

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr\_JC-Fi\_Misc\_June 1998\_pt03

➤ Record of Comm. Proceedings ... RCP

➤

JUNE 1998 131D requests

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### Integrated Tax System (Revenue -- Tax Administration)

## CURRENT LAW

The Department of Revenue (DOR) currently has more than 130 application systems dedicated to tax administration and revenue collection. The Department's major tax systems include: individual income tax; corporate income and franchise tax; sales tax; withholding tax; individual income tax audit; corporate income and franchise tax audit; fuel taxes; beverage taxes; cigarette and tobacco products taxes; stadium tax; exposition center tax; delinquent tax control system; individual income estimated tax; recycling surcharge; partnerships; estate and inheritance; manual refunds; manufacturing assessment; utility taxes; and real estate transfer fee.

## GOVERNOR

No provision.

## DISCUSSION POINTS

1. Generally, the Department's tax processing systems have been developed to support a specific tax program. Although each of the systems is basically reliable, they are built to stand alone from other tax processing systems. These systems were implemented at various times over the last 30 years using different methods for organizing data and different programming languages and are not designed to be connected in their operations. The systems often have duplicate functions involving registration, tax processing methods and computation.

issuance of refunds and bills, management of estimated payments, audit case activities and appeals.

2. DOR indicates that many of the existing tax processing systems are difficult and expensive to maintain and modify. A number of administrative problems have been identified:

a. DOR staff perform many tasks manually that could be automated. Standard letters frequently must be obtained by a typed request. Adjustments are often made on handwritten worksheets and keyed into the processing system. Thirty different accounting transfers are manually recorded to generate a monthly report. In some cases, staff must retrieve previously filed returns to verify amended returns.

b. The existing systems contain redundant information that is difficult to maintain and update. Under the current systems, it is possible that the Department would maintain a separate record of the name and address of a business owner in the sales tax system, withholding tax system, individual income tax system and the individual income estimated tax system. A separate system was established to process stadium sales tax returns because the state sales tax system could not be modified in time to process stadium tax returns.

c. The same level of taxpayer service cannot be provided from every tax processing system. Some tax returns, such as the individual income tax, allow electronic filing of returns while other systems, such as the sales tax system, require paper returns. Each system independently issues bills and refunds. Response time for taxpayer inquiries varies from system to system.

d. The Department cannot always ensure that all taxes that are due will be paid and deposited in a timely manner. Some current refund processes do not check current refunds against refunds previously issued to detect duplication. Employer withholding deposits are not reconciled to the amount of state withholding shown on employer copies of W-2 forms filed with the state. Sales tax payments not deposited with a return may not be deposited until a bill is generated. Some delinquent tax bills must be manually entered into the delinquent tax system, delaying the commencement of collection activity.

e. DOR staff cannot electronically access all information that is collected by the Department. W-2 information is not available to staff on-line. Certain Department actions are not shown on computer screens that are accessible to all Department staff. In order to determine if audits have occurred that modify a taxpayer's income tax history, an employee must refer to the taxpayer's paper file.

f. Some processing systems are written in out-of-date, unsupported software and use antiquated processes. The sales tax processing system is written in a language that is relatively inflexible and difficult to modify to reflect law changes. Statistical requests from the individual income tax system must be generated by a programmer. The Department has difficulty hiring

programmers that are knowledgeable in the language used for the income and sales tax systems. Most systems use batch processing.

g. Applications development staff devote most of their resources to working on existing applications. Staff activities include making modifications to reflect law changes, monitoring systems for accuracy and performance, correcting problems and incorporating enhancements. The Department reallocated staff from the sales tax team and the audit automation project to implement the stadium tax. Modifying the recycling surcharge system caused the Department to delay redesign of the corporate income and franchise tax system for approximately one year.

3. DOR has proposed developing an integrated tax processing system, beginning in fiscal year 1997-98. The integrated tax system would be a tax administration system that would use technology whenever possible to:

a. Assist taxpayers by providing information and returns to voluntarily comply with tax laws.

b. Register taxpayers by establishing a single registration system that would create a taxpayer profile in a departmentwide database. The current business tax registration system would be the foundation for this system.

c. Process returns through an automated system.

d. Manage accounts receivable through a central system that promptly and accurately records payments and outcomes of balance due notices.

e. Process refunds by creating a single automated system that processes overpayments for all tax types in a timely and accurate manner.

f. Audit and investigate taxpayers by creating a single automated system for all tax types, including utility and special taxes, that targets most productive areas for revenue production and compliance.

g. Manage collection cases by developing a single automated system that permits the prompt collection of all delinquent taxes using the lowest level of enforcement necessary. The current delinquent tax system would essentially perform this function.

h. Develop a single automated system that provides statistics and disbursements to internal and external customers for all documents, revenues and refunds.

4. DOR contracted with Grant Thornton to develop an action plan for developing and implementing an integrated tax processing system in the state. The report was completed in October, 1996, and listed a number of alternative actions the Department could take.

5. One alternative would be to continue the current method of developing systems. The Income, Sales and Excise Tax Division is generally organized by function and is gradually moving toward integration. The Department's Strategic Business and Information Technology plan recommends several integration initiatives over a five-year period. In addition, the Department's IT migration plan includes a number of projects, such as providing auditors access to local area networks, that would be part of an integrated tax processing system. The delinquent tax and business tax registration systems provide integrated systems for registering taxpayers and managing collection cases. It could be argued that providing DOR with funding for IT hardware and software would allow the Department to gradually achieve tax processing integration, maintain internal control over the project and limit the cost.

However, the action plan indicates that gradual integration that extends beyond five years is at serious risk of being unsuccessful. Projects with long timelines frequently create situations where current and future development teams cannot wait for an integrated solution. The primary goal becomes project completion or implementation of law changes, not addressing future agency needs. Under the current method of system development, high priority law changes will continue to drive applications development. System improvements will only occur when resources are provided for a specific tax. Current systems will continue to be modified until the complexity makes integration efforts more difficult. Even if the Department does not develop an integrated processing system, it will still need to rewrite the individual income tax system and the sales tax system to eliminate dependence on out-of-date computer languages.

6. A second alternative would be to develop a tax integration system using internal resources. The Delinquent Tax System (DTS) will be fully implemented by June, 1998, while the business tax registration system (BTR) will complete the first phase by January, 1998. Both project teams are aware of the tax integration initiative and have included tax integration as a goal for their projects. These initiatives cover two major functions of a Tax Integration System. The remaining functions could be addressed by dedicated project teams internally, as resources allow. Internal reorganization of the IS&E Division would be required with the specific organizational structure developed as a component of a tax integration plan.

The development of DTS and BTR could continue with some level of oversight to insure conformity with overall integration by function. The audit automation project could be expanded to consider audits for all tax programs. Project teams are already working on a revenue accounting action plan and an action plan for processing refunds. Upon completion of DTS, the existing development team could be assigned to develop the system to manage accounts receivable. Case management functionality developed for DTS could be used as a basis for developing the audit system. The BTR team, upon completion of their work for permit taxes, would also complete the registration of taxpayers by adding individuals, corporations and

partnerships to their business name and address tables. The development of a Sales Tax Processing System could serve as a prototype for processing all other tax types. Eventually an "expert" system could be built to assist taxpayers. Internal development would retain the completed work from BTR and DTS and DOR would have complete control over subsequent development efforts apart from resource levels and other externally driven conflicting priorities. The cost would be funded from existing resources.

Experience has shown that a development project of this scope cannot be completed within five years relying on internal resources. The Corporation and Withholding System projects each took six years even without law changes or court cases during this period. Moreover, the Department indicates that an integrated tax system could not be developed internally. In addition, the Department needs outside expertise in order to develop and program a system using the best technologies.

7. A third alternative for developing an integrated tax system would be to use a combination of internal and external resources. Under this alternative method, the Department would combine its current integrated systems, such as DTS and business tax registration, with systems development of the remaining functions provided by a private vendor. Applications development staff would work with the vendor to plan, design, develop and implement the integrated processing systems. This would allow the development team to take advantage of the experience of Department staff and would result in a system that would meet the Department's needs. Use of a private vendor would provide the Department with additional staff to develop new applications and expertise in systems development. According to the action plan, this alternative method of implementing integration would most likely lead to a fully operational integrated tax processing system for the sales and individual income taxes within five years, with integration of the other taxes shortly thereafter.

8. The Department has requested \$1,257,100 GPR in 1997-98 and \$203,500 GPR in 1998-99 to contract with a vendor through a RFP process for assistance in developing a staged implementation of an integrated tax processing system. The funding would be placed in unallotted reserve in the Joint Committee on Finance's supplemental GPR appropriation. The Department would be required to submit a plan for implementation of an integrated tax system to the Committee for its approval before the funding could be released. The Department indicates that it would work with the vendor to develop the following:

a. Requirements definition. The first phase of the project is the definition of system requirements. This involves an analysis and determination of all the functions and features that the system must have.

b. High level systems design and architecture. This is a basic design for the various components of the system and a description of how they fit together and includes a data model which shows how the data are organized and accessed.

c. Implementation plan. The implementation plan defines the logical sequence of steps for constructing the entire system. It identifies what components should be developed first and describes how to phase out old systems as the new system are constructed.

d. Cost/benefit analysis. A detailed cost/benefit analysis would be completed. The costs for each component of the system would be estimated along with the benefits for that component. Both internal cost savings, potential for increased revenue, and benefits for customers would be estimated. The analysis would provide the basis for making decisions, setting project priorities and developing biennial budget requests.

e. Pilot projects. The Department would select a component of the integrated tax system for a pilot project. The pilot project would be conducted during the 1997-99 biennium as a way to demonstrate the new technologies, including new application development tools, and the new architecture that will be used for the project.

9. A major concern related to this proposal is that the Department indicates that it cannot provide estimates the long-run costs associated with the development of an integrated tax processing system. In part, the cost will depend upon services provided by the private vendor under the terms of the contract. According to the Department, there is a chance that the vendor would be willing to fund some of the system development in order to market the components of the system to other states. Another concern would be that providing initial funding would not guarantee that a fully integrated tax processing system will be developed and implemented.

## ALTERNATIVES TO BILL

*approved* 1. Provide \$1,257,100 GPR in 1997-98 and \$203,500 in 1998-99 for DOR to contract with a private vendor to develop and implement an integrated tax processing system in the Department. Place the funding in the Joint Committee on Finance's supplemental appropriation. Require the Department to submit a plan for development of an integrated tax system to the Committee for its approval before the funding can be released from the Committee's appropriation.

<u>Alternative 1</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	\$1,460,600

2. Maintain current law.

Prepared by: Ron Shanovich



# State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718 • <http://www.dor.state.wi.us>

*Tommy G. Thompson*  
Governor

*Cate Zeuske*  
Secretary of Revenue

Date: November 14, 1997  
To: All Interested Vendors  
Subject: Release of the Wisconsin Integrated Tax System Request for Proposal

I am pleased to announce the issuance of a Request for Proposal (RFP) by the Department of Revenue (DOR) to move the agency towards our vision of Tax Integration for Wisconsin. This will be a significant effort but DOR is committed to improving our level of service to customers while we enhance our ability to respond to changing requirements. To this end we are seeking vendors to partner with us throughout this endeavor. I encourage you to review this RFP and respond if you are able to meet the requirements in any category.

DOR will create a bulletin by category or component to enable the agency to potentially work with multiple vendors to plan, design and/or implement a total integrated solution. This integrated solution will be driven by the business case as defined by DOR. Awards under this RFP may lead to negotiated contracts for vendors who present the best practices in the respective category or component.

The Wisconsin Department of Workforce Development may also use the awards made under this RFP to select vendors to work with them in the Unemployment Compensation area as they too move towards building an integrated environment. These combined efforts may also bring about cooperation and data sharing between the two agencies charged with tax administration.

I would like to thank you for your interest. Vendor feedback on a draft RFP was incorporated into this final document whenever it met the DOR vision. Our timeframe remains ambitious, but this project is very important to DOR and we intend to include tax integration in our next biennial budget submission. Our goal is to complete this project within five years. I suggest that you carefully review the RFP document as DOR is taking an innovative approach to procurement.

We really look forward to receiving your response. Good luck in developing your proposals in response to the requirements. Thank you for your consideration.

Sincerely yours,

Cate Zeuske  
Secretary, Department of Revenue

Attachment

APPENDICES

Supplement to Standard Contract Terms and Conditions .....	A
Cost Proposal Worksheets for Category 1, 2, 3 .....	B
Job Descriptions for Category Cost Proposals.....	C
Declaration Page .....	D
Notice of Intent to Submit Proposal.....	E
Guidelines for Working With Consultants/Contractors .....	F
Tax Integration Action Plan .....	G
DOR 1997 Strategic Business Plan .....	H
DOR 1997 Strategic Information Technology Plan.....	I
DOR Organization Chart.....	J
DOR Information Technology Architecture .....	K
DWD Organization Charts.....	L
DOA Hardware & Software Standards .....	M
DOA Information Technology Contracted Services Bulletin 15-93275-601.....	N

5.3	Category 3: ITS Prime Vendor Services Requirements.....	37
5.3.1	Category 1 and 2 Change Requirements .....	37
5.3.2	Prime Vendor Risk Analysis and Reward Strategy Requirements.....	37
5.3.2.1	Risk Analysis Methodology .....	37
5.3.2.2	Project Incentive (Reward) Development Strategies .....	37
5.3.2.3	Risk Analysis and Reward Staff Qualifications .....	37
5.3.2.4	Proposer’s Risk Analysis and Reward Experience .....	38
5.3.3	Benefits Funding Requirements .....	38
5.3.4	Prime Vendor Timeline Requirements.....	38
5.4	Innovation.....	38
5.5	Transition.....	39
5.6	Electronic Documents.....	39
6.0	COST PROPOSAL .....	39
6.1	General Instructions on Preparing Cost Narrative Proposals.....	39
6.2	Format for Submitting Cost Proposal Worksheets .....	39
6.2.1	Category 1: ITS Project Planning and Integration Cost Proposal .....	40
6.2.2	Category 2: ITS Project Development Cost Proposal .....	40
6.2.3	Category 3: ITS Prime Vendor Cost Proposal .....	40
6.3	Fixed Price Period.....	40
7.0	REQUIRED FORMS .....	40
	Affidavit (DOA-3476) .....	41
	Designation of Confidential and Proprietary Information (DOA-3027).....	42
	Vendor Information (DOA-3477).....	43
	Vendor Reference (DOA-3478).....	44
SUPPLEMENTAL INFORMATION		
	Standard Terms and Conditions (DOA-3054) .....	45

5.2	Category 2: ITS Project Development Services Requirements .....	26
5.2.1	Registration Requirements.....	26
5.2.1.1	Registration Development Methodology .....	26
5.2.1.2	Registration Legacy Conversion Methodology.....	27
5.2.1.3	Registration Staff Qualifications .....	27
5.2.1.4	Proposer's Registration Experience .....	27
5.2.2	Tax Return Processing Requirements .....	27
5.2.2.1	Tax Return Processing Methodology.....	28
5.2.2.2	Tax Return Processing Exception Methodology.....	28
5.2.2.3	Transaction Processing Staff Qualifications .....	28
5.2.2.4	Proposer's Transaction Processing Experience.....	28
5.2.3	Processing of Refunds Requirements.....	29
5.2.3.1	Processing of Refunds Methodology .....	29
5.2.3.2	Processing of Refunds Interception Methodology .....	29
5.2.3.3	Processing of Refunds Staff Qualifications.....	29
5.2.3.4	Proposer's Refund Processing Experience.....	29
5.2.4	Case Management Requirements .....	30
5.2.4.1	Case Management Methodology.....	30
5.2.4.2	Case Management Staff Qualifications.....	30
5.2.4.3	Proposer's Case Management Experience .....	30
5.2.5	Customer Service Requirements .....	31
5.2.5.1	Customer Service Methodology.....	31
5.2.5.2	Customer Service Staff Qualifications .....	31
5.2.5.3	Proposer's Customer Service Experience .....	31
5.2.6	Collection of Delinquent Accounts System Requirements .....	32
5.2.6.1	Collection of Delinquent Accounts Methodology.....	32
5.2.6.2	Collection of Delinquent Accounts Staff Qualifications.....	32
5.2.6.3	Proposer's Collection of Accounts Experience.....	32
5.2.7	Taxpayer Accounting System Requirements .....	33
5.2.7.1	Taxpayer Accounting Methodology .....	33
5.2.7.2	Taxpayer Accounting Staff Qualifications.....	33
5.2.7.3	Proposer's Taxpayer Accounting Service Experience .....	33
5.2.8	Financial Accounting System Requirements.....	34
5.2.8.1	Financial Accounting Methodology.....	34
5.2.8.2	Financial Accounting Staff Qualifications .....	34
5.2.8.3	Proposer's Financial Accounting Service Experience .....	34
5.2.9	Joint Agency Registration System Requirements .....	35
5.2.9.1	Joint Agency Registration Methodology.....	35
5.2.9.2	Joint Agency Registration Staff Qualifications.....	35
5.2.9.3	Proposer's Joint Agency Integration Experience .....	35
5.2.10	Decision Support/Audit Selection System Requirements .....	36
5.2.10.1	Decision Support/Audit Selection Methodology .....	36
5.2.10.2	Decision Support/Audit Selection Staff Qualifications.....	36
5.2.10.3	Proposer's Decision Support/Audit Selection Experience.....	36

TABLE OF CONTENTS Page 2 of 5

3.6	Notification of Intent to Award .....	18
3.7	Appeals Process.....	18
4.0	GENERAL PROPOSAL REQUIREMENTS .....	19
4.1	Organization Capabilities .....	19
4.1.1	Submit Vendor Information (DOA-3477).....	19
4.1.2	Organization Financial Summary.....	19
4.1.3	Organization Strategic Direction.....	19
4.2	Proposer Management Qualifications.....	19
4.2.1	Proposer’s Key Management List.....	19
4.2.2	Proposer’s Staff Retention Methodology.....	20
5.0	TECHNICAL REQUIREMENTS .....	20
5.1	Category 1: ITS Project Planning and Integration Services Requirements .....	20
5.1.1	Project Planning Requirements .....	20
5.1.1.1	Project Planning Methodology.....	20
5.1.1.2	Project Re-engineering Methodology .....	20
5.1.1.3	Project Planning Change Management Methodology.....	20
5.1.1.4	Project Planning Objectives .....	21
5.1.1.5	Project Planning for DWD-UI.....	21
5.1.1.6	Project Planning Staff Qualifications.....	21
5.1.1.7	Proposer’s Project Planning Experience .....	21
5.1.2	Asset Determination Requirements.....	21
5.1.2.1	Asset Determination Methodology .....	22
5.1.2.2	Asset Determination Staff Qualifications.....	22
5.1.2.3	Proposer’s Asset Determination Experience.....	22
5.1.3	Data Modeling Requirements.....	22
5.1.3.1	Data Modeling Methodology .....	22
5.1.3.2	Data Modeling Staff Qualifications .....	22
5.1.3.3	Proposer’s Data Modeling Experience.....	23
5.1.4	Pilot Project Proposal Requirements.....	23
5.1.4.1	Pilot Project Proposal Methodology .....	23
5.1.4.2	Pilot Project Proposal Staff Qualifications.....	23
5.1.4.3	Proposer’s Pilot Project Proposal Experience .....	24
5.1.5	Implementation Planning Requirements .....	24
5.1.5.1	Implementation Change Management Methodology .....	24
5.1.5.2	Implementation Cost/Benefit Analysis Methodology .....	24
5.1.5.3	Implementation Training Methodology .....	24
5.1.5.4	Implementation Staff Qualifications .....	24
5.1.5.5	Proposer’s Project Implementation Experience .....	25
5.1.6	Systems Integrator Requirements.....	25
5.1.6.1	Systems Integrator Methodology .....	25
5.1.6.2	Systems Integrator Staff Qualifications .....	25
5.1.6.3	Proposer’s Systems Integrator Experience.....	26

TABLE OF CONTENTS Page 1 of 5

1.0	GENERAL INFORMATION .....	7
1.1	Purpose.....	7
1.2	Intent.....	8
1.3	Introduction and Background .....	8
1.3.1	Department of Revenue (DOR).....	8
1.3.2	DOR Rationale for an Integrated Tax System.....	9
1.3.3	Department of Workforce Development (DWD).....	10
1.3.4	DWD-UI Rationale for an Integrated Tax System .....	11
1.4	ITS Project Scope and Objectives .....	11
1.4.1	Developing the Plan .....	11
1.4.2	Overall Project Management and System Integration .....	12
1.4.3	Developing or Acquiring the Components of the ITS.....	12
1.4.4	ITS Objectives.....	12
1.5	Procuring and Contracting Agency .....	12
1.6	Definitions .....	13
1.7	Clarification and/or Revisions to the Specifications and Requirements .....	13
1.8	Vendor Conference.....	13
1.9	Reasonable Accommodations.....	13
1.10	Calendar of Events.....	13
1.11	Contract Terms and Funding .....	14
1.12	VendorNet .....	14
1.13	Notice of Intent to Submit Proposal .....	14
2.0	PREPARING AND SUBMITTING A PROPOSAL .....	15
2.1	General Instructions.....	15
2.2	Incurring Costs .....	15
2.3	Submitting the Proposal.....	15
2.4	Proposal Organization and Format .....	15
2.5	Multiple Proposals.....	17
2.6	Oral Presentations, Demonstrations and Site Visits.....	17
3.0	PROPOSAL SELECTION AND AWARD PROCESS .....	17
3.1	Preliminary Evaluation .....	17
3.2	Proposal Scoring.....	17
3.2.1	Phase One .....	17
3.2.2	Phase Two .....	17
3.2.3	Phase Three .....	17
3.3	Right to Reject Proposals and Negotiate Contract Terms.....	17
3.4	Evaluation Criteria.....	18
3.5	Award and Final Offers .....	18

REQUEST FOR PROPOSAL (RFP)

Issued by

STATE OF WISCONSIN  
Department of Revenue

**Integrated Tax System**  
**RFP #RHMO-006**

For further information regarding this RFP,  
contact Monica Gannon at (608) 264-7774

Issued By  
State of Wisconsin  
Department of Revenue  
November 14, 1997

## 1.0 GENERAL INFORMATION

### 1.1 Purpose

The purpose of this document is to provide interested parties with information on preparing and submitting a proposal(s) for an Integrated Tax System (ITS) for the Department of Revenue (DOR). The Division of Unemployment Insurance of the Department of Workforce Development (DWD-UI) may also be utilizing this RFP for their tax system re-engineering project. DOR will be the procuring agency for ITS.

The Wisconsin integration model is built upon a foundation of technology that provides agencies and their respective employees the best possible business environment in which to perform activities in support of the agency mission. Consequently, the new system requires state-of-the-art technology and expertise in areas such as: relational database management systems (RDMS), data warehousing, data imaging, scanning, electronic data interchange (EDI), electronic funds transfer (EFT), transactions over the Internet, file transfer protocol (FTP), transmission control protocol/Internet protocol (TCP/IP), Internet security, areas of electronic commerce, and interactive voice response (IVR) systems. Proposers should assume that DOR and DWD-UI wish to utilize their current technology assets and add new technology assets where appropriate to satisfy this RFP.

DOR and DWD-UI wish to develop separate tax systems that integrate functions within each agency as well as some functions that are common to both agencies. Functions that need to be integrated within each agency include: customer registration, tax processing, a case management system, a decision support/audit selection system, a single point of contact customer assistance system, an integrated refund system, an agency taxpayer accounting system, and a financial accounting system that links to the state-wide financial accounting system. Functions that may be linked between both agencies include customer registration, shared audit information, and shared liability and collection information.

Proposers contracting with DOR and DWD-UI must create a highly innovative solution and have a skill level which will assist DOR and DWD-UI staff in meeting, but preferably exceeding, industry standard practices. DOR seeks to develop an innovative partnership arrangement with Proposers where both the risks and rewards of developing the ITS are shared, and vendor compensation is derived primarily from realized benefits. Partnerships are sought that will provide compensation incentives for vendor/Proposers and the State to implement the new system on time and within budget. Performance-based contracts increase DOR/DWD-UI procurement flexibility, create a healthy atmosphere of competition among vendors, and maximize vendor participation.

1.2 Intent

The State, as represented by DOR, intends to use responses to this Request for Proposal (RFP) to award contracts to qualified contractors in three categories. Up to five (5) qualified contractors will be selected for each category and each function within category 2.

**RFP Category Descriptions**

Category 1: ITS Project Planning and Integration

Category 2: ITS Project Development

Up to five (5) qualified contractors will be awarded contracts for each of the following functions within this category:

- A. Registration System
- B. Tax Processing System
- C. Refund Processing System
- D. Case Management System
- E. Customer Service System
- F. Collection of Accounts System
- G. Taxpayer Accounting System
- H. Financial Accounting System
- I. Joint Agency Registration System
- J. Decision Support/Audit Selection System

Category 3: ITS Prime Vendor Services

DOR fully intends to utilize the ITS Project Planning and Integration Services (Category 1) contract award within the next 12 months. Additional utilization of the contract in Categories 2 and 3 will be at the discretion of DOR on a project by project basis. Proposers will be contacted as subsequent projects are identified, and they will be required to submit supplementary work plans and cost proposals based on the specific project requirements. DWD-UI may or may not use any of the services proposed in this RFP.

1.3 Introduction and Background

1.3.1 Department of Revenue (DOR)

DOR is composed of five divisions and two offices; Administrative Services (AS), Income Sales and Excise Tax (IS&E), Lottery (L), Research and Analysis (R&A), State and Local Finance (SLF), the Office of Legal Services (OL), and Office of Appeals (OA). DOR Organization charts can be found in Appendix J, and a copy of the 1997 Strategic Business Plan can be found in Appendix H. A synopsis of DOR's strategic business plan follows:

MISSION

DOR advises on tax policy and administers the state's tax laws and lottery to fund state and local government operations. The ideals to which the agency subscribes are designed to provide a long-term and high-level direction. Ideals, critical to the success of the agency, are defined in the following values, goals, and strategy statements:

VALUES

- providing the best customer service is our highest priority
- employees are our most valued asset
- we are cost effective and constantly strive to provide value to the taxpayer
- we are innovators and not content with the status quo
- we encourage teamwork and participation within an environment of clear goals, effective planning, open communication, progressive monitoring, and celebration of

success

## GOALS

- increase voluntary compliance
- improve efficiency and fairness in collecting and distributing tax revenues
- increase external customer satisfaction
- improve effectiveness of our employees and the quality of their working environment
- increase property tax relief through the lottery
- continue to provide policymakers and citizens with information to make tax and lottery policy decisions
- increase participation in developing tax and lottery policies
- improve efficiency in establishing property values

## STRATEGIES

- aggressive use of technology
- redoubling quality improvement efforts
- sharpening our focus on communication, education, and training
- building partnerships
- researching and meeting customer needs
- increasing continuity within our management systems

### 1.3.2 DOR Rationale for an Integrated Tax System

DOR has the ideal business environment for expanding its investment in information technology, since DOR is a process-intensive agency responsible for collecting and distributing revenues for state and local governments. There exist well-defined processes that can be streamlined and automated, thereby reducing time and costs for customers and the department.

Current DOR tax systems have several inherent weaknesses that are unacceptable. The problems are primarily due to the fact that most of these systems are unable to meet the expectations of taxpayers and lag behind the ever changing technological environment. Other issues of concern are listed below:

- **Revenue opportunities are being lost** because current systems do not utilize technology to maximize collections. States that have implemented integrated systems are realizing revenue increases ranging from 0.25 to 3.0 percent of gross revenue. Since Wisconsin collects approximately 9 billion dollars in tax revenue annually, a modest 1 percent revenue increase would be significant.
- **Legacy systems inhibit the department's ability to respond to new tax changes.** Mission-critical systems are difficult to enhance and expensive to maintain due to their age and era of development. The majority of information technology resources are spent maintaining more than one hundred legacy systems, leaving few resources to implement new tax initiatives or processing innovations.
- **Customers are not getting the level of service they expect or deserve.** Separate (silo) systems for processing different taxes are not customer-focused, which makes it difficult for DOR to provide a single point of contact for customer inquiries..
- **DOR is lagging behind other states.** DOR, often regarded as a pioneer in tax administration, is lagging in the utilization of technology. More than twenty five states have developed integrated tax systems, which have improved customer

service, simplified registration, increased revenues, and reduced operating costs.

- **The Department needs external help to move forward.** Increases in revenue by building an integrated system internally will take too long to realize and may well fall short of expectations without outside help. Proposers that partner with DOR must share in the procuring agency's integration vision and sense of urgency. Ultimately, the DOR integration model should serve as a model for other revenue agencies.

### 1.3.3 Department of Workforce Development (DWD)

DWD is composed of eight divisions. They are: Administrative Services (AS), Economic Support (ES), Equal Rights (ER), Connecting Education to Work (CHEW), Unemployment Insurance (UI), Vocational Rehabilitation (VR), Worker's Compensation (WC), and Workforce Excellence (WE). DWD also supports the Labor and Industry Review Council (LIRC) and the Wisconsin Conservation Corps (WCC). Organization charts for DWD, and in particular the UI Division, which includes the Bureau of Tax & Accounting, can be found in Appendix L. DWD's strategic business plan follows:

#### MISSION

To build a world class workforce, work environment and economy through

- employment and training services leading to individual and family economic self-sufficiency
- services to enable families to support their children
- transitional support to increase workforce and economic stability
- protection of worker rights
- employer services to achieve a fair, safe and productive workplace

#### VISION

- DWD provides quality, customer focused services
- DWD delivers value to taxpayers
- DWD works collaboratively with its state and local partners
- DWD uses a comprehensive and integrated management system
- DWD constantly improves processes and systems
- DWD staff are our most valued resource

#### GOALS

- Maintenance of a customer focus which ensures operation of programs for the service and convenience of our customers
- Development of the full potential of DWD employees
- Cost effective improvement of customer services and processes using an integrated department management system and contemporary public policies

### 1.3.4 DWD-UI Rationale for an Integrated Tax System

DWD-UI intends to begin an initiative in 1998 to re-engineer its Unemployment Tax and Accounting System (UTAS). UTAS automates the day-to-day operations within the Bureau of Tax and Accounting which are needed to administer and control the UI tax laws for more than 110,000 Wisconsin employer accounts. This system interfaces with other systems within DWD including: UI Benefits; Labor Management Information;

Wage Record collections; Workers Compensation; and the legal account management system and provides data to DWD public assistance systems. It includes the following functions: non-monetary and monetary update of employer UI information; collection of delinquent employer tax liabilities; collection of UI claimant benefit overpayments; field audit; taxpayer accounting; automated telephone collection inquiries; generation of employer tax reports; tax rating; write-off of un-collectable debts; and generation of accounting reports. The trust fund for these programs currently has a balance of more than 1.5 billion dollars.

The current UTAS system includes approximately 700 batch and on-line jobs using COBOL2, CICS, VSAM, and IDMS. A client-server application is near completion in the field audit area. This audit application will allow access to mainframe employer information from laptops and integration of micro-computer applications with mainframe data. Within the Bureau of Tax & Accounting, all 131 staff are connected to a LAN; by June 30, 1998 all will have Pentium computers, and by October 1, 1998 all will have Windows 95 operating systems.

The current system was originally developed in 1982 and has had extensive enhancement since that time. It is becoming difficult to support and needs to be re-engineered to take advantage of new technology available today.

#### 1.4 ITS Project Scope and Objectives

The scope of the ITS project involves three functional activities:

- Developing an implementation plan
- Overall project management and systems integration
- Developing or acquiring the components of the system

##### 1.4.1 Developing the Plan

The first phase of the ITS project is to create a detailed blueprint containing a requirements definition and an implementation plan. The plan will address DOR's most pressing priorities:

- New tax processing system
- Pilot project for Internet filing of sales tax returns and remittances
- Cross-functional case management system
- Decision support (for all functions) and tax audit selection system

The plan will be developed considering DOR business processes, organizational structure and management systems in accordance with the overall goals of the DOR 1996 Tax Integration Action Plan (Attachment G), the agency's Strategic Business Plan (Attachment H) and key sections of the Information Technology Plan (Attachment I). The plan should outline the integration of DOR's legacy assets with new systems solutions.

Specifically, the plan will address:

- A strategy for implementing each component of the ITS, considering DOR's priorities and business needs
- A project implementation timeline identifying a specific order of construction and required resources for each stage of the system construction
- Opportunities for process re-engineering
- Creation of an enterprise data model
- Creation of a technical architecture blueprint containing detailed platform and information presentation strategies
- Change management considerations including training and knowledge transfer strategies
- A plan for a pilot project, including system requirements, such as Internet sales tax

filing

- Performance metrics to measure effectiveness of each aspect of the project
- A valuation of the Delinquent Tax System (DTS) and the Business Tax Registration system (BTR) to determine if those systems have functional utility with the ITS and could be a salable asset to other taxing jurisdictions
- Strategies for increasing customer service
- Strategies for increasing revenue collections
- Integrating tax data

#### 1.4.2 Overall Project Management and Systems Integration

The second phase of the project is to develop a partnership for overall project management and systems integration services. Integrating the components of the ITS will go through several iterations of the project management life cycle and require substantial resources to develop a cohesive ITS. Systems integration and project management services are required to launch the project and throughout the life cycle of entire ITS project.

#### 1.4.3 Developing or Acquiring the Components of the ITS

DOR has determined that the functional components comprising ITS would be:

- A Registration System
- A Tax Processing System
- A Refund Processing System
- A Case Management System
- A Customer Service System
- A Collection of Delinquent Accounts System
- A Taxpayer Accounting System
- A Financial Accounting System
- A Joint Agency Registration System
- A Decision Support/Audit Selection System

#### 1.4.4 ITS Objectives

The RFP offers three (3) Categories in which a vendor may submit a proposal.

Category 1 is comprised of two functions, as mentioned in the scope statement:

- Developing an implementation plan for the project with recommendations for potential process re-engineering
- Providing overall project management and systems integration and overseeing the development or acquisition of each of the systems components

Category 2 consists of the detailed planning and development or acquisition of each of the required components. A vendor may submit a proposal on one or more of these components; however for comparability, each component proposal should stand on its own.

Category 3 consists of satisfying all of the objectives in Categories 1 and 2, and it would establish a 'Prime Vendor' relationship. Category 3 proposals must be expanded to identify opportunities for economy of scale and financial benefits that will be shared by the State and Prime Vendor.

#### 1.5 Procuring and Contracting Agency

This Request for Proposal (RFP) is issued by the Wisconsin Department of Revenue, which is the sole point of contact for the State of Wisconsin during the selection process. The person responsible for managing the procurement process is Monica Gannon. The contract resulting from this RFP will be administered by the Wisconsin Department of Revenue. The contract administrator will be named at the time the contract is awarded. Any additional contract resulting

with DWD-UI will be a separate contract and contract administrator.

1.6 Definitions

The following definitions are used throughout the RFP:

Agency means the Wisconsin Department of Revenue

Proposer/Vendor means a firm submitting a proposal in response to this RFP

State means State of Wisconsin

Subcontractor means a firm under contract with a vendor or proposer responding to this RFP

Contractor/Partner means proposer awarded the contract

1.7 Clarification and/or Revisions to the Specifications and Requirements

Any questions concerning this Request For Proposal must be submitted in writing to:

**Ms. Cheryl Sullivan, ITS Project Manager**

**Wisconsin Department of Revenue**

**4638 University Avenue, Room 231**

**PO Box 8903**

**Madison, WI 53708-8903**

**voice: (608) 267-5190 fax: (608) 264-6884**

**CSULLIVA@MAIL.STATE.WI.US**

Vendors are expected to raise any questions, exceptions, or additions they have concerning the RFP DOCUMENT at this point in the RFP process. If a vendor discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the vendor should immediately notify the above named individual of such error and request modification or clarification of the RFP DOCUMENT.

In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, revisions/amendments and/or supplements will be provided to all recipients of this initial RFP. Each proposal shall stipulate that it is predicated upon the terms and conditions of this RFP and any supplements or revisions thereof.

1.8 Vendor Conference

A vendor conference will be held on December 3, 1997 at the Monona Terrace Convention Center 1 John Nolen Drive, Madison, Wisconsin. The conference will run from 8:30 a.m. through 12:30 p.m. to respond to written questions and to provide any needed additional instruction to vendors on the submission of proposals for the Final RFP. Vendors preferring to keep their identity confidential should state so when submitting questions. If no questions are received, the State reserves the right to cancel the vendor conference. All vendors who intend to respond to the RFP should attend the conference. Maps are available upon request.

1.9 Reasonable Accommodations

The Department will provide reasonable accommodations upon request, including the provision of informational material in an alternative format, for qualified individuals with disabilities. If such accommodations are needed at the bid-opening/vendor conference, contact Ms. Monica Gannon, Purchasing Director, at (608)264-7774.

1.10 Calendar of Events

Listed below are specific and estimated dates and times of actions related to this Request for Proposal (RFP). The actions with specific dates must be completed as indicated unless otherwise changed by the State. In the event that the State finds it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing a supplement to this RFP. There may or may not be a formal notification issued for changes in the estimated dates.

**Proposed Dates**

11/14/97  
11/24/97 2:00 p.m.  
11/25/97  
12/03/97 8:30 a.m.  
12/10/97 est.  
  
01/07/98 2:00 p.m.  
02/23/98 est.  
04/01/98 est.  
05/05/98 est.

**Event**

Date of issue of the RFP.  
Last day for submitting written inquiries.  
Notice of Intent to Submit Proposal filed  
Vendor conference at Monona Terrace  
Mail notification to Proposer of supplements or revisions to the RFP  
Proposals due from vendors.  
Oral presentations/Demos by invited vendors.  
Notification of intent to award sent to vendors.  
Contract(s) start date.

1.11 **Contract Terms and Funding**

Contractor/partner contracts will be effective on the date indicated on the purchase order or the contract execution date and may run three (3) years from that date, with an option by mutual agreement of the agency and the contractor, to renew for two (2) additional one-year periods.

Each additional Contractor/partner contract in Category 2 shall be effective on the date indicated on the purchase order or the contract execution date and shall run for one (1) year from that date, with an option by mutual agreement of the agency and contractor, to renew for two (2) additional one-year periods.

1.12 **VendorNet**

The State has implemented a registration fee for vendors who wish to be placed on the state's bidders list. An annual fee of \$125 (\$65 for state certified minority businesses and certified rehabilitation centers) will ensure that vendors will receive any bid/proposal over \$25,000 that occurs statewide in the vendor's commodity/service area. In the future, bids will be sent automatically to the vendor if it is a registered vendor. To obtain information on the state's registration process, visit the VendorNet website at <<<http://vendornet.state.wi.us>>> or call the Vendor Information Center (1-800-482-7813). Vendors may also contact the center with other purchasing questions. In the Madison area, please call 264-7897 or 264-7898.

1.13 **Notice of Intent to Submit Proposal**

Prospective proposers are requested but not required to submit a Notice of Intent to Submit Proposal (Appendix F). **Any supplemental written information or amendments related to this RFP will be automatically provided to only those prospective proposers who have filed a Notice of Intent to Submit Proposal, or to those who request such information.**

Notices should be mailed or faxed by **November 25, 1997** to the following address:

Monica Gannon, Purchasing Office  
Wisconsin Department of Revenue  
125 South Webster Street, 1<sup>st</sup> floor  
PO Box 8933  
Madison, WI 53708-8933  
FAX: (608) 261-2273

Failure to submit a notice of intent will not preclude the submission of a proposal.

2.0 PREPARING AND SUBMITTING A PROPOSAL

2.1 General Instructions

The evaluation and selection of a contractor and the contract will be based on the information submitted in the vendor's proposal plus references and any required on-site visits or oral presentations. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a response.

Elaborate proposals (e.g., expensive artwork) beyond that sufficient to present a complete and effective proposal, are not necessary or desired.

2.2 Incurring Costs

**THE STATE OF WISCONSIN IS NOT LIABLE FOR ANY COST INCURRED BY PROPOSERS IN REPLYING TO THIS REQUEST FOR PROPOSAL (RFP).**

2.3 Submitting the Proposal

Proposers must submit an original RFP marked "Original", and ten (10) copies of all materials required for acceptance of their proposal by one of the two following methods:

<u>US Postal Address</u>	or	<u>Common Carrier</u>
Ms. Monica Gannon		Ms. Monica Gannon
Purchasing Director		Purchasing Director
Wisconsin Department of Revenue		Wisconsin Department of Revenue
PO Box 8933		125 South Webster Street, 1st floor
Madison, WI 53708-8933		Madison, WI 53702

DOR will not accept FAX Proposals.

Proposals must be received in the above office by 2:00 p.m. of the published due date. All proposals must be time-stamped in by the DOR Purchasing Office by the stated time. Proposals not so stamped will not be accepted. Receipt of a proposal by the State mail system does not constitute receipt of a proposal by the DOR Purchasing Office, for purposes of this RFP. All proposals must be packaged, sealed and show the following information on the outside of the package:

- Proposer's Name and Complete Address
- Wisconsin Integrated Tax Request for Proposal
- RHMO-006
- January 7, 1998 2:00 p.m.

2.4 Proposal Organization and Format

Proposals should be typed and submitted on 8.5 by 11 inch paper and bound or in 3-ring binders and be organized and presented in the order and by the number assigned in the RFP. Proposals must be organized with the following headings. Each heading should be separated by tabs or otherwise clearly marked. The RFP sections that should be submitted or responded to are:

**DECLARATION/COVER LETTER - TAB #1 (Attachment D)**

Include here the completed and signed Declaration form, and any cover letter included with the proposal and those certifications required for submittal of a proposal. Proposals submitted in response to this RFP must be signed by the person in the vendor's organization who is responsible for the decision as to the prices being offered in the proposal or by a person who has been authorized in writing to act as an agent for the person responsible for the decision on prices. Each proposal shall stipulate that it is predicated upon the terms and conditions of this RFP and any supplements or revisions thereof.

By submitting a signed proposal the signatories certify that in connection with this procurement: (1) the contractor's organization or an agent of the contractor's organization has arrived at the prices in its proposal without consultation, communication, or agreement with any other respondent or with any competitor for the purpose of restricting competition, (2) the prices quoted in the proposal have not been knowingly disclosed by the contractor's organization or by any agent of the contractor's organization and will not be knowingly disclosed by same, directly or indirectly, to any other respondent or to any competitor, and (3) no attempt has been made or will be made by the contractor's organization or by any agent of the contractor's organization to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

**RESPONSE TO GENERAL SPECIFICATIONS - TAB #2**

Provide a point-by-point response to each and every specification in Section 4.0 of this RFP. Responses to general specifications must be in the same sequence as they appear in this RFP. Responses must indicate that either vendor's proposal "DOES COMPLY" with specifications or that it "DOES NOT COMPLY." A succinct explanation of how each specification can be met or cannot be met must be included. Include or reference required attachments.

**RESPONSE TO TECHNICAL SPECIFICATIONS - TAB #3**

Provide a point-by-point response to each and every technical specification in this RFP. Responses to technical specifications must be in the same sequence as they appear in this RFP. Responses must indicate that either vendor's proposal "DOES COMPLY" with specifications or that it "DOES NOT COMPLY." A succinct explanation of how each specification can be met or cannot be met must be included. Submit your responses in TAB 3 by Category and by function within category 2. Tab 3 can have up to three (3) sections separated and clearly identified as:

TAB 3 – CATEGORY 1

TAB 3 – CATEGORY 2 (Up to 10 separated functions identified by function title)

TAB 3 – CATEGORY 3

**REQUIRED FORMS - TAB #4**

Include here the Vendor Information form (DOA-3477) and the Vendor Reference form (DOA-3478) that have been included in this RFP. Each vendor must furnish a list of three (3) references to verify information supplied by the vendor in their proposal. References should be for services rendered in the previous five years within the private and public sector entities. All references must document the time period and description of services provided. Failure to obtain consistent positive references will be cause for disqualification of the Proposer.

The State reserves the right to contact and/or visit any party listed as a reference that has previously utilized or is presently utilizing product(s) and/or service(s) proposed by the vendor. It may also utilize other sources of information about the product(s) and/or service(s) proposed by the vendor where these sources are publicly available and are equally available for all competing contractors.

Also include in Tab #4, the Designation of Confidential and Proprietary Information form (DOA-3027), and the Affidavit (DOA-3476).

**APPENDIX - TAB #5**

Include all additional information essential to an understanding of the proposal. This might include other explanatory documentation, which would clarify and/or substantiate the proposal. Any material included here should be specifically referenced elsewhere in the proposal.

**COST INFORMATION - TAB #6**

Include here the narrative cost proposal as specified in Section 6.0. Do not include prices in the narrative. Provide pricing information on the cost sheets included in this RFP and submit as follows.

3.4 Evaluation Criteria

Proposals in **each Category** will Be Scored Using the Following Criteria:

<b>Scoring Criteria</b>		<b>Points</b>
1.	General Requirements (4.0)	200
2.	Technical Requirements (5.0) (points are awarded per function)	600
3.	Cost Narrative & Worksheets (6.0 through 6.2)	200
<b>Total Points Available</b>		<b>1000</b>

3.5 Award and Final Offers

The highest scoring Proposer or Proposers in each category may be requested to submit final and best offers. If final and best offers are requested, they will be evaluated against the stated criteria, scored and ranked. Contract awards will be granted up to five top scoring responsive and responsible proposers in each category. Up to five awards will be granted for each function proposed in Category 2. If the fifth top ranked scores are tied, all tied proposals can be granted an award.

When Category 2 functions are initiated, an additional request for Best and Final offer may be solicited from at least three vendors granted an award for that specific function.

3.6 Notification of Intent to Award

All contractor(s) who respond to this RFP will be notified in writing of the State's intent to award the contract(s) as a result of this RFP.

The State of Wisconsin retains the right to award contracts for related services from other State of Wisconsin Procurement Bulletins, if any exist.

3.7 Appeals Process

Notices of intent to protest and protests must be made in writing. Protesters should make their protests as specific as possible and should identify statutes and Wisconsin Administrative Code provisions that are alleged to have been violated.

The written notice of intent to protest the intent to award a contract must be filed with the Secretary of Revenue and received in her office no later than five (5) working days after the notices of intent to award are issued. Send protests in one of the two following manners:

US Postal Address

Ms. Cate Zeuske  
Secretary of Revenue  
Wisconsin Department of Revenue  
PO Box 8933  
Madison, WI 53708-8933

< or >

Common Carrier

Ms. Cate Zeuske  
Secretary of Revenue  
Wisconsin Department of Revenue  
125 South Webster Street, 2nd floor  
Madison, WI 53703

The written protest must be received within ten (10) working days after the notice of intent to award is issued.

The decision of the head of the procuring agency may be appealed to the Secretary of the Department of Administration within five (5) working days of issuance, with a copy of such appeal filed with the procuring agency. The appeal must allege a violation of a statute or a provision of a Wisconsin Administrative Code.

**THE COST SHEETS MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE AND PLACED WITHIN THE ORIGINAL RFP. THE "ORIGINAL" RFP SHOULD BE CLEARLY IDENTIFIED.**

2.5 Multiple Proposals

Multiple proposals from a vendor will be permissible. However, each proposal must conform fully to the requirements for proposal submission. Each additional proposal must be separately submitted and labeled as Proposal #1, Proposal #2, etc., on each page included in the response. Alternate acquisition plans do not constitute multiple proposals.

2.6 Oral Presentations, Demonstrations and Site Visits

Selected vendors may be required to make oral presentations, product demonstrations and/or site visits to supplement their proposals, if requested by the State. The State will make every reasonable attempt to schedule each presentation at a time and location that is agreeable to the Proposer. Failure of a Proposer to conduct a presentation or demonstration to the Agency on the date scheduled may result in rejection of the contractor's proposal.

The successful demonstration of the contractor's product(s) and/or service(s) does not constitute acceptance by the agency.

**3.0 PROPOSAL SELECTION AND AWARD PROCESS**

3.1 Preliminary Evaluation

The proposals will first be reviewed to determine if all the requirements are submitted. Failure to submit the requirements as prescribed will result in the proposal being rejected. In the event that all vendors do not meet one or more of the requirements, the Agency reserves the right to continue the evaluation of the proposals and to select the proposal which most closely meets the requirements specified in this RFP.

3.2 Proposal Scoring

DOR will be conducting a three-phase evaluation process.

3.2.1 PHASE ONE: Accepted proposals will be reviewed by an evaluation committee and scored against the stated criteria. The evaluation committee's scoring will be tabulated and proposals ranked based on the numerical scores received.

3.2.2. PHASE TWO: At its option, the committee may request oral presentations and/or conduct an on-site visit with selected Proposers. The committee is not required to include all proposals which pass Phase One in the Phase Two evaluation process.

3.2.3 PHASE THREE: Proposals shall be awarded cost points based on a pre-established methodology. Proposals from certified Minority Business Enterprises may have points weighted by a factor of 1.00 to 1.05 to provide up to a five percent (5%) preference to these businesses. The evaluation committee's scoring will be tabulated and proposals ranked within each category based on the numerical scores received.

3.3 Right to Reject Proposals and Negotiate Contract Terms

The agency reserves the right to reject any and all proposals, and to negotiate the terms of the contract, including the award amount, with the selected Proposers prior to entering into a contract.

## 4.0 GENERAL PROPOSAL REQUIREMENTS

Contractor's services should meet all specifications listed below. The contractor's response must indicate "DOES COMPLY" or "DOES NOT COMPLY" to each and every requirement for the category being proposed. Responses must be provided under RESPONSE TO GENERAL SPECIFICATIONS - TAB #2.

The general proposal requirements are listed in sections 4.1 through 4.2. If documents are required to be submitted for a particular requirement, the respondent should state DOES COMPLY and provide the documents. If a Proposer does not meet the requirements or disagrees with the general expectations, the Proposer should state DOES NOT COMPLY, explain the reason for not complying, and provide an alternative to the requirement. Failure to comply with the general proposal requirements or to provide a satisfactory alternative may be cause for disqualification.

### 4.1 Organization Capabilities

All Proposers must provide DOR an organization profile of the Proposer that contains substantial information regarding the strategic business, financial and technology direction of the Proposer.

#### 4.1.1 Submit Vendor Information (DOA-3477)

Proposers must complete form DOA-3477. This provides DOR:

- Proposer name
- Proposer FEIN
- Proposer address, including telephone and fax numbers
- Proposer date established
- Proposer type of business entity (e.g., public firm, sole proprietorship, partnership, or subsidiary)

#### 4.1.2 Organization Financial Summary

Proposers must provide the most recent three (3) years of financial summary information.

Acceptable forms of information include:

- A third-party audit report
- A Dunn and Bradstreet report
- An annual financial report

The State reserves the right to request all of the above and any additional information to substantiate financial stability.

#### 4.1.3 Organization Strategic Direction

Proposers must provide sufficient documentation to allow DOR to make a determination as to the strategic technology and business direction of the Proposer. Strategic business plans, strategic technology plans, and other documentation that describes the current technological infrastructure and technological commitment of the Proposer during the life cycle of ITS are acceptable documents.

### 4.2 Proposer Management Qualifications

The Proposer must provide an organizational structure description of the key principles, partners, contract managers and on-site supervisors who would be negotiating contracts or directing the project. Include job titles/descriptions with resumes or a statement of qualifications describing the educational and related work experiences for each. Proposers should reference the position descriptions provided as Attachment C when developing cost proposals.

#### 4.2.1 Proposer's Key Management List

Proposers must provide a list of the key management personnel and their respective titles. List the percentage of time that each individual will devote to the contract and their level of authority. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the services requested in this RFP

4.2.2 Proposer's Staff Retention Methodology

Key personnel designated must perform as assigned except in the case of termination from the contracting firm or through unavoidable circumstances, because substitutions and turnover of key personnel is considered a serious risk factor in regard to the success of ITS. Proposers must provide a methodology or a plan for reducing the risk of key personnel turnover and personnel substitutions throughout the project life cycle.

5.0 **TECHNICAL REQUIREMENTS**

The Proposer's response must indicate "DOES COMPLY" or "DOES NOT COMPLY" to each and every requirement within the respective category. Responses must be provided under RESPONSE TO TECHNICAL SPECIFICATIONS - TAB #3.

The technical proposal requirements are listed in sections 5.1 through 5.6. If documents are required to be submitted for a particular requirement, the respondent should state DOES COMPLY and provide the documents. If a Proposer does not meet the requirements or disagrees with the general expectations, the Proposer should state DOES NOT COMPLY, explain the reason for not complying, and provide an alternative to the requirement. Failure to comply with the general proposal requirements or to provide a satisfactory alternative may be cause for disqualification.

5.1 Category 1: ITS Project Planning and Integration Services Requirements

Proposals submitted for Category 1 must respond to each of the following numbered requirements and number each response accordingly:

5.1.1 Project Planning Requirements

Proposals are being sought to develop a very detailed tax integration plan for DOR, that corresponds to the tax integration model as described in this RFP. Proposers must demonstrate expertise in converting strategic business plans, strategic information technology plans, and project action plans into tactical and operational plans.

5.1.1.1 Project Planning Methodology

Proposers must present a methodology or describe how they would review DOR business processes, organizational structure, and management systems in accordance with the overall goals of tax integration and in coordination with the Department's strategic plan. Proposers must describe how they would determine the Department's organizational readiness for change and approach to training.

5.1.1.2 Project Re-engineering Methodology

Proposers must describe their methodology and how they would approach fundamental organizational changes and process changes necessary to identify timeworn, non-essential and non value-added procedures. Proposers should discuss how they would further develop new capabilities and processes that use information technology to achieve breakthroughs in business performance.

5.1.1.3 Project Planning Change Management Methodology

Proposers must describe their methodology for managing organizational change. Proposers should describe how they would develop a plan that addresses the impact that potential re-engineering will have on department employees in terms of changes in job responsibilities and work load. Proposers must provide a training methodology designed to help all department employees acquire the necessary knowledge and skills to be successful users of the new systems. Proposers must offer a recommendation for helping employees ease their adjustment to the changes that tax integration will bring to the agency.

5.1.1.4 Project Planning Objectives

Proposers must describe how they would develop an overall project plan. The plan must help DOR achieve it's vision for tax integration within five years.

5.1.1.5 Project Planning for DWD-UI

Proposers must describe how they would provide DWD-UI an analysis of tax systems currently used in other states or private industry which might be adaptable in part or whole for UI tax purposes.

5.1.1.6 Project Planning Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement, Bulletin No. 15-93275-601. Project Planning staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the service requested.

5.1.1.7 Proposer's Project Planning Experience

DOR is interested in the Proposer's level of experience and performance in planning projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom similar project plans have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in planning integrated systems. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to these project plans.

5.1.2 Asset Determination Requirements

DOR considers the BTR (Business Tax Registration) and DTS (Delinquent Tax System) development projects as critical steps toward integration and wishes to incorporate these systems as assets of an overall integration project.

5.1.2.1 Asset Determination Methodology

The Proposer must offer a methodology for analyzing DTS and BTR to determine their respective current value, their long-term value and their functional utility with ITS. Proposers must include in the methodology an upgrade and replacement strategy, if DTS and/or BTR, in the opinion of the

Proposer, would not complement other aspects of ITS.

5.1.2.2 Asset Determination Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Asset Determination staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the service requested.

5.1.2.3 Proposer's Asset Determination Experience

DOR is interested in the Proposer's level of experience and performance in determining the value of information technology assets. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom similar asset valuations have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in asset valuation. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to asset valuation.

5.1.3 Data Modeling Requirements

Proposers must have demonstrated data modeling expertise in order to offer proposals for incorporating current DOR data models into an enterprise-wide integration data model.

5.1.3.1 Data Modeling Methodology

Proposers should describe their respective data modeling methodology and describe the CASE tools used to develop enterprise-wide data models. Proposers must describe how they would work with DOR to complete the enterprise-wide data model during the Category 1 planning stage and maintain the model during implementation.

5.1.3.2 Data Modeling Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration

Bureau of Procurement **Bulletin No. 15-93275-601**. Data Modeling staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the service requested.

#### 5.1.3.3 Proposer's Data Modeling Experience

DOR is interested in the Proposer's level of experience in enterprise-wide data modeling. For purposes of this specification two elements are required.

1. Proposer's description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom similar enterprise-wide data models have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in enterprise-wide data modeling. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to enterprise-wide data modeling.

#### 5.1.4 Pilot Project Proposal Requirements

Proposers will identify a set of pilot project recommendations that will enable DOR to maximize the potential of the Internet as well as meet the service expectations of DOR's customers. Pilot project recommendations should also focus on expanding customer service, opening up new tax filing opportunities, producing additional revenues and/or reducing operating costs. Pilot projects should showcase ITS.

##### 5.1.4.1 Pilot Project Proposal Methodology

Proposers should describe their respective approach to suggesting pilot projects during a major systems re-engineering or integration effort. The methodology should address the conventional wisdom of pilot projects as well as present areas of true innovation with respect to goals and objectives of ITS.

##### 5.1.4.2 Pilot Project Proposal Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Pilot Project staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the pilot project service requested.

#### 5.1.4.3 Proposer's Pilot Project Proposal Experience

DOR is interested in the Proposer's level of experience and performance in developing successful pilot projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposer's description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom similar pilot projects have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in developing pilot projects. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to pilot projects.

#### 5.1.5 Implementation Planning Requirements

Proposers must demonstrate a history of successful project participation and leadership in deploying information technology solutions comparable to the scope of ITS.

##### 5.1.5.1 Implementation Methodology

Proposers must describe their implementation methodology used during plan development. Methodology should include an implementation strategy that minimizes service interruptions to DOR customers.

##### 5.1.5.2 Implementation Cost/Benefit Analysis Methodology

Proposers must describe how they would complete a detailed cost/benefit analysis for implementing the functional components of ITS and provide a methodology for prioritizing the stages of implementation. This timeline should be aligned with the biennial budget cycle, and, at a minimum, major milestones should occur annually.

##### 5.1.5.3 Implementation Training Methodology

Knowledge transfer of new business methods and systems is critical throughout the ITS life cycle for DOR staff. Proposers should discuss how they would approach the agency-wide training issues for DOR business staff and information technology staff involved in a project of this magnitude.

##### 5.1.5.4 Implementation Planning Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the implementation planning stage of the contract and their level of authority.

2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to successfully implement large scale projects.

#### 5.1.5.5 Proposer's Project Implementation Experience

DOR is interested in the Proposer's level of experience and performance in planning for implementing projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposer's description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, where similar project implementation plans have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in planning for project implementation. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to implementing project plans.

#### 5.1.6 Systems Integrator Requirements

Proposals are being sought for a systems integrator that will coordinate the implementation of the integration plan, the pilot project and the functional components selected by DOR from Category 2. Proposers should describe how they will meet the following project requirements:

##### 5.1.6.1 Systems Integrator Methodology

The Proposer must explain and distinguish between their systems integration and project management methodology that, at minimum, addresses the following issues:

1. Describe what steps will be taken, so project terminology will be consistent with terminology used by DOR and DWD-UI.
2. Describe any issues relating to working on-site when required by DOR and DWD-UI.
3. Describe tools and methodology used to create project time lines that will be used with the DOR project management and executive steering teams.
4. Describe oral and written communication techniques to regularly explain project status, project results and any additional information or clarifications upon request by DOR and DWD-UI.
5. Describe the approaches for integrating legacy technology assets with new systems for platforms.
6. Describe integration methodology for the Internet.
7. Describe all hardware and software issues that pertain to systems integration.

##### 5.1.6.2 Systems Integrator Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to Project. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list

of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Systems integrator qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to direct integration efforts.

#### 5.1.6.3 Proposer's Systems Integrator Experience

DOR is interested in the Proposer's level of experience and performance in directing integration projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposer's description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, where similar integration projects have been completed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences with directing integration projects. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to integration projects.

## 5.2 Category 2: ITS Project Development Service Requirements

**Proposals submitted for Category 2 must respond to each of the following numbered requirements. For each functional component being proposed, Proposers should describe how they plan to respond to each requirement and number each response accordingly (5.2.1 through 5.2.10). Proposers should also indicate "Not Applicable" for each numbered function not being proposed.**

The Proposer agrees to provide or sub-contract for development and implementation of each functional component for which they bid. The decision to contract with a specific contractor will be at the discretion of the agency on a project by project basis. DOR will consider proposed service effectiveness, compatibility of the contractor's services with those of the agency, cost, and the Proposer's ability to deliver the best value for the benefit of the state.

### 5.2.1 Registration Requirements

Registration proposals are needed for a taxpayer/customer name, address and profile database, which will facilitate a provision for a single point of contact.

#### 5.2.1.1 Registration Development Methodology

The Proposer must state how they would approach the creation of a centralized registration system within DOR to replace all existing name and address files. For purposes of this project, registration is defined as a common identification repository containing customer names, addresses, and tax-specific registration details.

#### 5.2.1.2 Registration Legacy Conversion Methodology

The Proposer must explain how they will convert all existing DOR legacy name and address files and databases to a new centralized registration repository (BTR). The current BTR plan is to implement the new repository for a select group of business taxes. Proposers should provide a methodology for converting all remaining tax type data structures to a centralized registration repository (BTR).

#### 5.2.1.3 Registration Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Registration function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated registration system.

#### 5.2.1.4 Proposer's Registration Experience

DOR is interested in the Proposer's level of experience and performance in developing integrated registration functions for projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom similar registration product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in registration product development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to registration product development.

#### 5.2.2 Tax Return Processing Requirements

Tax return processing is a transaction based function within the integrated tax system. It must provide an easy to understand system for processing taxes, determining refunds, applying payments and issuing correspondence.

5.2.2.1 Tax Return Processing Methodology

The Proposer explain their methodology for a transaction processing function (e.g., tax returns) that maximizes the use of technology for data capture, electronic payments, electronic filing alternatives, and work flows, while minimizing processing time and reducing the dependency on seasonal staff.

5.2.2.2 Tax Return Processing Exception Requirements

The Proposer's methodology must handle error-free returns efficiently while also identifying business case exceptions and potential fraudulent returns. Exception handling must also be built upon an architecture that provides a seamless movement of electronic information to each business area regardless of location. Proposers should explain how they would approach exception handling procedures.

5.2.2.3 Transaction Processing Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Tax Return Processing function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated tax return processing system.

5.2.2.4 Proposer's Transaction Processing Experience

DOR is interested in the Proposer's level of experience and performance in developing transaction processing functions for projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar processing product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in processing system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a processing system.

### 5.2.3 Processing of Refunds Requirements

A system is needed for consolidating all DOR overpayments into a single refund system. The system must utilize technology, provide clear information to taxpayers, eliminate the need for manual refund controls, and conform to internal and audit controls.

#### 5.2.3.1 Processing of Refunds Methodology

The Proposer must explain their methodology for developing a refund processing function that consolidates overpayments for all DOR tax types into a single refund system. The system must support electronic queries, electronic fund transfers (EFTs), support automated correspondence and provide clear information to taxpayers. Proposers must also explain their audit and control methodology that would conform to DOR audit, Legislative Audit Bureau (LAB) audit rules and informational reports that meet Internal Revenue Service (IRS) requirements

#### 5.2.3.2 Processing of Refunds Interception Requirements

The Proposer must explain their methodology for handling offsets to refunds from internal and external sources for outstanding liabilities.

#### 5.2.3.3 Processing of Refunds Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Refund Processing function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated refund processing system.

#### 5.2.3.4 Proposer's Refund Processing Experience

DOR is interested in the Proposer's level of experience and performance in developing refund processing functions for projects of similar size and scope.

For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar refund processing product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.

2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in refund processing system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a refund processing system.

5.2.4 Case Management Requirements

The Proposer must propose a case management system that supports all current and future tax and revenue types within DOR.

5.2.4.1 Case Management Methodology

The Proposer must explain their methodology for developing an integrated case management system that utilizes internal and external data sources. The methodology must have state of the art security and audit controls. Consequently, proposals must support a secure case history, provide coordination of audit processes, support negligence and fraud case management, and integrate case actions with the management of appeals.

5.2.4.2 Case Management Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Case Management function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated case management system.

5.2.4.3 Proposer's Case Management Experience

DOR is interested in the Proposer's level of experience and performance in developing case management functions for projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar case management product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following::

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in case management system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to

the development of a case management system.

5.2.5 Customer Service Requirements

Proposals are sought that will achieve breakthroughs in customer service and position DOR as a customer resource center. Proposals should be customer focused and produce dramatic new levels of service regarding turnaround time and convenience.

5.2.5.1 Customer Service Methodology

The Proposer must provide a methodology for the development of a customer service environment that provides taxpayers with simplified forms and instructions upon immediate request, creates a single point of contact for questions and services, and establishes DOR as a customer resource center. Whenever possible, inquiries and requests for forms and instructions should be accommodated through use of technology and, in particular, the Internet.

5.2.5.2 Customer Service Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Customer Service function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated customer service system.

5.2.5.3 Proposer's Customer Service Experience

DOR is interested in the Proposer's level of experience and performance in developing customer service functions for projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar customer service product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in customer service system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a customer service system.

5.2.6 Collection of Delinquent Accounts System Requirements

Section 1.4.1 details DOR's goals and intentions regarding the value of the ongoing DTS development to support this function.

5.2.6.1 Collection of Delinquent Accounts Methodology

The Proposer must provide a methodology for the development of an automated system that categorizes and prioritizes collection cases using the lowest level of enforcement and the best return on investment for the State. Any collection system methodology must utilize technology to automate collection activities, and permit the sharing of collection information between DOR and DWD-UI.

5.2.6.2 Collection of Delinquent Accounts Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Collection of Accounts function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated collection of accounts system.

5.2.6.3 Proposer's Collection of Delinquent Accounts Experience

DOR is interested in the Proposer's level of experience and performance in developing collection systems of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar collection of accounts product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in collection system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a collection of accounts system.

5.2.7 Taxpayer Accounting System Requirements

The Proposer must describe how they would develop an integrated system for recording payments and outcomes of balance due notices, regardless of tax or revenue type.

5.2.7.1 Taxpayer Accounting Methodology

The Proposer must provide a methodology for the development of an integrated taxpayer/customer accounting system. The proposed system must feature automated payment of deposits and the transfer of liabilities, appeals, and refund offsets for other agencies, counties, municipalities, and other customers yet to be defined.

5.2.7.2 Taxpayer Accounting Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Taxpayer Accounting function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated accounting system.

5.2.7.3 Proposer's Taxpayer Accounting Experience

DOR is interested in the Proposer's level of experience and performance in developing taxpayer (i.e., customer) accounting functions for projects of similar size and scope.

For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar customer accounting product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in customer accounting system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a customer accounting system.

## 5.2.8 Financial Accounting System Requirements

Proposers must describe how they would develop an automated disbursement and reporting system to account for revenues. To assist Proposers, the Tax Integration Action Plan (Attachment G) includes attachment data pertaining to the volume, activity, and financial information for all tax and revenue types administered by DOR.

### 5.2.8.1 Financial Accounting Methodology

The Proposer must provide a methodology for an integrated financial accounting system flexible enough to support current tax law and any future tax changes. The new system must interface with the State accounting system, WISMART, and meet generally accepted accounting principles (GAAP). Finally, the proposal must build internal control mechanisms that create a financial accounting system rigorous enough to withstand independent audit.

### 5.2.8.2 Financial Accounting Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract the Financial Accounting function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement **Bulletin No. 15-93275-601**. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated financial accounting system.

### 5.2.8.3 Proposer's Financial Accounting Experience

DOR is interested in the Proposer's level of experience and performance in developing financial accounting functions for projects of similar size and scope.

For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar financial accounting product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in financial accounting system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a financial accounting system.

### 5.2.9 Joint Agency Registration System Requirements

Eventually, DWD-UI and DOR may develop a timeline for the establishment of a joint registration system, since most employers are customers of both agencies. Currently, an employer registers separately with DOR for tax reporting and DWD-UI for unemployment insurance (UI) purposes. In terms of providing the best possible customer service, employers will someday have the ability to register once for both taxes.

#### 5.2.9.1 Joint Agency Registration Methodology

The Proposer should provide a methodology for making a Joint Registration System possible. The joint system must be cost effective, flexible for all tax or revenue types provide maximum value to the customer, and insure maximum security in regard to confidentiality for the customer and agency. The system must support alternate methods of electronic and paper-based registration and pursue additional telephone and Internet filing opportunities.

#### 5.2.9.2 Joint Agency Registration Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract a shared registration function. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated shared registration system.

#### 5.2.9.3 Proposer's Joint Agency Registration Experience

DOR is interested in the Proposer's level of experience and performance in developing shared registration functions for projects of similar size and scope.

For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar shared registration product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in shared registration system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to

the development of a shared registration system.

5.2.10 Decision Support/Audit Selection System Requirements

The Proposer must offer a decision support/audit selection system solution that can be used for all tax or revenue business areas throughout the agency and extend beyond traditional organizational boundaries. Proposals must empower DOR to manage its intellectual capital while accelerating effective decision-making in a collaborative environment. Consequently, proposals must promote the sharing of data between DOR and DWD-UI regarding employer audit results.

5.2.10.1 Decision Support/Audit Selection Methodology

The Proposer should provide a methodology for developing an integrated decision support system will dramatically assist in audit selection, standardize audit decision rules, promote compliance and fairness, and identify potential negligence and fraud cases.

5.2.10.2 Decision Support/Audit Selection Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to contract or subcontract a decision support system. Proposers should reference the sample position provided as Attachment C when developing proposals. A complete list of job titles can be obtained by referencing Department of Administration Bureau of Procurement Bulletin No. 15-93275-601. Staff qualifications will be evaluated based on the following information:

1. A list of key management personnel and their respective titles. List the percentage of time that each key person will devote to the contract and their level of authority.
2. A list and description of specific clerical, technical, and information technology job titles with a percentage of time devoted to the contract for each respective title.
3. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to develop an integrated decision support system.

5.2.10.3 Proposer's Decision Support/Audit Selection Experience

DOR is interested in the Proposer's level of experience and performance in developing Decision Support functions for projects of similar size and scope.

For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar decision support product has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in decision support system development. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of a decision support system.

### 5.3 Category 3: ITS Prime Vendor Services Requirements

Proposals will be accepted for Proposers who wish to submit a comprehensive tax integration plan as a "Prime Vendor". The Prime Vendor must have all the expertise previously listed for Categories 1 and 2 and the financial capability to offer a benefits-funded solution. Proposals must continue to offer strategies for preserving the assets (DTS and BTR) that DOR brings to the project. Therefore, DOR seeks an innovative and customized proposal that optimizes these assets.

A Prime Vendor proposal must acknowledge that the procuring agency will have ultimate authority in regard to products and services within the proposal. The procuring agency encourages Proposers to seek out vendor partnerships that bring the most innovative products and services to the proposal.

Proposals submitted for Category 3 must also respond to each of the numbered requirements for categories 1 and 2 as well as the following requirements:

#### 5.3.1 Category 1 and 2 Change Requirements

Proposers should indicate by section number all changes in previous responses to the General Proposal Requirements (4.0) and the Technical Requirements (5.0) that would result in a proposal under Category 3. For example, if subcontractor relationships would change in any function proposed under Category 3, that information would have to be provided.

#### 5.3.2 Risk and Reward Strategy Requirements

Proposers must offer recommendations for sharing project risk and rewards. The recommendations should place an emphasis on contract performance throughout the life cycle of the integration project.

##### 5.3.2.1 Risk Analysis Methodology

Proposers should describe their respective approach to conducting a risk analysis for a major systems re-engineering or integration effort of this scope. Proposers should provide a detailed analysis as to the potential risks involved with a comprehensive tax integration approach as a Prime Vendor. Proposers should consider all strategies that would reduce or eliminate the risk often associated with ITS.

##### 5.3.2.2 Project Incentive (Reward) Methodology

Proposers should make a recommendation as to how they would develop incentives for contract performance. DOR wishes to pursue an innovative funding approach, so a reward strategy is requested that builds upon varying degrees of risk that proposers assume in addition to contract performance factors.

Proposers should describe all measurable and intrinsic benefits to the State and to the proposer resulting from a Prime Vendor partnership arrangement to develop a comprehensive ITS. Proposals should describe in detail any and all economy of scale advantages for DOR as well as for the Proposer.

##### 5.3.2.3 Risk Analysis & Reward Development Staff Qualifications

The Proposer must provide job titles/descriptions and a statement of qualifications describing the educational and related work experiences for each key staff member assigned to perform quantitative risk analysis studies and the development of project performance incentives. Staff qualifications will be evaluated based on the following information:

1. A list of specific management and technical personnel and their respective titles. List the percentage of time that each key person will devote to the

contract and their level of authority.

2. Each Proposer will provide any additional staffing background information that will help DOR evaluate the ability of the Contractor and Subcontractor to perform the risk and reward analysis.

#### 5.3.2.4 Proposer's Risk Analysis & Reward Development Experience

DOR is interested in the Proposer's level of experience and performance in developing risk assessments, contract incentive (rewards) metrics, and benefits procurement opportunities for projects of similar size and scope. For purposes of this specification two elements are required.

1. Proposers description of relevant products and services.
2. References from a minimum of three (3) customers, including contact name, address and telephone number, for whom a similar risk analysis and performance based or benefits procurement contract has been developed during the last five (5) years.

References will be interviewed by the State about the Proposer's products and services and any respective subcontractor's products and services, to determine the quality of work performed and abilities of personnel assigned to the project.

The Proposer's description of relevant experience must include the following information:

1. Level of experience pertaining to government. Experience in tax, revenue or labor agency is preferred.
2. Level of experience pertaining to non-government entities.
3. A description of recent experiences in similar risk analysis, performance based contract development and benefits procurement development projects. Include overall scope and resources allocated.
4. A description of any innovations in process and/or technology pertaining to the development of risk analysis and performance based contract systems.

#### 5.3.3 Benefits Funding Requirements

Proposers should describe the benefits of a comprehensive approach from a benefits-funding perspective. Proposers are not limited to the number of alternatives. Proposers should consider additional creative financing strategies such as shared equity opportunities and potential royalties. Proposers should recommend opportunities that would reduce the overall cost of the project or defer payment until benefits are realized.

#### 5.3.4 Prime Vendor Timeline Requirements

Proposers should provide a methodology for estimating project completion as a Prime Vendor. Proposals should discuss areas in the overall tax integration project that will be affected by consolidating the project under the responsibility of a Prime Vendor.

### 5.4 Innovation

DOR advocates the use of consultant and contractor services as a means of extending information technology resources in the pursuit of innovation. DOR has developed Guidelines for Working With Consultants/Contractors (Attachment F), which outlines a relationship model that promotes: quality, timeliness, excellent communications, flexibility, continuous improvement, collaboration and trust, while outlining the specific rules of engagement.

DOR encourages respondents to propose innovative methods for meeting the tax integration project at each level. Although respondents are not required to propose any specific program innovation, Proposers will be required to work with DOR to pursue continuous improvement during the life of the project.

Therefore, the Proposer is expected to implement innovative technologies as they arise. The state reserves the right to require a Proposer to implement a new technology if the technology has been proven in the market place and if, in the opinion of the state, an added value will be realized. Innovations may be implemented on a pilot basis, but failure to cooperate in the implementation of an innovation may be cause for contract termination.

If substantial specification modifications result from innovation, the changes will not, in and of themselves, be considered sufficient cause for DOR to re-bid the contract. However, DOR reserves the right not to renew a contract and to proceed with a re-bid if it is in the best interest of the State.

#### 5.5 Transition

The Proposer should describe their experience in completing timely transition of products and services.

#### 5.6 Electronic Documents

The Proposer should state how they will prepare and submit products and general documents to DOR and DWD-UI project management teams. In terms of word processing, spreadsheet, database and charts/graphs software, the DOR standard desktop package is Microsoft Office Suite.

### 6.0 **COST PROPOSAL**

DOR requires a two-part cost proposal. The first requirement is a narrative cost proposal detailing the cost/pricing methodology. The second part of the cost proposal is the requirement to complete the actual pricing utilizing the cost worksheet format provided.

Cost proposal worksheets will be scored using a standard quantitative calculation where the most points will be awarded to the proposal with the lowest cost. Various costing methodologies and models are available to analyze the cost narrative information submitted to determine the lowest costs to the State. The State will select one method and use it consistently throughout its analysis.

#### 6.1 General Instructions on Preparing Cost Narrative Proposals

Proposers should provide a narrative cost proposal that presents innovative approaches to funding the category or functions being proposed. The narrative, without listing actual pricing information, should outline creative financing strategies such as benefits funding alternatives, shared equity opportunities, potential royalties, and other opportunities that would reduce the overall cost of the project or defer payment until benefits are realized. This narrative cost proposal should be submitted under TAB #6 in the original and each subsequent copy of the proposal being submitted.

#### 6.2 Format for Submitting Cost Proposal Worksheets

Cost proposals containing pricing must be submitted on the cost worksheets provided and submitted with the original proposal in a separate sealed envelope. Costs should be outlined according to the following specifications for each project category. Additional costs such as, software, license fees, supplies, and ongoing costs must be itemized on the Software/Hardware Cost Worksheet. Examples of cost worksheets are provided in the RFP, so Proposers should create additional copies of the worksheets as needed. Proposers should also provide additional cost proposal worksheets to accommodate costs not specifically requested.

The Cost Detail Sheets provided as attachments to this RFP, must be used for each category proposed. Use of substitute cost sheets will be allowed only if the attachment format is followed. All costs complying with the terms and conditions of this RFP must be shown on the Cost Detail

Sheet.

**6.2.1 Category 1: ITS Project Planning and Integration Service Cost Proposal**

Interested Proposers for this category should provide an itemized description of all hourly costs for consultant, analyst, project manager, and support staff to develop the ITS Project Plan, to write the pilot project specifications, implement the pilot project and working with DOR and DWD-UI staff in a systems integrator and project management role.

- A. Specify all hourly rates by job title
- B. Sub-contracting costs (if applicable) by job title and rate per hour
- C. Detailed Cost Sheets

**6.2.2 Category 2: ITS Project Development Services Cost Proposal**

Interested Proposers for this category should provide an itemized description of all hourly costs for consultant, analyst, project manager, and support staff for each of the functions of interest. There are ten possible functions as outlined in sections 1.2 and 5.0. **A cost worksheet is required for each individual function being proposed.**

- A. Specify all hourly rates by job title and rate per hour
- B. Sub-contracting Costs (if applicable) by job title and rate per hour
- C. Detailed Cost Sheets

**6.2.3 Category 3: ITS Prime Vendor Services Cost Proposal**

Interested Proposers for this category should provided an itemized description of all hourly costs for consultant, analyst, project manager, and support staff to develop the comprehensive integration project. A cost worksheet is required for any particular function unique to this category in terms of integration that is not covered in Categories 1 or 2 cost worksheets.

- A. Specify all hourly rates by job title and rate per hour
- B. Sub-contracting Costs (if applicable) by job title and rate per hour
- C. Detailed Cost Sheets

**6.3 Fixed Price Period**

All prices, costs, and conditions outlined in the proposal shall remain fixed and valid for acceptance for one hundred twenty (120) days starting on the due date for proposals. Maximum price increases for the first twelve (12) months of the initial contract will be held to the rate of increase in the Consumer Price Index for the same period. Price increases for future contract years will be negotiated.

**7.0 REQUIRED FORMS**

The following forms must be completed and submitted with the proposal in accordance with the instructions given in Section 2.4.. All completed forms should be organized under **TAB 4 - Required Forms**. See attachments for blank copies of each required form.

- Affidavit (DOA-3476)
- Designation of Confidential and Proprietary Information (DOA-3027)
- Vendor Information (DOA-3477)
- Vendor Reference (DOA-3478)
- Declaration page (Attachment D)

**AFFIDAVIT**

THIS COMPLETED AFFIDAVIT MUST BE SUBMITTED WITH THE PROPOSAL.

PROPOSER PREFERENCE Please indicate below if claiming a Proposer preference.

- Minority Business Preference (s. 16.75(3m), Wis. Stats.) - Must be certified by the Wisconsin Department of Commerce. If you have questions concerning the certification process, contact the Wisconsin Department of Commerce, 8th Floor, 123 W. Washington Ave., P.O. Box 7970, Madison, Wisconsin 53707-7970, (608) 267-9550.

AMERICAN-MADE MATERIALS

The materials covered in our proposal were manufactured in whole or in substantial part within the United States, or the majority of the component parts thereof were manufactured in whole or in substantial part in the United States.

- Yes
- No
- Unknown

In signing this proposal we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free trade; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other Proposer competitor or potential competitor; that this proposal has not been knowingly disclosed prior to opening of proposals to any other Proposer or competitor; that the above statement is accurate under penalty of perjury.

We will comply with all terms, conditions, and specifications required by the state in this Request for Proposal and the terms of our proposal.

Authorized Representative \_\_\_\_\_ Title \_\_\_\_\_  
Type or Print

Authorized Representative \_\_\_\_\_ Date \_\_\_\_\_  
Signature

Company Name \_\_\_\_\_ Telephone \_\_\_\_\_

This document can be made available in accessible formats to qualified individuals with disabilities.

### DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

The attached material submitted in response to Bid/Proposal # \_\_\_\_\_ includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this bid/proposal response be treated as confidential material and not be released without our written approval.

**Prices always become public information when bids/proposals are opened, and therefore cannot be kept confidential.**

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

We request that the following pages not be released

Section	Page #	Topic

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY.

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The state considers other markings of confidential in the bid/proposal document to be insufficient. The undersigned agrees to hold the state harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Company Name \_\_\_\_\_

Authorized Representative \_\_\_\_\_  
Signature

Authorized Representative \_\_\_\_\_  
Type or Print

Date \_\_\_\_\_

This document can be made available in accessible formats to qualified individuals with disabilities.

**VENDOR INFORMATION**

1. BIDDING / PROPOSING COMPANY NAME \_\_\_\_\_

Date Established \_\_\_\_\_ Type of Business Entity \_\_\_\_\_

FEIN \_\_\_\_\_ FAX \_\_\_\_\_

Phone \_\_\_\_\_ Toll Free Phone \_\_\_\_\_

Address \_\_\_\_\_ Location \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip + 4 \_\_\_\_\_

2. Name the person we may contact in the event there are questions about your bid / proposal.

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Toll Free Phone \_\_\_\_\_

FAX \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip + 4 \_\_\_\_\_

3. All vendors that are awarded over \$25,000 on this contract will be required to submit affirmative action information to the department. Please name the person in your company we may contact about this plan.

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Toll Free Phone \_\_\_\_\_

FAX \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip + 4 \_\_\_\_\_

4. Mailing address where state purchase orders are to be mailed and person the department may contact concerning orders and billings.

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Toll Free Phone \_\_\_\_\_

FAX \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip + 4 \_\_\_\_\_

This document can be made available in accessible formats to qualified individuals with disabilities.

**VENDOR REFERENCE**

FOR VENDOR: \_\_\_\_\_

Provide company name, address, contact person, telephone number, and appropriate information on the product(s) and/or service(s) used for three (3) or more installations with requirements similar to those included in this solicitation document. If VENDOR is proposing any arrangement involving a third party, the named references should also be involved in a similar arrangement.

Company Name \_\_\_\_\_

Address (include Zip + 4) \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone No. \_\_\_\_\_

Product(s) and/or Service(s) Used \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Company Name \_\_\_\_\_

Address (include Zip + 4) \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone No. \_\_\_\_\_

Product(s) and/or Service(s) Used \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Company Name \_\_\_\_\_

Address (include Zip + 4) \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone No. \_\_\_\_\_

Product(s) and/or Service(s) Used \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ADDITIONAL REFERENCE - OPTIONAL**

Company Name \_\_\_\_\_

Address (include Zip + 4) \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone No. \_\_\_\_\_

Product(s) and/or Service(s) Used \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
This document can be made available in accessible formats to qualified individuals with disabilities.

**(DOA-3054) Standard Terms and Conditions**

- 1.0 SPECIFICATIONS:** The specifications in this request are the minimum acceptable. When specific manufacturer and model numbers are used, they are to establish a design, type of construction, quality, functional capability and/or performance level desired. When alternates are bid/proposed, they must be identified by manufacturer, stock number, and such other information necessary to establish equivalency. The State of Wisconsin shall be the sole judge of equivalency. Bidders/Proposers are cautioned to avoid bidding alternates to the specifications which may result in rejection of their bid/proposal.
- 2.0 DEVIATIONS AND EXCEPTIONS:** Deviations and exceptions from terms, conditions, or specifications shall be described fully, on the bidder's/Proposer's letterhead, signed, and attached to the request. In the absence of such statement, the bid/proposal shall be accepted as in strict compliance with all terms, conditions, and specifications and the bidders/Proposers shall be held liable.
- 3.0 QUALITY:** Unless otherwise indicated in the request, all material shall be first quality. Items which are used, demonstrators, obsolete, seconds, or which have been discontinued are unacceptable without prior written approval by the State of Wisconsin.
- 4.0 QUANTITIES:** The quantities shown on this request are based on estimated needs. The state reserves the right to increase or decrease quantities to meet actual needs.
- 5.0 DELIVERY:** Deliveries shall be F.O.B. destination freight prepaid and included unless otherwise specified.
- 6.0 PRICING AND DISCOUNT:** The State of Wisconsin qualifies for governmental discounts and its educational institutions also qualify for educational discounts. Unit prices shall reflect these discounts.
- 6.1** Unit prices shown on the bid/proposal or contract shall be the price per unit of sale (e.g., gal., cs., doz., ea., etc.) as stated on the request or contract. For any given item, the quantity multiplied by the unit price shall establish the extended price, the unit price shall govern in the bid/proposal evaluation and contract administration.
- 6.2** Prices established in continuing agreements and term contracts may be lowered due to general market conditions, but prices shall not be subject to increase for ninety (90) calendar days from the date of award. Any increase proposed shall be submitted to the contracting agency thirty (30) calendar days before the proposed effective date of the price increase, and shall be limited to fully documented cost increases to the contractor which are demonstrated to be industry-wide. The conditions under which price increases may be granted shall be expressed in bid/proposal documents and contracts or agreements.
- 6.3** In determination of award, discounts for early payment will only be considered when all other conditions are equal and when payment terms allow at least fifteen (15) days, providing the discount terms are deemed favorable. All payment terms must allow the option of net thirty (30).
- 7.0 UNFAIR SALES ACT:** Prices quoted to the State of Wisconsin are not governed by the Unfair Sales Act.
- 8.0 ACCEPTANCE-REJECTION:** The State of Wisconsin reserves the right to accept or reject any or all bids/proposals, to waive any technicality in any bid/proposal submitted, and to accept any part of a bid/proposal as deemed to be in the best interests of the State of Wisconsin.
- Bids/proposals MUST be date and time stamped by the soliciting purchasing office on or before the date and time that the bid/proposal is due. Bids/proposals date and time stamped in another office will be rejected. Receipt of a bid/proposal by the mail system does not constitute receipt of a bid/proposal by the purchasing office.
- 9.0 METHOD OF AWARD:** Award shall be made to the lowest responsible, responsive bidder unless otherwise specified.
- 10.0 ORDERING:** Purchase orders shall be placed directly to the contractor by an authorized agency. No other purchase orders are authorized.
- 11.0 PAYMENT TERMS AND INVOICING:** The State of Wisconsin normally will pay properly submitted VENDOR invoices within thirty (30) days of receipt providing goods and/or services have been delivered, installed (if required), and accepted as specified.
- Invoices presented for payment must be submitted in accordance with instructions contained on the purchase order including reference to purchase order number and submittal to the correct address for processing.
- A good faith dispute creates an exception to prompt payment.
- 12.0 TAXES:** The State of Wisconsin and its agencies are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes as described below. The State of Wisconsin does not issue a tax exempt number for state agencies.
- The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchases. The State of Wisconsin may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Proposers performing construction activities are required to pay state use tax on the cost of materials.

- 13.0 GUARANTEED DELIVERY:** Failure of the contractor to adhere to delivery schedules as specified or to promptly replace rejected materials shall render the contractor liable for all costs in excess of the contract price when alternate procurement is necessary. Excess costs shall include the administrative costs.
- 14.0 ENTIRE AGREEMENT:** These Standard Terms and Conditions shall apply to any contract or order awarded as result of this request except where special requirements are stated elsewhere in the request; in such cases, the special requirements shall apply. Further, the written contract and/or order with referenced parts and attachments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the contracting authority.
- 15.0 APPLICABLE LAW:** This contract shall be governed under the laws of the State of Wisconsin. The contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct.
- 16.0 ANTITRUST ASSIGNMENT:** The contractor and the State of Wisconsin recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Wisconsin (purchaser). Therefore, the contractor hereby assigns to the State of Wisconsin any and all claims for such overcharges as to goods, materials or services purchased in connection with this contract.
- 17.0 ASSIGNMENT:** No right or duty in whole or in part of the contractor under this contract may be assigned or delegated without the prior written consent of the State of Wisconsin.
- 18.0 SHELTERED WORK CENTER CRITERIA:** A work center must be certified under s. 16.752, Wis. Stats., and must ensure that when engaged in the production of materials, supplies or equipment or the performance of contractual services, not less than seventy-five percent (75%) of the total hours of direct labor are performed by severely handicapped individuals.
- 19.0 NONDISCRIMINATION / AFFIRMATIVE ACTION:** In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation as defined in s. 111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities.
- 19.1** Contracts estimated to be over twenty-five thousand dollars (\$25,000) require the submission of a written affirmative action plan by the contractor. An exemption occurs from this requirement if the contractor has a workforce of less than twenty-five (25) employees. Within fifteen (15) working days after the contract is awarded, the contractor must submit the plan to the contracting state agency for approval. Instructions on preparing the plan and technical assistance regarding this clause are available from the contracting state agency.
- 19.2** The contractor agrees to post in conspicuous places, available for employees and applicants for employment, a notice to be provided by the contracting state agency that sets forth the provisions of the State of Wisconsin's nondiscrimination law.
- 19.3** Failure to comply with the conditions of this clause may result in the contractor's becoming declared an "ineligible" contractor, termination of the contract, or withholding of payment.
- 20.0 PATENT INFRINGEMENT:** The contractor selling to the State of Wisconsin the articles described herein guarantees the articles were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of the articles described herein will not infringe any United States patent. The contractor covenants that it will at its own expense defend every suit which shall be brought against the State of Wisconsin (provided that such contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such articles, and agrees that it will pay all costs, damages, and profits recoverable in any such suit.
- 21.0 SAFETY REQUIREMENTS:** All materials, equipment, and supplies provided to the State of Wisconsin must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code, the Rules of the Industrial Commission on Safety, and all applicable OSHA Standards.
- 22.0 WARRANTY:** Unless otherwise specifically stated by the bidder/Proposer, equipment purchased as a result of this request shall be warranted against defects by the bidder/Proposer for ninety (90) days from date of receipt. The equipment manufacturer's standard warranty shall apply as a minimum and must be honored by the contractor.
- 23.0 INSURANCE RESPONSIBILITY:** The contractor performing services for the State of Wisconsin shall:
- 23.1** Maintain worker's compensation insurance as required by Wisconsin Statutes, for all employees engaged in the work.
- 23.2** Maintain commercial liability, bodily injury and property damage insurance against any claim(s) which might occur in carrying out this agreement/contract. Minimum coverage shall be one million dollars (\$1,000,000) liability for bodily injury and property damage including products liability and completed operations. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this contract. Minimum coverage shall be one million dollars (\$1,000,000) per occurrence combined single limit for automobile liability and property damage.
- 23.3** The state reserves the right to require higher or lower limits where warranted.

- 24.0 CANCELLATION:** The State of Wisconsin reserves the right to cancel any contract in whole or in part without penalty due to non appropriation of funds or for failure of the contractor to comply with terms, conditions, and specifications of this contract.
- 25.0 VENDOR TAX DELINQUENCY:** Vendors who have a delinquent Wisconsin tax liability may have their payments offset by the State of Wisconsin.
- 26.0 PUBLIC RECORDS ACCESS:** It is the intention of the state to maintain an open and public process in the solicitation, submission, review, and approval of procurement activities.
- Bid/proposal openings are public unless otherwise specified. Records may not be available for public inspection prior to issuance of the notice of intent to award or the award of the contract.
- 27.0 PROPRIETARY INFORMATION:** Any restrictions on the use of data contained within a request, must be clearly stated in the bid/proposal itself. Proprietary information submitted in response to a request will be handled in accordance with applicable State of Wisconsin procurement regulations and the Wisconsin public records law. Proprietary restrictions normally are not accepted. However, when accepted, it is the VENDOR's responsibility to defend the determination in the event of an appeal or litigation.
- 27.1** Data contained in a bid/proposal, all documentation provided therein, and innovations developed as a result of the contracted commodities or services cannot be copyrighted or patented. All data, documentation, and innovations become the property of the State of Wisconsin.
- 27.2** Any material submitted by the vendor in response to this request that the vendor considers confidential and proprietary information and which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or material which can be kept confidential under the Wisconsin public records law, must be identified on a Designation of Confidential and Proprietary Information form (DOA-3027). Bidders may request the form if it is not part of the Request for Bid package. Bid/proposal prices cannot be held confidential.
- 28.0 DISCLOSURE:** If a state public official (s. 19.42, Wis. Stats.), a member of a state public official's immediate family, or any organization in which a state public official or a member of the official's immediate family owns or controls a ten percent (10%) interest, is a party to this agreement, and if this agreement involves payment of more than three thousand dollars (\$3,000) within a twelve (12) month period, this contract is voidable by the state unless appropriate disclosure is made according to s. 19.45(6), Wis. Stats., before signing the contract. Disclosure must be made to the State of Wisconsin Ethics Board, 44 East Mifflin Street, Madison, Wisconsin 53707 (Telephone 608-266-8123).
- State classified and former employes and certain University of Wisconsin faculty/staff are subject to separate disclosure requirements, s. 16.417, Wis. Stats.
- 29.0 RECYCLED MATERIALS:** The State of Wisconsin is required to purchase products incorporating recycled materials whenever technically and economically feasible. Bidders are encouraged to bid products with recycled content which meet specifications.
- 30.0 MATERIAL SAFETY DATA SHEET:** If any item(s) on an order(s) resulting from this award(s) is a hazardous chemical, as defined under 29CFR 1910.1200, provide one (1) copy of a Material Safety Data Sheet for each item with the shipped container(s) and one (1) copy with the invoice(s).
- 31.0 PROMOTIONAL ADVERTISING / NEWS RELEASES:** Reference to or use of the State of Wisconsin, any of its departments, agencies or other subunits, or any state official or employe for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the State of Wisconsin, Department of Administration.