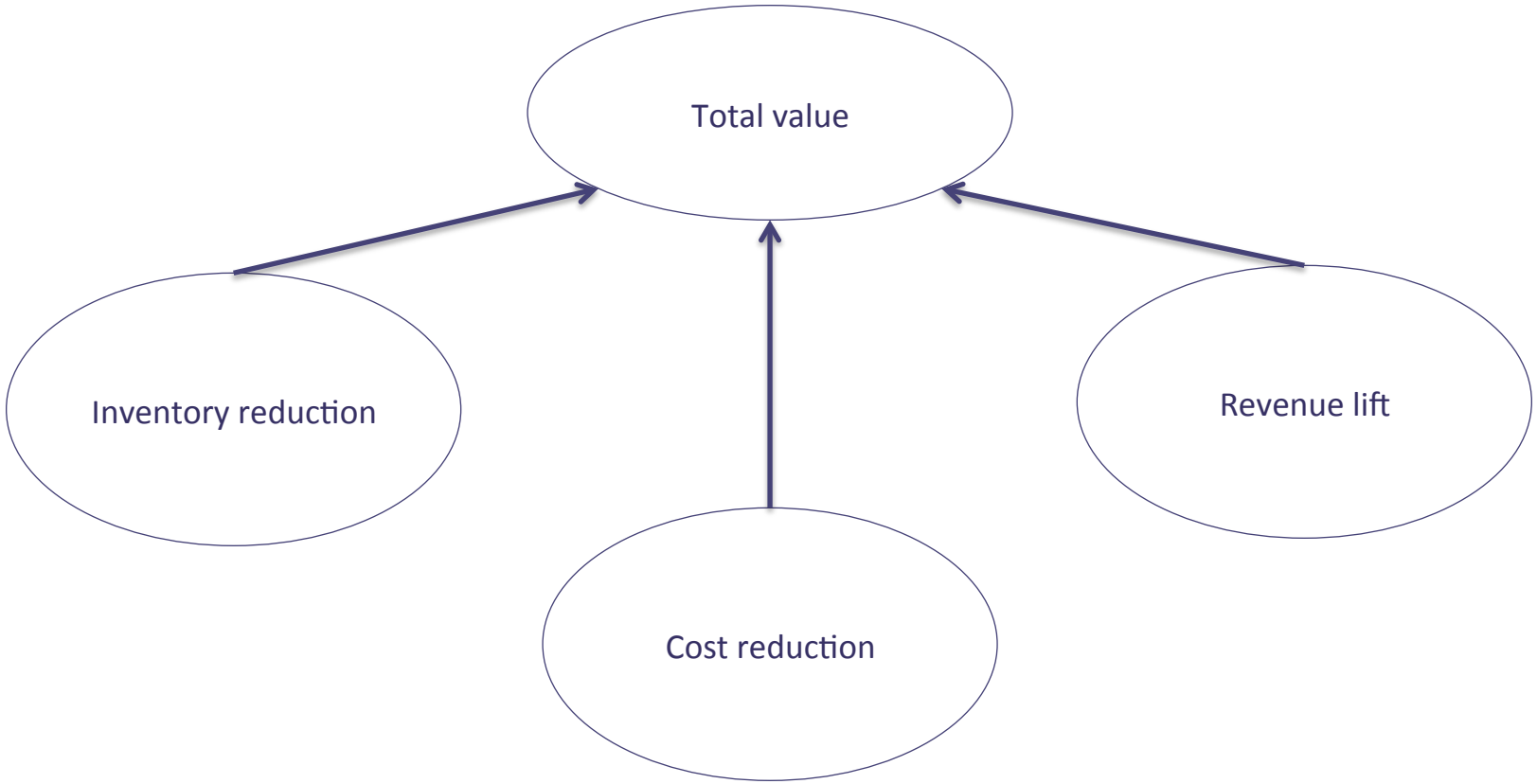


New Revenue Streams	New Process	New Technology
Sell the Data • Provide packaged reports • Allow authorized usage of reporting data	• Account management • Support	• Reporting portal • Data security
Sell Access to the Customers • Boost Mobile • Advertisements on bags	• Program Oversight	• Customer data

Appendices

Appendix A: Value Proposition

The value proposition is composed of three factors.



Reducing agency inventory involves rates of buying and rates of sales.

Purposely reducing inventory in the stores creates three value opportunities:

1. Less money required to buy inventory
2. Reducing store inventory generates gross margin
3. Replenishment from warehouse creates negative working capital for investment by the state

Slowing the purchasing and moving slow moving and expensive items will reduce inventory.

Reduce the rate of items that leave the warehouse → Agency inventory

Current

- Stock in agencies
- Orders fulfilled from agencies
- Network inventory
- 35-38 days

Vision

- High volume stock in agencies
- Warehouse fulfillment for
  - High dollar retail
  - Bulk (e.g. party planning)
  - Wholesale
- Reorder to support 14 days of supply versus current store level
- Negative working capital position
  - Customer pays order
  - State has 30 day float on cash
  - State pays broker

Slowing the purchasing and moving slow moving and expensive items will reduce inventory.

Reduce the rate of items that leave the warehouse → Agency inventory

Impact

- Less cash required to fund program
- Cash available for investment elsewhere
  - Invest
  - General revenue fund
  - Other

Considerations

- Inventory management and reorder policies must be in place
- Although considered a “one-time” hit, reductions in purchase rate happen over time
- Must document reduction to get credit

Inventory disposition strategy will determine benefit from reducing slow inventory.

Increase the sales rate of slow moving or obsolete items

Current

Sales

- Agencies
- Delisted items have a discount schedule
- Reduce price – review volume changes
  - Continue to reduce if stagnant
  - Keep price if sales increase

Vision

Sales

- Scheduled discount schedule for delisted items
- Virtual outlet store where sales items are offered for closeout prices
- Increase number of delisted items (slow moving, low-medium value)

Inventory disposition strategy will determine benefit from reducing slow inventory.

Increase the sales rate of slow moving or obsolete items

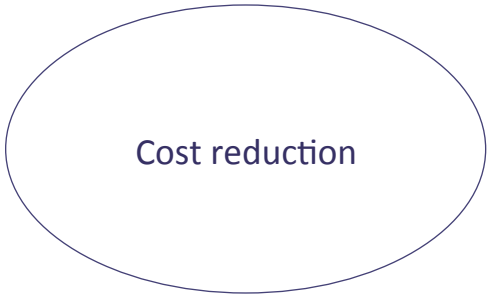
Impact

- Increased cash from sales
- Reduced balance sheet

Considerations

- Outlet may be an option
- Capture discounting data to aid in future product retirement campaigns

Cost reduction opportunities are limited.



Opportunities for large cost reductions are limited
- Many costs are variable (commissions and taxes)
- DOLC operations are very lean

Two areas of potential opportunity

1. Possible commission reduction
   - Online retail sales – eliminate commissions
   - Online wholesale sales – reduce or eliminate commissions
2. Transportation
   - For online transactions, recipient pays warehouse and shipping costs

Impact

- Increased net profit at the agency level from
  - Reduced commissions
  - Possible reduction in COGS

Considerations

- Response from agencies for taking away revenue stream

Revenue increasing opportunities are plenty, but small and might involve cannibalization.

Sales increases will occur from various opportunities. The size of the increase must be balanced with…

Internet sales revenue sources:

- Sales of higher end products with desirable website
- Larger volume/bulk sales (parties, for instance)

Social media:

- Manage the rapid introduction of new products
- Awareness of "outlet" items
- Sales from proximity

Improved merchandising:

- Sales via product proximity – top sellers, new products, common cocktails
- Up-sales through effective plan-o-gramming

Kiosk sales/seasonal store sales:

- Increase sales from access

Gift card sales:

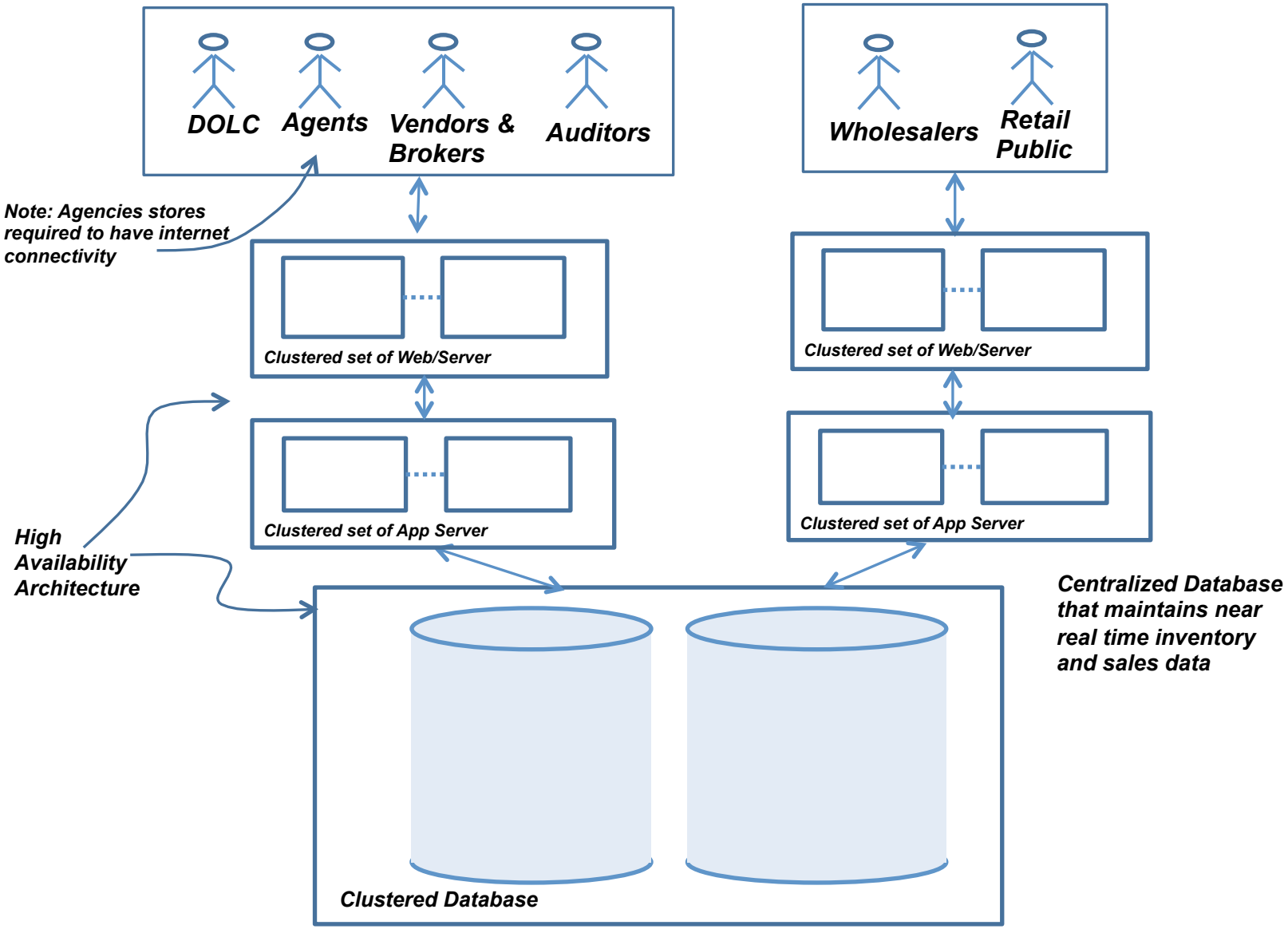
- Immediate sales (note might need cash reserve for commissions)

Summary of value proposition estimate

	Type	Improvement opportunity range	Low (numbers in net margin unless specified otherwise)	High
Reduced inventory (purchasing)	Working capital	18-25 day reduction	$18M (not a cost savings- balance sheet reduction)	$25M
Reduced inventory (disposition)	Sales increase & working capital	Sell 2M (bottom 5%) in inventory at a discount	$130K ($400K sales .20 gm – normal .39)	$500K (.25 gm)
Improved merchandising/PLM	Sales increase	0.5-1.5%	$1.3M	$4M
Online sales retail	Sales increase – cost reduction	0.5-1%	$0.9M	$1.8M
Online sales wholesale	Sales increase – commission reduction	250-500 BP	$0.25M	$0.5M
Liquor kiosks/ seasonal sales stores	Sales increase – commission reduction	100-300 BP	$260K	$780K
Warehouse replenishment – high value items	Working capital sales increase	0.5-1%	$68K Assume bottom 5% increases sales – reduction in inventory	$135K
Gift cards	Cash increase	50-100 BP	$130K	$260K

Appendix B: System Architecture

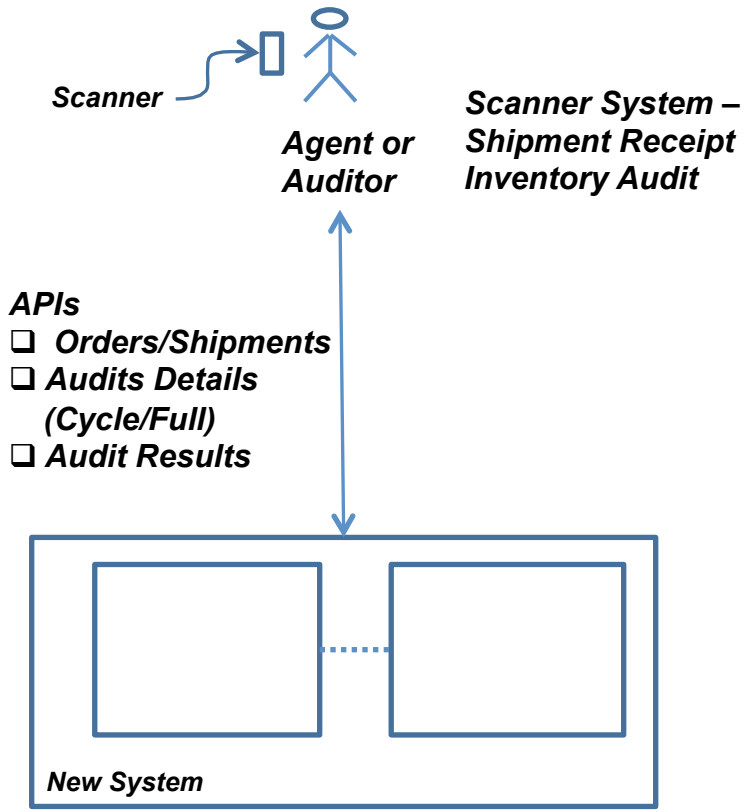
Overall System Architecture



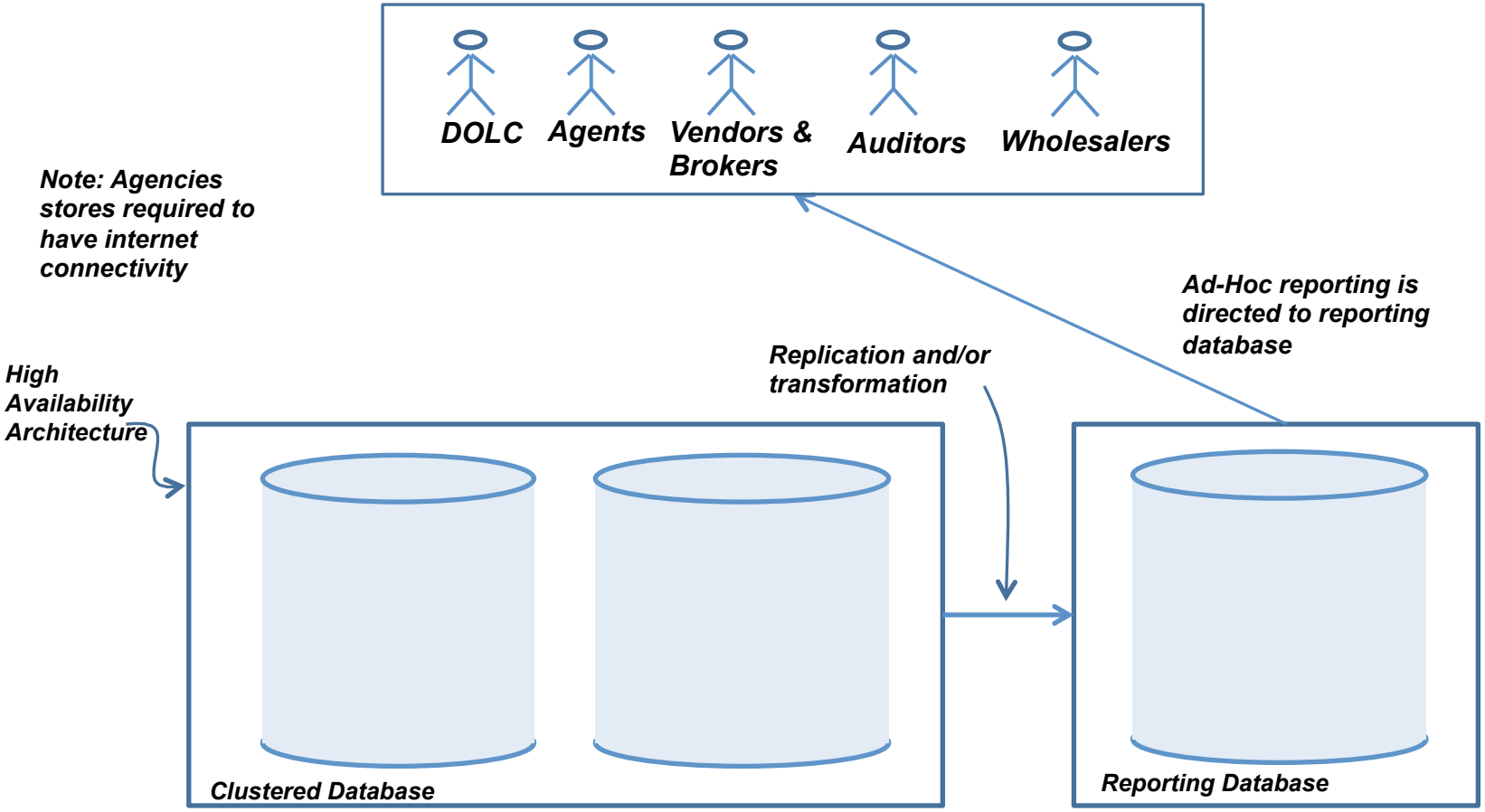
New Scanner System

Offeror will research and recommend a scanner system with an open API.

Offeror is expected to define, build and certify the API to the chosen scanner system



Reporting and Analysis Architecture



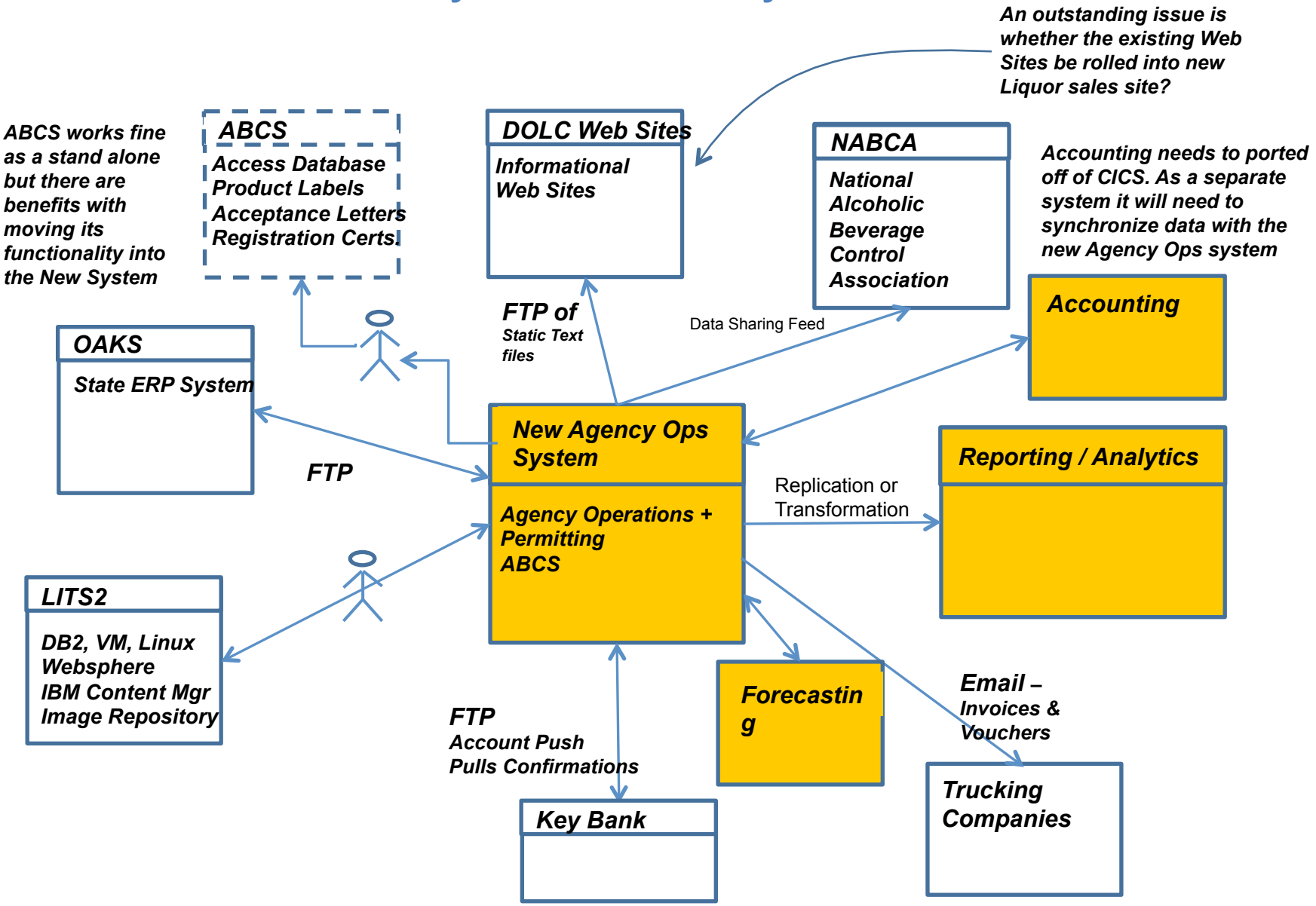
Centralized Database supports transaction processing.

Reporting database architecture is TBD. It may or may not be a data warehouse. Data should not be out of date more than 1 day.

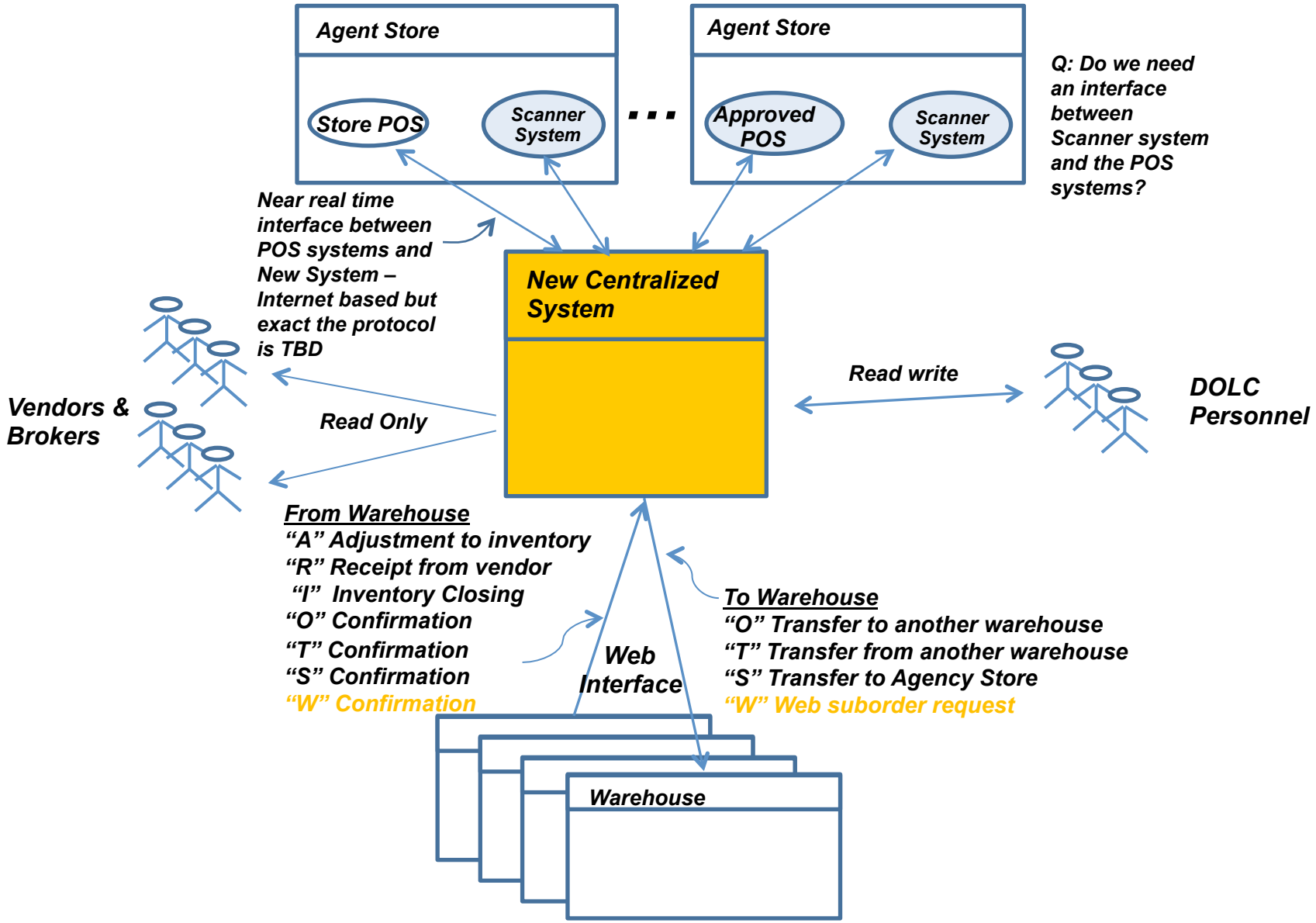
Architecture Requirements

- Web Based, .Net, SQL Server based architecture
- Intranet as well as Internet access
- High Availability (for both database as well as web and application servers)
- Separation of ad-hoc reporting from transaction processing
- Scalable to 2,000,000 retail users, 50,000 wholesale users, 2500 store/agent users, 100 vendor/broker users, and 200 DOLC users and 500 concurrent users

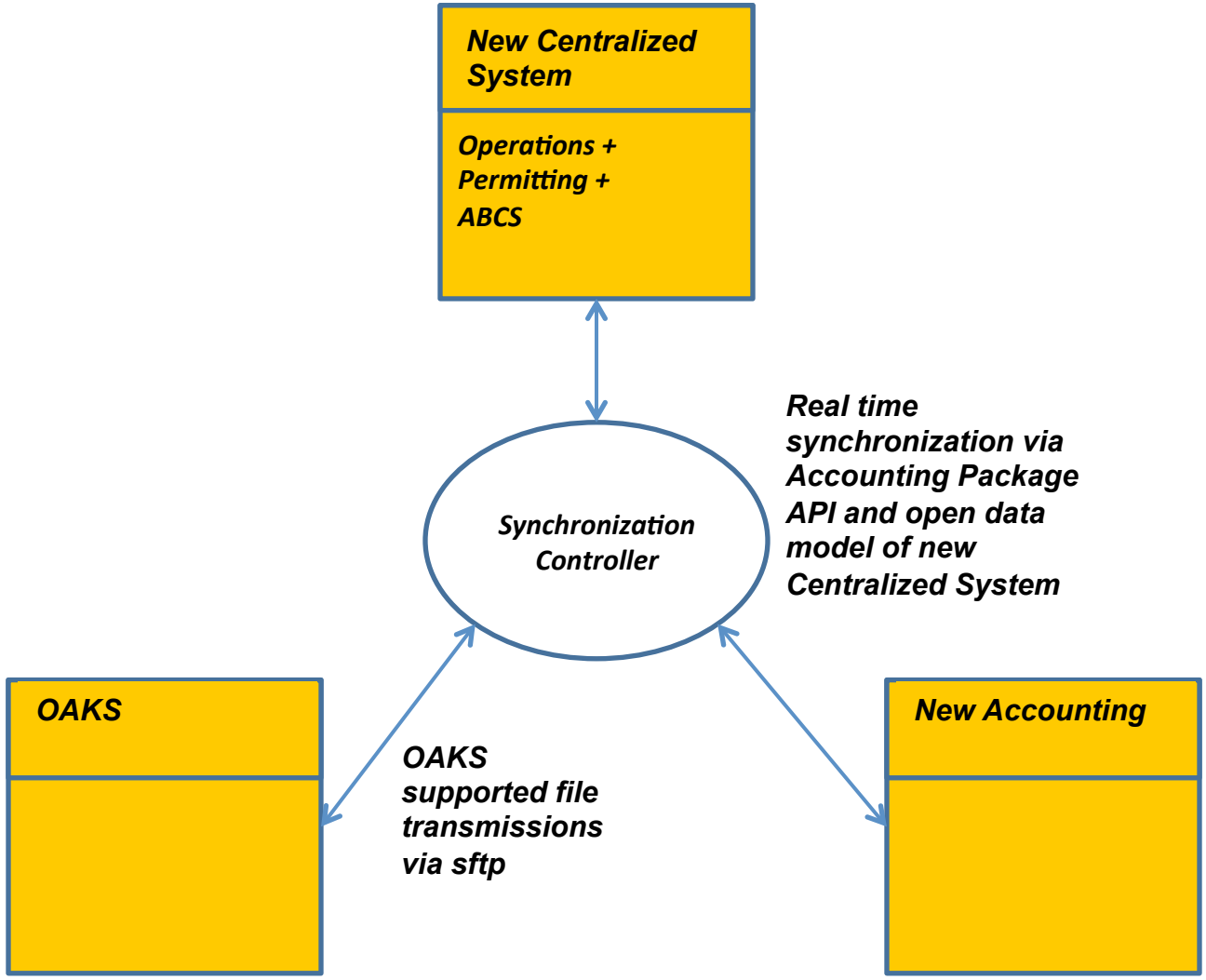
System Connectivity View



System Connectivity View



System Connectivity View

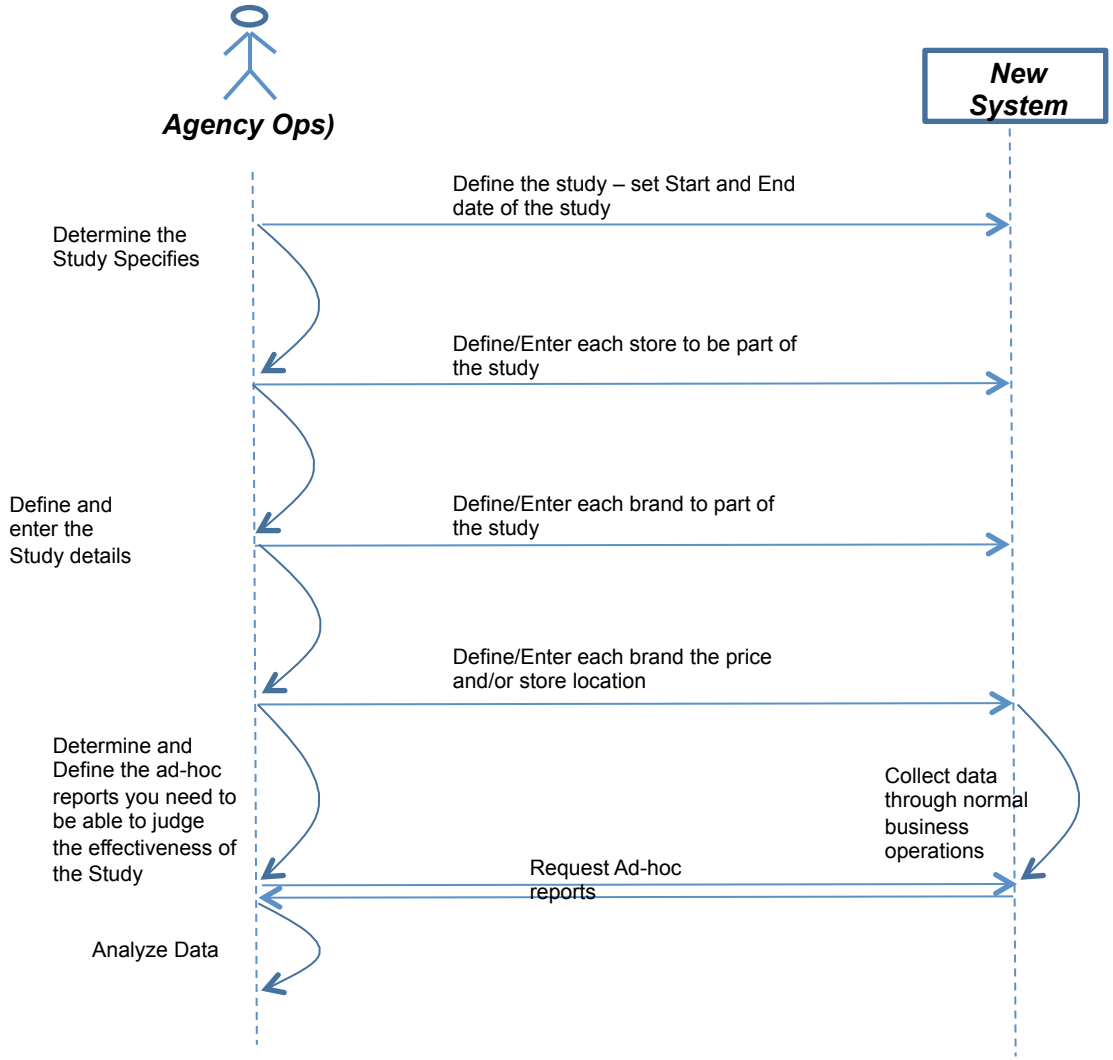


Accounting Package

- New COTS Accounting System:
  The goal is to use a standard Accounting package as-is, i.e. without modifications. The open API is important.

- Synchronization Controller:
  A piece of software needs to control the ftp based communication between OAKS, the Accounting Package and the new central system. Additionally this software needs to synchronize data, in real if possible, between the accounting package and the new central system.

Product Marketing Study



Appendix C: Process Flows

Store/Agent Processes

Process	Description	Range
Order Products	Store/Agent places or reviews an order.	1.1 – 1.10
Check In Delivery	Store/Agent checks in a shipment.	2.1 – 2.11
Check In Transfer	Store/Agent checks in a shipment.	2.1 – 2.11
Post Received Inventory	Store/Agent posts delivery confirmation to DOLC.	Deprecated
Process Returns	Store/Agent processes retail or wholesale returns.	2.12 – 2.23
Sell Retail	Store/Agent sells the product through retail.	3.1 – 3.6
Sell Wholesale	Store/Agent sells the product through wholesale.	3.7 – 3.16
Send Out Transfer	Store/Agent sends out the product through transfer.	3.17 – 3.22
Adjust Order Levels	Store/Agent adjusts order levels if necessary.	Deprecated
Update Prices	Store/Agent updates prices if necessary.	4.1 – 4.4
Take Physical Inventory	Store/Agent takes inventory every month.	4.5 – 4.8
Post Sales	Store/Agent posts all retail store sales made for the day.	4.9 – 4.15
Process End of Day	Store/Agent process end of day procedures.	Deprecated

DOLC Purchasing Processes

Process	Description	Range
Update Inventory Record	DOLC makes vendor-requested price and description changes.	1.1 – 1.5
Add Items	DOLC adds new brands.	1.6 – 1.10
Delist Items	DOLC removes underperforming brands.	1.11 – 1.15
Process Orders	DOLC reviews and monitors orders and transfers.	2.1 – 2.5
Pay for Products	DOLC pays for products and transportation charges.	3.1 – 3.7

DOLC Operating Processes

Process	Description	Range
Update Store/Agent Info	DOLC makes ownership/location changes and renewals.	1.1 – 1.3
Add Store/Agent	DOLC adds a new store/agent.	1.4 – 1.8
Remove Store/Agent	DOLC removes a store/agent.	1.9 – 1.13
Reconcile Daily Sales	DOLC balances all reported sales for the day.	2.1 – 2.4
Collect Money	DOLC collects daily cash deposits for all transactions.	2.5 – 2.8
Check Compliance	Auditor makes monthly compliance visits to store/agent.	3.1 – 3.5
Conduct Physical Audit	Auditor conducts a full audit on store/agent.	3.6 – 3.14
Process Period End	DOLC balances all records at the end of a period.	4.1 – 4.5
Make Cash Adjustments	DOLC makes adjustments after closing end of month period.	4.6 – 4.10

New Processes

Process	Description	Range
Provide Retail Web Orders	Store/Agent fulfills retail Web orders and provides pick up.	1.1 – 1.13
Accept Wholesale Web Orders	Wholesale customer puts in an order online.	2.1 – 2.4
Forecast Demand Plan	DOLC forecasts demand by using market and customer data.	3.1 – 3.4
Evaluate Supply Plan	DOLC evaluates whether operations can meet projected demand.	4.1 – 4.5
Manage Product Lifecycle	DOLC monitors and reviews the performance of a product.	5.1 – 5.14
Manage Market Tests	DOLC executes various tests at store/agent locations.	6.1 – 6.5

Intentionally Left Blank

Store/Agent Processes

Process	Description	Range
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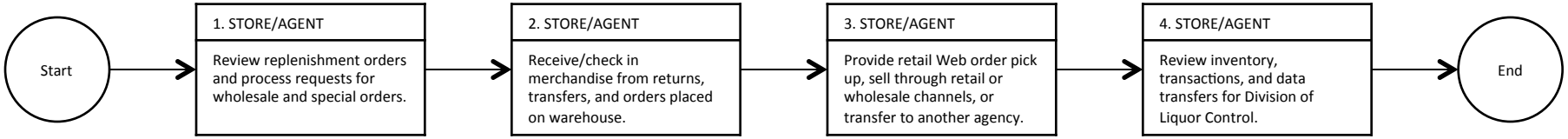
Store/Agent Overview



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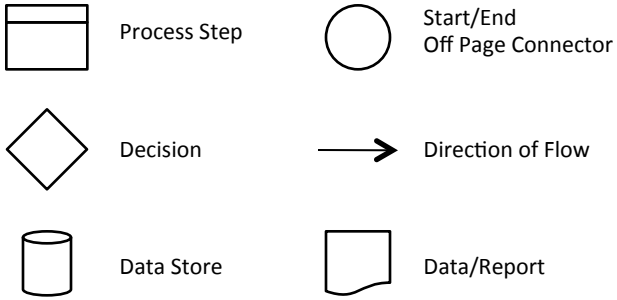

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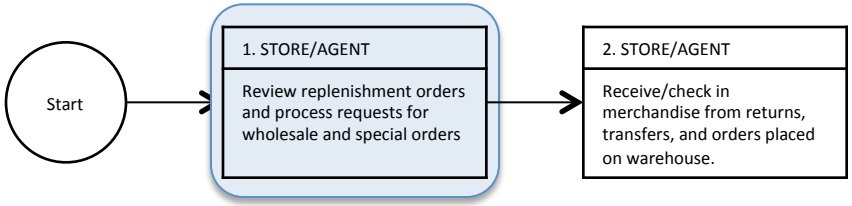
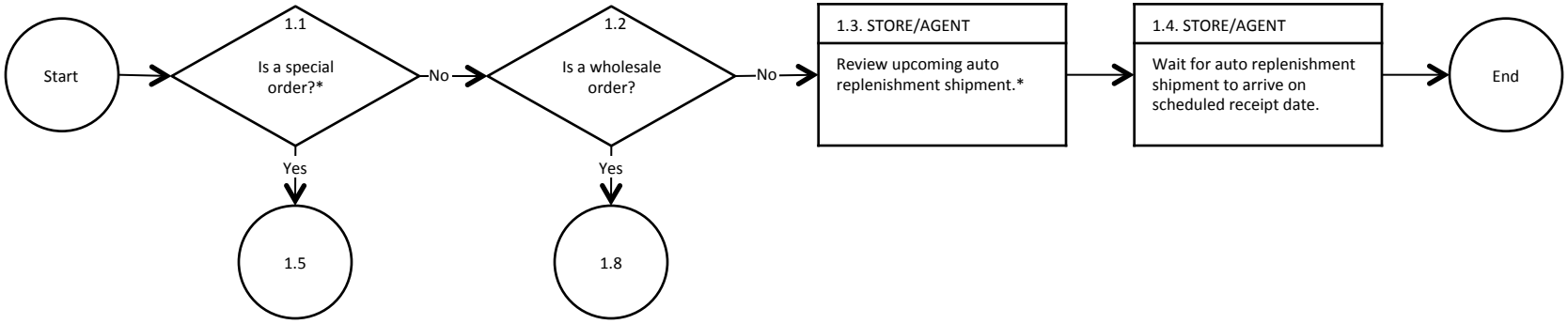
Revised by:	Date:
Approved by: Jason Leatherman	Date:12/06/11

1.1 – 1.10

ORDER PRODUCTS





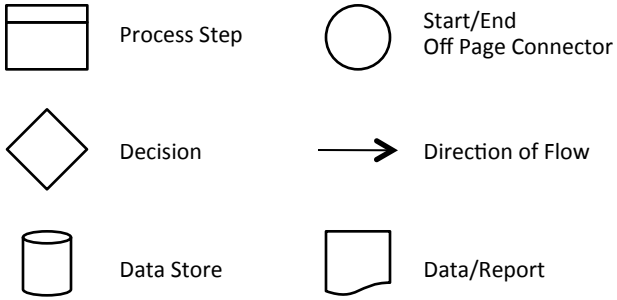
Notes

1.1

- Normal retail demand is handled through forecasting algorithms for automatic replenishment orders, which the store/agent cannot modify.

1.3

- The Division of Liquor processes orders either weekly or bi-weekly.



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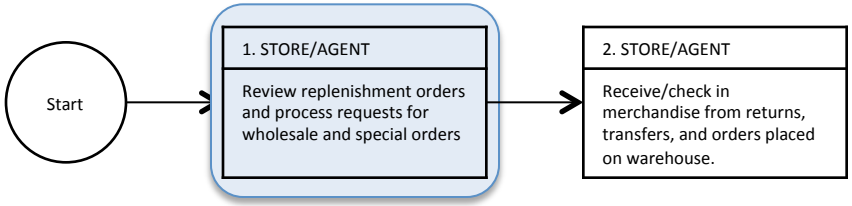
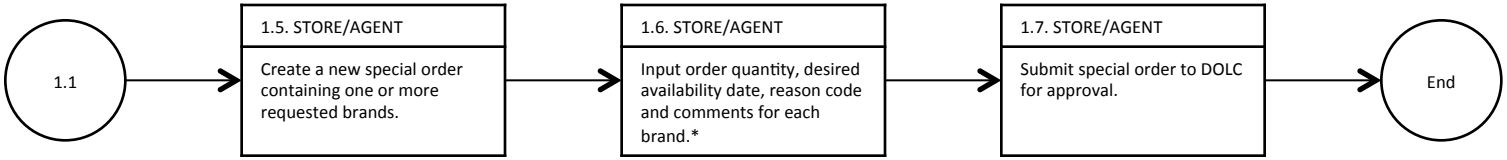
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

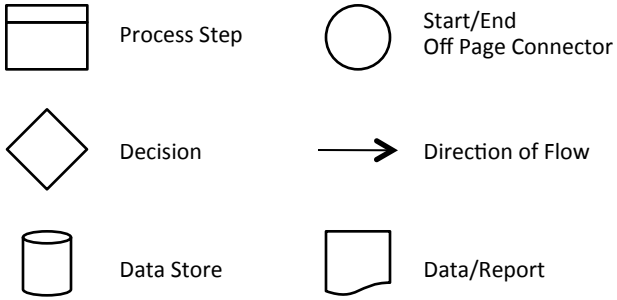




Notes

1.7

- Some reasons may include anticipated demand beyond an upcoming auto replenishment shipment and a special customer request for a non-stocked item.



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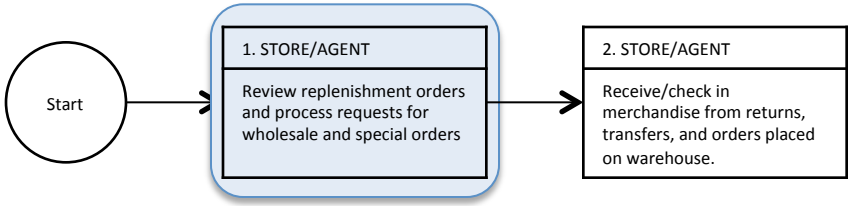
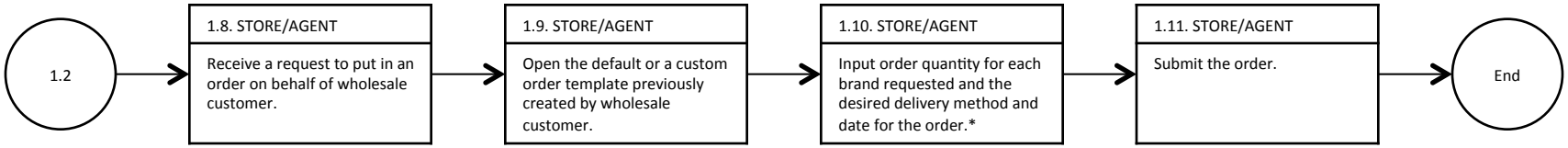
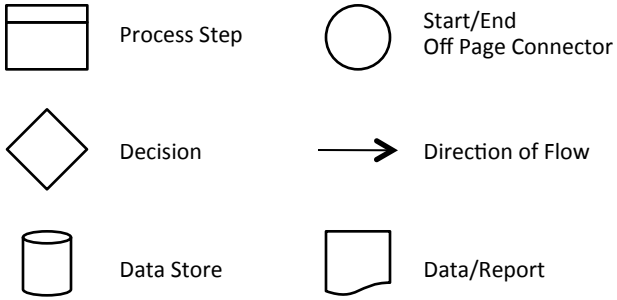




Notes

1.10

• The store/agent can review the list of assigned wholesale customers and assign a per-order delivery charge globally or individually for each wholesale customer.



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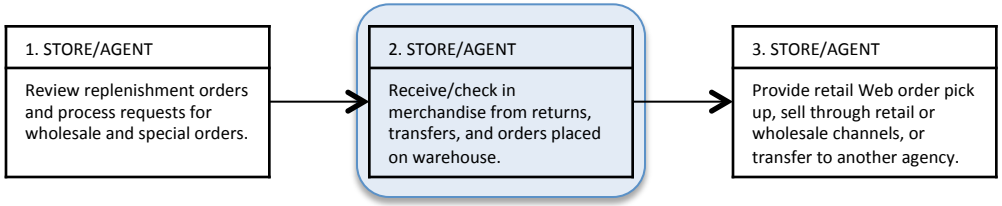
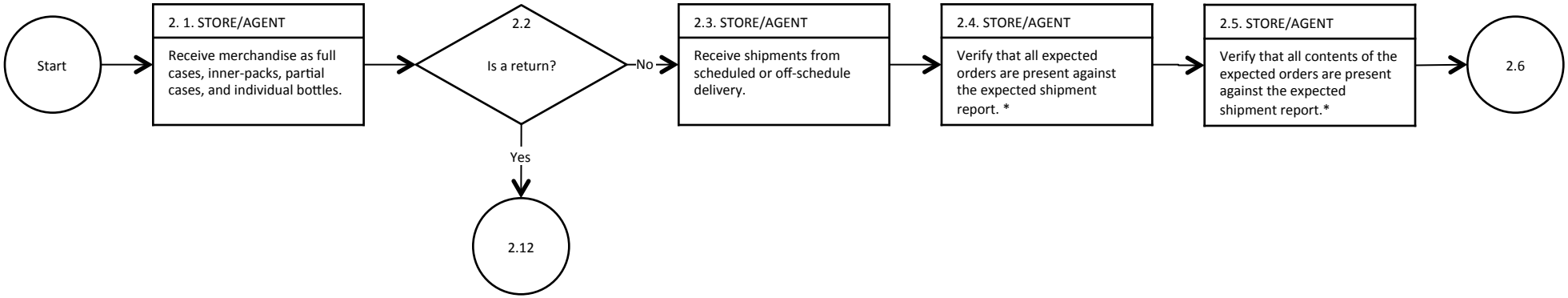
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

2.1 – 2.11

CHECK IN DELIVERY
CHECK IN TRANSFER





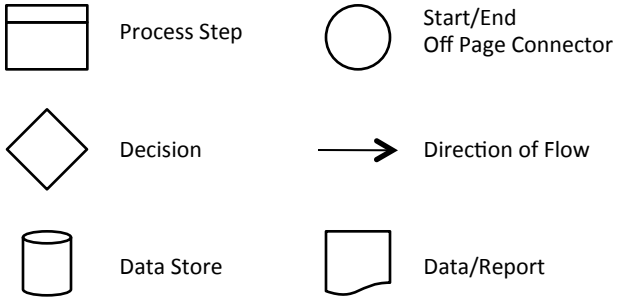
Notes

2.4

- Shipments may include one or more auto replenishment orders, special orders, transfers, and Web suborders for non-stock items.
- Transfers, regardless of how it was initiated or delivered, are received like any other shipment.

2.5

- This is particularly important for special orders and warehouse suborders, i.e., items that are picked and packed at the warehouse.



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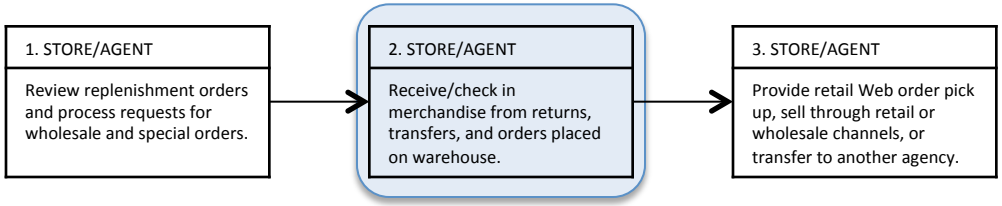

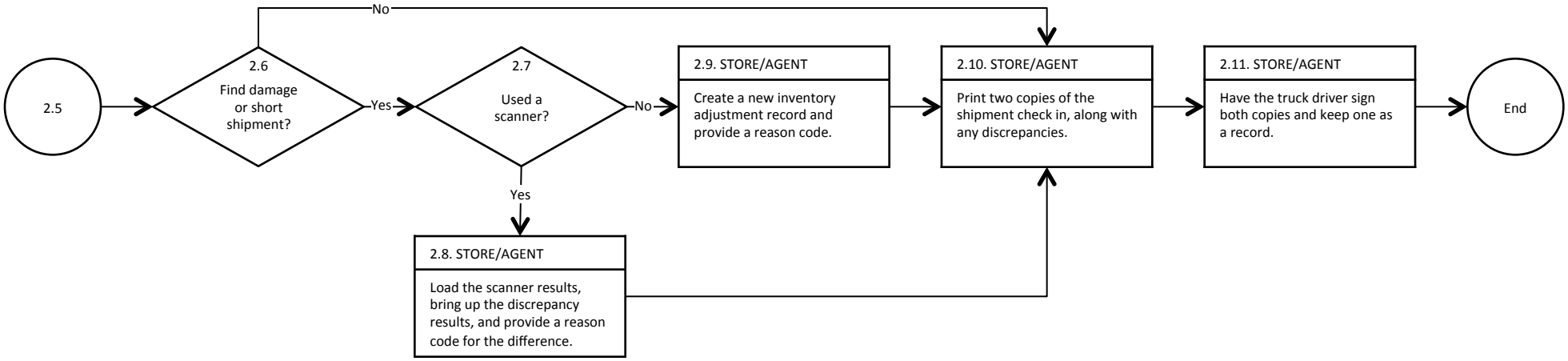

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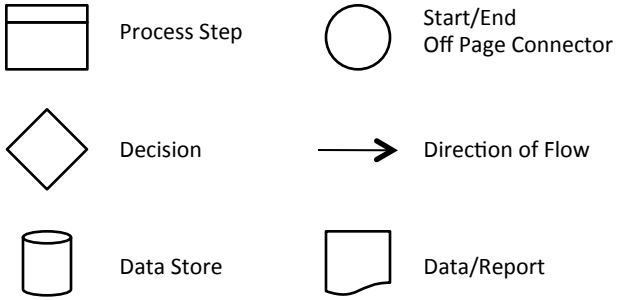

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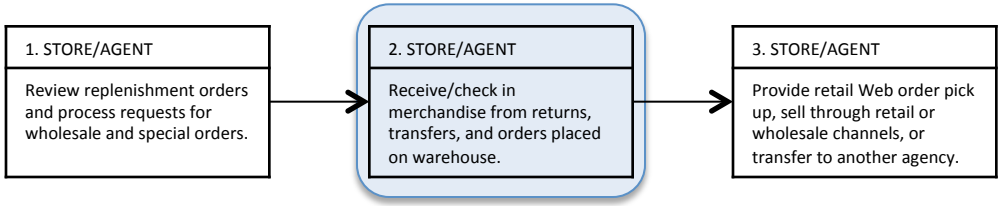
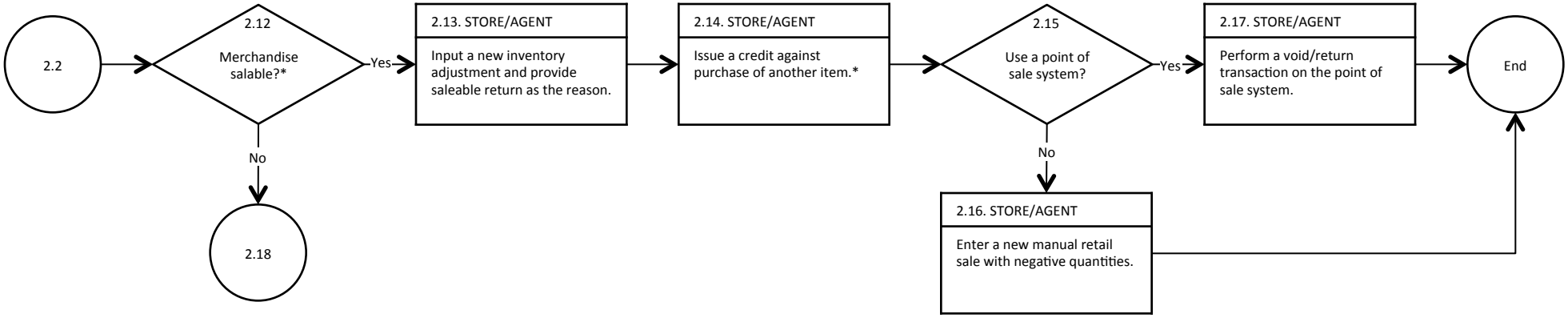
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

2.12 – 2.23

PROCESS RETURNS

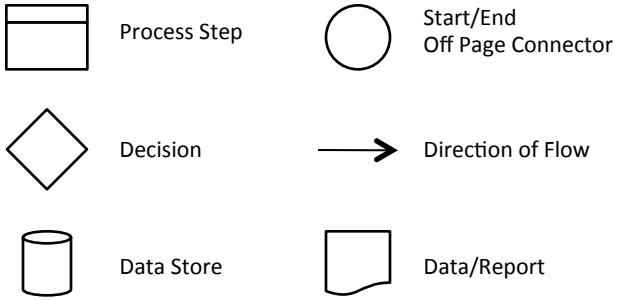




Notes

2.12
- All retail sales are final except extenuating circumstances approved by the DOLC.
- All retail Web orders must be returned at the store where the orders were picked up.
- Wholesale returns are generally approved.

2.14
- Never give out cash refunds.



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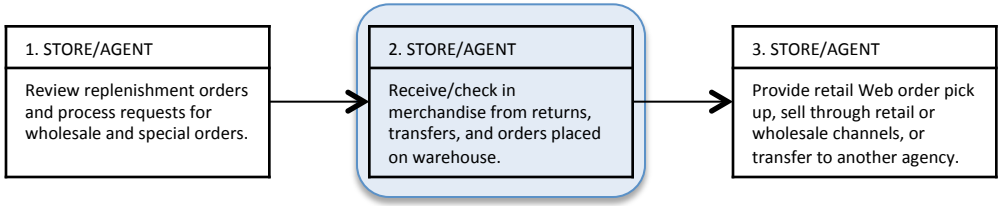
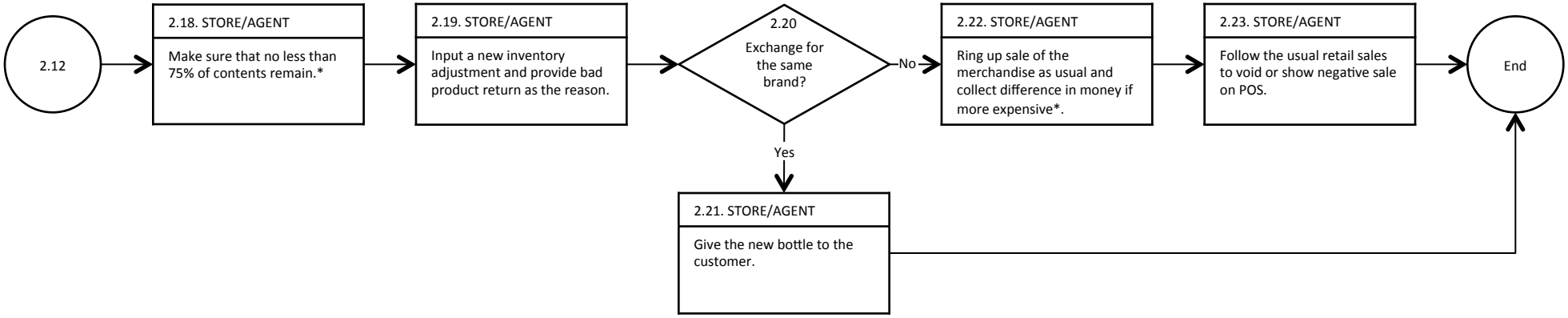
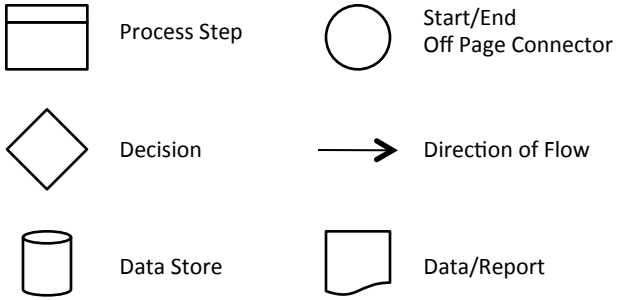




Notes

2.18

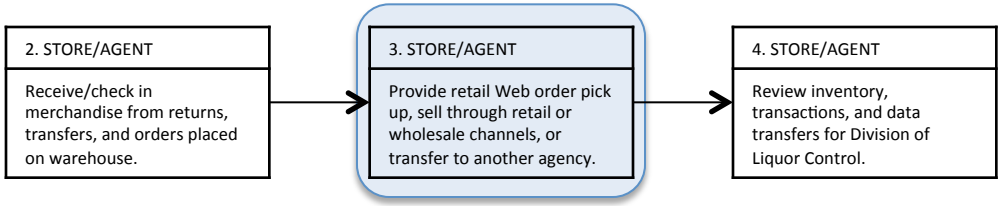
• As with any bad product, hold the bottle, damaged case, and other evidence (including a customer signature) for auditor approval, and if it needs to be returned to the vendor, until the vendor representative picks it up.

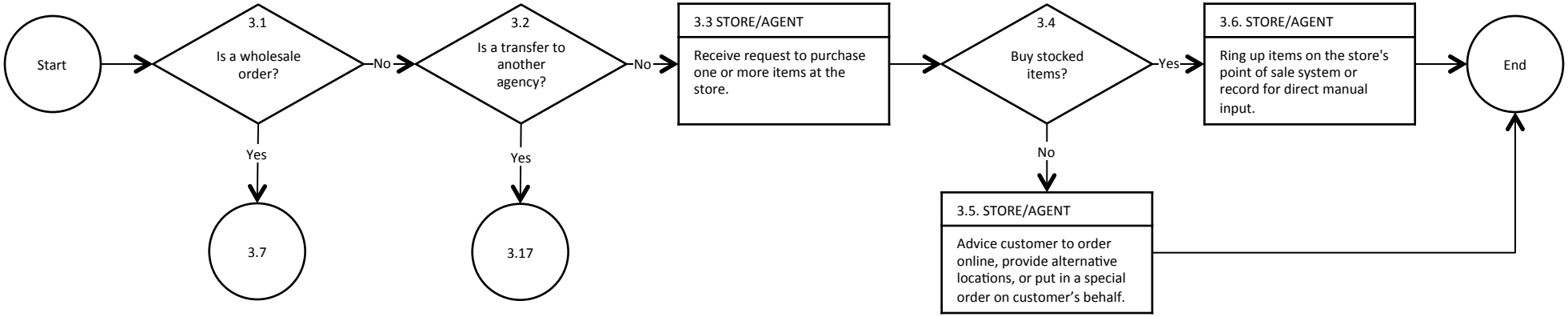


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

3.1 – 3.6

SELL RETAIL





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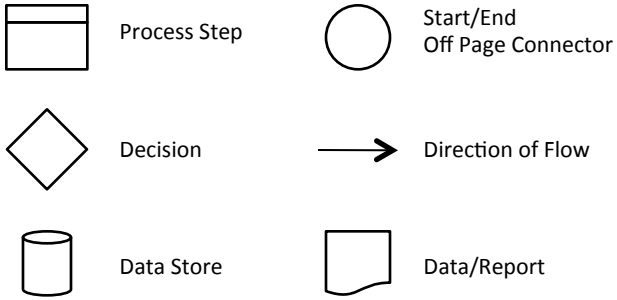
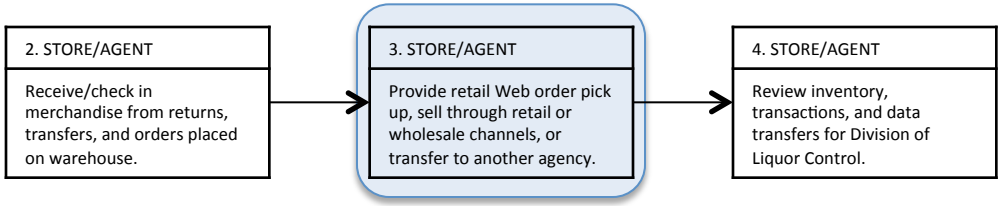
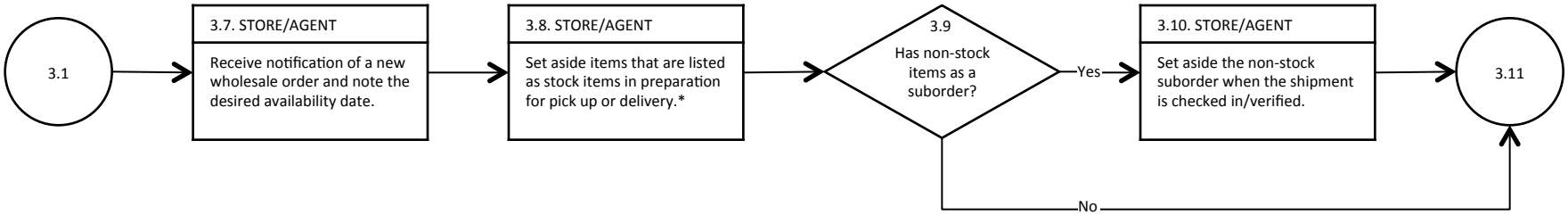


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

3.7 – 3.16

SELL WHOLESALE

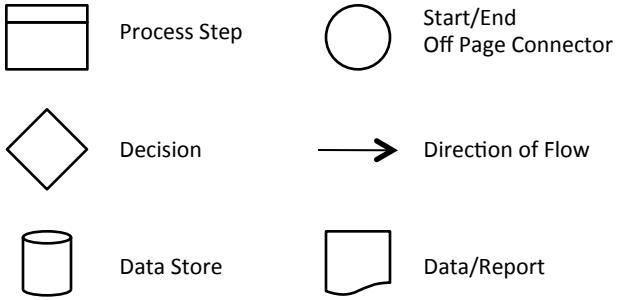




Notes

3.8

• The store/agent may not set aside stock items until close to the desired availability date because of space restrictions, but it is the store/agent's responsibility to ensure that enough product is left to fulfill the wholesale order at the appointed date.



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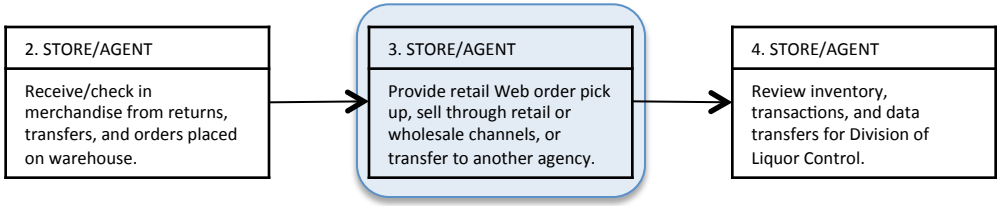
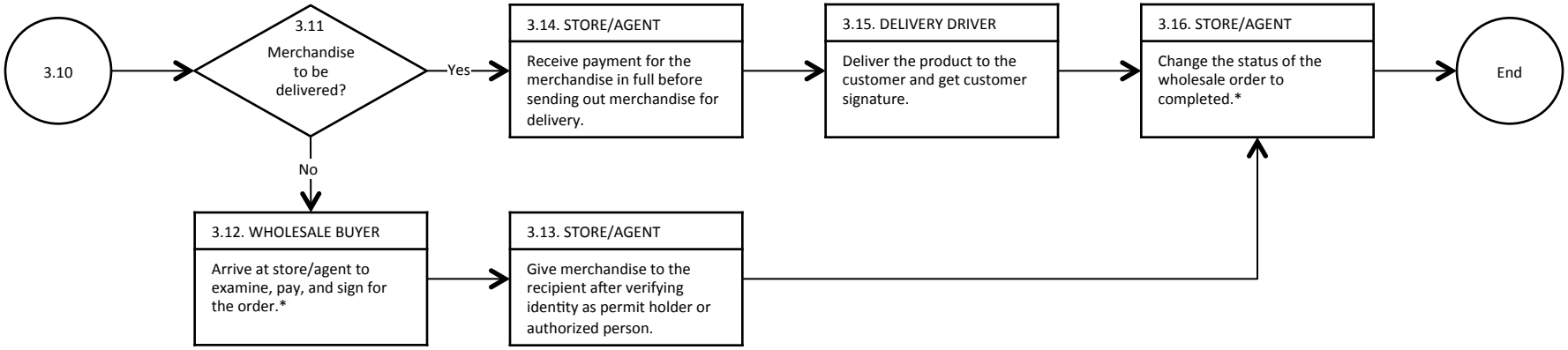




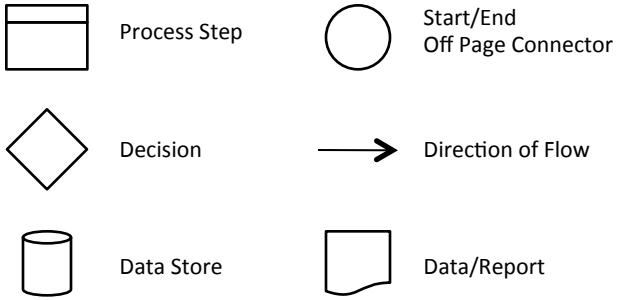
Notes

3.12

• Even if the order is run through a POS for the store/agent's own purposes, make sure that wholesale sales are segregated from retail order sales because DOLC is expecting retail sales to be transmitted through the POS.

3.16

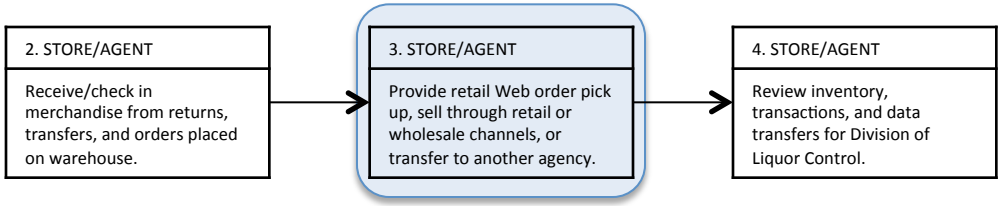
• The store/agent has the ability to modify the final order before setting it to complete, along with a comment section to explain the adjustment, e.g., wholesale customer's refusal to pay.

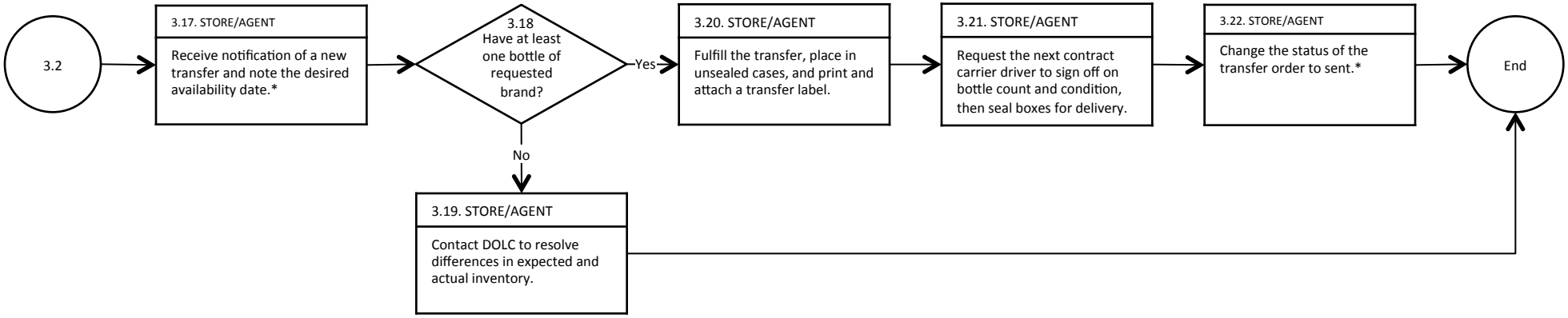


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

3.17 – 3.22

SEND OUT TRANSFER

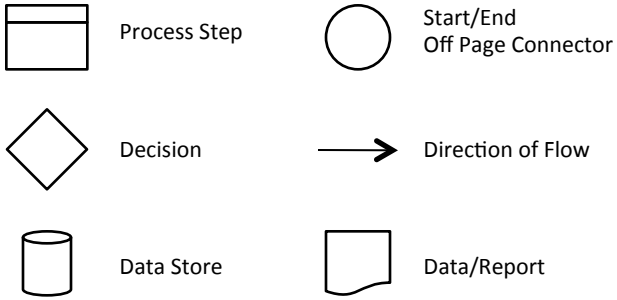




Notes

3.25

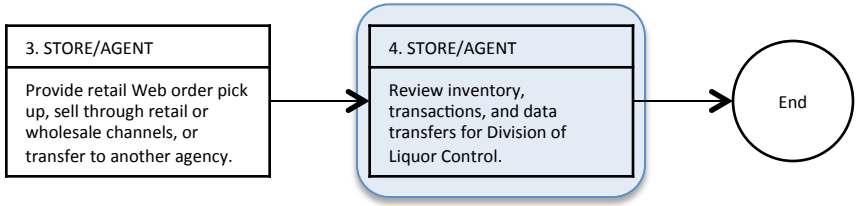
- The status may be updated automatically if using a scanner system.

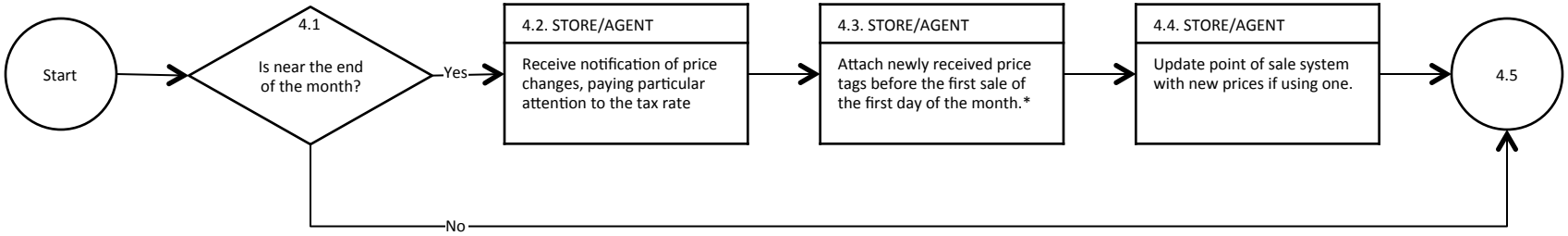


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date: 12/06/11

4.1 – 4.4

UPDATE PRICES

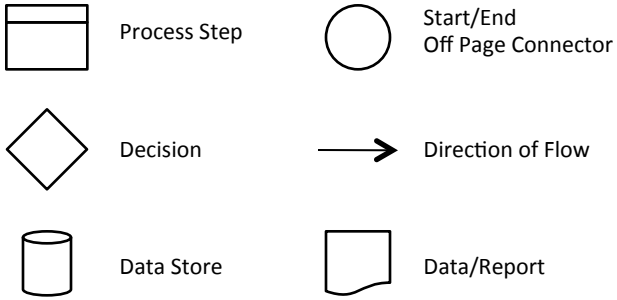




Notes

4.3

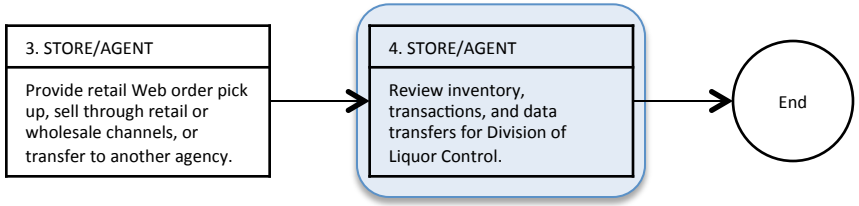
- Price tags with new prices will be sent monthly, before price change takes effect.
- Every February and August, new shelf tags will be sent for every brand in the agent/store's inventory, and must be replaced at this time.
- There is also an option for store/agent locations to print their own price tags.

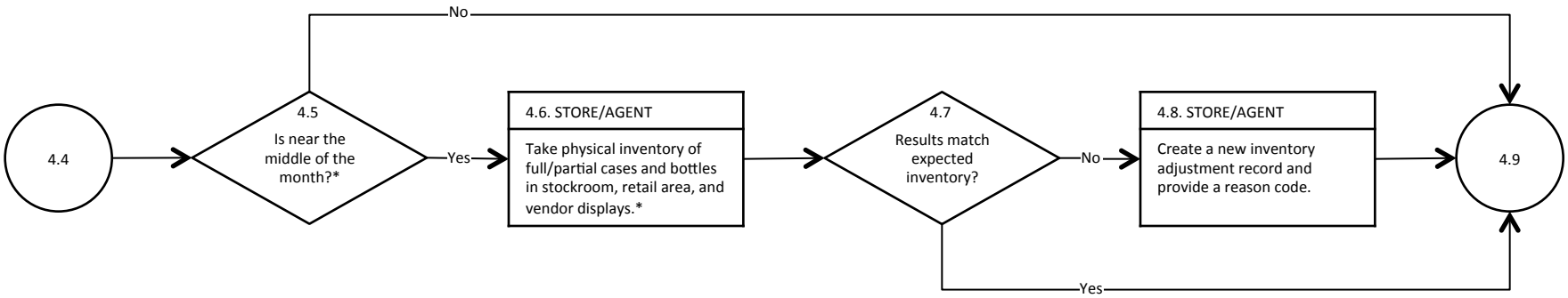


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date:

4.5 – 4.8

TAKE PHYSICAL INVENTORY

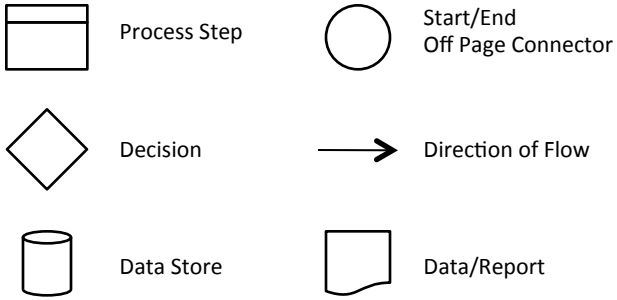




Notes

4.5
- DOLC may also require a physical inventory at any time.

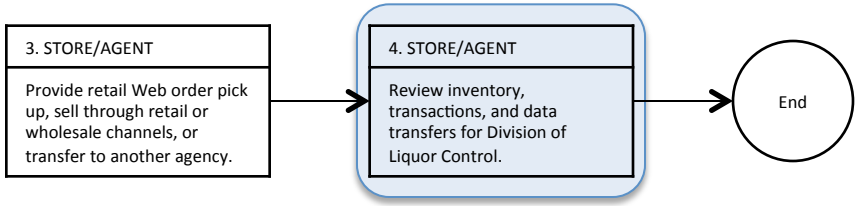
4.6
- Each individual brand or brand category may also be counted in separate physical inventory sessions, i.e., in cycle counts.

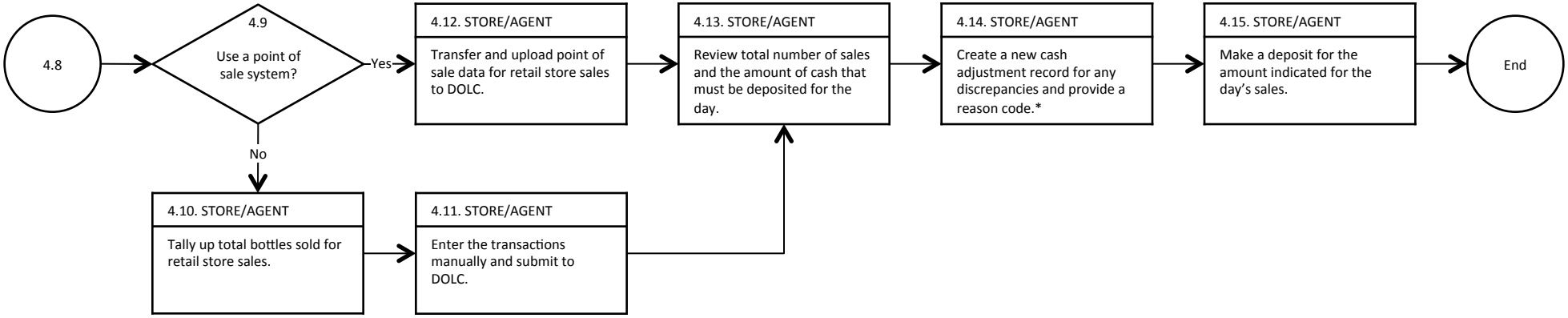


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by: Jason Leatherman	Date:

4.9 – 4.14

POST SALES

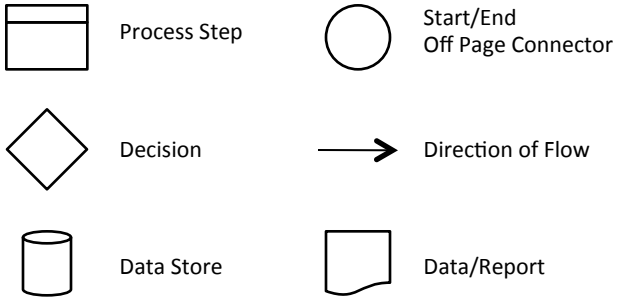




Notes

4.14

- Cash adjustments may also be made for a previous day.

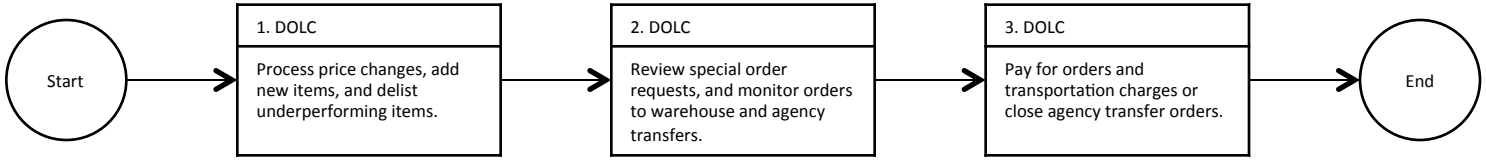


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved by:	Date:

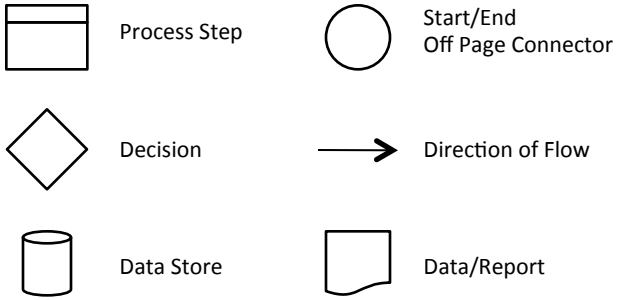
DOLC Purchasing Processes

Process	Description	Range
Update Inventory Record	DOLC makes vendor-requested price and description changes.	1.1 – 1.5
Add Items	DOLC adds new brands.	1.6 – 1.10
Delist Items	DOLC removes underperforming brands.	1.11 – 1.15
Process Orders	DOLC reviews and monitors orders and transfers.	2.1 – 2.5
Pay for Products	DOLC pays for products and transportation charges.	3.1 – 3.7

DOLC Purchasing Overview



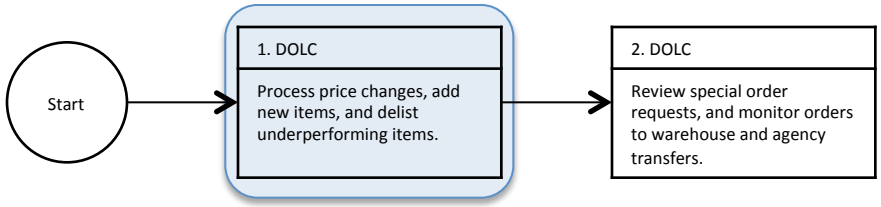
Notes

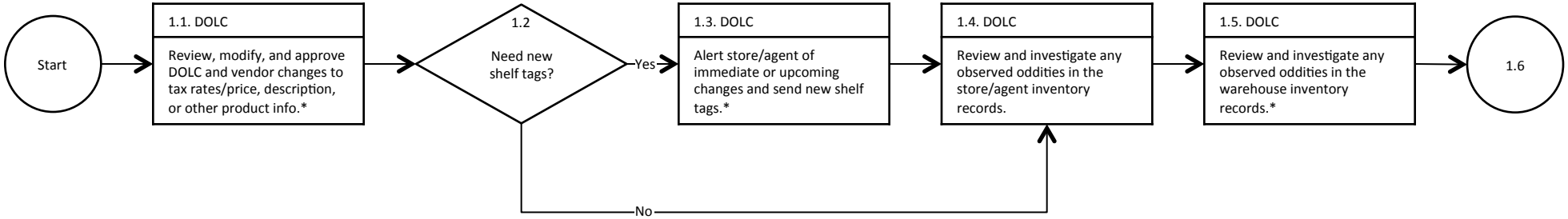


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

1.1 – 1.5

UPDATE INVENTORY RECORD



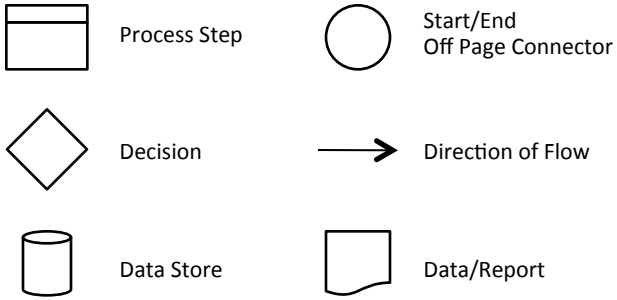


Notes

1.1
- Other changes included number of bottles per case, UPC, assigned broker, etc.
- Requests should be submitted as changes through the vendor/broker accounts in the system.

1.3
- The store/agent has the option of printing their own labels immediately.
- Price increases are generally collected and set to take effect on the beginning of the month.

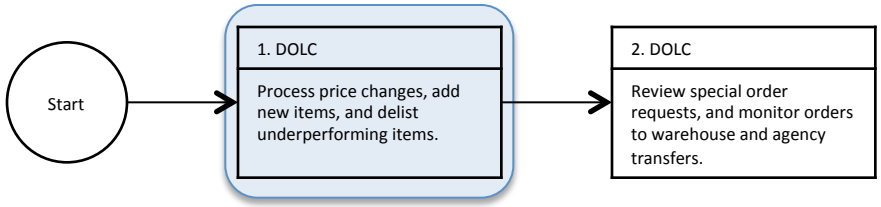
1.5
- For example, follow up with warehouse immediately when stocked items drop below a sufficient level.

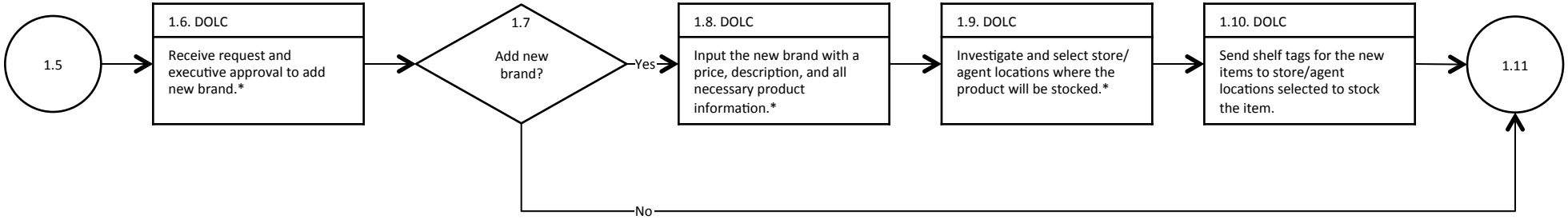


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

1.6 – 1.10

ADD ITEMS



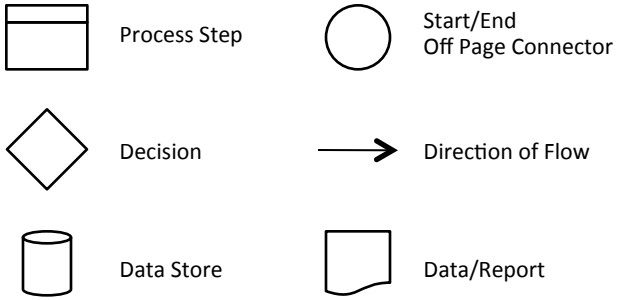


Notes

1.6
- The decision to add a brand may often be the result of product testing or other aspects of product lifecycle management.

1.8
- DOLC may choose to simply create the brand record and allow the vendor to fill in all the details.

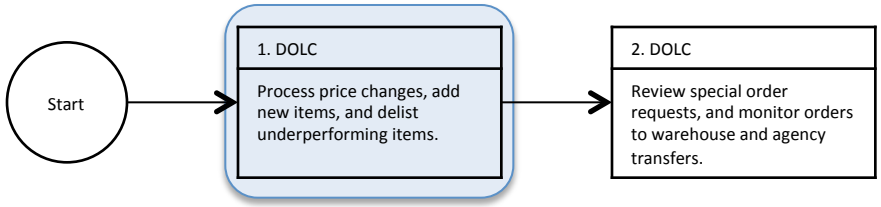
1.9
- Most of this research should have been done as part of product lifecycle management.

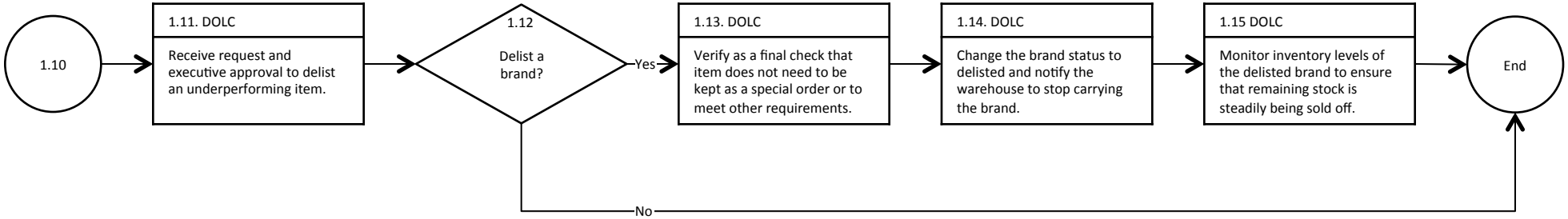


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

1.11 – 1.15

DELIST ITEMS





Notes

1.6

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1.8

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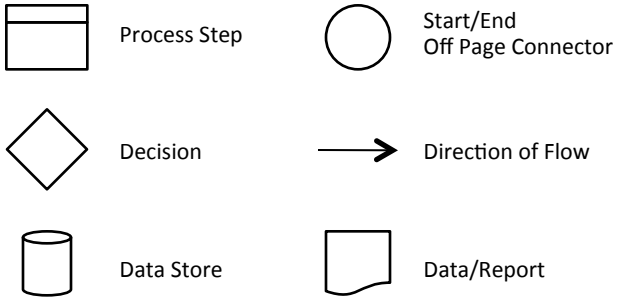
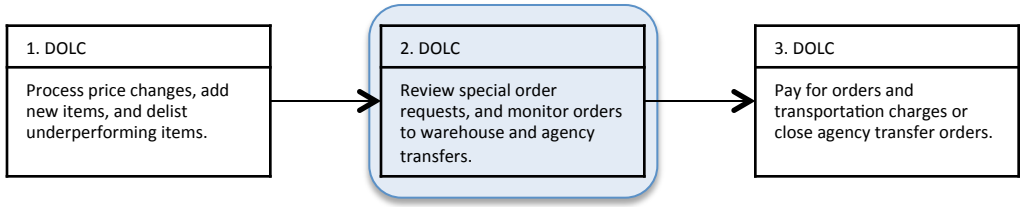
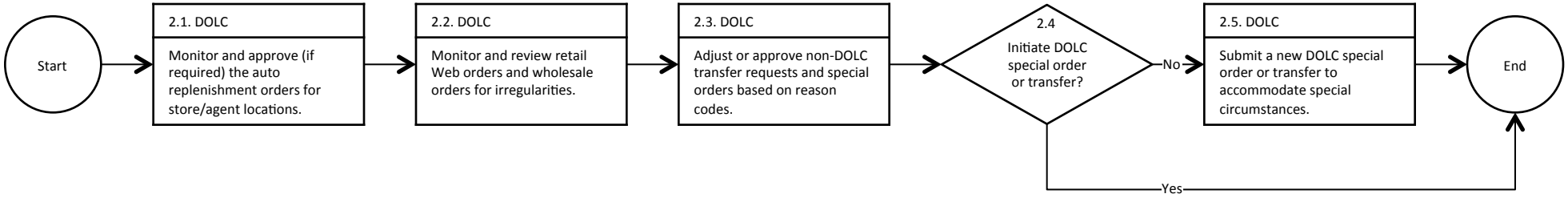


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

2.1 – 2.5

PROCESS ORDERS





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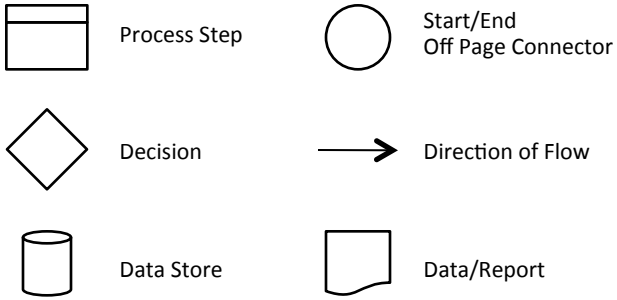
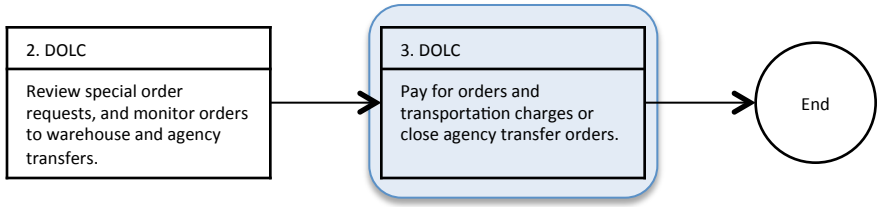
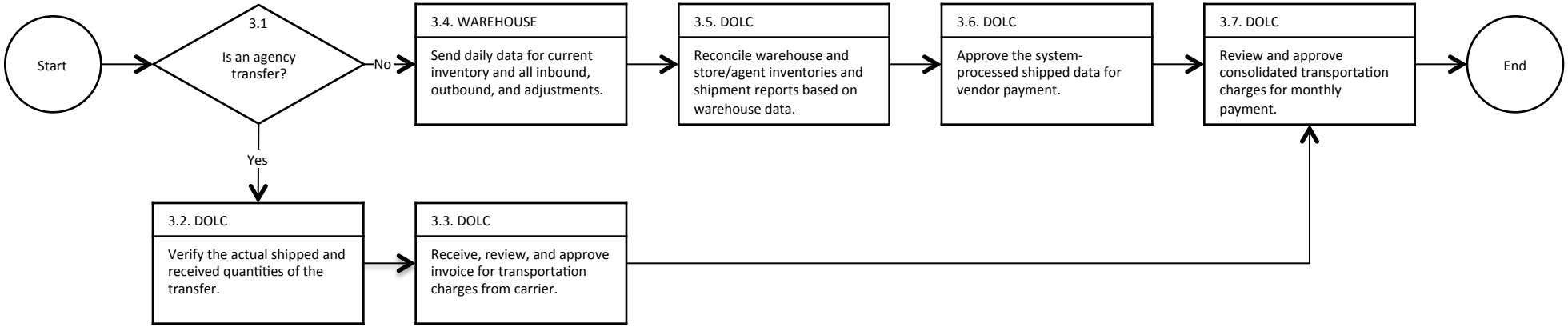


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

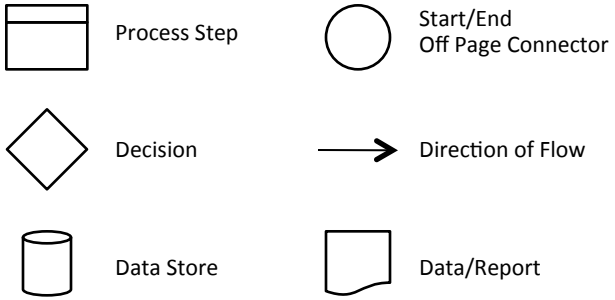
3.1 – 3.7

PAY FOR PRODUCTS





Notes

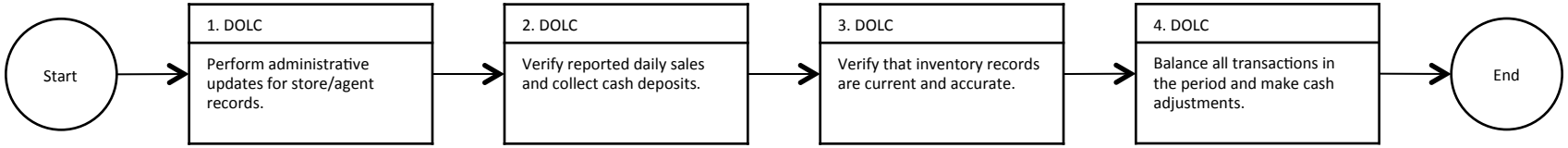


Created by: Keith K. Tsang	Date: 11/09/11
Revised by:	Date:
Approved By:	Date:

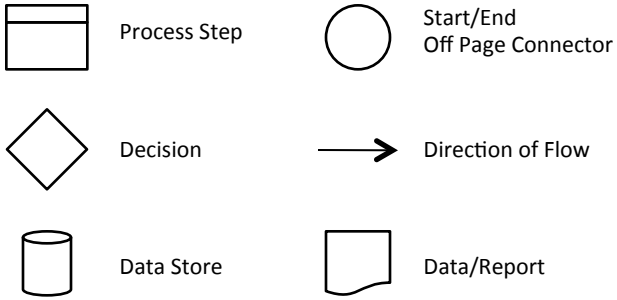
DOLC Operating Processes

Process	Description	Range
Update Store/Agent Info	DOLC makes ownership/location changes and renewals.	1.1 – 1.3
Add Store/Agent	DOLC adds a new store/agent.	1.4 – 1.8
Remove Store/Agent	DOLC removes a store/agent.	1.9 – 1.13
Reconcile Daily Sales	DOLC balances all reported sales for the day.	2.1 – 2.4
Collect Money	DOLC collects daily cash deposits for all transactions.	2.5 – 2.8
Check Compliance	Auditor makes monthly compliance visits to store/agent.	3.1 – 3.5
Conduct Physical Audit	Auditor conducts a full audit on store/agent.	3.6 – 3.14
Process Period End	DOLC balances all records at the end of a period.	4.1 – 4.5
Make Cash Adjustments	DOLC makes adjustments after closing end of month period.	4.6 – 4.10

DOLC Operating Overview



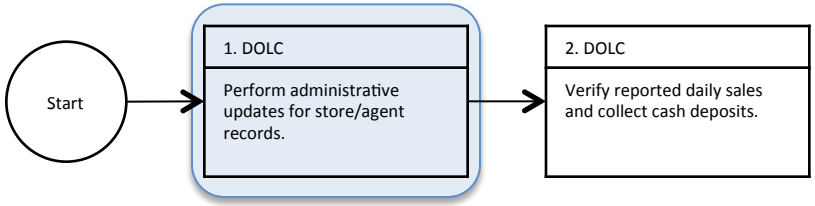
Notes

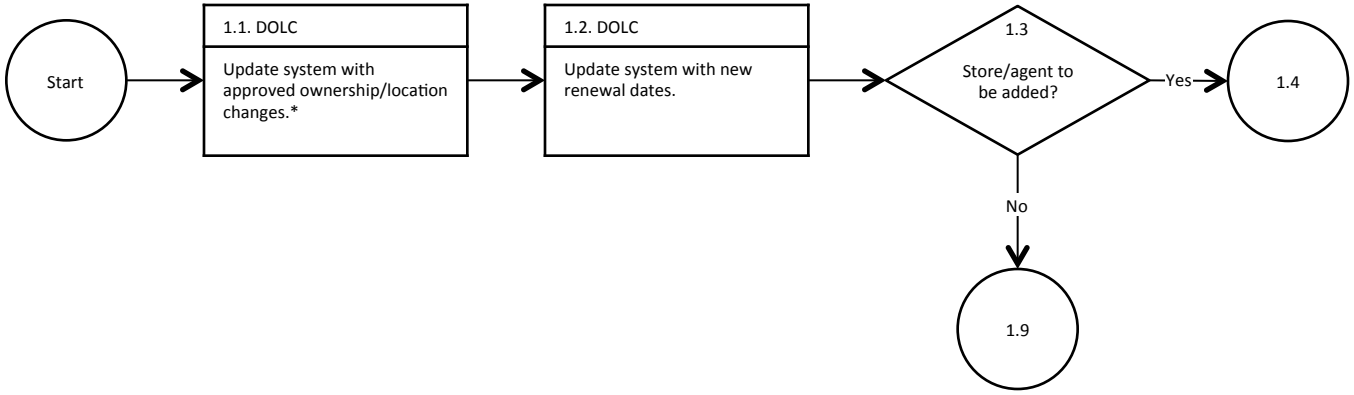


Created by: Dennis G. Palko	Date: 11/10/11
Revised by:	Date:
Approved by:	Date:

1.1 – 1.3

UPDATE STORE/AGENT INFO

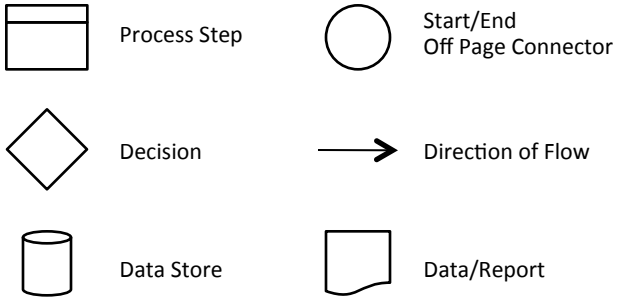




Notes

1.1

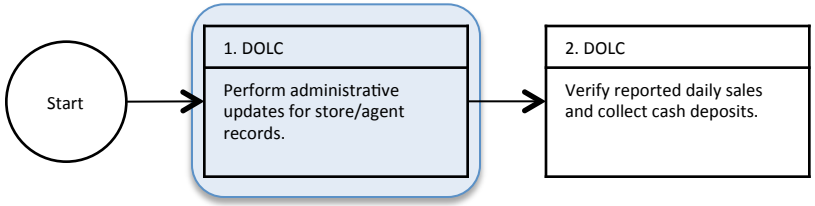
- The process to get approved for ownership/location changes is akin to the application for a new store/agent and goes through the same evaluation process. See 1.4.

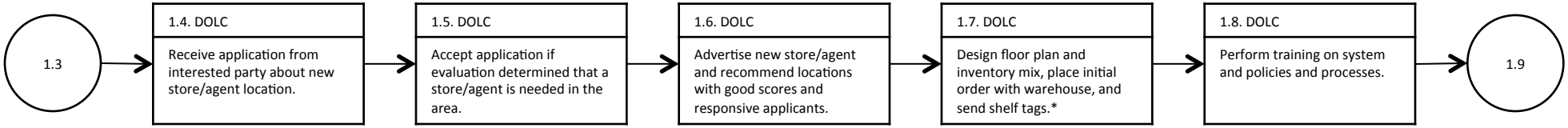


Created by: Dennis G. Palko	Date: 11/10/11
Revised by: Keith K. Tsang	Date: 11/10/11
Approved by:	Date:

1.4 – 1.8

ADD STORE/AGENT

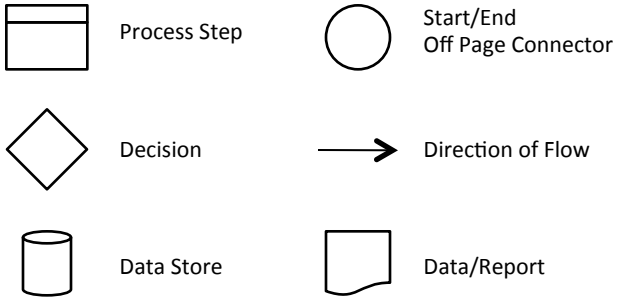




Notes

1.7

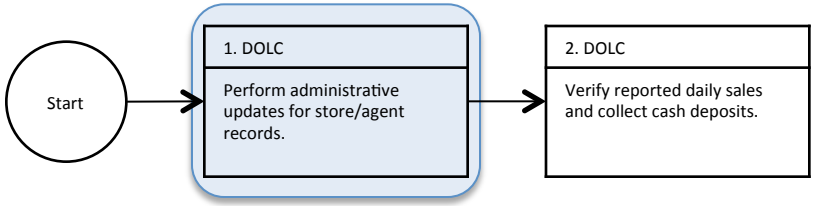
- The design is based off of locations with similar size, demographic, environment, etc.

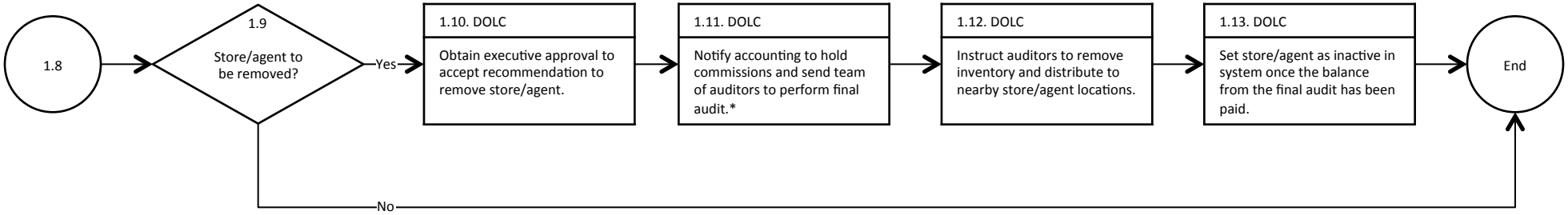


Created by: Dennis G. Palko	Date: 11/10/11
Revised by: Keith K. Tsang	Date: 11/10/11
Approved by:	Date:

1.9 – 1.13

REMOVE STORE/AGENT

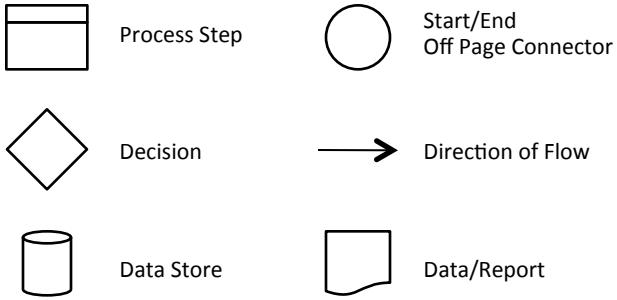




Notes

1.11

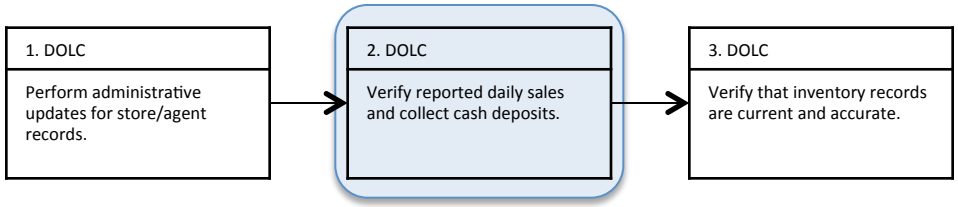
- Generally, the store/agent is not told until morning of termination to prevent theft.

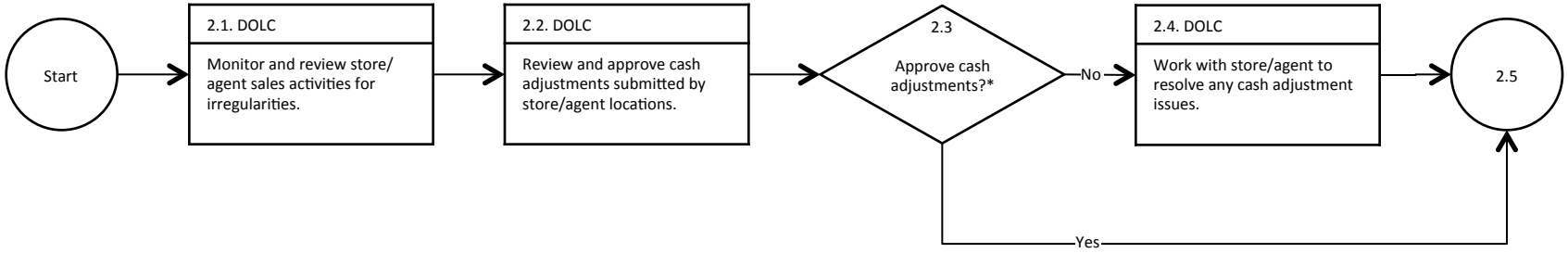


Created by: Dennis G. Palko	Date: 11/10/11
Revised by:	Date:
Approved by:	Date:

2.1 – 2.4

RECONCILE DAILY SALES

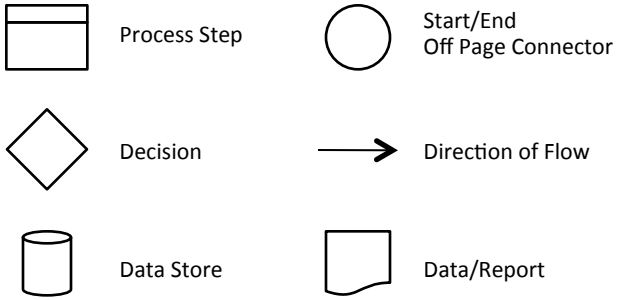




Notes

2.3

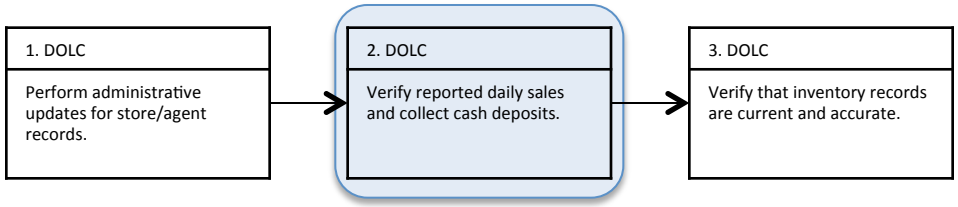
• Appropriate cash adjustment logic should accompany inventory adjustments and sales corrections. These should be debited/ credited every day by the system if approved.

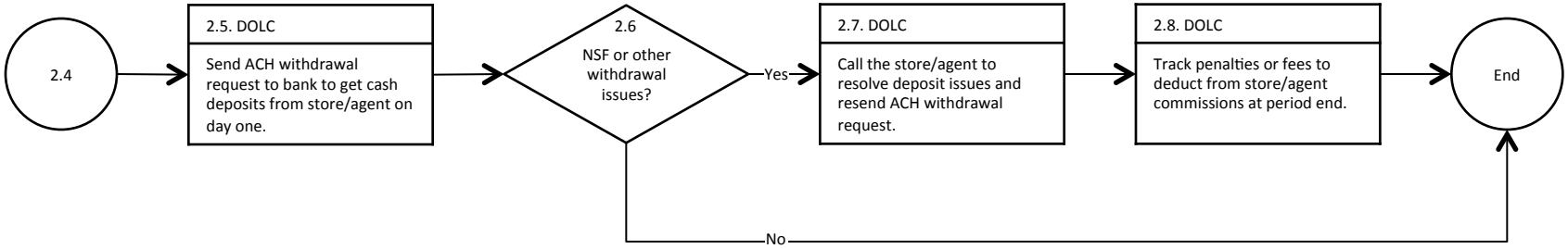


Created by: Keith K. Tsang	Date: 11/10/11
Revised by: Keith K. Tsang	Date: 11/16/11
Approved by:	Date:

2.5 – 2.8

COLLECT MONEY





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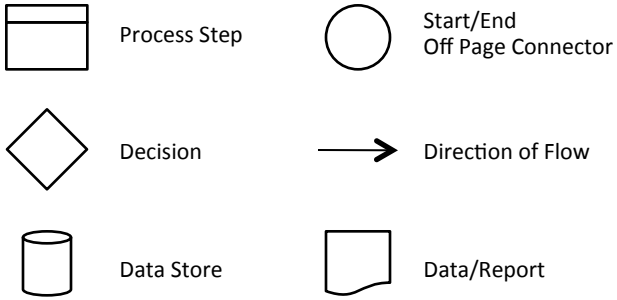
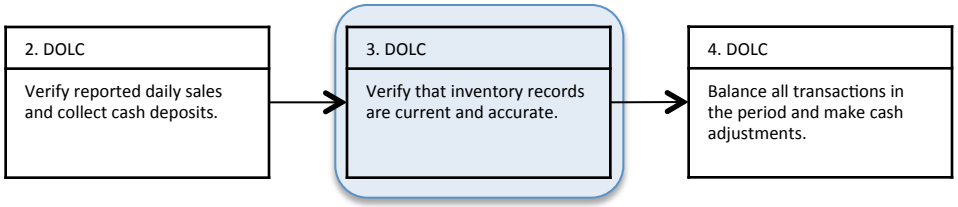
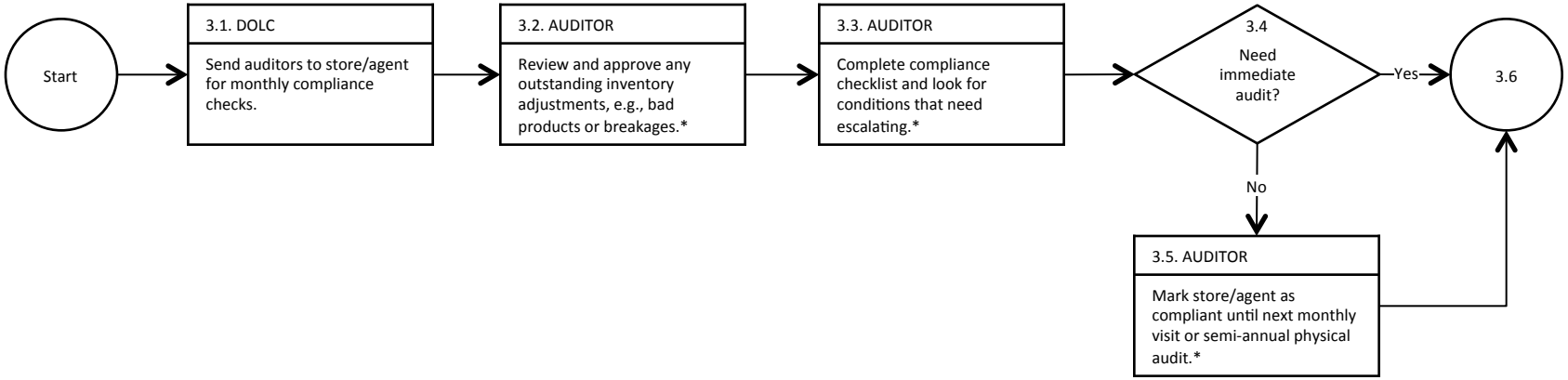


Created by: Dennis G. Palko	Date: 11/10/11
Revised by:	Date:
Approved by:	Date:

3.1 – 3.5

CHECK COMPLIANCE





Notes

3.2

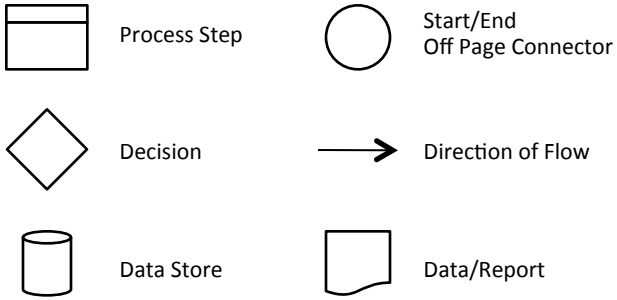
- The auditor can also create inventory adjustment records.
- Depending on the reason code, approving an inventory adjustment may automatically generate a corresponding cash adjustment record. Cash adjustments are totaled every month and consolidated in one summary report, listing the different types of adjustments made and the deposit amount needed to make those adjustments.

3.3

- In most cases, auditor will call DOLC for guidance on immediately resolving issues.

3.5

- DOLC may conduct more than two physical audits for a particularly large or troublesome store/agent.



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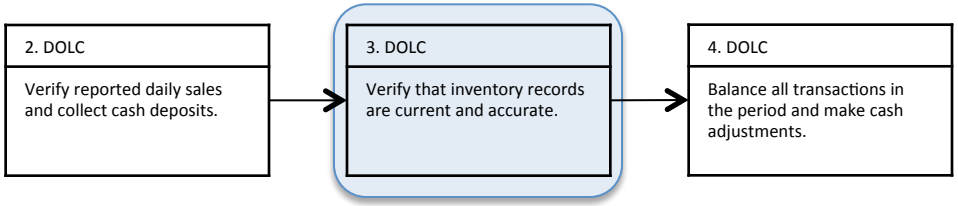
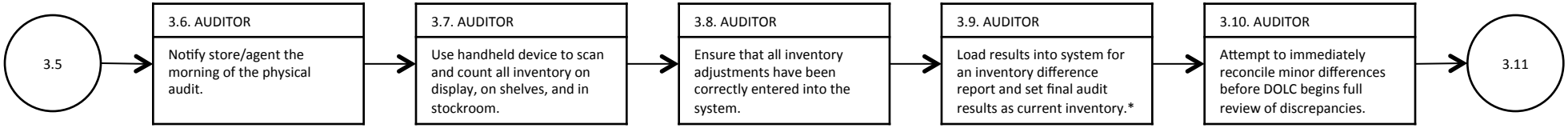
Revised by: Keith K. Tsang	Date: 11/16/11
Approved by:	Date:

3.6 – 3.14

CONDUCT PHYSICAL AUDIT

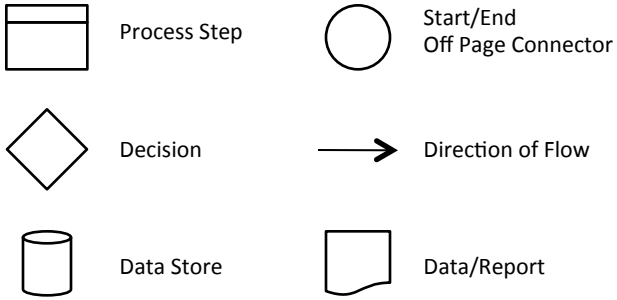




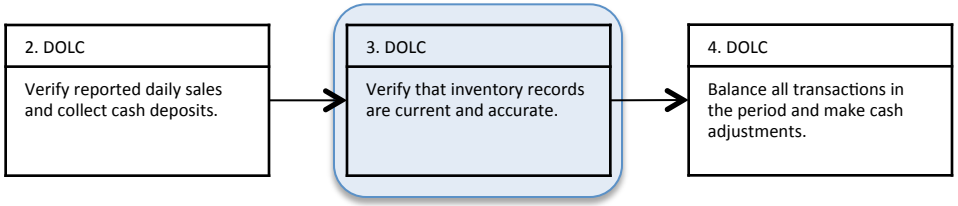
Notes

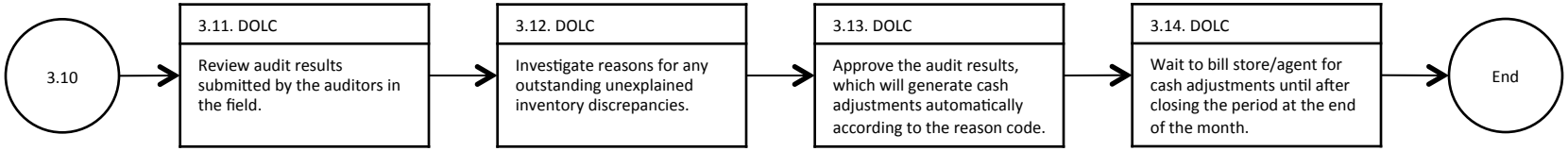
3.9

- Updating the inventory with the scanner results should happen automatically.



Created by: Dennis G. Palko	Date: 11/10/11
Revised by: Keith K. Tsang	Date: 11/10/11
Approved by:	Date:





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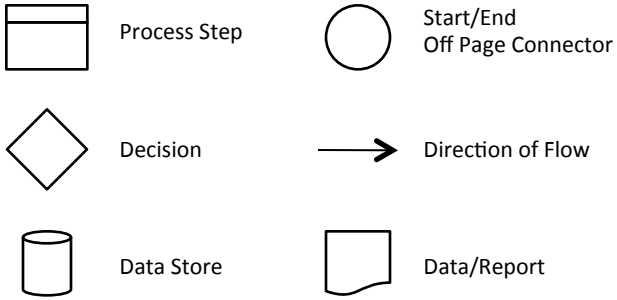

Created by: Dennis G. Palko	Date: 11/10/11
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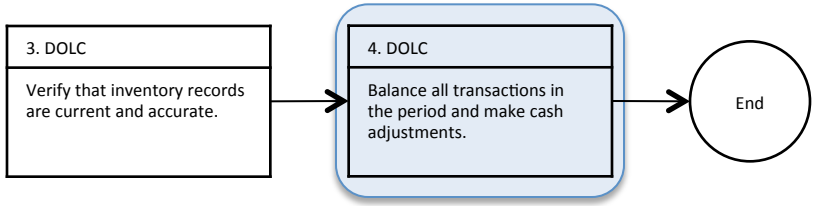
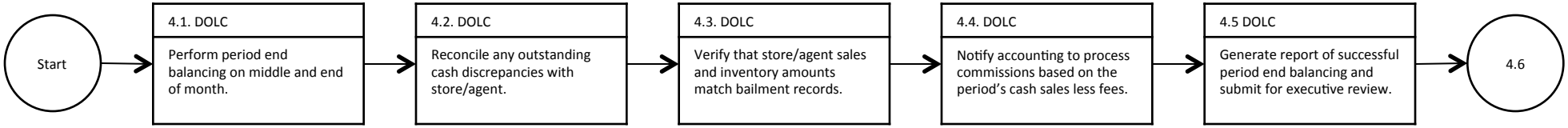
Approved by:	Date:

4.1 – 4.5

BALANCE PERIOD END





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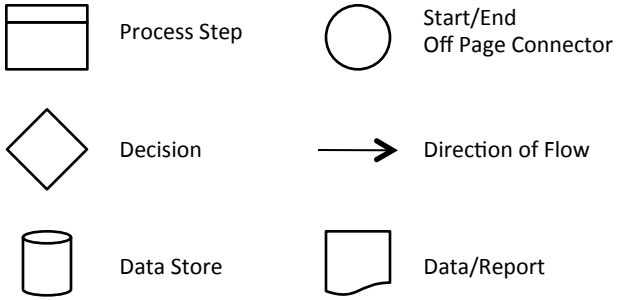

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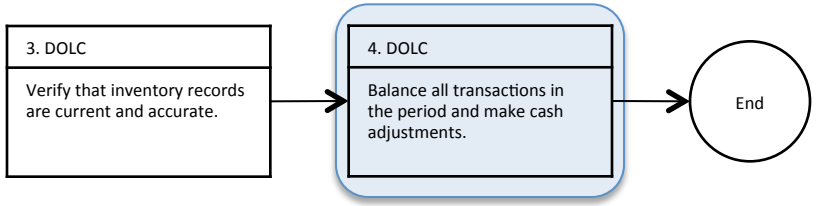
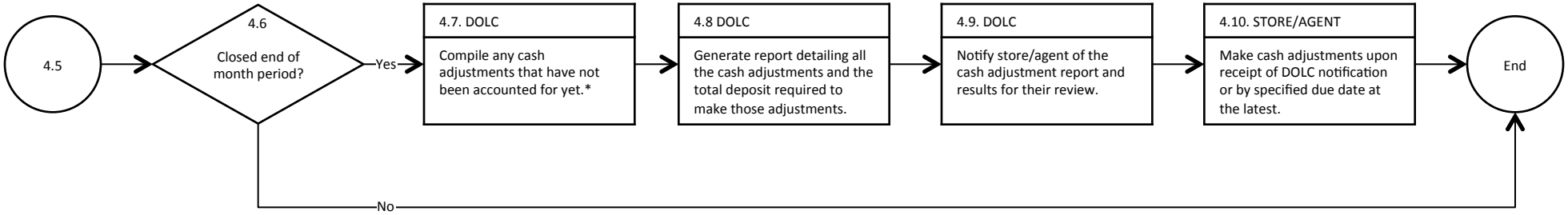
Approved by:	Date:

4.6 – 4.10

MAKE CASH ADJUSTMENTS

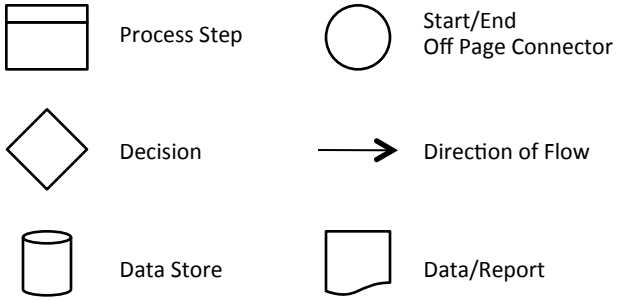




Notes

4.7

- Many cash adjustments will be made through the month as a debit/credit to the amount a store/agent must deposit on a daily basis.



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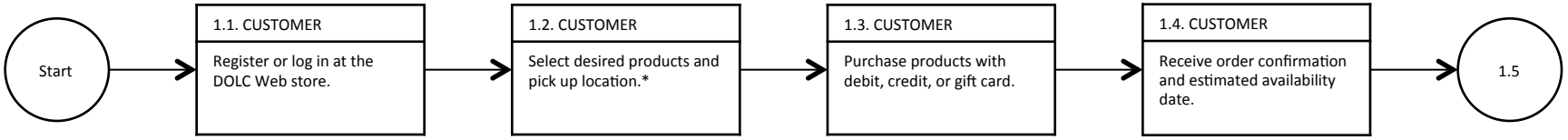
DOLC New Processes

Process	Description	Range
Provide Retail Web Orders	Store/Agent fulfills retail Web orders and provides pick up.	1.1 – 1.13
Accept Wholesale Web Orders	Wholesale customer puts in an order online.	2.1 – 2.4
Forecast Demand Plan	DOLC forecasts demand by using market and customer data.	3.1 – 3.4
Evaluate Supply Plan	DOLC evaluates whether operations can meet projected demand.	4.1 – 4.5
Manage Product Lifecycle	DOLC monitors and reviews the performance of a product.	5.1 – 5.14
Manage Market Tests	DOLC executes various tests at store/agent locations.	6.1 – 6.5

1.1 – 1.13

PROVIDE RETAIL WEB ORDERS

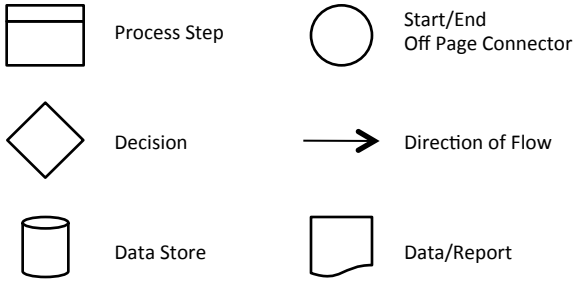
Provide Retail Web Orders



Notes

1.2

- Pick-up location will be checked to see if item is a stock item.



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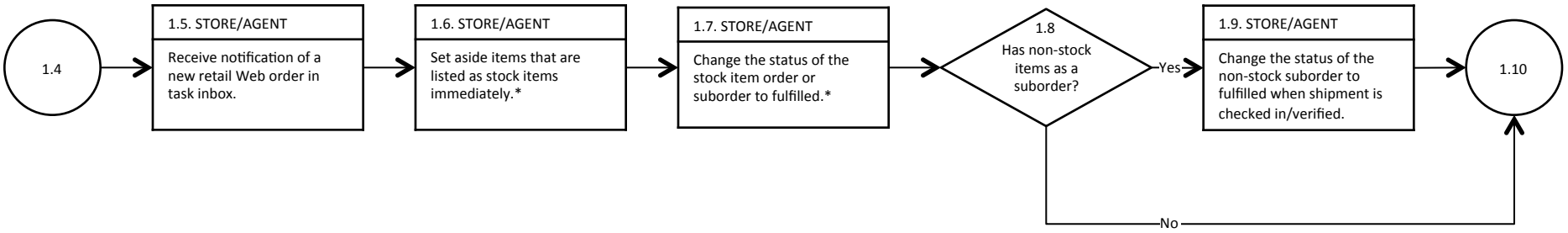
Provide Retail Web Orders



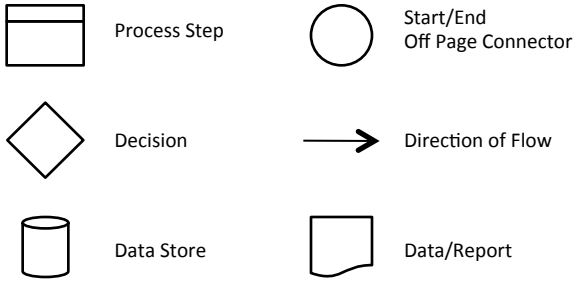
Notes

1.6

- If the order contains both stock and non-stock items, there will be two suborder numbers: one for the stock item portion, and one for the non-stock item portion.

1.7

- If some items are out of stock, wait until the next replenishment shipment to fulfill the order.
- If using a scanner system (not POS), the status may be automatically updated when scanned.
- When the status is set to fulfilled, the items are considered sold and the customer will be alerted that the order is ready.



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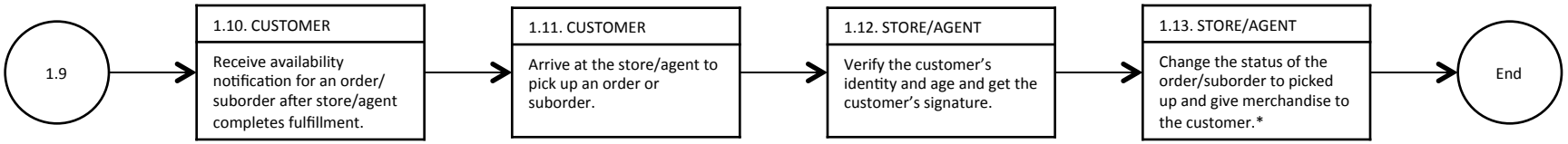
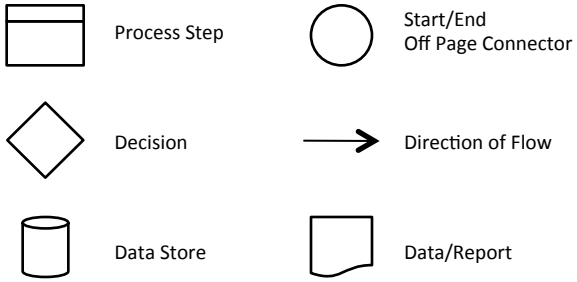
Provide Retail Web Orders



Notes

1.13

- If using a scanner system (not POS), this may be updated automatically.



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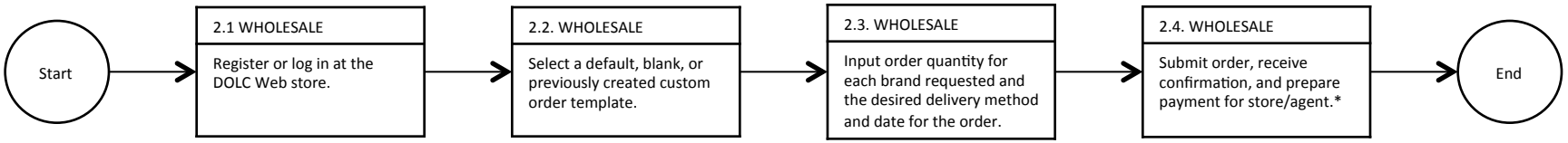
2.1 – 2.4

ACCEPT WHOLESALE WEB ORDERS

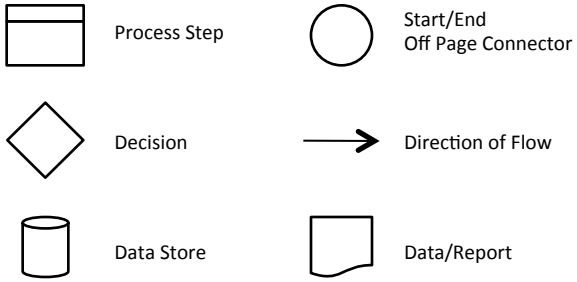
Accept Wholesale Web Orders



Notes

2.4

- Payment must be given to store/agent before the delivery date.



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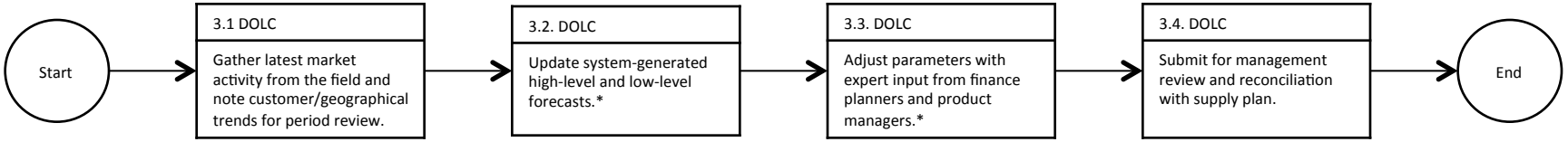
Approved by:	Date:

3.1 – 3.4

FORECAST DEMAND PLAN

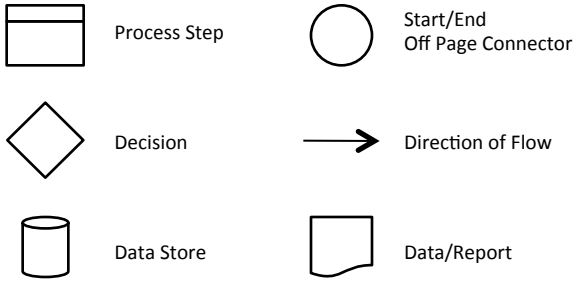
Forecast Demand Plan



Notes

3.2
- The algorithm model used should be reviewed around every six months.

3.3
- For example, incorporate promotional and seasonal forecasts that have not been accounted for.

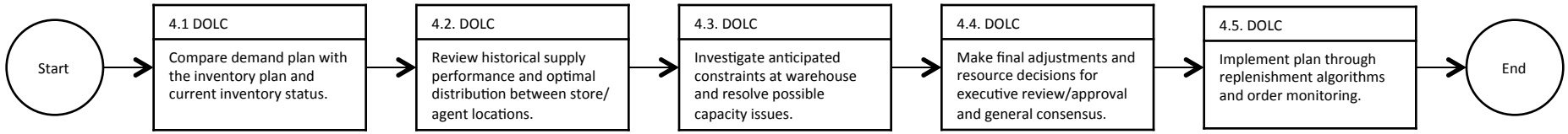


Created by: Keith K. Tsang	Date: 11/10/11
Revised by:	Date:
Approved by:	Date:

4.1 – 4.5

EVALUATE SUPPLY PLAN

Evaluate Supply Plan



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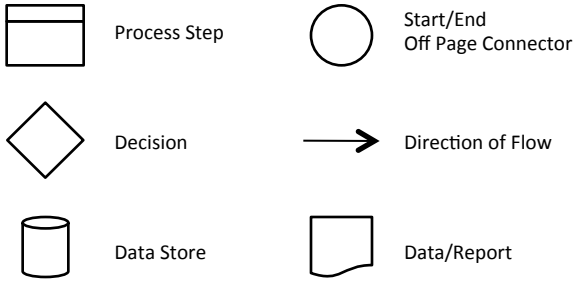

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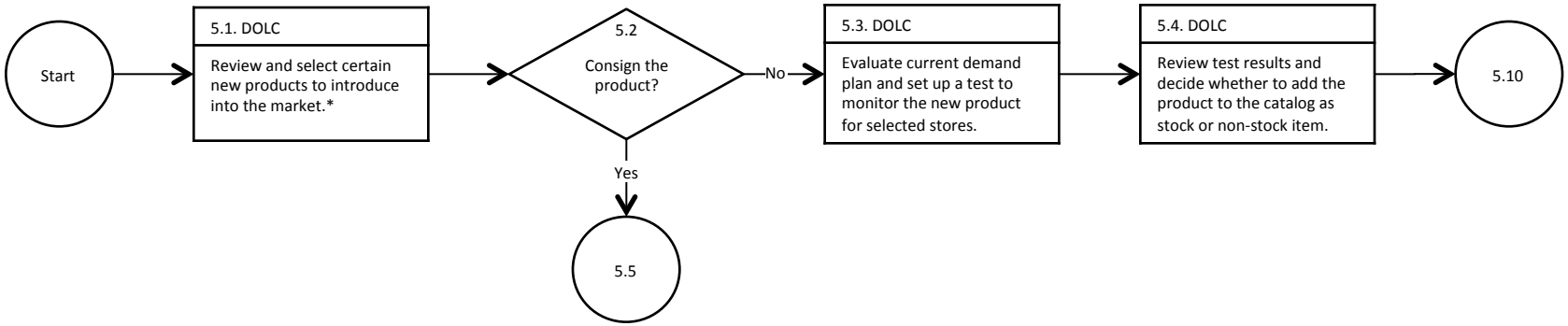
Approved by:	Date:

5.1 – 5.14

MANAGE PRODUCT LIFECYCLE

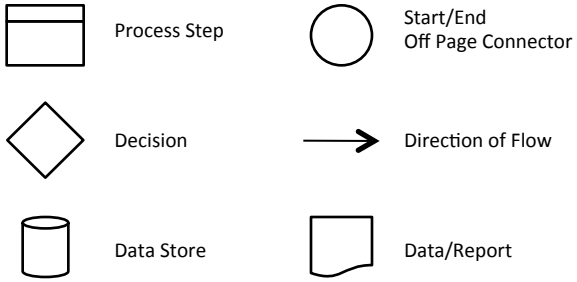
Manage Product Lifecycle



Notes

5.1

- Vendors supply market/product specifications, e.g., demographic information and geographic recommendations.



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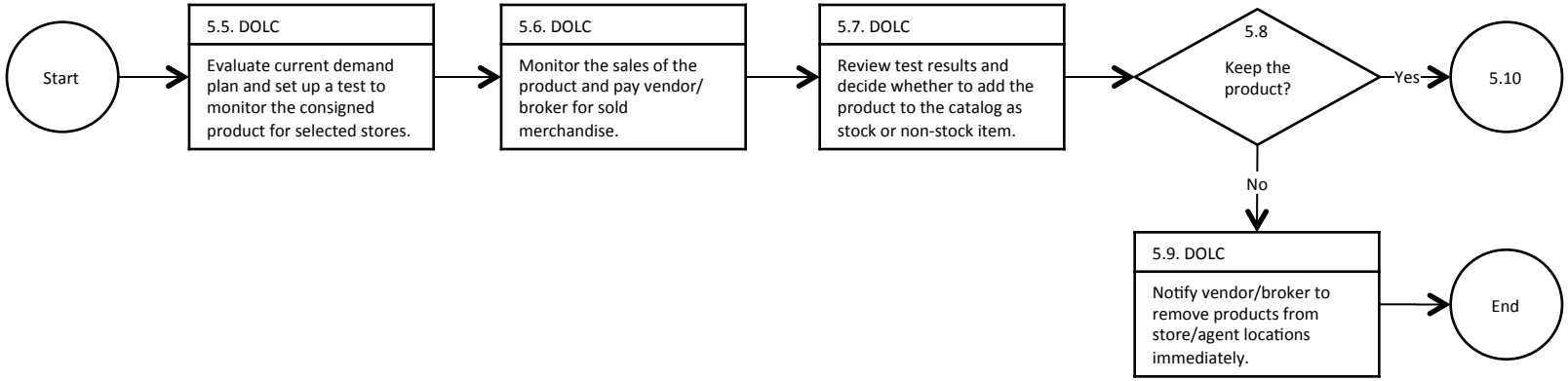
Manage Product Lifecycle



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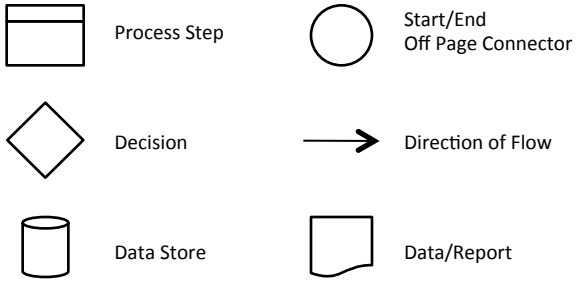

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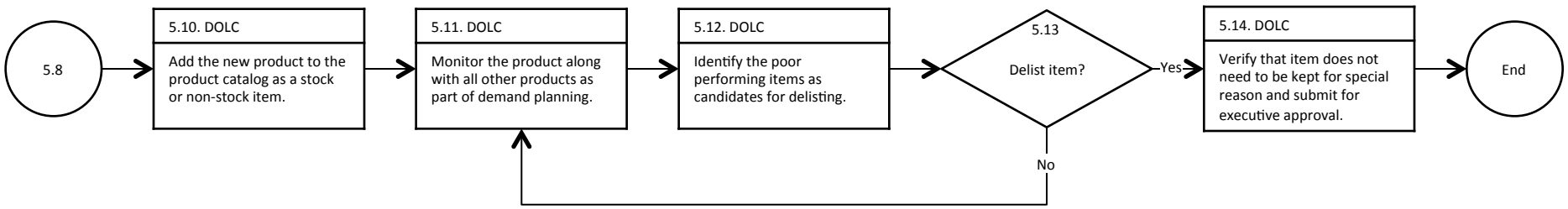
Manage Product Lifecycle



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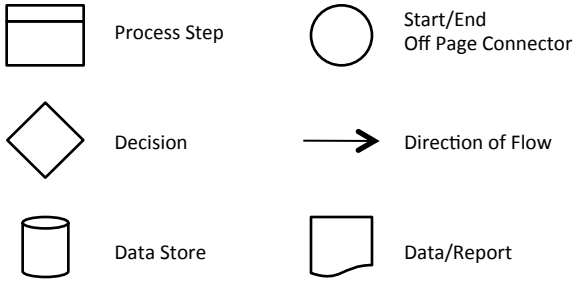

Created by: Keith K. Tsang	Date: 11/10/11
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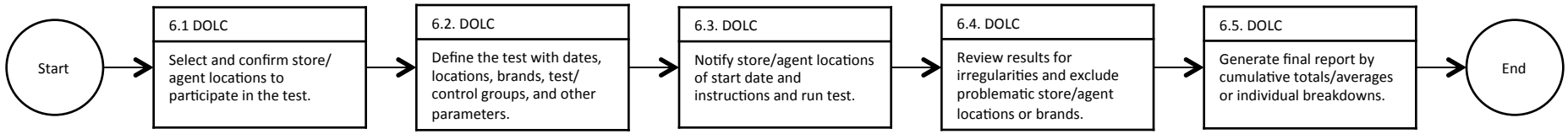
Approved By:	Date:

6.1 – 6.5

MANAGE MARKET TESTS

Manage Market Tests



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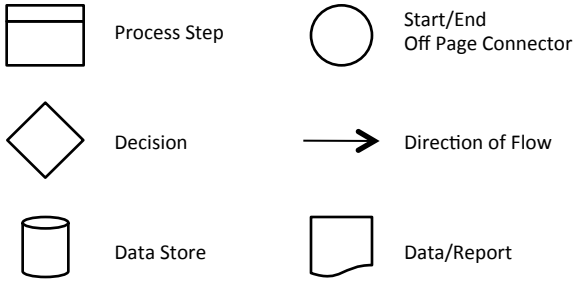

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Revised by:	Date:
Approved by:	Date:

Supplement Four - System Requirements Document (SRD)

Req ID	Name	Requirement Statement	Rationale/Comments
Non-Functional			
1	Architecture and Technology	***The Contractor must utilize Microsoft technologies to build the system, which includes a centralized database, an internal Web application, and an external Web application. The proposed architecture should be sound and multi-tiered. The Contractor should also propose a localization solution and provide an estimated cost for adding the capability.***	
1.1	Technology		
1.1.1	Operating System	The system must be deployable on Windows 2008 r2 or later operating system.	
1.1.2	Database Selection	The system must utilize Microsoft SQL Server for any custom-built solutions.	
1.1.3	Microsoft Technology	The system must utilize Microsoft .Net and related technologies for any custom-built solutions.	
1.1.4	Relational Database	The system must employ a database for ad-hoc reporting that is independent from the transaction database.	
1.2	Architecture		
1.2.1	Software Architecture	The system must be built utilizing sound software architecture principles.	
1.2.2	N-Tier	The system must be architected to be deployed on an N-Tier architecture, i.e., the presentation layer, logic layer, and database layer are distinct.	
1.2.3	Web Access	The new system needs to be web-enabled .	
1.2.4	Internal versus External	The new system must provide an external website store to be utilized by retail and wholesale customers and an internal portal to be utilized by internal members of DOLC operations.	
1.2.5	Centralized Database	The system must be architected to utilize a single centralize database for both the new internal system as well as the retail/wholesale Web store.	
2	Regulatory Compliance	***The Contractor must work with DOLC staff and legal resources to ensure that any accessibility requirements, e.g., WC3 and section 508, are fulfilled for both the internal and external facing applications. There are also be statutory constraints for many aspects of the system, including item pricing, that must be observed during implementation.***	
2.1	Accessibility	The system's interface must meet and adhere to the State-specified accessibility standards, e.g., WC3 and section 508.	
3	Scalability and Capacity	***The system consists of an internal application for DOLC staff and partners and an external ecommerce application for retail and wholesale customers. The architecture must support both the current number of users and any anticipated growth while maintaining stability of the system.***	
3.1	Name Users	The system must support 2,000,000 retail users, 50,000 wholesale users, 2500 store/agent users, 100 vendor/broker users, and 200 DOLC users.	

3.2	External Concurrent Users	The system must support 5000 concurrent external users, i.e., retail and wholesale customers.
3.3	Internal Concurrent Users	The system must support 500 concurrent internal users, i.e., store/agent, vendor/broker, and DOLC accounts.
3.4	Time Out Limits	The system must allow DOLC administrators to adjust user session timeout limits.
4	Responsiveness and Performance	The system is Web-based, and therefore must be architected with attention to load and response times. The design for the internal site should accommodate a significant number of internal users who may be using outdated hardware and connections. The external site should balance speed, functionality, and aesthetics for the optimal customer experience.
4.1	Response Time	The system must be architected/built such that 95% of web transactions complete ≤2.0 seconds
5	Supportability	***The Contractor must ensure that DOLC is provided with the training and documentation needed to maintain and support the system for its staff, partners, and customers. Specific materials include the deliverables specified as vendor requirements in Task 4 and online help documentation.***
5.1	Online Documentation	The system must include a searchable online help capability.
6	Data Requirements	***There is a large amount of legacy data that must be migrated from VSAM files, including records for wholesale customers, current inventory, tax history, permitting history, sales, accounting, etc. The Contractor must ensure that all existing data is loaded into the new data model.***
6.1	Wholesale Customer Migration	The system must accept a one-time load of existing store/agent license and wholesale customer records into the new data model.
6.2	Inventory Data Migration	The system must accept a one-time load of current inventory records into the new data model.
6.3	Brand History Migration	The system must accept a one-time load of historical brand related data.
6.4	Reference Data Migration	The system must accept a one-time load of existing reference data, i.e., vendors, brokers, contacts, product information, counties, and zip codes.
6.5	Tax Data Migration	The system must accept a one-time load of existing and historical taxes for each county
6.6	Permitting Migration	The system must accept a one-time load of permitting related data, i.e.. all current and past permit holders, violations, local option, quota and BCI data.
6.7	Sales Data Migration	The system must accept a one-time load of historical and existing sales data.
6.8	Accounting Data Migration	The system must accept a one-time load of historical inventory assets data, historical EFT transactions, payroll records, all vendor records, voucher records, commissions records, payment history and refund history.

7	Security and Control	***The system should employ role-based permissions with different account types for system administrators, DOLC analysts, vendors, agents, etc. For DOLC users, the accounts should integrate with the existing Active Directory implementation. For non-DOLC users, the system must implement an internal mechanism to manage roles and accounts, including delegated administration for store/agent partners.***
7.1	Default Agency Operation Roles	The system must support roles for store/agent administrator, store/agent user, DOLC auditor, DOLC analyst, DOLC Financial analyst, DOLC system administrator, wholesale customer, retail customer, and vendor/broker.
7.2	Permitting Related Roles	The system must support roles for Liquor Commissions personnel, food service inspectors, public safety personnel and Attorney General personnel.
7.3	Role Management	The system must allow DOLC system administrators to add or delete/deprecate roles.
7.4	Account Creation/Maintenance	The system must allow DOLC system administrators to create, manage, deprecate, and delete any user account.
7.5	Active Directory Integration	The system must authenticate DOLC users utilizing DOLC's Active Directory.
7.6	Non-DOLC User Authentication	The system must authenticate non-DOLC users through an internal mechanism.
7.7	Delegated Administration	The system must only allow DOLC system administrators and store/agent administrators to create, manage, and remove store/agent user accounts.
7.8	Delegated Account Maintenance	The system must allow store/agent administers to restrict store/agent user capabilities.
7.9	Data Visibility	The system must restrict store/agent administers and users to only access sales and order data pertaining to their store.
7.10	Inventory Data Sharing	The system must allow store/agent administers and users to only view the current inventory at other stores.
7.11	Account Creation Confirmation	The system must require a confirmation from a retail or wholesale customer before activating a newly created account, and must delete the account after a set time period without confirmation.
7.12	Password Recovery	The system must provide password recovery methods for retail and wholesale customers.
7.13	Password Complexity	The system must required a configurable minimum password complexity for all accounts.

Functional

8	DOLC System	***The new centralized DOLC system consists of two Web-based applications --- one for internal operations and one for external ecommerce transactions. The two applications must share a centralized database with a data model that supports interactive screen reports, scheduled reports, and ad-hoc reports. Key areas of functionality include product ordering, inventory management, pricing, account management, sales/cash transactions, forecasting, planogramming, and product testing.***	
8.1	Ordering	The system must support auto replenishment orders, special orders, transfer orders, retail Web orders, retail store orders, and wholesale orders.	
8.1.1	Product Catalog	The system must maintain a product catalog that allows additions, modifications, and removals of each SKU/brand number record that specifies brand name, bottle size, vendor, broker, brand category, UPC code, bottles per case, bottles per pack, active/delisted/inactive/in-test state, and stock/non-stock status code.	
8.1.2	Brand Item States	The system must allow DOLC administrators to add additional brand item states beyond active/delisted/inactive/in-test states.	
8.1.3	Product Catalog History	The system must maintain a product history that enables a DOLC analyst to view the state of a particular brand at any given time.	
8.1.4	Product Hierarchies	The system must provide the capability for a DOLC analyst to build one or more product hierarchies.	Product hierarchies are essentially a mechanism to classify brands as being members of a class which themselves can be a member of a higher class i.e., a classification scheme.
8.1.5	Product Hierarchy Building	The system must provide a screen to assist a DOLC analyst in the building a product hierarchy.	
8.1.6	Safety Stock	The system must provide the ability to set a safety stock level for each brand, store combination.	
8.1.7	Order Restriction	The system must not allow delisted products to be ordered.	
8.1.8	Order History	The system must maintain order history, i.e., if applicable: the date, order number, user Id if applicable, approval user id if applicable, the brand, the quantity ordered, the quantity shipped, the quantity received, the associated store/agent, the receiving party, and DOLC approvals.	The Contractor should strongly consider using "Smart" order numbers, i.e., numbers that contain "metadata" about the warehouse of origin, date, etc.
8.1.9	Configurable Order Reason Codes	The system must allow DOLC administrators to add, modify, and deprecate order reason codes.	
8.1.10	Auto Replenishment	The system must generate replenishment orders for all stores using the order generation algorithm.	

8.1.11	Shipment Size	The system must utilize the product information contained in the Product Catalog to determine the optimal shipment/fulfillment size.	Currently the shipment size from the warehouse is at a minimum a single case. The introduction of inner packs allows for a smaller minimum shipment size.
8.1.12	Order Generation Algorithm	The system must employ an algorithm to calculate the exact number of items to order from the warehouse based on the store/brand's anticipated demand (from the forecasting algorithm) and the safety stock value set for each brand.	
8.1.13	Auto Replenishment Approval Workflow	The system must support the ability to hold an auto replenishment order until DOLC analysts review, modify if required, and approve/reject the order.	
8.1.14	Auto Replenishment Approval Configuration	The system must support the ability to turn on and off the auto replenishment approval workflow for all auto replenishment orders for one or more store/agent locations.	
8.1.15	Auto Replenishment Approval Timeout	The system must automatically approve an auto replenishment order held in the approval workflow after a set configurable amount of time.	
8.1.16	Auto Replenishment Submission	The system must provide a configurable time delay between generating the auto replenishment order and submission to the warehouse.	24 hours is recommended. DOLC should set the business rule that the order is generated at midnight and sent the midnight of the next day. This gives the stores a chance to review and DOLC the chance to approve and special orders that might arise.
8.1.17	Global Warehouse Order Alerts	The system must support the ability to run a series of checks against the daily order file, which includes auto replenishment and special orders, to the warehouse before submission to the warehouse.	
8.1.18	Global Warehouse Order Inventory Alert	The system must compare the order volume per brand against the DOLC's record of the warehouse inventory and kick off a workflow for allocation instructions, providing an equal ratio allocation as a default.	The workflow will prevent all associated orders from being submitted to the warehouse until allocation instructions are given by a DOLC analyst.
8.1.19	Global Warehouse Order Additional Alerts	The system must support the ability to add additional alert checks and a corresponding set configurable timeout.	
8.1.20	Auto Replenishment Workflow	The system must send all orders that have line items that failed a check to the auto replenishment approval workflow for review.	

8.1.21	Auto Replenishment Review Screen	The system must provide order details, highlight any line items that failed a check, and provide the rationale for the failure on the auto replenishment approval workflow screen.	The system could alert a DOLC analyst by a number of mechanism including placing an item on the user's Task/To Do list.
8.1.22	Store Auto Replenishment Alert	The system must send an alert with the auto replenishment order details to the store/agent when the algorithm has calculated the next order amount.	
8.1.23	Store Special Order Screen	The system must provide a screen for the store/agent to place a one-time special order of one or more brands for stock and non-stock brands.	
8.1.24	DOLC Special Order Screen	The system must provide a screen for a DOLC analyst to place a one-time special order of one or more brands for stock and non-stock brands for one or more store/agent locations or groups.	
8.1.25	Special Order Cancellation	The system must allow the store/agent or DOLC analyst to cancel a special order if it has not been picked and packed.	
8.1.26	Special Order Delivery	The system must provide the option to request a desired delivery date earlier or later than their next replenishment shipment.	
8.1.27	Special Order Approval	The system must support the ability to hold a one-time special order until DOLC analysts review, modify if required, and approve/reject both the order and the desired delivery date.	
8.1.28	Special Order Fulfillment	The system must allow DOLC analysts the ability to choose between fulfilling the order by the desired delivery date through the warehouse or a transfer order.	Transfer orders should be used sparingly.
8.1.29	Special Order Warehouse	The system must submit special orders to the warehouse immediately upon DOLC approval and selection of the warehouse fulfillment method.	
8.1.30	Manual Transfer Orders	The system must allow agents, brokers, auditors and DOLC analysts to manually generate transfer order requests with a reason code and an optional comment field.	
8.1.31	Transfer Order Review	The system must support the ability to hold a transfer order until DOLC analysts review, modify if required, and approve/reject the order.	
8.1.32	Transfer Order Transport	The system must alert a broker via an email and/or task item of a transfer request where the DOLC analyst has requested that the broker transport/fulfills the transfer.	The DOLC analyst that approves the transfer order will determine the transfer method, i.e., regular track transfer or broker transfer
8.1.33	Agency Wholesale Orders	The system must allow the store/agent to create a wholesale order on behalf of an assigned wholesale customer.	
8.1.34	Web Orders	The system must support the creation of orders by both retail and wholesale customers.	
8.1.35	Template Management	The system must provide the ability for agents and wholesale customers to add and remove brands on one or more order templates.	

8.1.36	Default Order Template	The system must provide for wholesale customers a default order template that contains the twenty best-selling items.	
8.1.37	Web Order Payment Method	The system must allow retail customers to pay by PayPal, EFT, and credit card by putting an authorization hold at order submission and charging when the order is flagged as fulfilled.	Currently the State does not take payment by PayPal, but the system must enable the ability to do so.
8.1.38	Gift Card Payment	The system must allow retail customers to pay by gift card.	Currently the State does not have State-issued gift cards, but the system must enable the ability to do so.
8.1.39	Loyalty Number	The system must record a customer's loyalty number if used in the order transaction.	Currently the State does not have loyalty numbers, but the system must enable the ability to do so.
8.1.40	Web Order Pick-up Location	The system must allow a retail customer to select store/agency that they will pick-up the order.	
8.1.41	Web Alternative Pick-up Suggestions	The system must be able to provide suggestions for alternative pick-up locations if a retail Web customer is ordering an item that is not stocked at the selected pick-up location.	
8.1.42	Pick-up Location Exclusion	The system must allow DOLC staff to exclude a store/agent location as an option for retail Web order pickups.	
8.1.43	Handling Charges	The system must automatically add any preset special handling charges, i.e. pick and pack fee, to a retail and wholesale order invoice.	
8.1.44	Delivery Charges	The system must automatically add any delivery charges to a retail customer order or a wholesale order invoice.	Initially, retail customer orders do not have delivery charges.
8.1.45	Wholesale Invoices	The system must generate a printable invoice for the total bill with all chargeable line items.	All wholesale orders should be paid by cash/cheque/credit card at pick up or before leaving the store/agent for delivery. The system does not take payment over the Web for wholesale orders.
8.1.46	Web Fulfillment	The system must determine if a portion of the order, i.e., orders of non-stock items, must be picked and packed at the warehouse.	Non-stock items refer to any item that is a non-stock item at the store/agent where the order will be picked up or delivered.
8.1.47	Web Suborders	The system must, immediately upon order submission, automatically relay the portion of the order with any non-stock items to the warehouse for fulfillment, assign one suborder number to the non-stock portion of the order, and assign a second distinct suborder number to the stock portion of the order.	

	8.1.48	Web Availability Date	The system must determine at order submission the estimated availability date for the order for stock items and non-stock items.
	8.1.49	Sales Report	The system must provide a report at the end of the day that list a store/agent's in-store retail sales, Web retail sales, wholesale and total sales in separate sections.
	8.1.50	Order Cancel	The system must support the ability to cancel an order until it is picked and packed.
	8.1.51	Web Order Status	The system must have a configurable set of email notifications to communicate original and changed estimated availability dates, shipment status, and pick up availability.
	8.1.52	Web Order Status Screen	The system must provide a screen to allow a retail or wholesale customer to check the status of their Web order.
	8.1.53	Order Status Screen	The system must provide a screen to allow DOLC analyst and Auditor to check the status of all/any order.
	8.1.54	Agent Order Status Screen	The system must provide a screen to allow store/agents to check the status of all/any of their orders.
8.2		Inventory Management	
	8.2.1	Stock Inventory	The system must maintain a searchable and filterable list of stock brands on a per store/agent basis.
	8.2.2	Stock Inventory Search	The system must allow a store/agent to search for a certain brand and return results of where the brand is sold.
	8.2.3	Check In Shipment	The system must allow the store/agent to mark auto replenishment, special order, transfer shipments and Web sub-orders as received on the system specified date with the ability to provide comments.
	8.2.4	Pending Shipment	The system must provide a screen to the DOLC staff that shows shipments that have left the warehouse but have not been checked in by the store/agent.
	8.2.5	Fulfillment Request Alert	The system must provide a workflow to alert a store/agent to fulfill a Web order and allow the store/agent to confirm a successful fulfillment by line item, i.e., per brand ordered, in the store/agent Web order subview.
	8.2.6	Web Order View	The system must provide a view to DOLC analysts of all Web orders that can be filtered by fulfillment status, warehouse or store/agent location, and/or order date.
	8.2.7	Store/Agent Web Order Subview	The system must provide a subview to both store/agent and DOLC analysts from the filterable list of Web orders to view an individual order's fulfillment status by line item, including any non-stock items being fulfilled at the warehouse.
	8.2.8	Store/Agent Web Order List	The system must provide a view to a store/agent of a filterable list of fulfilled orders and pending Web orders that the store/agent must fulfill.

8.2.9	Inventory Adjustment	The system must provide a screen for store/agent and auditors to input inventory adjustments and, if any, its associated order, i.e., brand, quantity, and date, for short shipment, trucker breakage, employee breakage, customer breakage, return, bad product, recalls, sales record error, and theft.	Some inventory adjustments requires association with an order number. For example, a short shipment for an auto-replenishment order must provide the number for that order.
8.2.10	Configurable Inventory Adjustment Reason Codes	The system must allow DOLC administrators to add, modify, and deprecate inventory adjustment reason codes.	
8.2.11	Assignable Reason Code Logic	The system must allow DOLC administrators to associate inventory count adjustment business logic to each inventory adjustment reason code.	Business logic can include arithmetic for inventory count adjustments and/or generation of a cash adjustment record.
8.2.12	Inventory Adjustment Approval	The system must support the ability to hold an inventory adjustment until DOLC auditors review, modify if required, and approve/reject the adjustment and reason.	
8.2.13	Auditor Notification	The system must provide a notification to the auditors when an inventory adjustment is submitted by a store/agent, when a NSF occurs, when there are licensing issues, when there are permitting issues, and other system configurable set of issues for the assigned store/agent.	
8.2.14	Inventory Adjustment Store/Agent Notification	The system must provide a notification to the store/agent when an inventory adjustment has been approved.	
8.2.15	Up-to-date Inventory Management	The system must keep accurate and up-to-date inventory records for each store/agent and warehouse, immediately updating them after input of every delivery sent, shipment received, inventory adjustments, and end of day sales.	There must be two separate counts of inventory: one that excludes adjustments not approved by auditors, and one designated as "auditor-approved," which is the official audited inventory count.
8.2.16	Discrepancy Report	The system must provide a discrepancy report to both store/agent and auditors after receiving physical inventory information from the inventory scanner system.	
8.2.17	Cycle Audit Support	The scanner system must provide support for both full and cycle audits.	
8.2.18	Auditing Support	The system must provide a scanner system that interfaces with the DOLC system that can be utilized to perform inventory audits.	
8.2.19	Auditor Availability	The system must provide a screen for DOLC auditors to enter their availability dates.	
8.2.20	Auditor Visit History	The system must allow DOLC auditors to mark assigned store/agent visits as complete and keep track of all assigned and completed visits.	
8.2.21	Compliance Report Screen	The system must provide a screen for an ADOLC Auditor to complete an Agency Compliance Report.	Form number DLC 8059
8.2.22	Compliance Report History	The system must maintain a history of Agency compliance reports.	

	8.2.23	Store Audit History	They system must keep track of all compliance visits or physical audits performed by auditors on each store/agent.	
	8.2.24	Audit Questionnaire Screen	The system must provide a screen for a DOLC Auditor to fill out a Liquor Agency Audit Questionnaire report.	
	8.2.25	Audit Questionnaire history	The system must maintain a history of Agency Audit Questionnaire reports.	
	8.2.24	Audit Daily Activity Screen	The system must provide a screen for a DOLC Auditor to fill out a Liquor Agency Audit Daily Activity report.	Form DLC 0026
	8.2.25	Audit Daily Activity History	The system must maintain a history of Agency Daily Activity reports.	
	8.2.26	Search and View Reports	The system must allow DOLC Auditor to search, view and print Questionnaire , Compliance and Daily Activity reports.	
	8.2.27	Audit Queue	The system must allow DOLC auditors to assign default time intervals for compliance visits and physical audits for each store/agent and generate a queue of visits/audits based on those time intervals and last completed visits/audits.	
	8.2.28	Audit Assignment	The system must provide a screen with a filterable list of auditors and their availability dates, a filterable list of store/agents and their audit history, and the audit queue and allow a DOLC staff member to assign an item on the audit queue to an auditor.	
8.3		Pricing		
	8.3.1	Pricing Tax Component	The system must provide a screen to enter applicable taxes for a given county and the effective dates of these taxes.	
	8.3.2	Pricing Tax History	The system must maintain a history of applicable taxes for each county.	
	8.3.3	Pricing Request	The system must allow DOLC analyst, vendors and/or brokers to request a price change by inputting an updated price and the effective price change date for a given brand at either a set of identified stores or for the entire state.	
	8.3.4	Pricing Approval	The system must provide a workflow to alert a DOLC analyst of a price change request and allow the approval of the request, the cancelling of the request or the approval after updating the request, i.e. price , effective date and store locations.	
	8.3.5	Pricing Calculation	The system must provide a configurable algorithm to calculate a brand's shelf price on a per-store basis using the vendor price, county, profit margin, etc. as parameters.	Currently, there are statutory limitations for the pricing formula.
	8.3.6	Delivery Charge Calculation	The system must allow a DOLC analyst to assign a set delivery charge and special handling fee on a per-bottle basis.	
	8.3.7	Pricing Updates	The system must automatically calculate the retail and wholesale shelf price for each store and update the price table with these calculated prices and the approved effective date upon approval of the price change request.	
	8.3.8	Pricing Labels	The system must provide a workflow that alerts a DOLC analyst that its time to print and send new brand labels for all stock items to each agent/store.	

	8.3.9	Pricing Update Alert	The system must provide a workflow to alert the agent/store that new prices are available.	
	8.3.10	Product Catalog Viewing	The system must provide a view to DOLC analysts of all orderable stocked and non-stock items that can be filtered by store/agent, vendor, by brand, and/or price effective date range.	
	8.3.11	Price Labels Printing	The system must provide a mechanism for the agent/store to print product labels.	
	8.3.12	Price Flexibility	The system's data model must allow product prices to be set on a per store basis.	
8.4		Account Management		
	8.4.1	Email Registration	The system must allow a retail customer to register using a unique email address.	Wholesale customer accounts are created by DOLC at the time that a permit is approved.
	8.4.2	Payment Registration	The system must allow a retail or wholesale user to save their preferred payment methods and details, including gift cards.	
	8.4.3	Loyalty Registration	The system must allow a retail or wholesale user to input one or more loyalty numbers.	
	8.4.4	Delivery Charges Maintenance	The system must allow a store/agent to assign a set delivery charge and special handling fee per order for their assigned wholesale customers either globally or individually.	
	8.4.5	POS Usage Maintenance	The system must have the ability for a DOLC analyst to categorize a store/agent as using a point of sale system and the type of point of sales system or to categorize a store/agent as not using a point of sales system.	
	8.4.6	Store Categories	The system must allow DOC analyst to define a set of store/agent categories and provide the capability to assign the category to each store/agent.	
	8.4.7	Contact Information	The system must provide a screen to allow vendors, brokers, agents and auditors to maintain their contact and account information.	
	8.4.8	Product Information	The system must provide a screen to allow vendors and brokers to update product descriptions and product images.	
	8.4.9	Account Screen	The system must provide the ability to search for any internal or external users and to display their account information subject to visibility rules that will be defined.	
	8.4.10	Permits Summary Screen	The system must provide a screen for DOLC analyst to be able to view permit quota related details on a per county basis, e.g. permit classes, populations ratios, permits possible, permits issued, permit openings, and applications on file.	
	8.4.11	Permit Issued	The system must provide a screen for DOLC analyst to be able to view permit details on a per county basis that includes permit holders, violations, type and status of permits, and permit holders names and address.	
8.5		Transactions		
	8.5.1	Retail Sales	The system must keep track of the total outstanding amount of cash that must be deposited by the store/agent to account for daily retail store sales.	

8.5.2	Discrete Sale Input	The system must provide a screen to manually enter a discrete retail sale transaction as a set of brand and quantity line items.	
8.5.3	Retail Order Status	The system must allow the store/agent to mark a retail Web order as picked-and-pack and picked-up in the filterable list.	
8.5.4	Wholesale Sales	The system must keep track of the total outstanding amount of cash that must be deposited by the store/agent to account for wholesale sales.	
8.5.5	Wholesale Order Pick Up	The system must allow the store/agent to mark a wholesale Web order as picked up or delivered in the filterable list.	This action notes a wholesale order as completed and paid for.
8.5.6	Daily Sales Deposit Report	The system must provide the amount of cash that must be deposited by a store/agent for the day's retail store sales and wholesale sales after submitting the day's sales transactions.	This number should be presented on the confirmation of a successful submission (either manual or through the POS interface) to encourage proper deposit amounts.
8.5.7	Cash Adjustments Input	The system must provide a screen for the store/agent or DOLC user to input a cash adjustment request along with a reason code.	
8.5.8	Configurable Cash Adjustment Reason Codes	The system must allow DOLC administrators to add, modify, and deprecate adjustment reason codes.	
8.5.9	Cash Adjustment Approval	The system must support the ability to hold a cash adjustment until DOLC auditors review, modify if required, and approve/reject the adjustment and reason.	
8.5.10	Cash Adjustments Logic	The system must allow DOLC administrators to associate cash adjustment business logic to each cash adjustment reason code.	The business logic includes arithmetic to balance expected cash.
8.5.11	End-of-Day Sales Screen	The system must provide a screen that allows a store/agent to upload the end-of-day sales transaction file.	
8.5.12	End-of-Day Review Screen	The system must provide a screen that allows a store/agent to review the uploaded end-of-day sales transactions and to add, modify, and delete each individual line item.	
8.5.13	End-of-Day Processing	The system must process the end of day sales file immediately following the upload and provide the Agent with the following information: 1. Success or Failure indication, where success implies that the file uploaded correctly and all sales total per brand/quantity was accurate. 2. On Failure the system must displays the reason for failure, e.g. badly formatted file, POS price for one or more brands is incorrect, etc. 3. On Success the system must display the amount that the Agent needs to deposit in their bank account.	

8.5.14	End-of-Day Resubmit	The system must provide the capability for the store/agent to resubmit the end of day sales transaction file for a given day until the sales for that day has been locked, i.e., after DOLC has issued a bank pull for the expected cash amount generated from the posted sales.	This implies the backing out of the previous submission before the new file is processed.
8.5.15	End-of-Day Status	The system must provide a filterable screen for the DOLC analyst to view the status of end-of-day postings which will include date, store/agency, retail sales, wholesale sales, deposit amount required, cash over, cash short, audit short, audit over and cash refund.	The filterable options includes the capability to list store/agents who have failed to post the end-of-day sales.
8.5.16	End-of-Day Posting	The system must provide a screen for the store/agent to close their part of the end-of-day sales processing by indicating that they have deposited the amount required in their bank account.	
8.5.17	Bank Pull Manual Screen	The system must provide a screen for a DOLC analyst to issue a bank pull for the selected set of stores/agencies for the cash amount calculated for a day's posted sales.	The system must prevent any changes to day's posted sales after the bank pull for the expected cash for that day has been issued.
8.5.18	Bank Pull Scheduling	The system must automatically issue a bank pull at a designated time after a configurable time delay after the store/agent has indicated that they have made the required deposit.	
8.5.19	Bank Pull Exclusion	The system must allow a DOLC analyst to exclude and lock one or more store/agent locations from the scheduled automatic bank pull.	
8.5.20	Bank Pull Exclusion Expiration	The system must allow a DOLC analyst to optionally include an expiration date for the bank pull lock.	
8.5.21	EFT Failure Alert	The system must provide an automatic mechanism to alert a DOLC analyst, DOLC financial analyst and the store/agent when a EFT failure occurs (insufficient funds in the account) .	
8.5.22	EFT NSF Letter	The system must provide the capability for a DOLC analyst to generate a warning and/or penalty letter to the store/agent for non-sufficient funds.	
8.5.23	NSF History	The system must maintain a history of all non-sufficient funds events for a given store/agency.	
8.5.24	NSF Resweeps	The system must allow the store agent the ability to view and approve any of their open NSF to be reswept.	
8.5.25	Cash Adjustment Period End Report	The system must provide a mechanism to generate a cash adjustment report that details and totals all cash adjustments made for a period and begin a new cash adjustment period.	After DOLC closes a period at the end of the month, they will generate a cash adjustment report for the store/agent.
8.6	Forecasting		

8.6.1	Demand Forecasting Algorithms	The system must employ algorithms to calculate the anticipated demand per brand per store for the auto replenishment period using previous sales history, product catalog, and time period as parameters.	Product catalog has record of whether a product can be delivered by the warehouse as cases or packs. Pending orders are not considered because they are part of the sales history, and the store/agent should anticipate whether a one-time special order is required to meet cumulative demand from retail and wholesale customers.
8.6.2	Forecasting Adjustability	The system must support forecasting algorithms that are based on adjustable parameters that can be modified with no IT involvement.	
8.6.3	Forecasting Assignment	The system must support the ability to assign a forecasting algorithm for a store/agent over a specified time horizon.	
8.6.4	Forecasting Past Performance	The system must provide a screen report of the past performance of an algorithm over a specified time period.	
8.6.5	Wholesaler Reassignments Logic	The system must automatically take into consideration any reassignment of wholesalers to store/agency when determining forecasted sales based on previous sales history.	If a wholesaler is reassigned then the past sales history for that wholesaler needs to be reassign to the new store/agency for forecasting purposes.
8.6.6	Forecasting Promotions Considerations	The system must employ forecasting algorithms that consider past as well as current promotions to determine projected demands.	
8.6.7	Forecasting Agent View	The system must provide a screen report of the projected results of using each forecasting algorithm for a store/agent and brand over a specified time period.	

8.7		Planogram		
	8.7.1	Store Topology	The system must allow a DOLC analyst to divide a given store into a set of areas, the areas into a set of cases and the cases into a set of shelf's.	The data model will capture these areas, cases and shelf's but a graphical representation will not be contained in the data model.
	8.7.2	Topology attachment	The system must allow a DOLC analyst to upload and attached a Viso like document that graphically depicts the store's topology.	
	8.7.3	Location	The system must provide a screen for a DOCL analyst to assign an area, case and shelf to a given brand in order to record the location of this brand in the given store.	
	8.7.4	Print Order	The system must be able to print brand labels in area, case, shelf order.	
8.8		Product Testing		System support for running a study of a new product, new pricing, promotion, etc.
	8.8.1	Test Definition	The system must provide a screen for a DOLC analyst to define a test with start date, end date, the control group of store/agent locations, the test group of store/agent locations, shelf locations, brands, and prices as parameters.	
	8.8.2	Testing Group Definition	The system must generate a list of store/agent locations based on a set of parameters, e.g., the top 100 stores by profitability, the stores in a zip code, etc., and allow a DOLC analyst to select those stores as the test group.	
	8.8.3	Testing Control Group Default	The system must set all store/agent locations not in the test group as the control group for the test by default.	
	8.8.4	Testing Start Notification	The system must provide a workflow to alert the store/agent of the details of the test definition in advance of the test start date and to hold the test start date until all participating store/agent locations accept the test to indicate that they are ready to begin.	
	8.8.5	Testing Evaluation	The system must provide a screen report that shows the quantity sold, the total sales, and the total profitability of each brand tested, both in cumulative totals and average for the control group and the test group, and also broken out by each store/agent.	DOLC analysts can use the screen report export capability to perform further analysis in a BI tool of choice.
	8.8.6	Testing Exclusion	The system must provide a mechanism to exclude one or more store/agent locations or one or more brands from the screen report results.	
	8.8.7	Stock Consignment	The system must allow a brand to be set as a consigned item, i.e., it is stocked at the store/agent but owned by a vendor/broker.	
	8.8.8	Consignment Conversion	The system must provide a screen to purchase all remaining consigned items and convert the brand to a regular stock item, or to delist and end the consignment.	
8.9		DOLC General Features		

8.9.1	Document Templates	The system must provide a document generation capability based on document templates.	
8.9.2	Exporting Data Grids	The system must support the capability to export all data grids to either MS Excel, MS Word and/or in PDF format.	
8.9.3	Emails and Text Messages	The system must provide the capability to send emails and/or SMS messages.	
8.9.4	Task Inbox	The system must provide a screen that displays all outstanding alerts/tasks for the logged in user, e.g., price changes, upcoming shipment, new schedule reports, etc.	
8.9.5	Generalized Scheduler	The system must include the capability to define and schedule tasks.	Required for the processing of FTP files, data synchronization, email alerts, etc.
8.9.6	Task Priorities	The system must allow tasks to be assigned different priority levels and highlight the levels visually.	
8.9.7	Barcodes	The system must be able to generate and display a printable version of barcodes, e.g., on a retail Web order invoice or on a wholesale invoice.	
8.9.8	Store Assignments	The system must provide the capability to assign a store/agent to a particular warehouse, to a DOLC Auditor and to a DOLC analyst.	
8.9.9	Email/Word Templates	The system must support the creation and saving of word and email templates.	
8.9.10	Merged Email/Form	The system must provide the ability to create an email or report/letter by merging database content with a chosen word template.	
8.9.11	On-Demand or Scheduled Emails	The system must provide the capability to send an email based on an email template with an optional attached report/letter based on a word template.	
9	External Interfaces	***Beyond the interfaces that are required to integrate the various new subsystems in this Project, there are a number of existing interfaces to other State or third-party systems that must be reproduced. While new functionality is not required for the majority of these interfaces, the Contractor must work with internal resources to ensure that the data exchanges with continue to function.***	The current set of ftp files exchanged between CICS and external system are list in Supplement X.
9.1	DOLC System/Warehouse		
9.1.1	To Warehouse	The new DOLC system must support the following messages being sent to the warehouse: “O” Transfer order to send a send a shipment to another warehouse "T" Transfer order to inform the warehouse to expect a shipment from another warehouse "S" Transfer order to send a shipment to an Agency Store "W" Retail or Wholesale suborder request for agency/store non-stock items	The O, T, and S records currently exists. The new system needs to support the current functionality and add the new W record.

9.1.2	From Warehouse	The new DOLC system must accept and process the following messages from the warehouse: “A” Adjustment to inventory “R” To inform the DOLC system that the warehouse has received a shipment from a vendor "I" Inventory Closing "O" Confirmation of a "O" order has shipped "T" Confirmation of a "T" order has been received "S" Confirmation of a "S" order has been shipped "W" Retail or Wholesale suborder confirmation	The A, R, I, O, T, and S records currently exists. The new system needs to support the current functionality and add the new W record.
9.1.3	Warehouse sftp Interface	The system must support a sftp mechanism to exchange requests between the DOLC system and the warehouse.	
9.1.4	Warehouse Web Interface	The system must provide a screen for an authorized Warehouse user to upload the Inventory levels based on the warehouse's inventory system.	
9.1.5	Inventory Comparison	The system must process the warehouse inventory file immediately following the upload and provide the Warehouse user with immediate feedback on discrepancies by brand with the DOLC internal record of inventory versus the warehouse record of inventory.	
9.2	DOLC System/Trucking Company		
9.3	POS		
9.3.1	Approved POS	The system must include a State of Ohio approved POS system that has tested and working interfaces that support the set of APIs that are found in this section.	Stores are not require to use the state approved POS.
9.3.2	Enhanced EOD API	The system must support an enhanced End of Day API where the dollar total per brand is reported in addition to the brand number and bottles sold attributes.	The current End of Day API contains one line per brand where the total bottles are reported. Without the dollar amount also being reported there is no way to determine if the store/agency has an incorrect price loaded in their Point of Sale system.
9.3.3	Approved API Header	All POS APIs must have a header record identifying the API version and associated transaction date.	
9.3.4	Individual Sales Transactions	The system must be able to accept a file of all individual sales transactions for a given day that has been captured by the store's/agent POS system.	The current and Enhanced EOD API are summaries of sales on a per brand basis.

	9.3.5	Summary Transactions	The system must be able to accept any of the three EOD file formats, i.e. the current, Enhanced EOD API, of individual sales transactions.	Our preference is for individual transaction but if this is not possible then either of the formats is acceptable. It is assumed that the file contains a header which indicates which format is being employed.
	9.3.6	Price Updates	The system must be able to export a price sheet update for all or a selected set of brands to be imported into the store's/agent's POS system.	
	9.3.7	DOS Price Validation	The system must be able to import a price sheet from a POS system to determine if the imported price sheet is accurate.	The idea here is that the POS can export their price sheet and let the system compare their prices to the actual prices stored in the new central system.
9.4		OAKS		
	9.4.1	Payment Requests	The new system must provide the capability to sftp a file to OAKS that contains payment requests.	
	9.4.2	Voucher Requests	The new system must provide the capability to sftp to OAKS a file that contains voucher requests.	
	9.4.3	Payment Request Response	The new system must be able to receive and process a file form OAKS sent via sftp of all payment transactions that were processed.	
	9.4.4	Payroll	The new system must be able to receive and process a file from OAKS sent via sftp of payroll record transactions that were processed.	
9.5		Key Bank		
	9.5.1	EFT Transmittal Request	The system must support the generation and the sending via sftp of a file containing the set of EFT transactions for a given date for all stores/agents.	
	9.5.2	EFT Transmittal Response	The system must support the receipt and processing of a sftp file from Key Bank that contains the results of the requested set of EFT transactions for a given date and a set of stores/agents.	ACH (Automated Clearing House) Returns and NOC's (Notice of Change)
9.6		Permitting		
	9.6.1	LITS Current Interfaces	The system must support the current interfaces that exist between the CICS permitting system and the LITS2 system	Currently this is a manual swivel chair integration.
	9.6.2	Permitting to new DOLC System	The system must support the exchange of permitting status of wholesale customers as well as stores/agents between a stand alone permitting system and the DOLC system.	This requirements goes away if the permitting functionality is built into the new DOLC system.
	9.6.3	Tax Lien Verification	The system must support the exchange with the Department of Taxation to verify a permit holder does not have a tax lien against them.	The exchange is a file-based FTP.

9.6.4	Permit Quota Info Exchange	The system must support the exchange with the Department of Development to retrieve population data required to update the permit quota subsystem.	The exchange is a system generated email
9.6.5	Public Safety Exchange	The system must support the current ftp exchange with Public Safety	Current CICS sends 3 files to Public Safety on a daily basis; A file of all active permit holders and pending applications, a Beer/Wine Supplier file, and a Beer/Wine solicitor file.
9.6.6	WebCheck	The systems must use "National" WebCheck, a web-based fingerprinting technology that processes background checks electronically.	This interface supports a criminal background check report from both BCI and FBI.
9.7	Reporting	The system must support the exporting and/or replication of the centralize system database to a separate reporting system at least once a day.	The goal is to separate adhoc reporting from the transactional system.
9.8	NABCA	The system must support the creation and sending via sftp of a file containing of sales data for a given month to the National Alcohol Beverage Control Association.	
9.9	DOLC Info Web Sites	The system must have the ability to export data form the centralize system to be imported into the various Informational Web sites.	The adhoc reporting system should be able to accommodate this requirement. The contractor may consider incorporating some of the informational web site functionality into the Web store.
10	Scanner System	***The Contractor must design a scanner system solution that supports shipment tracking, order reconciliation, and inventory audits. Part of the design should include hardware and implementation recommendations, e.g., building a mobile scanner application on a smartphone or leveraging an existing commercial handheld scanner package with an open API.***	
10.1	Shipment Acceptance	The scanner system must support the capability to scan the contents of an order to determine if the order is complete.	
10.2	Order Reconciliation	The scanner system must determine which order items are short and which items are extra for a given order.	
10.3	Inventory Audit Types	The system needs to label an audit results with configuration set of reason code , e.g.. scheduled audit, theft audit, special audit, cycle count audit, etc.	
10.4	Inventory Audit	The scanner system must support the capability to assist the auditor and/or store/agent to perform a full or cycle inventory audit.	

11		Accounting	***A new standard accounting package will be used as-is, i.e., without modifications, to fulfill most of the accounting functions required for DOLC operations. The package will need to have an open API to interface with a new accounting synchronization controller that must control the ftp-based communications between OAKS (the State's payment processing system), the accounting package, and the new central DOLC system. This software also needs to synchronize data, preferably in real time, between the accounting package and the new central DOLC system.***	
11.1		Payables		
	11.1.1	Payable Management	The system must provide a screen to add, modify, or delete a payable transaction.	
	11.1.2	Account Payable Approval Workflow	The system must provide a workflow for the approval and payment of all payables, including the ability to hold a payment in a pending state.	Note that our intention is that the Accounting Package is not modified. Workflow requirements can leverage the capabilities of the accounting synchronization controller in the DOLC system to implement the change of state of the payable item from "pending" to "approved" and synchronize this with both the Accounting Package and send an approved payable item to OAKS.
	11.1.3	Commission Store/Agent Payment	The system must determine the commission payment based on the net retail and wholesale sales for each store/agent for a preset adjustable time period less any applicable receivables.	
	11.1.4	Web Delivery Charges	The system must add delivery charges, if applicable, for retail Web orders to the respective agent/store's commission payments.	Retail Web orders will initially not charge a delivery charge.
	11.1.5	Manual Commission Adjustments	The system must provide a screen that allows a DOLC financial analyst to manually add, modify, or delete line items/adjustments on a commission payment calculation or delete the commission payment entirely.	
	11.1.6	Commission Holds	The system must provide the capability to manually lock a store/agent from any commission payments.	Some reasons for commission locks include preparation for a closing store/agent location's final audit, unpaid NSF's, reported taxing issues, and un-renewed permit fees.

11.1.7	Commission Store/Agent Payment Alerts	The system must send a notification to the store/agent with payment amounts, fees deducted, audit debits, etc.	
11.1.8	Trucking Company Payment	The system must determine the payment to the trucking company for actual billable activity at contractual rates for cases, inner packs, and packed orders delivered, as spelled out in the trucking company contract.	
11.1.9	Trucking Company Deduction	The system must determine the deductions to the trucking company for shipment breakages, storages and associated handling charges.	
11.1.10	Vendor/Broker Payment	The system must determine the payment to vendor/broker based on total net product shipped to store/agent locations.	
11.1.11	Vendor/Broker Deduction	The system must determine the deductions to the vendor/broker for bad products.	Short shipments and warehouse breakages are recorded as negative bailment transactions sent after auditors approve the inventory adjustment.
11.1.12	Generated Invoices to State	The system must support the creation of invoices to the State for payments to the trucking company and the vendor/brokers.	
11.1.13	Federal Payment	The system must determine the payment to the Federal government for all appropriate taxes, etc.	
11.1.14	State Payment	The system must determine the payment to the state for licenses, all appropriate taxes and disbursements.	
11.1.15	County Payment	The system must determine the payment to the county for all appropriate taxes.	
11.1.16	Bank Fee Payment	The system must calculate and apply bank fees for NSF occurrences.	
11.1.17	Adding Payees	The system must support the addition of new payees.	
11.1.18	Payable Type	The system must provide a screen to add, modify, or delete a payable type and assign a fixed value to the type..	
11.1.19	Permitting Activity	The system must provide an interactive/filterable screen report to review permit accounts/applications and their associated distributions.	
11.1.20	Payment History Screen	The system must provide an interactive screen report that shows payment for one or more payee for a specified time period.	
11.1.21	Open Payables Screen	The system must provide an interactive screen report that displays open payables.	
11.1.22	Remittance Copy Capability	The system must provide the capability to request and print a "remittance copy" for any voucher created for payment.	
11.2	Receivables		

11.2.1	Receivable Management	The system must provide a screen to add, modify, or delete a receivable transaction.	Receivables include daily liquor sales, permit fees, BCI fees, bank fees, fees from solicitors, public records request fees, performance bonds payments, supplier registration, and product registration.
11.2.2	Receivables Recompilation	The system must be able to process the receivables file from OAKS to reconcile the funds received from OAKS with the Receivables Entries in the Accounting system to note any discrepancy and make the required G/L entries to the accounting system files.	This is to close the loop and verify that OAKS was able to obtain the money associated with reported receivables.
11.2.3	NSF Occurrence	The system must be able to report any NSF occurrence to OAKS as a negative pay in receivable to void the original transaction.	
11.2.4	NSF Re-Open and Notification	They system must be able to re-open any receivable after an NSF occurrence and send out an alert to the store/agent and DOLC analysts.	
11.2.5	NSF Penalties	The system must be allow a DOLC financial analyst to create one receivable entry per inventory period for an assessment of a configurable penalty fee to any agency/store having a liquor sales NSF.	Currently the default penalty fee should be 2% as specified in agent contracts.
11.2.6	Commission Payment Deductions	The system must provide a screen for a DOLC financial analyst to mark one or more store/agent receivable types as ones that should be applied as adjustments to commission payments.	
11.2.7	Receivable Types	The system must provide a screen to add, modify, or delete a receivable type and assign a fixed value to the type.	This allows DOLC to create new types of fees.
11.2.8	Invoice Creation	The system must support the creation of invoices for any receivables.	
11.3	Financial Statement		
11.3.1	Monthly Financial Statement	The system must provide an interactive screen report of the current and all previous monthly and yearly financial statements that provides a full balance sheet report and Net Profit calculation for the month and year to date.	
11.3.2	Financial Data Export	The system must provide the capability to export all line items in the financial statements to Microsoft Excel.	
11.3.3	Statement Adaptability	The system must support the ability to make changes to the financial statements as changes to the operation occurs.	
11.4	Accrual Accounting		
11.4.1	Asset Vendors	The system must provide a screen to enter new and/or to modify asset vendor records.	
11.4.2	Asset Entry Screen	The system must provide a screen to enter a new inventory assets including asset name, vendor, asset category, purchase date, purchase price, purchase order, asset tag(s), current location, and deprecated amount.	

	11.4.3	Asset Inventory History	The system must provide a screen for a DOCL financial analyst to search for and view past inventory assets including asset name, asset category, purchase date, purchase price, asset tag, current location, and deprecated amount.	
	11.4.4	Asset Status	The system must be able to categorize and display the status an asset as current, salvaged, destroyed, on loan, un-usable.	
	11.4.5	Asset Depreciation	The system must be able to depreciate inventory assets and represent the value of the asset on the financial statements.	
	11.4.6	Voucher Screen	The system must provide a screen to allow a DOLC financial analyst to enter and/or modify a voucher.	Ensure that only certain authorized people can create vouchers.
	11.4.7	Voucher Templates	The system must support the creation and modification of voucher templates.	
	11.4.8	Voucher History	The system must provide a screen for a DOCL financial analyst to search for and view past vouchers.	
	11.4.9	Dummy Vouchers	The system must provide the ability to create and process dummy vouchers for miscellaneous transfers and splits that are required.	
	11.4.10	Purchase Order Screen	The system must provide a screen to allow a DOLC financial analyst to enter and/or modify a purchase order.	
	11.4.11	Purchase Order Receipt Application	The system must provide the capability to apply partial receipts to an open purchase order.	
	11.4.12	Purchase Order History	The system must provide a screen for a DOCL financial analyst to search for and view past and open purchase orders.	
	11.4.13	Process Bailment Screen	The system must provide a screen where a DOLC financial analyst can identify the appropriate days with unpaid bailment and then initiate the bailment payment process for those days.	
11.5		Reconciliation		
	11.5.1	Monthly Reconciliation	The system must support the reconciling and closing the monthly statements, i.e. balancing expenditures between the new system and OAKS.	
	11.5.2	Monthly Reconciliation Capabilities	The system must support the handling of accruals and reversals.	
11.6		Accounting General Features		
	11.6.1	Attachments	The system must support the ability to attach scanned invoices and miscellaneous backup documents for accounting entries.	
	11.6.2	Chart of Accounts	The system must be able to assign chart of account definitions based on retail and government GAAP principles.	
	11.6.3	Manual General Ledger Adjustments	The system must provide a screen that allows a DOLC financial analyst to manually enter different general ledger line items, such as refunds, adjustments for bounced checks, etc.	
	11.6.4	Security and Control	The system must restrict the ability to modify or delete any financial information to only DOLC Financial Analyst	

12	Permitting	***The Contractor must replicate the functionality that enables the current manual permitting workflow to submit, approve, create, maintain, adjust, and renew the different types of permits issued by the State.***	The permitting functionality that resides in LITS2 will not be changed. The current interaction between CICS and LITS2 will need to be replicated in the new system.
12.1	Permitting Types	The new system needs to support the following permit types described in the following: http://com.ohio.gov/liqr/PermitClasses.aspx	
12.2	Permitting Forms	The application submission and process will not be changed. Applications forms can be found in: http://com.ohio.gov/liqr/Forms.aspx	
12.3	Permit Number Issuance	The system must be able to assign numerically assign and print a permit (new or renewal)	
12.4	New Applications		
12.1.1	Permitting Manual Workflow	The system must replicate the functionality that currently reside in CICS that implements a manual workflow with the following steps: 1. Review Local Option (wet or dry township) 2. BCI Check - Background Check (regular mail paper file out, paper file back and ftp feed) 3. Violation Check (back taxes, etc.) 4. Quota Check 5. Route Sheets (route sheet workflow is implemented in LITS2 but CICS helps with printing of letters) 6. Keep track of expected payment amounts	For the most part this consists of some input screens and the ability to print some letters and other documents.
12.1.2	Wholesale Account Creation	The system must allow DOLC system administrators and DOLC analysts to create one user account for every unique wholesale permit number.	
12.1.3	Permit Number Maintenance	The system must allow DOLC system administrators and DOLC analysts to assign a wholesale permit number and therefore all associated wholesale customer user accounts to one and only one store/agent.	
12.5	Renewals		
12.2.1	Permitting Renewal Checks	The system must periodically check if there are any permits coming up for renewal and must initiate a manual workflow for such permits.	The workflow is the same as the New Application workflow.
12.3	Transfers		
12.3.1	Permit Transfers	The system must support the capability of transferring a permit from one person/entity to another.	The workflow is the same as the New Application workflow.
12.3.2	Agency Change Notification	The system must support the creation of a letter that notifies permit holders when their assigned agency will change either its ownership and/or location.	

12.3.3	Assignment History	The system must provide a screen that shows the assigned Agency history for a permit holders, i.e. assigned Agency, assignment dates, transfers, reason for transfer, etc.	
12.4	Accounting for Permits		
12.4.1	Permit Fees	The system must keep track of any permit fees for approvals, rejections, renewals, and transfer as receivables from the permit applicant.	
12.4.2	NSF Processing	The system must create a negative pay-in to OAKS for any permit-related NSF occurrences and re-open the receivable for the permit fee.	
12.4.3	Permit Distribution Payment	The system must schedule an action to calculate and process permit distribution payments based on the current distribution formula for newly issued permits whose permit fees have not been previously distributed.	
12.4.4	Manual Permit Distribution Inclusion	The system must allow a DOLC analyst to mark a permit applicant to be included in the distribution payment calculations even if the permit has not been issued.	
12.4.5	Permitting Refunds	The system must notify accounting that a refund must be issued for any rejected permit applications.	
13	Reporting	***One of the key objectives for this Project is to ensure that DOLC can leverage accurate, consistent, and usable data to make process improvements and strategy adjustments. The system must provide a number of interactive screen reports and scheduled reports both to replicate existing reports and to address major gaps that have been identified. As more data is gathered, DOLC will inevitably identify more useful reports, so the system must also support ad-hoc reporting and creation of additional scheduled reports.***	Supplement Six contains a list of the current reports. Many of these reports are very similar; a variation of a theme. Some or many of the reports will not be needed or will be covered by a screen in the new system.
13.1	Scheduled Reports		
13.1.1	Reports	The system must include a set of schedules reports as detailed in Supplement Six	
13.1.2	Report Scheduler	The system must contain a general purpose scheduler to schedule the running of the identified reports.	
13.1.3	Report Repository	The system must maintain the produced reports for a minimum of 2 years and make them available for viewing, downloading, and printings.	
13.1.4	Scheduled Report definition	The system must allow additional reports to be defined and scheduled.	
13.2	Adhoc Reports		
13.2.1	Adhoc Reporting Support	The system must allow ad-hoc reporting.	
Optional Requirements			
14	Optional Requirements	***The following features/requirements are optional and will be considered as possible add-ons. An important consideration is the cost of these features as compared to the perceived value.***	
14.1	Localization	The vendor must provide an overview of a proposed architecture and incremental estimate of the costs to include the capabilities for multi-language support in the system.	

14.2	Robust Workflow	The vendor must provide an overview of a proposed architecture and incremental estimate of the costs to include the capabilities for a robust workflow capability that can support Permitting.	With the exception of permitting the workflow needs are minimal. The CICS part of permitting consists of a set of checklists. Parallel execution of steps and the complex routing is not required but is potentially a nice to have.
14.3	Document Management	The vendor must provide an overview of a proposed architecture and incremental estimate of the costs to include the capabilities for a document management and retrieval system.	Any document management capability proposed would need to be cost effective. There is some need but this is certainly not required.

Supplement Five – External Interfaces

ID	Batch Job	Description	Direction	CICS Data File
1	SYS1.DOLC.PROCLiB(ABRF40)	Payroll Data from OAKS Employee Master	in	PROD.ACT.EMPLMSTR
2	SYS1.DOLC.PROCLIB(ABRF48)	Payroll Data from OAKS Position Control	in	PROD.ACT.POSTCNTL
3	SYS1.DOLC.PROCLIB(ADTD04)	DOLC Bank Data from Keybank	In	PROD.MCH.OUTB1 PROD.MCH.OUTB2
4	SYS1.DOLC.PROCLIB(ADTD16)	DOLC Bank Data to Key Bank	Out	PROD.MCH.BKNACHA
5	SYS1.DOLC.PROCLIB(ADTP14)	Period Transmittal Data List to an URL	Out	PROD.WEB.TRNDEP.LIST
6	SYS1.DOLC.PROCLIB(AMTDCP)	DOLC Permit Web Query Holders to Commerce	Out	PROC.MCH.WEBQURY.AGNYMSTR
7	SYS1.DOLC.PROCLIB(AMTM48)	Create an Agency Phone Book File in County & Zip Code Sequence for DOLC Web site	Out	PROD.WEB.CTYPHNBK
8	SYS1.DOLC.PROCLIB(AMTM57)	Price Bulletin to Web Server	Out	PROD.WEB.PRICEBB
9	SYS1.DOLC.PROCLIB(AMTQ26)	Modified Price List to Web Server	Out	PROD.WEB.QRTLY.BULLETIN.BRAND PROD.WEB.QRTLY.BULLETIN.TYPE
10	SYS1.DOLC.PROCLIB(AMTRC8)	UPC Future Brand Master File to Web Server	Out	PROD.WEB.UPC.BRANDSEQ PROD.WEB.UPC.UPCSEQ
11	SYS1.DOLC.PROCLIB(AMTRC8)	Phone Books-Outlet:County-Agency:Couty-Zip Code to Web Server	Out	PROD.WEB.CTYPHNBK
12	SYS1.DOLC.PROCLIB(AORMLA)	DOLC Monthly Financial Report to Commerce Server	Out	PROD.ACT.FINANC.SERVER
13	SYS1.DOLC.PROCLIB(AORF19)	Payroll Data From OAKS Employee Master & Object of Expense	In	PROD.ACT.OBJOFEXP
14	SYS1.DOLC.PROCLIB(AORM62)	DOLC Monthly General Ledger Report to Commerce Server	Out	PROD.ACT.GENLDGR.SERVER
15	SYS1.DOLC.PROCLIB(APOD82)	Permit Wholesale Sales to NABCA	Out	PROD.MCH.RSLNABCA PROD.MCH.PSLNABCA
16	SYS1.DOLC.PROCLIB(APOYAB)	Permit Holder Sales for Taxation for a requested Year - Creates a CD Brand Wholesale Price File for Taxation	Out	PROD.LIC.TAXPHSLS.Y20XX PROD.LIC.PHDUMP.Y20XX PROD.LIC.TAXWHLSE.Y20XX
17	SYS1.DOLC.PROCLIB(ASIM37)	Brand Summary Active Agency/Outlets	Out	PROD.MCH.NABCASPR PROD.MCH.NABCAOUT PROD.MCH.NLNLNABC PROD.WEB.CNTYALL
18	SYS1.DOLC.PROCLIB(ASIM47)	Monthly Sales & Inventory to NABCA	Out	PROD.MCH.NVCMOSRT
19	SYS1.DOLC.PROCLIB(ASIPC0)	Agency/Outlet Store Report to Commerce Server	Out	PROD.MCH.STORREPT.SERVER
20	SYS1.DOLC.PROCLIB(ASIRC0)	Shelf Management to Vendors, to Agency Ops, to Kroger's	Out	PROD.WEB.AGYOPS PROD.WEB.DIAGEO PROD.WEB.FUTUREB PROD.WEB.KROGERB
21	SYS1.DOLC.PROCLIB(ASRM10)	Agency/Outlet Store Control Report to Commerce Server	Out	PROD.MCH.STRCNTL.MONTH.SERVER
22	SYS1.DOLC.PROCLIB(ASRPF9)	Ohio Liquor Sales	Out	PROD.WEB.OHIO.SALES
23	SYS1.DOLC.PROCLIB(ASRPI0)	Case Sales by Year, by District	Out	PROD.MCH.CMPCSEVN.SERVER PROD.MCH.VENCSECP.SERVER
24	SYS1.DOLC.PROCLIB(ASRPI2)	Comparative Case Sales to Commerce Server	Out	PROD.MCH.CMPCSEVN.SERVER PROD.MCH.VENCSECP.SERVER

25	SYS1.DOLC.PROCLIB(ASRPK0)	DOLC Store Control Report to Commerce Server	Out	PROD.MCH.STRCNTL.TAB.SERVER PROD.MCH.STRCNTL.LIST.SERVER PROD.MCH.INVENTRY.BYOUTLET.SERVER PROD.MCH.SALESTAX.BYCOUNTY.SERVER PROD.MCH.SALESTAX.BYOUTLET.SERVER PROD.MCH.DLLARSLS.BYOUTLET.SERVER PROD.MCH.DLLARSLS.BYOUTLET.SERVER
26	SYS1.DOLC.PROCLIB(ASRPR3)	Brand Summary & Gallonage Complex Period Agencies by Ounce Monthly Agencies by Ounce	Out	PROD.MCH.PERIOD.AGENCIES.BYOUNCE.SERVER PROD.MCH.MONTH.AGENCIES.BYOUNCE.SERVER PROD.MCH.MONTH.AGENCIES.TYPEOZS.SERVER
27	SYS1.DOLC.PROCLIB(AVOD80)	Voucher Transfer to OAKS	Out	PROD.ACT.NFINANCE
28	SYS1.DOLC.PROCLIB(AVOD81)	Master tables from OAKS	In	
29	SYS1.DOLC.PROCLIB(AVOD82)	Warrant Information that originally came from OAKS to Unclaimed Funs Server	Out	PROD.ACT.INBOAKSA PROD.ACT.INBOAKSB PROD.ACT.INBOAKSC PROD.ACT.INBOAKSD
30	SYS1.DOLC.PROCLIB(AVOD83)	Warrant Information that originally came from OAKS to Unclaimed Funs Server		PROD.ACT.INF25A PROD.ACT.INF25B
31	SYS1.DOLC.PROCLIB(AVOD90)	Error File from OAKS	In	PROD.ERR.INBOAKSA
32	SYS1.DOLC.PROCLIB(AVOD91)	Warrant Transfer from OAKS	In	PROD.ERR.INBOAKSB
33	SYS1.DOLC.PROCLIB(AVOD92)	Warrant Transfer from OAKS (Note: multiple scheduling of the same job)	In	PROD.ERR.INBOAKSC
34	SYS1.DOLC.PROCLIB(AVOD93)	Warrant Transfer from OAKS	In	PROD.ERR.INBOAKSD
35	SYS1.DOLC.PROCLIB(AVOD94)	Warrant Transfer from OAKS	In	PROD.ACT.INBOAKSA
36	SYS1.DOLC.PROCLIB(AVOD95)	Warrant Transfer from OAKS	In	PROD.ACT.INBOAKSB
37	SYS1.DOLC.PROCLIB(AVOD96)	Warrant Transfer from OAKS	In	PROD.ACT.INBOAKSC
38	SYS1.DOLC.PROCLIB(AVOD97)	Warrant Transfer from OAKS	In	PROD.ACT.INBOAKSD
39	SYS1.DOLC.PROCLIB(AVOD98)	Warrant Transfer from OAKS	In	PROD.ACT.INF25A
40	SYS1.DOLC.PROCLIB(AVOD99)	Warrant Transfer from OAKS	In	PROD.ACT.INF25B
41	SYS1.DOLC.PROCLIB(AVOM52)	DOLC Monthly Voucher Report to Commerce Server	In	PROD.ACT.VOUCHREG.SERVER PROD.ACT.VOUCHREG.SAC6023.SERVER PROD.ACT.VOUCHREG.ACT210.SERVER PROD.ACT.VOUCHREG.ACT210VN.SERVER PROD.ACT.VOUCHREG.BYACCNT.SERVER
42	SYS1.DOLC.PROCLIB(IALDH4)	Bailment Wholesale Status by Vendor, by Brand, by District	Out	PROD.MCH.NABCASTA
43	SYS1.DOLC.PROCLIB(IALDH5)	Warehouse Inventory Available by Brand, per Vendor	Out	PROD.MCH.NABCAINV
44	SYS1.DOLC.PROCLIB(IALDH6)	Warehouse Inventory Available by Brand, per Vendor	Out	PROD.MCH.NABCAINV
45	SYS1.DOLC.PROCLIB(IALDK3)	Bailment Warehouse Status by Vendor by District	Out	PROD.MCH.NABCASTA
46	SYS1.DOLC.PROCLIB(IALM78)	NDC Vendor Sales File to DOLC Web Site	Out	PROD.WEB.NDC.SHELF PROD.WEB.NDC.PERMIT PROD.WEB.NDC.OUTLET PROD.WEB.NDC.WAREHSE.SALES PROD.WEB.NDC.VENSALES

47	SYS1.DOLC.PROCLIB(IICD02)	Warehouse Inbound Report (from each district's warehouse)	In	PROD.MCH.NABCA.NEWINV PROD.MCH.NAPCA.NEWADJ PROD.MCH.NABCA.NEWRCT
48	SYS1.DOLC.PROCLIB(IICD11)	Warehouse Outbound Report (to each district's warehouse)	Out	PROD.MCH.DIST.WHSEINV
49	SYS1.DOLC.PROCLIB(IICP55)	DOLC Outlet Store Report to Commerce Server	Out	PROD.MCH.TRNNCRA1
50	SYS1.DOLC.PROCLIB(INAD01)	NAHIST Records to LITS2	Out	PROD.LIC.NAHIST.LITS
51	SYS1.DOLC.PROCLIB(INAQ79)	Beer and Wine Name/Address list to Taxation Web Site	Out	PROD.WEB.S1LIST
52	SYS1.DOLC.PROCLIB(IPWD14)	Bailment Purchase Order Recap to NAPCA	Out	PROD.MCH.NABCABLT PROD.MCH.NABCAPOS
53	SYS1.DOLC.PROCLIB(IPWD14)	DOLC Daily Bailment Invoices & Recap Reports to Commerce Server	Out	PROD.MCH.BLMRECAP PROD.MCH.NABCAPOS
54	SYS1.DOLC.PROCLIB(IRSDW9)	Bailment Withdrawals to Commerce Server	Out	PROD.MCH.APHASEN PROD.MCH.BPHASEN PROD.MCH.CPHASEN PROD.MCH.DPHASEN
55	SYS1.DOLC.PROCLIB(IRSP9P)	DOLC Outlet Report to Commerce Server	Out	PROD.MCH.INTRANSI.RECEIVED.SERVER PROD.MCH.INTRANSI.SHIPING.SERVER
56	SYS1.DOLC.PROCLIB(OVHD03)	Active Permit Holders by County to DOLC Web Site	Out	PROD.WEB."COUNTY"
57	SYS1.DOLC.PROCLIB(OVHD04)	Permit Misc. Data (canceled permits, quota counts, quota over issues, etc.) to DOLC Web Site	Out	PROD.WEB.CANCELLD PROD.WEB.QUOTA# PROD.WEB.QUOTAOVR PROD.WEB.FCLASS PROD.WEB."COUNTY".DISTOFF
58	SYS1.DOLC.PROCLIB(OVHD05)	Permit Misc. Data (failure to renew, tax violations, etc.) to DOLC Web Site	Out	PROD.WEB.FAILRENW PROD.WEB.TAXVIOL
59	SYS1.DOLC.PROCLIB(OVHD08)	Violations Register by County to DOLC Web Site	Out	PROD.WEB."COUNTY".VIOLREGS
60	SYS1.DOLC.PROCLIB(OVHD10)	Active/Pending Permit Holders, Solicitor Name/Address Records, Supplier Name/Address Records to OIT	Out	PROD.LIC.PUBSAFTY PROD.LIC.PUBGSAFSS PROD.LIC.PUBSAFSP
61	SYS1.DOLC.PROCLIB(OVHD11)	Active/Pending Permit Holders, Solicitor Name/Address Records, Supplier Name/Address Records to Public Safety	Out	PROD.LIC.PUBSAFTY PROD.LIC.PUBGSAFSS PROD.LIC.PUBSAFSP
62	SYS1.DOLC.PROCLIB(OVHW01)	Pending Permit Holders, Solicitor Name/Address Records, Supplier Name/Address Records to DOLC Web Site	Out	PROD.WEB.SAFEKEEP PROD.WEB.PENDING PROD.WEB.SOLICIT
63	SYS1.DOLC.PROCLIB(OVHW02)	Weekly News and Transfers Reports to DOLC Web Site	Out	PROD.WEB.WEEKLY.NEWS PROD.WEB.WEEKLY.TRANSFER
64	SYS1.DOLC.PROCLIB(OVHW03)	Daily Permit Quota Register by County to DOLC Web Site	Out	PROD.WEB."COUNTY".QUOTAREG
65	SYS1.DOLC.PROCLIB(PAPDAK)	Active Beer / Wine Permit Holders to DOLC Web Site	Out	PROD.WEB.PERMIT.MALLQUTA
66	SYS1.DOLC.PROCLIB(PAPDAP)	Permit Quota and Quota Class Master and Class File to DOLC Web Site	Out	PROD.WEB.WEBQURY.QUTAMSTR PROD.LIC.WEBQURY.QTACMSTR
67	SYS1.DOLC.PROCLIB(PAPD88)	New Permit and Transfer in Process to DOLC Web Site	Out	PROD.WEB.TRANSFER PROD.LIC.NEWS

68	SYS1.DOLC.PROCLIB(PCSD37)	F Type Permit Holders to DOLC Web Site	Out	PROD.LIC.WEB.QUERY.CORPLLC
69	SYS1.DOLC.PROCLIB(PFDQ29)	Quarterly Fee Distribution Payments to Commerce Server	Out	PROD.ACT.FEEPAYMT.SERVER PROD.ACT.FEEREMIT.SERVER
70	SYS1.DOLC.PROCLIB(PGEDAM)	Update of Active Beer / Wine Permit Holders to DOLC Web Site	Out	PROD.WEB.ACTIVE.BEERWINE
71	SYS1.DOLC.PROCLIB(PGEDAN)	Active B1, B2, B3, B4, B5 Permit Holders to DOLC Web Site	Out	PROD.WEB.ACTIVE.BTYPE.PERMITS
72	SYS1.DOLC.PROCLIB(PGEDDC)	B2A and S Classes to Taxation	Out	PROD.WEB.TAXB2AS
73	SYS1.DOLC.PROCLIB(PGEDDO)	Permit Web Query Holders to DOLC Commerce Server	Out	PROD.LIC.WEB.WEBQURY.HLDMSTR PROD.LIC.WEB.WEBQURY.CLASMSTR
74	SYS1.DOLC.PROCLIB(PGEDDR)	Permit Web Query F Type Holders to DOLC Web Site	Out	PROD.LIC.WEBQURY.FTYPE.HLDRMSTR PROD.LIC.WEBQURY.FTYPE.CLASSMSTR
75	SYS1.DOLC.PROCLIB(PGEDDS)	Permit Web Query F Type Holders to DOLC Web Site	Out	PROD.LIC.WEBQURY.SFKPMSTR
76	SYS1.DOLC.PROCLIB(PGEDD9)	Active Permit Holders to LITS	Out	PROD.LIC.ACTIVE.LITS
77	SYS1.DOLC.PROCLIB(PGEMCF)	Social Security Number Info to ODJFS-Children Services	Out	PROD.LIC.GRIFFITH
78	SYS1.DOLC.PROCLIB(PGEMD3)	Taxation Cancelation to Taxation	Out	PROD.WEB.CANCELTX
79	SYS1.DOLC.PROCLIB(PGEM88)	Issued Permits for Month to DOLC Web Site	Out	PROD.WEB.ISSMONTH
80	SYS1.DOLC.PROCLIB(PGEM89)	Monthly C & D Permit Holder Data to Attorney General	Out	PROD.LIC.ATYGENCD
81	SYS1.DOLC.PROCLIB(PGEP43)	Alpha Taxation Files to Taxation	Out	PROD.LIC.TAXATION.ALFA
82	SYS1.DOLC.PROCLIB(PGEDQ)	DOLC Permit Specific Class Listing to Commerce Server	Out	PROD.LIC.PGEDQ.DELIMIT
83	SYS1.DOLC.PROCLIB(PVIDAF)	DOLC Permit Web Query Violations to Commerce Server	Out	PROD.LIC.WEBQURY.VIOLATNS
84	SYS1.DOLC.PROCLIB(PVITAF)	Renewal Violations From Taxation	In	PROD.LIC.TAXATION.RETURNED
85	SYS1.DOLC.PROCLIB(PVIT30)	Permit Holders by Trimester to Taxation	Out	PROD.LIC.TAXATION.RENEWALS
86	SYS1.DOLC.PROCLIB(PVIY30)	Permit Holders by Trimester to Taxation (test versus production)	Out	PROD.LIC.TAXATION.RENEWALS
87	SYS1.DOLC.PROCLIB(TAXT02)	Permit Holders by Permit District to Taxation	Out	PROD.LIC.TAXHLDRS

Supplement Six – Current Reports

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
		means question report		means delet for future						
1	Agency Ops	Daily wholesale sales per Permit holder	APOD82	Information sent to NABCA NO SAMPLE	X					
2	Agency Ops	Daily Bailment Purchase Orders by brand	IPWD14	Information sent to NABCA NO SAMPLE					X	
3	Agency Ops	Warehouse inventory by vendor	IALDH5	Information sent to NABCA NO SAMPLE					X	
4	Agency Ops	Warehouse shipment receipts by district	IRSD99	Information sent to NABCA NO SAMPLE	X					
5	Agency Ops	Product inventory status	IALDH4	Information sent to NABCA NO SAMPLE					X	
6	Agency Ops	Brand shelf price file for 6% prices	ASIM37	Information sent to NABCA NO SAMPLE					X	
7	Agency Ops	Agency/Outlet master file agency and address file	ASIM37	Information sent to NABCA NO SAMPLE					X	
8	Agency Ops	Brand sales and inventory	ASIM37	Information sent to NABCA NO SAMPLE					X	
9	Administration	Summary of brand sales by type prorated by outlet/agency count for a specified 1 year period.	IICOC	Used for delisting analysis				X		
10	Administration	Agency info, owner, address etc.		Current a report maintained in Excel						OD
11	Administration	Which outlets are chain stores		Excel by Brenda and Jason.						OD
12	Administration	Agency info, owner, address etc. plus column for delivery fee info		Excel by Brenda and Jason.			X			
13	Administration	Sales for each agency over a 10 year period.	ASROU	Must Keep					X	
14	Administration	County sales in bottles		Excel sheet but from file imported from CICS				X		
15	Administration	Agencies permitted per county at beginning of year		Excel manually maintained by brenda				X		

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
16	Administration	New Agency application tracking report.		Excel Brenda uses to track new agency ads for application process						OD
17	Administration	Tracking report of responsive applicants for new agency advertisements		Excel list of responsive applicants for new agency advertisements						OD
18	Administration	Committee analysis of applicant form	DLC 8063	Currently an WORD Doc						OD
19	Administration	Record sheet used by auditor to score a proposed location		Currently an Excel spreadsheet print when needed						OD
20	Administration	Ownership and transfer location report		Currently an Excel spreadsheet print when needed						OD
21	Administration	Comparative cases sales and stock status report (month and year to date)	ASR52	Displays end of month agency and warehouse inventory					X	
22	Administration	Comparative cases sales and stock status report (month and year to date) by vendor	ASR51	Displays end of month agency and warehouse inventory by vendor					X	
23	Administration	Bottle and total sales for period by district, by agency with district totals	ASR24				X		X	
24	Administration	Total State sales on a per day basis.		Excel spreadsheet that display a calendar with sales per day and total for the month.						OD
25	Administration	Year to date comparison report by store in dollars and bottles.	ASR17						X	
26	Administration	Total sales by store	ASR27	Broken out by wholesale and retail.					X	
27	Administration	Inventory activity report by store.	ASR26	Tracks receipts, sales and ending inventory for sales period for each agency.					X	

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
28	Administration	Inventory district report by agency	ASR25	Track inventory by bottle size by agency and district.					X	
29	Administration	Sales tax by county, district, tax rate, sales by $, sales tax, by month	ASR29	Display tax rate, sales by $, sales tax, by month			X			
30	Administration	Sales tax by Stores for a given month.	ASR30				X			
31	Administration	Report of sales by agencies to invalid or expired permit holders	APOC4-1							OD
32	Administration	Report of sales by an agency to a valid permit holder not assigned to that agency.	APOC4-2							OD
33	Administration	Map report of current agencies/stores.		Graphical map displaying stores in Ohio by type (retail only, wholesale/retail)						OD
34	Administration	Annual sales summary report by brand, by vendor	IICOH	Display the dollar cost by vendor				X		
35	Administration	Summary report by brand - ranked by annual cases sales for the current year.	IIC71	Annual comparison of current and previous year case sales for all brands in the State ranked highest to lowest.				X		
36	Administration	Summary report by brand - purchase orders written (last period of year/year to date)	IICOC	Annual comparison of current and previous year case sales by type ranked highest to lowest including % of sales relative to that brand type.				X		
37	Administration	Recapitulation of bailment(i.e. orders) summary report by vendor by brand showing total case dollar purchase during the year	IPWO2					X		

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
38	Administration	Annual summary of bottle and dollar sales report	ASRC1	Report that shows wholesale, retail and total bottle and dollar sales by County, by Agency.				X		
39	Administration	Agency sales summary report	IVR73-1	Ranks agencies by total retail dollar sales				X		
40	Administration	Agency sales summary report	IVR73-2	Ranks agencies by total wholesale dollar sales				X		
41	Administration	Agency sales summary report	IVR73-3	Ranks agencies by total (both retail and wholesale) dollar sales				X		
42	Administration	Agency sales summary report	IVR74	Ranks agencies by total, by retail, by wholesale dollar sales. Summary of IVR73 reports				X		
43	Administration	Year to date sales comparison by agency/store report	ASROU	YTD sales comparison of wholesale, retail and total bottles and dollars compared to previous 10 years for each Agency.				X		
44	Administration	Gallonage sales leaders summary report by brand		Gallonage sales leaders by brand					X	
34	Admin-POG	Shelf layout per store.		Currently a Power Point and Prospace produced document						
35	Admin-POG	Bottles Sales by Brand by for a given store	ASRCM	Used to help plan the initial setup for a new store.						OD
36	Admin-POG	Agency orders report.	ASR33				X			
37	Admin-POG	Agency orders report by brand category	ASR70				X			
38	Admin-POG	Agency product catalog report.	ASRCN	Includes the brands that a store carries, with UPC code, prices, etc.			X			

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
39	Admin-POG	Sales report over a 10year period of Wholesale and retail sales for a given store.	ASROU	used for linear footage						OD
40	Inv-Audits	Audit store data report.	INA20	Used to determine when next audit is due has agency Mgr, and Asst Mgr contact info, last audit, next audit.		X				
41	Inv-Audits	Compliance visit summary report by district by store.		Excel sheet auditor supv uses to track dates			X			
42	Inv-Audits	Map report that displays audit districts which includes the location of the Auditor's residence for reference purposes		Map manually updated						OD
43	Inv-Audits	Auditor weekly schedule report.		Excel sheet showing auditor, days of the week and number of audits scheduled		X				
44	Inv-Audits	Store report that shows all sales and inventory activity for every brand in the store	ASI64						X	
45	Inv-Audits	Inventory difference report showing discrepancies between audit and the system's inventory for an agency.	ASI78						X	
46	Inv-Audits	Inventory difference report showing discrepancies between audit and the system's inventory for an agency sorted by district and by	ASI49	no sample					X	
47	Inv-Audits	Price bulletin report that shows any price changes for month including new items	AMT13				X			
48	Inv-Audits	Audit info report by districts, duties, and auditor		Manually maintained Excel spreadsheet			X			

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
49	Sales Audit	Scheduled audit payments report		Manually maintained Excel spreadsheet					X	
50	Sales Audit	Commissions withheld report by Agency, by period		Manually maintained Excel spreadsheet					X	
51	Sales Audit	Sales dollar State summary comparison report (compares year over year)		Manually maintained Excel spreadsheet					X	
52	Sales Audit	Sales gallon age State summary comparison report (compares year over year)		Manually maintained Excel spreadsheet					X	
53	Sales Audit	Dollar Sales comparison report (year over year)	ASI99						X	
54	Sales Audit	Gallonage Sales comparison report (year over year)	ASI0A						X	
55	Sales Audit	Inventory and sales report by store that show the number of days inventory in stock and average sales for the period	ASIB						X	
56	Sales Audit	Inventory comparison report that display the average days supply per store on a year over year basis.		Currently an Excel spreadsheet					X	
57	Sales Audit	State wide sales comparison report for director. Displays month-to-date, calendar year-to-date and fiscal year-to-date.		Manually maintained Excel spreadsheet					X	
58	Sales Audit	Sunday sales exception report ,i.e. authorized to sale on Sunday but not reporting any sales.	APO08		X					
59	Sales Audit	Daily total reported sales as by store report.	APO63		X					

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
60	Sales Audit	Daily total reported sales as by store report for those stores reporting daily sales exceeding $27k.	APO63		X					
61	Sales Audit	Agency activity report that show daily withdrawals from the agent accounts.	ADT32		X					
62	Sales Audit	Agency activity report that shows ACH (automatic cash hold), NOCS (notice of change) and NSFs (notice of non-sufficient funds) transactions.	ADT32		X					
63	Sales Audit	Agency activity comparison report? Load transaction control register	ADT01	Part one redraws returns	X					
64	Sales Audit	Agency activity comparison report? Load transaction control register	ADT01	Part two corrects previous transmittals	X					
64	Sales Audit	Transmittal payment detail report from Keybank	R3562	Keybank report	X					
65	Sales Audit	Bank deposit/transfer exception report.	ADT54		X					
66	Sales Audit	Transmittal data audit report	ADT62		X					
67	Sales Audit	Transmittals, Deposits & Bank Statements summary report.	ADT12		X					
68	Sales Audit	shows what we need to withdraw from the banks into keybank. Must match ADT32 report	ADT56	no sample no longer used, goes directly to Keybanks Website	X					
69	Sales Audit	Activity sales summary report by period.	ASI69	Manually maintained Excel spreadsheet, show month and year-to-date period.					X	
70	Sales Audit	Sales and inventory Brand summary reports by district.		Currently an Excel spreadsheet	X					

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
71	Sales Audit	Bad orders exception report by district, by agency, by brand, by brand type	IRS50							
72	Sales Audit	Inventory reports by agency.	ASI10	Displays current inventory for each stare at the end of the period.					X	
73	Sales Audit	Warehouse inventory report that shows opening balance, receipts, adjustments and shipment/withdrawals.	IIC73						X	
74	Sales Audit	Out of balance exception report that compares reported dollar sales to successful transmissions/deposits.	ASP27						X	
75	Sales Audit	Point of Sale Period Balance (PE)	ASI96	Need a better description used by agency to compare daily sales in LB					X	
76	Sales Audit	Ending inventory report in bottles for the given period.	APO10		X					
77	Sales Audit	Inventory adjustment summary report by district, by agency for a given period.	ASI21						X	
78	Sales Audit	Dollar Sales summary report that excludes sin tax by Store for District	ASIAC	County 18 Cuyahoga					X	
79	Sales Audit	Bottle/dollars Sales summary report that excludes sin tax by Store for District D only.	ASRCB	County 18 Cuyahoga					X	
80	Sales Audit	Dollar Sales detail report by store, by brand that excludes sin tax.	ASP41	County 18 Cuyahoga					X	
81	Sales Audit	Sales summary report in bottles and dollars for city 18.	ASRBO	County 18 Cuyahoga					X	
82	Sales Audit	Sales summary by store report in bottles and dollars for city 18.	ASRBP	County 18 Cuyahoga					X	

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
83	Sales Audit	Audit summary report for account 22.	ADT58	Currently CICS Screen					X	
84	Sales Audit	Sunday sales summary report	ADT55	Deposits and transfer totals.	X					
85	Sales Audit	Summary exception reports that shows pending permit holders not assigned to an agency.	ASRD2		X					
86	Sales Audit	Cancelled permits report that show newly canceled permits for each store.	AMTCA		X					
87	Allocations	Warehouse inventory report that shows available inventory by brand by district as a given date.	IALAC							OD
88	Allocations	Warehouse shipment report that show receipts and transfers by brand, by district.	IICW5	Shipments in and out	X					
89	Allocations	Warehouse order report that show agencies orders by district/warehouse.	APO09		X					
90	Allocations	Warehouse order report that show agencies orders of paper bags by district/warehouse.	APOA2	Orders for Paper Bags						OD
91	Allocations	Warehouse order report that show agencies orders of paper by district/warehouse.	APOC8	create paper form requisitions this is for cases of printer paper.		X				OD
92	Allocations	Report that show monthly price bulletin for a given tax rate.	AMT13	new items and prices changes			X			
93	Allocations	Brand Master List report	AMTCD	Display every brand within product catalog along with status code.						OD
94	Allocations	Brand Master List report by vendor	AMTBN							OD
95	Allocations	Brand Master List report by broker	AMTBL							OD

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
96	Allocations	Brand Master List report by status code.	AMTBI							OD
97	Allocations	List of outlets by county	APO77							OD
98	Allocations	Transfers report from/to warehouse	IICW1		X					
99	Allocations	Order report shows past orders for an agency by cases.	APOA3	week number of cases ordered (w/average of 6 weeks)					X	
100	Allocations	Order report that shows DOLC adjustment to agencies orders.	IAL82	Scratched cases, from requested cases by agency by brand	X					
101	Allocations	Agency order pulled date report that show by agency, by warehouse what day of the week that orders are pulled at the warehouse.	?							OD
102	Allocations	Transfer status report that shows status of all TRANSFER orders	CICS PDMU menu: options 7, 8 & 9	no sample						OD
103	Bailment	Order confirmation reports that show orders to that were sent to warehouses.	IROWC		X					
104	Bailment	Order correction report that show inventory adjustments made by warehouse to agencies orders.	IRSW4-1		X					
105	Bailment	Order summary report that shows total bottles shipped by an agency for the given day	IRSW4-2		X					
106	Bailment	Order summary report that show bottles scratched by warehouse for a given day and agency.	IRSW4-3		X					
107	Bailment	Order detail report by agency, by brand	IRSWC		X					

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
108	Bailment	Order report that shows in-transit agency-to-agency transfer orders.	IRS04	Show transfer out orders					X	
109	Bailment	Order report that shows in-transit agency-to-agency transfer orders.	IRS05	Show transfer in orders	X					
110	Bailment	Opened transfers report by brand, by date	IRSA1	Agency to Agency transfers	X					
111	Bailment	Transfer report	APO99	Yet another agency to agency transfer report.	X					
112	Bailment	Warehouse inbound adjustments list report.	IICW2	Inventory report listing adjustment such as Vendor sample (inbound)	X					
113	Bailment	Warehouse receiving report by vendor	IICW6	Inventory report that list inbound shipments to warehouse.	X					
114	Bailment	Warehouse inventory input card error list report	IICW8	Error list, invalid brand number No longer used	X					
115	Bailment	Warehouse inventory error list	IICW4	Error list, invalid brand number, reason code, etc.	X					
116	Bailment	Processed orders difference report.	IRSW4	Bottles scratched from Agency orders from warehouse report.	X					
117	Bailment	Warehouse shipments report by Agency	IRSWC		X					
118	Bailment	District shipment report	IRSWA	by district, order number, by Agency in total cases	X					
119	Bailment	Brands, bottles per case exception report	ASRCP		X					
120	Bailment	Bailment PO writing error report	IPW17	By district, total bottles? Used to help make sure bailment is correct.	X					
121	Bailment	Tape receipt controls in transit report	IRS25	By district, by agency NOT USED	X					
122	Bailment	Trucking company delivery details report	AVO13	by period, by Agency - details associated with truck delivered	X					

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
123	Bailment	Liquor purchase summary report of Agency shipments by Brand,	IPW03	Summary report by brand, with state and district totals	X					
124	Bailment	Liquor purchase summary report by brand, by vendor	IPW02	Period report	X					
125	Bailment	Liquor shipment breakage report	ACO01	Period report that list the claim cost of breakage by brand	X					
126	Accounting	Sales tax by Agency report	ASRCI	Sales tax summary					X	
126	Accounting	Month end reporting-Various		no sample			X		X	
	Accounting	Quarterly reporting-Various		no sample					X	
	Accounting	Yearly reporting-Various		no sample				X		
126	Accounting	reports total cost of sales for the previous month	from batch job AOR03	no sample					X	
126	Accounting	GAAP report	annual report by accounting	no sample					X	
126	Accounting	Alcohol & drug addiction services and JVS		Excel report of figures the end of the quarter payment made to ADAS NO Sample					X	
126	Accounting	cost of liquor inventory		Monthly report by ITG NO Sample					X	
126	Accounting	RCASH04A	RCASH04Amonthly and quarterly from batch job AVODH9	no sample					X	
126	Accounting	New inventory figures		accum by nightly batch jobs No Sample					X	
126	Accounting	Previous Inventory Figures		accum by nightly batch jobs No Sample					X	
126	Accounting	Month end reporting		accum by nightly batch jobs No Sample					X	
126	Accounting	Summary report of Journal Entries, c	AORM01	no sample					X	
126	Accounting	Journal Entries detail report	AVOME5	no sample					X	
126	Accounting	Monthly cash receipts detail report	AORMN1	no sample					X	

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
126	Accounting	Voucher register detail report	AVOM53	no sample					X	
126	Accounting	Monthly ledger report	OVORMG0	no sample					X	
126	Accounting	Period financial report	AORMBO	no sample					X	
127	Agency/Store	Summary report of all agency transfers during a selected time period	LB7	no sample						OD
128	Agency/Store	Detail report that shows of all inventory items in the store and	LB7	no sample						OD
129	Agency/Store	Detail report that lists all bad orders, by brand and / or by date, since the last audit.	LB7	no sample						OD
130	Agency/Store	A report that shows brand(s) transaction information for selected brands during selected time periods	LB7	no sample					X	
131	Agency/Store	A Price Report of all brands. You may customize the report to show only brands that match certain criteria, i.e. liters, vodkas, etc.	LB7	no sample						OD
132	Agency/Store	Detail report that shows a list of all Wholesale Customers	LB7	no sample						OD
133	Agency/Store	Summaryreport of all wholesale sales activity for a specific customer, for a selected time period	LB7	no sample						OD
134	Agency/Store	Summary inventory report that shows all brands with actual counts in a specific 15 day period.	LB7	no sample					X	
135	Agency/Store	Detail inventory reports that list all items in inventory	LB7	no sample						OD

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
136	Agency/Store	Detail report that show all brands carried in the agency and will list them in numeric order.	LB7	no sample					X	
137	Agency/Store	Detail report that list all wholesale invoices for a specified period of time.	LB7	no sample						OD
138	Agency/Store	Detail report that list all pending wholesale orders for each customer.	LB7	no sample						OD
139	Agency/Store	Detail report that list all pending wholesale brands.	LB7	no sample The report shows the brand, description, current onhand quantity, number of bottles on order, and quantity available for sale.						OD
140	Agency/Store	Detail report that shows all inventory transactions for a selected brand. This is for review purposes only. No adjustments can be made on this form. The transactions are grouped by 15 day period, i.e. 1st through 15th and 16th through the end of the month, for each month. The period is identified by the first day of the period.	LB7	no sample					X	

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
141	Agency/Store	This form shows all inventory transactions for a selected brand.	LB7	no sample This is for review purposes only. No adjustments can be made on this form. The transactions are grouped by 15 day period, i.e. 1st through 15th and 16th through the end of the month, for each month. The period is identified by the first day of the period.					X	
142	Agency/Store	To generate a list, by brand, of all wholesale and retail sales during the current sales period or any previous sales period. It also gives total sales and on hand inventory by brand.	LB7	no sample					X	
143	Agency/Store	Detail report that list, by brand, of all wholesale and retail sales during the current sales period or any previous sales period.	LB7	no sample It also gives total sales and on hand inventory by brand					X	
144	Agency/Store	Detail report that list total Sales, Audit adjustments, Cash adjustments, and Bottle Count for each day that a Process End of Day has been saved.	LB7	no sample The dates are grouped by period (i.e. period 1 is the 1st through the 15th, and period 2 is the 16th through the last day of the month).					X	
145	Agency/Store	Detail report that lists all active brands carried by the given store that are changing price at the beginning of the next month . store	LB7	no sample						OD

Current DOLC Reports										
ID	Department	Report Description	CICS Number	Comments	Frequency					
					Daily	Wkly	Month	Yearly	Bi Month	Other
146	Agency/Store	Detail store report that shows all sales, receipts and inventory based on the sales and inventory information reported semi-monthly for each outlet.	LB7	no sample The store report will be downloaded to each outlet along with an Inventory Difference Report approximately one week after the close of the period.					X	
147	Agency/Store	Detail report of any unposted retail sales for a given date	LB7	no sample						OD
148	Agency/Store	Summary report of all Agency Transfers during a selected time period.	LB7	no sample						OD

DOLC Accounting Processess						
Process	Receivabl	Payable	other	Comments	Issues	Process flow
Receive Fees: (Permitting, Product Registration, Solicitors)	X	X		Acctng. Receives funds fromPermitting, posts the funds in the GL and deposits funds to the treasurer of the state TOS; the permit process is controlled from LITS until permit is issued. The fees remain frozen in the GL account until permitting issues permit (could be many years). After permit is issued Accntg vouchers the funds to OAKS to distribute funds to various taxing agencies.	Permitting can approve the permit and the fees distributed then the payment become NSF. Acctg has to do a "Buy-Back" for the funds distributed by OAKS but if NSF is never collected by Permitting, the distribution is NOT recovered. Need way to account for NSF until collected or written off and or send invoice to recover distributed funds if permit is not issued	SORT OF
Adjustment: NSF Permitting Fees	X	x		Acctng gets manual notification from treasurer that NSF happened and sends back the check. Acctng is to make a neg adjusments to next deposit and enters a neg in the GL	after clearing the NSF and removing the fees amount from the GL no oversite is firmly in place. The check is returned to permitting with notice from state treasurer.	NO
License Fees	NA	NA	NA	there are no fees for getting a licence	NONE	NA
Receive: Daily Liquor Sales	X	X		After Agency Ops/sales audit sweeps the agency accounts and makes a deposit in the KEY Bank, they notify Accntg what amount to post to the GL; it also notifies daily acctng of any NSF's noted from the bank. These NSF are 3-5 days past. Daily Sales are collected 2 days after their sale date	The daily sales each day should be reported and get entered into acctng receivalbe until the money is deposited and daily reconciliation. As it is now this is not realized as a transaction until 3 days after the sale. NO entry is made in the GL to account for the NSF amount. Agency Ops/sales audit is responsible for collecting and reconciliation of the daily sales reported and the NSF reported from the bank. This process should be fixed in the new system	YES
Adjustment: NSF Daily Liquor Sales	X	x		this process is at least 3 days old or more and no entry is made to account for the NSF or fees.	Currently Accting does not handle but needs to in the future or costly change to standard systme software	NO
Payable: Bailment-Liquor Purchased		X		daily warehouse sends shipped order file of what was actually shipped to each agency the day before. This creates an accntg GL payable entry and creates a voucher request to pay the vendor.	mirror process in new system.	SORT OF
Payable: Bailment-Transportation Purchased		X		From the wareshouse shipped order file an GL entry for each vendor is also made for cases shipped; once per month the file is accumulated and a voucher issued to pay each vendor by creating an invoice to DOLC.	mirror process in new system.	YES
Adjustment: damages & shortages attributable to transportation.	X			accntg is notified of the approved BO's attributable to transportation and puts in an entry to be used to offset the next payment of transportation charges.	new system is improvement	NO

Adjustment:damages/shortages attributable to warehouse handling after inventory is DOLC property.	X			this is actually given to the warehouse to put through a negative shipment so it will show as a negative on the bailment	this can be problematic if there is no AP transactions to balance this against. The negative transaction can stay open for a long time.	NO
Adjustment: damages/bad liquor attributable to Vendor	X			agency ops processes BO attributable to vendor. Puts through a transaction for acctng to process as a negative bailment	sometimes this transaction can stay for months without a AP transaction to balance it against	NO
NONE: Warehouse Damages/shorts **before** liquor becomes DOLC property	na	na	na	no intervention, this is an inventory transaction only to adjust warehouse inventory record	warehouse will send this info via file or go onlinie to DOLC to adjust the system inventory for the warehouse	NO
Adjustment: damages or other loss attributable to customers or reported by customers or by the agent or other approved write off reason including breakins			X	approved BO are accumulated each period approved by auditors, sent to sales audit, compiled and sent to accounting who does a GL account adjusment to write it off.	oversite.	NO
Adjustment: Store breakage, theft or Store agency inventory accountability to from Periodic Physical Inventory or Cycle Counts	X	X		if this is an inventory loss or overage, agency is notified in writing to make a sales adjusment immediately after receiving notice. Agency Ops/sales audit makes an entry into acct 22 and then waits for the sales transaction and makes an offsetting transaction into acct 22	in either event acctng is NOT notified of the transaction it is just treated as a positive or negative sale. If the agency never makes the adjustment then accntg has no record of missing or excess inventory. The transaction is maintained in acct 22 and reconciliation is questionable.	YES UNDER SALES AUDIT
Payable: Approved Refund Vouchers and Requests		X		Primarily from refunding L&P fees. These are over $1mm per year; Get notification from L&P and puts entry into GL and then puts in for payment to Oaks	automate as much as possible and possibly interface with LITS	NO
Payable: Performance Bond Payments for Agencies	x	x		if an agency does not sucure their own bond, the bond company automatically covers the cost and invoices the DOLC so there is no loss of coverage. Accntg treats this as any other payable and enters it in the GL and pays it. they also make another GL entry to account for the money due from the agency and deducts it from their commissions.	MIKE/LA I am not sure about this	SORT OF
Payable: State Bond payments		x		Acctng receive notice from treasurer to relay payment. They make an GL entry and authorized it for payment from OAKS	sent to OAKS	NO
Payable: Payroll Processing		X		all DOLC payroll goes thru Accntg.		SORT OF
Payable: Other DOLC payables		X		approx 39K transactions a year follows GAAP processes and sent to OAKS for payment.	very manual process	
Reports: Financial documents(monthly report; annual report	na	na	na	produced by Acctng.	very problematic to get date, change date, see data, use data.	NO

Monthly Balance Sheet						
report of Net Profit						
Asset Management			X	Accounting is responsible for logging, auditing, and removing etc. all DOLC capital equipment.	NONE	NO
Monthly Balance						

Supplement Seven - Gap Matrix

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Order Products	1.1 – 1.6	The store/agent populates the order fields based on a simple metric for minimum inventory.	1.1 – 1.10	The replenishment process is automated and the need for the store/agent to review and determine their exact order is eliminated.	The new system must have a robust and finely adjustable forecasting algorithm that takes into account historical data, current sales trends and current store inventory.	8.6.2, 8.6.3, 8.6.4, 8,6.5, 8.6.6, 8.6.7, 8.1.10
Order Products	1.1 – 1.6	The store/agent do not want to lose access to review orders, even if they are automatically generated.	1.1 – 1.10	The replenishment process is automated and the need for the store/agent to review and determine their exact order is eliminated.	The new system will allow store/agent to view the approved replenishment order and to place a special order to accommodate a special event that the forecasting algorithm would not be aware of.	8.1.10, 8.1.13, 8.1.14, 8.1.15, 8.1.16, 8.1.17, 8.1.18, 8.1.19, 8.1.20, 8.1.21. 8.1.22, 8.1.23, 8.1.24, 8.1.25, 8.1.26, 8.1.27, 8.1.28, 8.1.29
Order Products	1.1 – 1.6	The store/agent does not know when an item on the order list is currently unavailable in the warehouse.	1.1 – 1.10	The store/agent will have access to the new system application via the web. Up to date warehouse inventory data must be maintained in the new system.	The new system must have a mechanism to maintain updated and accurate warehouse inventory data. The new system must have a process to daily reconcile the warehouse maintained inventory records with the records maintained in the new system. The new system must have a screen that will allow store/agents to view inventory data.	8.2.15, 9.1.1, 9.1.2, 9.1.3, 9.1.4, 9.1.5
Order Products	1.1 – 1.6	The store/agent is not clear about what brands are inactive on their orders and why.	1.1 – 1.10	The new system will maintain a product catalog and provide an interface to store/agents as to the status of any brand. The new system will not allow an order to be placed on an inactive brand.	The new system must maintain a product catalog that is up to date and comprehensive. The system needs to maintain product history that will clearly show why and when a brand is marked as inactive.	8.1.1, 8.1.2, 8.1.3
Order Products	1.1 – 1.6	The store/agent does not know which brands are being delisted.	1.1 – 1.10	The new system will maintain a product catalog and provide an interface to store/agents as to the status of any brand.	The new system must provide a filterable screen for store/agent to view the product catalog.	8.1.1, 8.1.2, 8.2.2
Order Products	1.1 – 1.6	The store/agent can only input special orders along with their standard order forms.	1.1 – 1.10	The new system will allow a store/agent to enter a special order.	The entry of a one-time special order needs to a separate mechanism from replishment orders.	8.1.23, 8.1.24, 8.1.25, 8.1.26, 8.1.27, 8.1.28
Check In Delivery	2.1 – 2.11	The store/agent does not have historical information on deliveries from the warehouse.	2.1 – 2.11	The new system will maintain and allow the store/agent to view all future orders, current pending shipments and past orders/shipments.	The new system must maintain past and up to date current orders requests and fulfillment status.	8.1.51, 8.152, 8.1.53, 8.1.54
Check In Transfer	2.12 – 2.16	The store/agent does not have historical information on inbound transfers.	2.1 – 2.11	The new system will maintain and allow the store/agent to view all historical orders and shipments including all transfer orders.	The new system must maintain past and up to date current orders requests, fulfillment and shipped status for all orders including transfer orders.	8.1.36, 8.1.3, 8.1.38, 8.1.39, 8.2.5, 8.2.6 8.2.7 8.2.8
Post Received Inventory	2.17 – 2.22		Deprecated			
Process Returns	2.23 – 2.34		2.12 – 2.23			
Sell Retail	3.1 – 3.4	The store/agent is often restricted in the forms of payments accepted for retail purposes.	3.1 – 3.6	The new system will allow retail customer to order via the web. Multiple methods of payments will be supported.	For sales conducted at the store nothing changes. The store/agent can always direct the retail customer to utilize the new Liquor web application.	8.1.34, 8.1.37
Sell Retail	3.1 – 3.4	The current system does not support the use of gift cards or coupons.	3.1 – 3.6	The new system will allow retail and wholesale customers to utilize gift cards to perform purchases when utilizing the new Liquor web application.	The new system must provide a Web application for retail and wholesale customers to order liquor online that will allow these customers to register and utilize gift cards. The use of coupons will not be addressed with the deployment of this new system.	8.1.34, 8.1.38
Sell Wholesale	3.5 – 3.24	Only the store/agent has the ability to input a wholesale order into the system.	3.7 – 3.16	The new system will allow wholesale customer to place their orders using the new Liquor web application.	The new system must provide a Web application for retail and wholesale customers to order liquor online.	8.1.21, 8.1.27, 8.1.28
Sell Wholesale	3.5 – 3.24	The options for wholesale order payments are limited.	3.7 – 3.16	The new system will allow retail customer to order via the web.	The new system will not address additional method of payment.	na

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Sell Wholesale	3.5 – 3.24	There is no method for DOLC to directly deliver to a wholesale customer.	3.7 – 3.16	The new system will support but not require the direct delivery bypassing the store/agent of wholesale orders.	The system will support this as a future capability. At this point there are no plans to provide direct shipping that bypasses an Agency/Store driectly to a wholesale customer.	8.1.34, 8.1.46, 8.1.47
Sell Wholesale	3.5 – 3.24	There is no easy way to add and calculate a preset delivery charge.	3.7 – 3.16	The new system will support the maintenance form a data perspective of both delivery and special fees.	The system will calculate the total charges based on current retail and/or wholesale prices plus any pertinent delivery of special charges such as expedited delivery.	8.1.43, 8.1.44, 8.1.45
Sell Wholesale	3.5 – 3.24	There is no report of that provide historical sales data for all store/agent wholesale invoices.	3.7 – 3.16	The system will support both scheduled and adhoc reporting.	The vendor will be required to build a set of scheduled reports. In addition to these reports, the system will support the adding of new scheduled reports. If you consider the ability to write and run any adhoc report this issue will be addressed.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1
Sell Wholesale	3.5 – 3.24	The current system does not support the use of gift cards or coupons.	3.7 – 3.16	The new system will allow retail and wholesale customers to utilize gift cards to perform purchases when utilizing the new Liquor web application.	The new system must provide a Web application for retail and wholesale customers to order liquor online that will allow these customers to register and utilize gift cards. The use of coupons will not be addressed with the deployment of this new system.	8.1.34, 8.1.38
Send Out Transfer	3.25 – 3.30		3.17 – 3.22			
Adjust Order Levels	4.1 – 4.5	The store/agent must call into DOLC to request approval for adjustments.	Deprecated	The new system will require a reason code be chosen when an adjustment record is entered.	The system will automatically approve some adjustments. DOLC analyst will be notified if there are pending adjustment that require approval.	8.2.9, 8.2.10, 8.2.11, 8.2.12, 8.2.13, 8.2.14
Adjust Order Levels	4.1 – 4.5	DOLC must make judgments on whether to approve adjust quantity levels based on experience and store/agent justification.	Deprecated	The new system will contain a adaptable, sophisticated forecasting algorithm.	The new forecasting system will be adaptive based on historical sales data and sales trends. DOLC analyst will have the ability to approve and override automatic generated orders based on the forecasting algorithm but the new system will minimize the need for human judgment and intervention.	8.1.10, 8.6.1, 8.6.2, 8.6.3, 8.6.4, 8.6.5, 8.6.6, 8.6.7, 8.1.12, 8.1.13, 8.1.14
Adjust Order Levels	4.1 – 4.5	The adjusted order levels only last until the period end.	Deprecated	This is not applicable with respect to the new system.	The new forecasting/auto generation alorithm avoids the need to have alert level that store/agent are aware of and update.	8.1.10
Update Prices	4.6 – 4.12	The store/agent must wait for the new shelf tags to arrive near the end of the month.	4.1 – 4.4	The new system will support the printing of shelf tags at the store location.	The system will allow the store/agent to view the stockable products for their store. From a stock item screen the store/agent will be allowed to print a label. Blank label forms will be provided.	8.1.1, 8.1.2, 8.1.3, 8.3.8, 8.3.11
Take Physical Inventory	4.13 – .418	The store/agent does not have an integrated scanner with the system.	4.5 – 4.8	The new system will provide a scanner system that is integrated with the new central system.	The scanner system provided as part of the new system will be utilized by both auditors and store/agents for performing inventory audits and for the receipt of shipments.	10.1, 10.2, 10.3, 10.4
Take Physical Inventory	4.13 – .418	The store/agent does not the ability to look at a history of inventory adjustments for breakages, theft, or bad products.	4.5 – 4.8	The new system will allow the store/agent the ability to look at all current and past adjustments.	The new system will contain a screen that provides this information. DOLC may provide a adhoc or schedule report viewable by the store/agent to see trending or comparison reports.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1
Post Sales	4.19 – 4.30	Sales are often double posted.	4.9 – 4.15	The new system will utilize a more robust internet based mechanism to exchange end of day sales information.	The system will enforce the identification of a date corresponding to the given sales date. The system will by default prevent duplicate sales posting. The system will allow a given date sales posting to be overridden but the initial posting will be backed out before the new posting is recorded.	9.3.1, 9.3.2, 9.3.3, 9.3.4, 9.3.5, 8.5.11, 8.5.12, 8.5.13, 8.5.14, 8.5.15, 8.5.16
Post Sales	4.19 – 4.30	Sales records are often edited but not posted, so DOLC does not receive the change.	4.9 – 4.15	The new system architecture utilizes a centralize database which avoids the problem of a data synchronization that is problematic with the current architecture of LiquorBase with CICS.	The store/agent utilize the centralize system to perform edits and adjustments affecting sales. These transaction are immediately posted to the central database of record.	1.2.5
Process End of Day	4.31 – 4.40	There is confusion on how much the store/agent must deposit at the end of a day.	Deprecated	The new system will calculate and inform the store/agent of the required amount once the end of the days sales have been posted.	The architecture of the new system support immediate posting and processing of sales data. The chosen architecture avoids data synchronization and time delays. Assuming the end of the days sales data are correct this will not be an issue.	8.1.34, 8.5.6, 9.3.5, 9.3.6

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Process End of Day	4.31 – 4.40	The store/agent does not know at the end of the day that their POS has an incorrect price for one or more brands.	Deprecated	The uploading of the end of days sales and the processing of the data occurs in real time.	Regardless of whether the sales have been reported as individual sales or as summarize per brand the system will be able to determine if the sales total are correct and alert the store/agent that one or more prices are incorrect.	8.5.12, 8.5,13, 8,5,14, 8.5.15, 8.5. 16, 9.3.5, 9.3.6, 9.3.7
Process End of Day	4.31 – 4.40	The store/agent does not strictly adhere to backup guidelines.	Deprecated	The new system is centralized.	This is not an issue with the new system as architected, there is nothing that requires backup at the store/agent other than their POS system which is outside our scope.	na

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Update Inventory Record	1.1 – 1.6	Vendor/broker contact information are often out of date.	1.1 – 1.5	The new system will be accessible by vendors and brokers via the web.	The vendor/brokers will be able to update their contact information themselves.	8.4.7
Update Inventory Record	1.1 – 1.6	Reviewing vendor requests to change product info and to update the appropriate fields in the system is a long manual process.	1.1 – 1.5	The new system will provide a screen for a vendor to maintain product information. Additionally there is another screen where a vendor can request a price update.	The vendor can edit some items such as the product description without a review. The new system will route vendor price update request to the appropriate party within DOLC for their review and approval. The system will manage these request to ensure that nothing is forgotten.	8.3.2, 8.3.3, 8.3.4, 8.4.7, 8.4.8
Update Inventory Record	1.1 – 1.6	Sales tags take some time to be delivered to store/agent once info has changed.	1.1 – 1.5	The new system will support the printing of sales tags by the store/agents.	The system will support the local printing of sales tags. These tags will be identical to the tags printed at the DOLC office and will include the current UPC code and price.	8.3.8
Update Inventory Record	1.1 – 1.6	Product codes are used to represent both states and types of items. It is difficult to parse data or change the state of the product dynamically.	1.1 – 1.5	The new system's data model will record states and type of item as separate attributes.	The state of a stock item will be maintained in the Product Catalog. This Product Catalog will also maintain a history of stock item history.	8.1.1, 8.1.2, 8.1.3
Update Inventory Record	1.1 – 1.6	Issues such as breakages, theft, or bad product are not recorded as distinct inventory adjustments.	1.1 – 1.5	The new system will require all discrepancies to be entered as adjustments regardless of the reason.	When an adjustment is entered a reason code must be selected. The reason code will include those items such as theft and employee breakage. The current system supports bad order records only for those items that the store/agent are seeking to be compensted for.	8.2.9
Update Inventory Record	1.1 – 1.6	There is no way to generate a report of breakages, theft, or bad product for one or more store/agent locations.	1.1 – 1.5	The new system will require all discrepancies to be entered as adjustments regardless of the reason.	The flexibility of both schedule reporting and adhoc reporting will provide the ability for a number of reports to be written that will provide insight to adjustment at one or more selected stores over a user chosen time period.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1
Update Inventory Record	1.1 – 1.6	There is no way to associate a product's Quality Certificate of Analysis and Quality Certificate of Label Compliance with its record.	1.1 – 1.5		The quality certification product is performed by the distillers. This information will be maintained in the Product Catalog.	8.1.1, 8.1.2, 8.1.3
Update Inventory Record	1.1 – 1.6	The price markup algorithm is hardcoded at +30% based on the vendor's suggested retail price and cannot be altered.	1.1 – 1.5	The new system will support the capability to set the price for a given item for a given set of stores.	The new system will contain the support to for flexible price calculation and setting. There is a separate issue concerning the legislative limits on the use of this capability.	8.3.5
Add Items	1.7 – 1.11	Reviewing, approving, and adding new items into the system is a long manual process.	1.6 – 1.10	The new system will support the adding of new items. The vendor / broker will be able to entered a requested price, product discription, and product image.	The new system will allow vendor and/or brokers to maintain product information such as product description and product image. The new system will let the vendor to request a price change that will be routed to the appropriate person for approval.	8.4.8, 8.3.3, 8.3.4. 8.3.5
Add Items	1.7 – 1.11	There is no set process to comply with the policy of not selling items that have a low-proof equivalent.	1.6 – 1.10		The new system will not address this.	na
Add Items	1.7 – 1.11	There is no easy way to determine the best store/agent locations for initial new item deployment.	1.6 – 1.10	The new system will have a robust adhoc reporting capability.	DOLC analyst will be able to utilize the adhoc reporting system to shed light onto questions such as this. Additionally the product test capability that is part of the new system would enable an analyst to design a test that may shed further light onto this question.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1, 8.8.1, 8.8.2, 8.8.3, 8.8.4, 8.8.5, 8.8.6, 8.8.7, 8.8.8
Delist Items	1.12 – 1.22	There is little guidance on how much to discount an underperforming item.	1.11 – 1.15	The new system will have a robust adhoc reporting capability.	DOLC analyst will be able to utilize the adhoc reporting system to shed light onto questions such as this. Additionally the product test capability that is part of the new system would enable an analyst to design a test that may shed further light onto this question.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1, 8.8.1, 8.8.2, 8.8.3, 8.8.4, 8.8.5, 8.8.6, 8.8.7, 8.8.8
Delist Items	1.12 – 1.22	There is no way to gracefully degrade gift packs to regular items.	1.11 – 1.15	The new system will allow the store/agent to add or substract items from the store's inventory.	The system will allow a store/agent to enter the contents of the gift pack as regular items in the store's inventory using the inventory adjustment capability. The store/agent can use the same inventory adjust to remove the gift pack.	8.2.9
Delist Items	1.12 – 1.22	There is no report that show recently delisted items and items currently in the process of being delisted.	1.11 – 1.15	The new system will have a robust adhoc reporting capability as well as the abilty to run schedule reports.	This report can be done as either a schedule or an adhoc report.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Process Orders	2.1 – 2.6	Warehouses are frequently short on inventory.	2.1 – 2.5	Vendors and brokers will have web access to the new system.	The new system will have bultin controls that will ensure that warehouse inventory levels are accurately maintained. Vendors and/or brokers will have web access to view invnetory levels. Additionally the system can provide a report that predicts inventory changes/trends based on the forecasting capability that will be contained in the new system.	1.2.3, 13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1, 8.2.1 thru 8.2.24
Process Orders	2.1 – 2.6	The current system does not identify an order by a unique ID, but rather utilizes the date of the order, and then the ID for the day. This presents a problem for the warehouse's inventory system.	2.1 – 2.5	The new system will provide an unique order ID that identifies each order.	The new system will provide a unique order ID. Open issue -The format of the order number is an open issue. See comment assoicated with requirement 8.1.8.	8.1.8
Process Orders	2.1 – 2.6	DOLC analysts need to preserve the ability to manually override order quantities determined by the automatic algorithm	2.1 – 2.5	The new system will contain the capability to route all auto orders to an analyst for review and approval.	The system will can be configured to route all auto orders or orders for a selected set of stores to a DOLC analyst for review and approval. Additionally the system supports the running of a set of alerts that can result in the system routing auto orders not initially marked for approval to an Analyst for review.	8.1.12, 8.1.13, 8.1.14, 8.1.15, 8.1.16, 8.1.17, 8.1.18, 8.1.19, 8.1.20, 8.1.21, 8.1.22
Process Orders	2.1 – 2.6	There are no methods to temporarily set a different order quantity level for the holidays to accommodate for the difference in volume.	2.1 – 2.5	The new system will include a robust forecasting alorithm.	The new system's forecasting algorithm will be written to take into consideration historical sales data from preivous years as well as current rending data.	8.6.1, 8.6.2, 8.6.3, 8.6.4
Process Orders	2.1 – 2.6	There is no structured workflow for initiating transfer orders.	2.1 – 2.5	There is no structured workflow for initiating transfer orders.		8.1.30, 8.1.31
Process Orders	2.1 – 2.6	There is no structured workflow for reviewing special item orders.	2.1 – 2.5	The new system will contain the capability to route all special orders to an analyst for review and approval.	The system will required all special orders to be reviewed.	8.1.27
Process Orders	2.1 – 2.6	A wholesale order invoice created before a price change retains the old prices even if the actual sale is after the price change.	2.1 – 2.5	The system can be design either way.	If the order is entered via the web the system should commit to the prices that exist when the order is submitted. The system will calculate the total bill based on the information in the system at the time of the order.	8.1.43, 8.1.44, 8.1.45
Process Orders	2.1 – 2.6	Warehouse only ships in cases.	2.1 – 2.5	The system will be design to support both inner packs and the new is will require non-stock items to be picked and packed at the warehouse.	The system will be design to support both inner packs and the new is will require non-stock items to be picked and packed at the warehouse.	8.1.1
Process Orders	2.1 – 2.6	We must maintain the ability to import and export files from warehouse inventory scanners.	2.1 – 2.5	The new system will contain a new scanner system.	The scanner system will include the ability to share data wth the new centralize system.	10.1, 10.2, 10.3, 10.4
Pay for Products	3.1 – 3.7		3.1 – 3.7			

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Update Store/Agent Info	1.1 – 1.3	Store/agent records do not have fields for names, contact information, etc.	1.1 – 1.3	The new system's data model will contain standard formats for all contacts maintained in the system.	The new system will provide a screen to input contact information is a consistent and standard format. The system will also allow the user of the system to maintain their contact information.	6.3, 8.4.7
Update Store/Agent Info	1.1 – 1.3	Wholesale customer records do not have fields for names, contact information, etc.	1.1 – 1.3	The new system's data model will contain standard formats for all contacts maintained in the system.	The new system will provide a screen to input contact information is a consistent and standard format. The system will also allow the user of the system to maintain their contact information.	6.3, 8.4.7
Add Store/Agent	1.4 – 1.8		1.4 – 1.8			
Remove Store/Agent	1.9 – 1.13		1.9 – 1.13			
Reconcile Daily Sales	2.1 – 2.6	The polling process is unreliable and causes many delays in sales reporting.	2.1 – 2.4	The new system will not utilize the current polling process.	The new system will require stores/agents to have a dedicated internet connection. Data exchange will be done in real utilizing the Internet.	8.5.6, 9.3.1, 9.3.2, 9.3.3, 9.3.4, 9.3.5, 9.3.6
Reconcile Daily Sales	2.1 – 2.6	The store/agent often lets wholesale orders leave without collecting payment.	2.1 – 2.4		This issue is not addressed with the new system.	na
Reconcile Daily Sales	2.1 – 2.6	DOLC can only provide remote support over the phone.	2.1 – 2.4	Limited need for remote	The new system will reduce the need for remote support due to the fact that liquorBase is not part of the new system. The new web system will also contain a searchable help system. Optionally we can recommend a remote desk top solution to assist store agents if remote support is actually required.	1.2.3, 1.2.4
Collect Money	2.7 – 2.10		2.5 – 2.8			
Check Compliance	3.1 – 3.5	The letter correction handling process for warehouse bad orders is lengthy and very manual.	3.1 – 3.5	The system can automate the creation of this letter	The system can automate the creation of this letter	8.9.9, 8.9.10
Check Compliance	3.1 – 3.5	Approving bad orders is a tedious and lengthy process.	3.1 – 3.5	The system supports the capability of adding adjustments routing these adjustments to the appropriate DOLC analyst for approval.	The system supports the capability of adding adjustments records and routing these adjustments to the appropriate auditor or DOLC analyst for approval. Auditor can be alerted to pending approval requests and can view the inventory adjustment requests awaiting approval from anywhere that has Internet capability.	8.2.9, 8.2.12, 8.2.13, 8.2.14
Check Compliance	3.1 – 3.5	Compliance reports are done by hand and must be mailed or delivered to DOLC.	3.1 – 3.5			8.2.12
Check Compliance	3.1 – 3.5	There is no way to quickly look up information on a store/agent.	3.1 – 3.5	The system will provide the cabability to look up information of any user of the system.	The ability to view this data is subject to visibility	8.4.9
Check Compliance	3.1 – 3.5	There is no way to create a custom report across store/agent based on parameters like sales and inventory.	3.1 – 3.5	The system will provide an adhoc reporting capability.	This gap will be cover by a combination of scheduled and adhoc reports.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1
Conduct Physical Audit	3.6 – 3.14	The process to schedule for compliance checks and audits is manual.	3.6 – 3.14			8.2.16
Conduct Physical Audit	3.6 – 3.14	It is difficult to view audit schedules based on different parameters, such as the next audit for a particular store.	3.6 – 3.14	The system will provide visibility to audit schedules and the status of these audits.		8.2.18
Conduct Physical Audit	3.6 – 3.14	Keeping a separate database for local records and DOLC records makes it difficult to pinpoint cause of balance difference, since differences may simply be because of a lag in syncing the databases.	3.6 – 3.14	The new system will utilize a centralized database.	The problems with syncronication that is inherirant by the use of separate data stores is largly avoided due to the fact there is only one database of record. Additionally the POS interface to the new system is completed in real time as opposed to be delayed. The same applies to the sharing of data between the warehouse system and the new system.	1.2.5
Conduct Physical Audit	3.6 – 3.14	The current scanners are hard to use, and it is tedious to upload files.	3.6 – 3.14	The new system will contain a new scanner system.	The details of the interface to the scanner system is yet to be worked out but there is no reason that the interface between the scanner and new system should be hard to use.	10.1, 10.2, 10.3, 10.4

Process	As-Is ID	As-Is	To-Be ID	To-Be	Gap	Requirement Ref
Conduct Physical Audit	3.6 – 3.14	Reused UPC's cause a lot of problems to scanners and inventory records.	3.6 – 3.14		The product catalog maintains the current and past history of product items. Only one UPC can be active at a given time. Should not be an issue but this is a design issue.	na
Conduct Physical Audit	3.6 – 3.14	There is no easy two way messaging between auditor and DOLC.	3.6 – 3.14	The new system will be web based.	The utilization of a web system will allow the auditor to communicate with DOLC from anywhere that has web access. i.e. home or stores.	1.2.3, 1.2.4, 1.2.5
Conduct Physical Audit	3.6 – 3.14	Audit reports always contain the entire inventory.	3.6 – 3.14	This is an issue with reporting and drilling down to see details.	The new system will allow a DOLC analyst to write custom reports to see whatever detail they desire, as opposed of one Auditor reports that displays too much data.	13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.2.1
Process Period End	4.1 – 4.5		4.1 – 4.5			
Make Cash Adjustments	4.6 – 4.10		4.6 – 4.10			

Process	To-Be ID	To-Be	Gap	Requirement Ref
Provide Retail Web Orders	1.1 – 1.13	The customer can pay with debit, credit, and gift cards	The current system does not support the use of gift cards or coupons.	8.1.34
Accept Wholesale Web Orders	2.1 – 2.4	The customer can pay with debit, credit, and gift cards	The current system does not support the use of gift cards or coupons.	8.1.34
Forecast Demand Plan	3.1 – 3.4			
Evaluate Supply Plan	4.1 – 4.5			
Manage Product Lifecycle	5.1 – 5.14			
Manage Market Tests	6.1 – 6.5			

SUPPLEMENTAL INFORMATION TRAILER

This page is the last page of supplemental information for this competitive document. If you received this trailer page, all supplemental information has been received.

Note: portions of the supplemental information provided may or may not contain page numbers. The total number of pages indicated on the cover page does not include the pages contained in this supplement.