

STATE OF WISCONSIN
Department of
Workforce Development
Bureau of Procurement
P. O. Box 7518
Madison, WI 53707-7518

CONTRACT NO.: C-756

REQUEST FOR BID/PROPOSAL (RFB/RFP) # CP-1713

COMMODITY OR SERVICE: Child Support Centralized Receipt and Disbursement

CONTRACT PERIOD: July 1, 1998 through December 31, 1998 For Implementation and
January 1, 1999 through December 31, 2001 Operational.

1 This contract is entered into by and between the State of Wisconsin, Department of Workforce Development (DWD), and the contractor whose name, address and principal officer appears below; Lockheed Martin IMS.

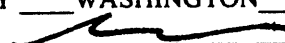
2. Whereby DWD agrees to direct the purchase using Costing Methodology 2 and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the following listed below which is made a part of this contract in order of precedence:

1. This contract attachment
2. Clarification Letter from Lockheed Martin IMS, dated June 3, 1998
3. Best and Final Offer from Lockheed Martin IMS to RFP CP-1713
4. Clarification Letter to Lockheed Martin, dated April 3, 1998
5. Lockheed Martin Proposal to RFP CP-1713, due January 21, 1998
6. Amendment 1 to RFP CP-1713, dated February 27, 1998
7. RFP CP-1713


3. 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. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

4. Contracts estimated to be twenty five thousand dollars (\$25,000) or more require the submission of a written affirmative action plan. Contractors with an annual work force of less than twenty five (25) employees are exempted from this requirement. Within fifteen (15) working days after the award of the contract, the plan shall be submitted for approval to the contracting agency. Technical assistance regarding this clause is provided by the Wisconsin Office of Contract Compliance, Department of Administration, P. O. Box 7867, Madison, WI 53707, (608) 266-5462.

TO BE COMPLETED BY CONTRACTOR

FIRM NAME	LOCKHEED MARTIN IMS		
ADDRESS	1200 K ST NW		
CITY	WASHINGTON	STATE	DC ZIP 20005 TELEPHONE NO. 202-414-3600
BY		TITLE	SERVICE PROVIDER MANAGER DATE June 12, 1998
			DIRECTOR

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT

BY: Charles J. Pasker	TITLE: Purchasing Agent	DATE: June 11, 1998
		

**DEPARTMENT OF WORKFORCE DEVELOPMENT
STATE OF WISCONSIN**

ATTACHMENT CLARIFICATIONS TO CONTRACT C-756

- | Proposal Para. | Description |
|----------------|--|
| 1. | 3.2 - 15: Add check mark in the Adjustments row for adjustments. |
| 2. | 3.3.1-3: IVR availability is 23 hours, 7 days a week. |
| 3. | 3.3.1 -82: Alternative transmission procedures will be received by a 3490 data cartridge by 7:30 p.m. |
| 4. | 3.3.1-102: The IVR will access KIDS via a batch file. |
| 5. | 3.3.1-134: OutReach: The first year of operation will be 01/01/1999 to 12/31/1999. |
| 6. | 3.3.1-142: Checks and deposit slips will be encoded |
| 7. | 3.3.1-151: The State will arrange with Milwaukee County for the contractor to have the capability for daily pickup of Milwaukee County child support collections from the general mail facility. |
| 8. | 3.3.1-162: Foreign currency will use the current day's exchange rate. |
| 9. | 3.3.1-169: Exception payments - Category bullets 1 and 3 of the contractor's suggested additional three categories are acceptable. |
| 10. | 3.3.1-189: If the State selects the NCP billing option, the State will furnish the billing/coupon file with barcodes. The cost change is included in the revised Attachment C, Cost Detail Sheets. |
| 11. | 3.3.1-215: The contractor will provide address error correction reporting. The cost is \$302.00 per month starting January 1999 for a total of \$16,308 for the term of the contract. |
| 12. | 3.3.1-218: The contractor will make an electronic disbursement to the obligee bank account or a debit transaction to the obligor's bank account. |
| 13. | 3.3.1-233: KIDS will forward all the necessary routing and transit, bank account and payer data in the disbursement file. |
| 14. | 3.3.1-239: Inactive files will be retained for 3 years. |
| 15. | 3.3.2: The State and the contractor will explore in the second year of the contract county access to the contractor's imaging system via Advantis. |
| 16. | 3.3.4-22: DATA ENTRY: The contractor will also do changes of address. |
| 17. | 3.3.5-35: The State will be transferring to the State's working bank the suspense file for all counties on 12/31/98. |
| 18. | 3.6.8: The contractor will have a back-up printing center. |
| 19. | 3.13-2: Correspondence will be indexed by county with the cost of \$6,271.43 per month starting January 1999 for a total of \$338,657 for the term of the contract. |

20. 3.14-2: All employer status change requests will be flagged and updated in KIDS within three business days of receipt except for updating employer information which will be completed within 24 hours.
21. 3.16-3: The State will furnish the disbursement file with address bar codes with the cost change is included in the attached revised Attachment C, Cost Detail Sheets.
22. 3.23.1: The State will need progress reports that are different from management reports at no additional cost.
23. 3.27 Federal Penalties: The maximum penalty amount the contractor is responsible for if federal penalties are imposed upon the State due to any action or inaction, contrary to contractual requirements, on the contractor's part will not exceed \$1,000,000 for the term of the contract, including any options thereto.
24. RFP 5.0.2 The fixed start-up cost invoice will be accepted for the first increment on July 1, 1998.
25. RFP 1.4(1) Instead of counties mailing receipts to the vendor, counties will continue to receipt collections into KIDS along with the vendor. Counties will stop receipting collections on 10/1/1999, as mandated under Section 312 of PRWORA. The counties will electronically transfer the funds for collections received at the county level to the vendor. The State will pay the contractor for processing 30% of all collections received in January, 1999, for 60% of all collections received in February, 1999, for 90% of all collections received in March, 1999 and for 100% of all collections received from that point forward. This payment methodology will be employed regardless of where the collection was received (by the county or by the vendor). This allows Lockheed to correctly plan for the resources needed to handle the receipting task. At the same time, it ensures that child support collections will continue to be disbursed in a timely manner during the transition period.

The Centralized Receipt and Disbursement (CR&D) Request for Proposals (RFP) included information regarding the transition of financial tasks from the counties to the CR&D vendor. One of the tasks the contractor will assume responsibility for is the receipt of all child support collections.

The RFP specifies that, beginning in January, 1999, the contractor will begin receipting child support collections. One-third of Wisconsin's child support payers, including employers, will be told to submit their payments to the CR&D facility in Milwaukee in January, the second third will be told to submit their payments to the CR&D facility beginning in February and the final third will be told to submit their payments beginning in March.

The counties will continue to receipt child support collections received at the local level through October 1, 1999 (the federal deadline for implementing CR&D). These collections will include cash payments, purge order payments and misdirected payments (the payer has been informed that child support payments should be sent to the CR&D vendor, but, for whatever reason, continue to send payments to the county.)

The vendor and the counties will work together to notify payers who are misdirecting their payments of the correct mailing address. Other states that have transitioned to a CR&D operation have informed the Bureau of Child Support that approximately 30% of all payers will misdirect their payments after all payers have been informed to send payments to the CR&D vendor.

Counties are very efficient in processing child support collections. Currently, 98% of the collections received on a given day are disbursed the following day. As a result, it makes sense to allow the counties to continue to receipt collections until the contractor has assumed full responsibility for collection entry.

If both the vendor and the counties are receipting during the transition period, child support payments will continue to be disbursed in a timely manner. That will reduce stress for families who depend on

these payments as well as reducing customer service complaint calls. In addition, some Clerks of Court have indicated their unwillingness to re-direct child support collections made payable to them to the CR&D vendor.

We anticipate that by the end of April, 1999, 80% of child support collections will be processed by the contractor. That percentage will continue to decrease so that by October 1, 1998, the counties will only handle cash and purge order payments.

26. RFP 5.0 The State selects Costing Methodology 2 for this contract dependent on availability of funds.
27. RFP 4.33 The State's Contract Administrator is Prudence Stewart.
28. RFP 1.4.3 Optional Component 3 of Customer Service is included in this contract.
29. RFP 2.11 The contractor will complete and submit quarterly to DWD Procurement the Minority Business Participation Quarterly Report (attached).
30. Atch C The attached revised Attachment C, Cost Detail Sheet, to include:
 - a. barcode provided by the State for disbursements
 - b. mid-month mailing of billing/coupons with barcode
31. Fast Forward Service requirement is added for a cost of \$924.00 per month starting in January 1999 for a total of \$49,896.00 for the term of the contract.

**ATTACHMENT C
COST DETAIL SHEET
CP-1713
Page 1 of 6**

CONTRACTOR LOCKHEED MARTIN IMS

Contractors must complete all blank grids. Incomplete cost detail sheet will be cause for rejection of RFP response. Cost methodologies established to reflect the anticipated service based on number of receipts and disbursements processed and the percentage of those receipts and disbursements processed via electronic media as outlined in Section 1.4.4, Outreach. Electronic media is defined as data obtained either on disk, tape or EDI.

Costs should reflect that the State will retain ownership rights to all work performed under this contract

RFP CP-1713 METHODOLOGY ONE - MANDATORY

	YEAR 1	YEAR 2	YEAR 3	OPTIONAL YEAR 4	OPTIONAL YEAR 5
***THIS IS A UNIT PRICE					
UNIT PRICE PER COLLECTION BASED ON 300,000-350,000 COLLECTIONS PER MONTH	\$ 1.275	\$ 1.272	\$ 1.271	\$ 1.233	\$ 1.208
UNIT PRICE PER COLLECTION BASED ON 350,000-400,000 COLLECTIONS PER MONTH	\$ 1.205	\$ 1.203	\$ 1.202	\$ 1.186	\$ 1.143
UNIT PRICE PER COLLECTION BASED ON 400,000-450,000 COLLECTIONS PER MONTH	\$ 1.085	\$ 1.083	\$ 1.082	\$ 1.050	\$ 1.029
UNIT PRICE PER COLLECTION BASED ON 450,000-500,000 COLLECTIONS PER MONTH	\$ 1.084	\$ 1.083	\$ 1.082	\$ 1.006	\$ 0.986
UNIT PRICE PER COLLECTION BASED ON 500,000-550,000 COLLECTIONS PER MONTH	\$ 1.054	\$ 1.033	\$ 1.032	\$ 0.872	\$ 0.863
UNIT PRICE PER COLLECTION BASED ON 550,000-600,000 COLLECTIONS PER MONTH	\$ 1.034	\$ 1.003	\$ 0.973	\$ 0.778	\$ 0.638
UNIT PRICE PER COLLECTION BASED ON 600,000-650,000 COLLECTIONS PER MONTH	\$ 1.014	\$ 0.984	\$ 0.954	\$ 0.783	\$ 0.826
UNIT PRICE PER COLLECTION BASED ON 650,000-700,000 COLLECTIONS PER MONTH	\$ 0.986	\$ 0.966	\$ 0.937	\$ 0.750	\$ 0.615
***THIS IS A UNIT PRICE					
UNIT PRICE PER DISBURSEMENT BASE ON 200,000-250,000 DISBURSEMENTS PER MONTH	\$ 0.154	\$ 0.156	\$ 0.168	\$ 0.179	\$ 0.184
UNIT PRICE PER DISBURSEMENT BASE ON 250,000-300,000 DISBURSEMENTS PER MONTH	\$ 0.133	\$ 0.134	\$ 0.144	\$ 0.153	\$ 0.158
UNIT PRICE PER DISBURSEMENT BASE ON 300,000-350,000 DISBURSEMENTS PER MONTH	\$ 0.124	\$ 0.125	\$ 0.135	\$ 0.144	\$ 0.148
UNIT PRICE PER DISBURSEMENT BASE ON 350,000-400,000 DISBURSEMENTS PER MONTH	\$ 0.123	\$ 0.124	\$ 0.134	\$ 0.143	\$ 0.147
UNIT PRICE PER DISBURSEMENT BASE ON 400,000-450,000 DISBURSEMENTS PER MONTH	\$ 0.122	\$ 0.123	\$ 0.133	\$ 0.135	\$ 0.135
UNIT PRICE PER DISBURSEMENT BASE ON 450,000-500,000 DISBURSEMENTS PER MONTH	\$ 0.121	\$ 0.122	\$ 0.132	\$ 0.134	\$ 0.134
UNIT PRICE PER DISBURSEMENT BASE ON 500,000-550,000 DISBURSEMENTS PER MONTH	\$ 0.120	\$ 0.121	\$ 0.131	\$ 0.133	\$ 0.133

Revised - 6/3/98

ATTACHMENT C
COST DETAIL SHEET
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CONTRACTOR LOCKHEED MARTIN IMS

RFP CP-1713 METHODOLOGY ONE - MANDATORY	YEAR 1	YEAR 2	YEAR 3	OPTIONAL YEAR 4	OPTIONAL YEAR 5
***THIS IS A MONTHLY PRICE					
CUSTOMER SERVICE PER MONTH BASED ON 300,000-350,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 86,400	\$ 89,400	\$ 93,000	\$ 96,700	\$ 97,200
CUSTOMER SERVICE PER MONTH BASED ON 350,000-400,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 87,200	\$ 90,300	\$ 93,900	\$ 97,700	\$ 98,200
CUSTOMER SERVICE PER MONTH BASED ON 400,000-450,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 88,500	\$ 91,600	\$ 95,300	\$ 99,100	\$ 103,100
CUSTOMER SERVICE PER MONTH BASED ON 450,000-500,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 91,600	\$ 94,800	\$ 98,600	\$ 102,300	\$ 106,400
CUSTOMER SERVICE PER MONTH BASED ON 500,000-550,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 94,300	\$ 97,600	\$ 101,500	\$ 102,000	\$ 104,000
CUSTOMER SERVICE PER MONTH BASED ON 550,000-600,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 97,100	\$ 100,500	\$ 103,500	\$ 103,500	\$ 103,800
CUSTOMER SERVICE PER MONTH BASED ON 600,000-650,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 100,000	\$ 103,500	\$ 106,600	\$ 106,600	\$ 106,900
CUSTOMER SERVICE PER MONTH BASED ON 650,000-700,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 103,000	\$ 106,600	\$ 109,800	\$ 109,800	\$ 110,100
***THIS IS A MONTHLY PRICE					
OUTREACH SERVICE PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
***THIS IS A UNIT PRICE					
EMPLOYER TABLE PER WORKLIST BASED ON 1,500-2,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 2,000-2,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 2,500-3,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 3,000-3,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 3,500-4,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 4,000-4,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 4,500-5,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
***THIS IS A UNIT PRICE					
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 10,000-20,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 20,000-30,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 30,000-40,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 40,000-50,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 50,000-60,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 60,000-70,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 70,000-80,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C

N/C = No Charge

Revised - 6/3/98

ATTACHMENT C
COST DETAIL SHEET
CP-1713
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CONTRACTOR LOCKHEED MARTIN IMS

RFP CP-1713 METHODOLOGY ONE				OPTIONAL	OPTIONAL
***THIS IS A TOTAL ORGANIZATIONAL PRICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
HONESTY BOND(S)	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
PERFORMANCE SURETY	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C

Below are optional requirements. DVD will have the option to contract these requirements each year

RFP CP-1713 METHODOLOGY ONE - OPTIONAL				OPTIONAL	OPTIONAL
***THIS IS A MONTHLY PRICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CUSTOMER SERVICE PER MONTH BASED ON 300,000-350,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 54,900	\$ 57,900	\$ 61,400	\$ 64,800	\$ 68,400
CUSTOMER SERVICE PER MONTH BASED ON 350,000-400,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 55,800	\$ 58,900	\$ 62,400	\$ 65,800	\$ 69,400
CUSTOMER SERVICE PER MONTH BASED ON 400,000-450,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 57,200	\$ 60,300	\$ 63,900	\$ 67,400	\$ 71,100
CUSTOMER SERVICE PER MONTH BASED ON 450,000-500,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 59,300	\$ 63,200	\$ 67,000	\$ 70,700	\$ 74,600
CUSTOMER SERVICE PER MONTH BASED ON 500,000-550,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 61,400	\$ 65,300	\$ 73,000	\$ 73,000	\$ 77,000
CUSTOMER SERVICE PER MONTH BASED ON 550,000-600,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 63,500	\$ 67,400	\$ 75,100	\$ 82,300	\$ 86,800
CUSTOMER SERVICE PER MONTH BASED ON 600,000-650,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 65,500	\$ 69,500	\$ 77,200	\$ 84,400	\$ 93,000
CUSTOMER SERVICE PER MONTH BASED ON 650,000-700,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 67,700	\$ 71,600	\$ 79,300	\$ 86,500	\$ 95,100
***THIS IS A MONTHLY PRICE					
CUSTOMER SERVICE PER MONTH - COMPONENT 3	\$ 4,450	\$ 5,800	\$ 6,100	\$ 6,400	\$ 6,700
***THIS IS A HOURLY PRICE					
HOURLY RATE FOR REPORT GENERATION	\$ 69.90	\$ 73.70	\$ 78.90	\$ 84.40	\$ 89.90
***THIS IS A PER STATEMENT/COUPON PRICE					
BILLING AND COUPONS PER STATEMENT/COUPON	\$ 0.135	\$ 0.151	\$ 0.159	\$ 0.166	\$ 0.173

N/C = No Charge

Revised - 6/3/98

ATTACHMENT C
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CONTRACTOR LOCKHEED MARTIN IMS

Contractors must complete all blank grids. Incomplete cost detail sheet will be cause for rejection of RFP response. Cost methodologies established to reflect the anticipated service based on number of receipts and disbursements processed and the percentage of those receipts and disbursements processed via electronic media as outlined in Section 1.4.4, Outreach. Electronic media is defined as data obtained either on disk, tape or EDI

Costs should reflect that the State will retain ownership rights to all work performed under this contract

RFP CP-1713 METHODOLOGY TWO - REQUIRED

**TOTAL FIXED
STARTUP COST**

\$ 3,975,000	PLUS
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	YEAR 1	YEAR 2	YEAR 3	OPTIONAL YEAR 4	OPTIONAL YEAR 6
**THIS IS A UNIT PRICE					
UNIT PRICE PER COLLECTION BASED ON 300,000-350,000 COLLECTIONS PER MONTH	\$ 0.833	\$ 0.924	\$ 0.915	\$ 0.901	\$ 0.888
UNIT PRICE PER COLLECTION BASED ON 350,000-400,000 COLLECTIONS PER MONTH	\$ 0.863	\$ 0.854	\$ 0.845	\$ 0.832	\$ 0.811
UNIT PRICE PER COLLECTION BASED ON 400,000-450,000 COLLECTIONS PER MONTH	\$ 0.743	\$ 0.736	\$ 0.729	\$ 0.718	\$ 0.700
UNIT PRICE PER COLLECTION BASED ON 450,000-500,000 COLLECTIONS PER MONTH	\$ 0.742	\$ 0.735	\$ 0.728	\$ 0.717	\$ 0.699
UNIT PRICE PER COLLECTION BASED ON 500,000-550,000 COLLECTIONS PER MONTH	\$ 0.712	\$ 0.705	\$ 0.698	\$ 0.683	\$ 0.644
UNIT PRICE PER COLLECTION BASED ON 550,000-600,000 COLLECTIONS PER MONTH	\$ 0.692	\$ 0.685	\$ 0.678	\$ 0.644	\$ 0.579
UNIT PRICE PER COLLECTION BASED ON 600,000-650,000 COLLECTIONS PER MONTH	\$ 0.672	\$ 0.665	\$ 0.658	\$ 0.625	\$ 0.578
UNIT PRICE PER COLLECTION BASED ON 650,000-700,000 COLLECTIONS PER MONTH	\$ 0.651	\$ 0.644	\$ 0.638	\$ 0.606	\$ 0.577
**THIS IS A UNIT PRICE					
UNIT PRICE PER DISBURSEMENT BASE ON 200,000-250,000 DISBURSEMENTS PER MONTH	\$ 0.154	\$ 0.158	\$ 0.168	\$ 0.179	\$ 0.184
UNIT PRICE PER DISBURSEMENT BASE ON 250,000-300,000 DISBURSEMENTS PER MONTH	\$ 0.133	\$ 0.134	\$ 0.144	\$ 0.153	\$ 0.158
UNIT PRICE PER DISBURSEMENT BASE ON 300,000-350,000 DISBURSEMENTS PER MONTH	\$ 0.124	\$ 0.125	\$ 0.135	\$ 0.144	\$ 0.148
UNIT PRICE PER DISBURSEMENT BASE ON 350,000-400,000 DISBURSEMENTS PER MONTH	\$ 0.123	\$ 0.124	\$ 0.134	\$ 0.143	\$ 0.147
UNIT PRICE PER DISBURSEMENT BASE ON 400,000-450,000 DISBURSEMENTS PER MONTH	\$ 0.122	\$ 0.123	\$ 0.133	\$ 0.135	\$ 0.135
UNIT PRICE PER DISBURSEMENT BASE ON 450,000-500,000 DISBURSEMENTS PER MONTH	\$ 0.121	\$ 0.122	\$ 0.132	\$ 0.134	\$ 0.134
UNIT PRICE PER DISBURSEMENT BASE ON 500,000-550,000 DISBURSEMENTS PER MONTH	\$ 0.120	\$ 0.121	\$ 0.131	\$ 0.133	\$ 0.133

Revised - 6/3/98

**ATTACHMENT C
COST DETAIL SHEET**

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CONTRACTOR LOCKHEED MARTIN IMS

RFP CP-1713 METHODOLOGY TWO - REQUIRED	YEAR 1	YEAR 2	YEAR 3	OPTIONAL YEAR 4	OPTIONAL YEAR 5
***THIS IS A MONTHLY PRICE					
CUSTOMER SERVICE PER MONTH BASED ON 300,000-350,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 86,400	\$ 89,400	\$ 93,000	\$ 90,700	\$ 97,200
CUSTOMER SERVICE PER MONTH BASED ON 350,000-400,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 87,200	\$ 90,300	\$ 93,900	\$ 97,700	\$ 98,200
CUSTOMER SERVICE PER MONTH BASED ON 400,000-450,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 88,500	\$ 91,600	\$ 95,300	\$ 99,100	\$ 103,100
CUSTOMER SERVICE PER MONTH BASED ON 450,000-500,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 91,600	\$ 94,800	\$ 98,600	\$ 102,300	\$ 106,400
CUSTOMER SERVICE PER MONTH BASED ON 500,000-550,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 94,300	\$ 97,600	\$ 101,500	\$ 102,000	\$ 104,000
CUSTOMER SERVICE PER MONTH BASED ON 550,000-600,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 97,100	\$ 100,500	\$ 103,500	\$ 103,500	\$ 103,800
CUSTOMER SERVICE PER MONTH BASED ON 600,000-650,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 100,000	\$ 103,500	\$ 106,600	\$ 106,600	\$ 106,900
CUSTOMER SERVICE PER MONTH BASED ON 650,000-700,000 COLLECTIONS PER MONTH - COMPONENT 1	\$ 103,000	\$ 106,600	\$ 109,800	\$ 109,800	\$ 110,100
***THIS IS A MONTHLY PRICE					
OUTREACH SERVICE PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
***THIS IS A UNIT PRICE					
EMPLOYER TABLE PER WORKLIST BASED ON 1,500-2,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 2,000-2,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 2,500-3,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 3,000-3,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 3,500-4,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 4,000-4,500 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER TABLE PER WORKLIST BASED ON 4,500-5,000 WORKLISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
***THIS IS A UNIT PRICE					
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 10,000-20,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 20,000-30,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 30,000-40,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 40,000-50,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 50,000-60,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 60,000-70,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
EMPLOYER WITHHOLDING LIST PER MONTH BASED ON 70,000-80,000 EMPLOYER LISTS PER MONTH	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C

N/C = No Charge

Revised - 6/3/98

ATTACHMENT C
COST DETAIL SHEET
 CP-1713
 Page 6 of 6

CONTRACTOR LOCKHEED MARTIN IMS

RFP CP-1713 METHODOLOGY TWO				OPTIONAL	OPTIONAL
***THIS IS A TOTAL ORGANIZATIONAL PRICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 6
HONESTY BOND(S)	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C
PERFORMANCE SURETY	\$ N/C	\$ N/C	\$ N/C	\$ N/C	\$ N/C

Below are optional requirements. DVD will have the option to contract these requirements each year

RFP CP-1713 METHODOLOGY TWO - OPTIONAL				OPTIONAL	OPTIONAL
***THIS IS A MONTHLY PRICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CUSTOMER SERVICE PER MONTH BASED ON 300,000-350,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 54,900	\$ 57,900	\$ 61,400	\$ 64,800	\$ 68,400
CUSTOMER SERVICE PER MONTH BASED ON 350,000-400,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 65,800	\$ 68,900	\$ 72,400	\$ 75,800	\$ 79,400
CUSTOMER SERVICE PER MONTH BASED ON 400,000-450,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 57,200	\$ 60,300	\$ 63,900	\$ 67,400	\$ 71,100
CUSTOMER SERVICE PER MONTH BASED ON 450,000-500,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 59,300	\$ 63,200	\$ 67,000	\$ 70,700	\$ 74,800
CUSTOMER SERVICE PER MONTH BASED ON 500,000-550,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 61,400	\$ 65,300	\$ 70,000	\$ 73,000	\$ 77,000
CUSTOMER SERVICE PER MONTH BASED ON 550,000-600,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 63,600	\$ 67,400	\$ 71,100	\$ 74,300	\$ 78,800
CUSTOMER SERVICE PER MONTH BASED ON 600,000-650,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 65,800	\$ 69,500	\$ 73,200	\$ 76,400	\$ 80,000
CUSTOMER SERVICE PER MONTH BASED ON 650,000-700,000 COLLECTIONS PER MONTH - COMPONENT 2	\$ 67,700	\$ 71,600	\$ 75,300	\$ 78,500	\$ 82,100
***THIS IS A MONTHLY PRICE					
CUSTOMER SERVICE PER MONTH - COMPONENT 3	\$ 4,450	\$ 5,800	\$ 6,100	\$ 6,400	\$ 6,700
***THIS IS A HOURLY PRICE					
HOURLY RATE FOR REPORT GENERATION	\$ 68.90	\$ 73.70	\$ 78.90	\$ 84.40	\$ 89.90
***THIS IS A PER STATEMENT/COUPON PRICE					
BILLING AND COUPONS PER STATEMENT/COUPON	\$ 0.135	\$ 0.151	\$ 0.159	\$ 0.166	\$ 0.173

N/C = No Charge

Revised - 6/3/98

PROPOSALS MUST BE SEALED AND ADDRESSED TO:
 Department of Workforce Development
 Bureau of Procurement
 201 E. Washington Avenue - Room 431X GEF-1
 PO Box 7518
 Madison, WI 53707-7518

THIS IS NOT
 AN ORDER

REQUEST FOR PROPOSAL

PROPOSER (Name and Address)

- No proposal now Retain on proposal list. (Return this page only.)
 Remove from proposal list (Return this page only.)

Proposal envelope must be sealed and plainly marked in lower corner with due date and Request for Proposal # CP-1713. Late proposals will be rejected. Proposals MUST be date and time stamped by the soliciting purchasing office on or before the date and time that the proposal is due. Proposals dated and time stamped in another office will be rejected. Receipt of a proposal by mail system does not constitute receipt of a proposal by the purchasing office. Any proposal which is inadvertently opened as a result of not being properly and clearly marked is subject to rejection. Proposals must be submitted separately, i.e., not included with sample packages or other proposals. Proposal openings are public unless otherwise specified. Records will be available for public inspection after issuance of the notice of intent to award or the award of the contract. Proposer should contact person named below for an appointment to view the proposal record. Proposals shall be firm for acceptance for sixty (60) days from date of proposal opening, unless otherwise noted. The attached terms and conditions apply to any subsequent award.

Proposals MUST be in this office no later than **3/18/98**
 Public Opening
 No Public Opening

Name (Contact for further information)
Charles Pasker

Phone **608-267-4435** Date **1/21/98**

Quote Price and Delivery FOB
 Destination

Item No.	Quantity and Unit	Description	Price Per Unit	Total
		CHILD SUPPORT RECEIPT & DISBURSEMENT		

Payment Terms Delivery Time

We claim minority preference [Wis. Stats. s. 16.75(3m)]. Under Wisconsin Statutes, a 5% preference may be granted to CERTIFIED Minority Business Enterprises. Proposer must be certified by the Wisconsin Department of Development (DOD). If you have questions concerning the certification process, contact DOD, 8th Floor, 123 W. Washington Ave., Madison, Wisconsin 53702, (608) 267-9550.

We are a sheltered work center qualified under Wis. Stats. s. 16.752. Questions concerning the qualification process should be addressed to the Sheltered Work Center Program, State Bureau of Procurement, 6th Floor, 101 E. Wilson St., Madison, Wisconsin 53702, (608) 266-2606.

Wis. Stats. s. 16.754 directs the state to purchase materials which are manufactured to the greatest extent in the United States when all other factors are substantially equal. 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 competition; 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 the 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 all terms of our proposal.

Name of Authorized Company Representative (Type or Print)	Title	Phone ()
		Fax ()
Signature of Above	Date	Federal Employer Identification No.
		Social Security No. if Sole Proprietor (Voluntary)

This form can be made available in accessible formats upon request to qualified individuals with disabilities

REQUEST FOR PROPOSAL (RFP)

Child Support Receipt & Disbursement Services

RFP #CP-1713

Issued by:

STATE OF WISCONSIN

Department of Workforce Development

**Proposals should be submitted
no later than 2:30 P.M. CST
March 18, 1998**

STATE OF WISCONSIN
Department of Workforce Development

Request for Proposal #CP-1713

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**STATE OF WISCONSIN
Department of Workforce Development**

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STATE OF WISCONSIN

Department of Workforce Development

Child Support Receipt & Disbursement Program Services
Request for Proposal
#CP-1713

1.0 INTRODUCTION AND PURPOSE:

1.1 Purpose

The purpose of this Request for Proposal (RFP) is to obtain competitive proposals from vendors interested in contracting with the State of Wisconsin to implement and operate a statewide, centralized receipt and disbursement operation for processing child support collections. Among the functions to be addressed in responding to the RFP are program start-up, receipting, disbursement, customer service and outreach.

For the purpose of this RFP, child support collections are defined as money paid for child or family support, maintenance (referred to in some states as "alimony" or "spousal support"), child support related fees, and any other child support-related financial obligations ordered by a Wisconsin circuit court, or the court or administrative tribunal of another state or another nation with the authority to handle child support matters.

1.2 Intent

The State, as represented by the Department of Workforce Development (DWD), intends to use the results of this request for proposal (RFP) process to establish a contract with one qualified proposer for performing Centralized Receipt and Disbursement (CR&D) services including customer services to payers, payees, and employers. A qualified proposer is defined as the highest scoring, responsible proposer. DWD anticipates execution of the contract no later than July 1, 1998, contract execution will be contingent on the availability of funds. Service delivery as defined in this RFP will be required on January 1, 1999.

The State of Wisconsin retains the right to award contracts for related services from other existing State of Wisconsin Procurement Bulletins, if any. Other agencies may use this contract.

1.3 Background

Administration of the IV-D Program in Wisconsin

The Wisconsin child support program is a state-administered/county-operated program. This means that the Department of Workforce Development, Division of Economic Support, Bureau of Child Support (DWD/kDES/BCS) is the State agency responsible for the overall administration of the program. At the local level, 72 county child support agencies operate the program in accordance with the provisions of a state and county, State and federal laws, administrative rules, and regulations governing child support enforcement. The State and county contract for the delivery of child support services is re-negotiated and renewed annually.

Consistent with State and federal laws and regulations, Wisconsin's child support program serves to:

- Establish paternity on behalf of children whose parents were not married to each other at the time of the child's birth;
- Establish legal orders obligating parents to pay child support, including health insurance coverage care for their children;
- Receipt and disburse child support collections;
- Take any administrative and legal actions necessary to enforce support orders when parents fail to pay;
- Find parents who are not paying support and locate their income and assets when necessary to establish or enforce child support orders.

The State Role

DWD, as the state agency responsible for child support enforcement:

- Provides policy information and technical assistance to county child support agencies;
- Publishes policy and procedural manuals, a newsletter and public awareness materials;
- Operates the State Parent Locate Service (SPLS);
- Handles the functions of the state Central Registry of Interstate Cases;
- Coordinates certain centralized collections functions, such as tax refund interception;
- Provides periodic reports to the federal government, as required by federal regulations;
- Sponsors and evaluates pilot projects designed to improve child support operations;
- Coordinates federal audits and, when necessary, the implementation of statewide corrective action plans;
- Operates Wisconsin's statewide child support data system, the Kids Information Data System (KIDS).

Currently, child support is collected, receipted, and disbursed at the county level. When CR&D is implemented in Wisconsin, DWD will assume direct responsibility for the overall management of CR&D operations and, in that role, will be responsible for contract negotiations, monitoring and compliance.

The County Role

Under State law, each of Wisconsin's 72 county boards of supervisors (county legislative bodies) is responsible for designating a county agency to handle child support enforcement operations. In many counties the designated child support agency (CSA) is an independent agency created strictly for the purpose of operating the county's child support program. In some counties, an existing county agency such as the county department of social or human services is designated to serve as the CSA.

Each designated CSA works directly with families to provide the assistance necessary to establish paternity, secure and enforce child support, and provide most of the program's core services. To ensure efficient and effective operations, however, county child support agencies frequently enter into cooperative agreements with other local officials and agencies for the provision of specific services necessary to carry out the program. For example, many county agencies contract with their county sheriff to provide for service of process.

By law, Wisconsin clerks of circuit court, referred to as COC, are responsible for keeping all circuit court records, including the records of any collections made to satisfy court orders, such as child support receipts. For this reason, most county child support agencies have cooperative agreements under which clerks of court agree to keep child support records in accordance with state and federal requirements, and are reimbursed for the costs of maintaining child support financial records and providing receipt and disbursement services.

There are exceptions to this rule, however. Under Wisconsin law a county board of supervisors has the authority to designate a county official or agency other than the clerk of court to handle child support collections. Currently 11 county child support agencies are handling child support receipts, financial record-keeping functions, and receipt and disbursement, instead of entering into agreements with COCs. We expect an additional 8 county child support agencies to assume these responsibilities in 1998.

All counties use the Kids Information Data System for financial record-keeping and for handling receipt and disbursement, regardless of whether the county CSA or the COC is handling these financial case management functions.

Changes in Roles When CR&D is Implemented

When Wisconsin's centralized receipt and disbursement system is implemented, State and county roles will change with regard to their respective responsibilities for handling child support financial functions. The State will become responsible for directly managing receipt and disbursement functions, using KIDS and the services of the contractor hired to implement and operate CR&D. County clerks of court will continue to be responsible for managing court case records and providing information on court cases to county child support agencies.

County child support agencies will be responsible for entering court case and court order information into KIDS, which serves as the basis for establishing a financial case record on the system. This function was previously handled by the clerks of court.

County child support agencies will also be responsible for maintaining official case records on KIDS, although the CR&D contractor will be providing necessary receipt and disbursement information to KIDS. KIDS will allocate and distribute the collections reported by the contractor.

Federal Legislation

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), commonly referred to as the federal "Welfare Reform Bill," directs states to establish a centralized state disbursement unit for the receipt and disbursement of child support-related obligations. The state disbursement unit is required to be operated by the state or a contractor responsible to the State. This unit must be coordinated with the statewide child support data system.

By federal mandate, the centralized state disbursement unit shall use automated procedures, electronic processes (e.g., EFT), and computer-driven technology to the maximum extent feasible for efficient and economical receipt and disbursement of support payments. Procedures include receipt of child support collections from parents, employers and agencies in other states and disbursements to custodial parents and other obligees, the State, and agencies in other states.

In addition, the centralized state disbursement unit must accurately identify collections, ensure prompt disbursement, and, upon request, furnish to any parent timely information on the current status of support payments. The centralized state disbursement unit must distribute all amounts payable within two (2) business days after receipt. Statewide implementation of the centralized state disbursement unit must be completed by September 30, 1999.

In 1997, Wisconsin's KIDS system recorded collections of \$807.7 million. The estimated yearly volume of collections to be received in Wisconsin by the contractor in 1999 is \$850 million. The anticipated volume of checks to be disbursed is 4.6 million.

State Legislation

Statutory language authorizing centralized receipt and disbursement was enacted in the 1997-99 biennial state budget. This legislation provides DWD the authority to contract with a vendor to receipt and disburse child support collections. The legislation also provides funding to support this effort.

Wisconsin's Percentage of Income Standard

Federal regulations require each state to use a uniform, statewide standard to establish child support payment amounts. Wisconsin's statewide standard is the Percentage of Income Standard.

Wisconsin allows the applicable percentage of income in a child support case to be expressed in a variety of ways. A court may express a child support payment amount as a fixed sum (for example, \$100 per month), a percentage of income (for example, 17% of gross income) or both, in the alternative (17% of income, but no less than \$100 per month). If an order is expressed as a percentage, the monthly gross income of the payer is required for distribution purposes.

KIDS Operations

The Kids Information Data System (KIDS) supports all aspects of Wisconsin's child support program. The system features an integrated case management/fiscal management structure, and will continue to be used to maintain all official child support records when CR&D is implemented. For more details on the KIDS system see Attachment J.

The KIDS case management module effectively supports functions including paternity establishment, court order establishment, review and adjustment of orders, income withholding, and enforcement of orders. KIDS encompasses extensive locate capability, which includes interfaces with a variety of state and federal agencies, and an interface with the state's economic support data system, the Client Assistance and ReEmployment System (CARES).

KIDS fiscal functionality was designed to support both local level and centralized receipt and disbursement of support collections. KIDS fiscal functionality includes the following:

- The generation of payer account statements and coupons;
- On-line receipt of collections from individual payers;
- The generation of employer billings (compilations of all employer receipts due via income withholding for individual employees during a specific period of time);
- On-line receipt of collections from income withholding, via specially-designed data entry screens;
- The capability to designate receipts at the participant, court case and debt levels;

- The capability to charge an annual receipt and disbursement fee;
- The capability to enter unidentified collections;
- Batch posting capability;
- Pre-disbursement payment-hold capability;
- Account adjustment functionality;
- Check-hold capability for participants who previously wrote non-sufficient funds check (NSF);
- Record-keeping capabilities necessary for the recoupment or recovery of misapplied receipts, NSF checks and other types of payments disbursed in error;
- Views of account activity and account history at the participant, case and system levels;
- The capability to produce on-line and batch printed account histories.

KIDS received conditional certification by federal officials in September, 1997.

KIDS Technical System Overview

The KIDS system uses a CICS environment, with a DB2 database implementation providing county users access and update privileges to the KIDS data repository. The system operates in five (5) CICS Regions and six (6) DB2 Regions. The actual programs utilize some 364 CICS transactions with 1210 on-line and batch programs (800 batch, others on-line) accessing 80 DB2 databases. The DB2 databases vary in size from small to very large (over 30 million rows of data). Access between the user and the mainframe is via a frame relay network with system access accomplished by a 3270 emulation process running on the user's PC. Documents are generated both automatically by the system and also by its users with the utilization of DisplayWrite 370, merging the DB2 database with templates to create documents on VPS and check printers local to the user. The KIDS system interacts with various other systems to both provide and acquire data, utilizing tape and electronic data transfer access methods.

Philosophy

Quality customer service, efficient and accurate receipt and disbursement of child support, and an effective customer outreach program are primary components of the central receipt and disbursement effort.

1.4 Scope of Services/General Specifications

Major components of the CR&D effort include:

- Receipt of all child support collections;
- Disbursement of child support to payees;
- Customer Service;
- Customer relations/outreach;
- Data capture and transfer to the KIDS system;
- Employer Table maintenance;
- Research of unidentified receipts;
- Exception processing;
- Update of participant address and employment information.

1. Collection Receipting

The contractor is responsible for processing all collections, other than those that require research to process, received in the post office box by 3:00 PM for transmission to KIDS by 6:30 PM Monday through Friday. Collections received electronically must be processed and transmitted to KIDS the same day they are received. See Section 1.4.25 for details related to data transmission to KIDS. Child support collections are defined as monies paid for child or family support, maintenance (referred to in some states as "alimony" or "spousal support"), child support related fees, and any other child support-related financial obligations ordered by a Wisconsin circuit court, or the court or administrative tribunal of another state or another nation with the authority to handle child support matters.

The contractor will maintain a central receipt and disbursement post office box. The mailing address for receipt of child support collections must be a Wisconsin post office address. The contractor, at a minimum, must collect mail addressed to the central receipt and disbursement post office box each day, Monday through Friday except for postal holidays.

An audit trail must be kept of all collections. Collections processed by the contractor must be deposited by 6:30 PM on the day of receipt into the Support Collections Trust Fund, the State's child support bank account. All collections must be deposited on a daily basis. Processed receipts must be reconciled to deposits and the KIDS data file before deposit to the bank and KIDS file transmission occurs. The contractor is responsible for the costs associated with the secured daily transfer of negotiable items from the receipting site to the State bank.

The contractor must not accept receipts which are not negotiable for bank processing. (Refer to Section 1.4.9). The contractor must identify all collections received from payers and employers that are not acceptable for deposit and return them to the employer or payer with an explanation of the returned collection. The unaccepted collection must be delivered to the post office for first class mail delivery the same day it is received.

Collection data will be received from a variety of sources. Collection sources include employers, payers, state agencies, private collection agencies, and interstate agencies. Collection data will be received in both paper and electronic format.

Paper collections will include:

- Payer collections with scannable coupons.
- Payer collections without scannable coupons but with KIDS' account numbers.
- Payer collections without scannable coupons and without KIDS' account numbers.
- Employer collections with KIDS' employer generated lists.
- Employer collections with employer lists.
- Employer collections without lists/coupons or account numbers.
- Interstate collections.
- Collections of cash, domestic and foreign currency with or without coupons or KIDS account numbers.
- Collections of money orders.
- Unidentified collections.
- Collections with instructions for financial obligation (i.e., debt) designations.
- Collections with receipt and disbursement (R&D) coupons.

Payer collections without account numbers are required to be researched. If no account number or an invalid account number is received with a collection, the contractor must access KIDS and attempt to identify the account number. Identification will require that at least two of the following data elements from source documents match participant information on KIDS: name, social security number, court case number, and address. The identification of an account number must occur the same day the collection is received.

The total amount submitted by an employer must be reconciled against the reported individual employee amounts and the check amount. If the amounts do not balance, the contractor must contact the employer and determine the source of the discrepancy. The employer contact must occur the same day the collection is received. (See section 1.4.9)

There will be some instances when the payer of a collection cannot be identified after research has been conducted. Monies associated with these collections must be deposited into the Support Collections Trust Fund and unidentified payer collection information transmitted to KIDS on a daily basis.

Collections received which indicate the collection is designated to a specific financial obligation (i.e. debt) must be manually entered onto KIDS. The debt designation will be included either on the payer coupon or in attached correspondence. The contractor will be given direct access to components of the KIDS system to distribute the collection to the designated debt(s). Collections that require debt designation must be identified on the receipts transmitted to KIDS the same day they are received. A manual adjustment to designate the collection to the debt(s) must be completed on KIDS on the following business day.

Although the bulk of payer collections will be received by the contractor, a small percentage will continue to be received in person from payers at the county level. County receipting will accommodate payers who are ordered to submit a payment on the day of a court hearing in order to avoid jail time or other court negotiated agreement.

The contractor must supply a form, subject to DWD approval, to county offices to complete when the county has received child support monies. The form must identify the case and debt to which the collection is to be applied. When a collection is received by the county, the county will forward the collection along with the completed form to the contractor for processing. The contractor will access KIDS and designate the receipt to the appropriate debt(s).

If a collection is received with an R&D coupon, the receipt file sent to KIDS must identify that the collection is designated to the R&D fee.

Electronic collections will include:

Tape: The contractor must be able to accept IBM standard labeled tape cartridges (3480) and reels (9-track; 6250 BPI or 1600 BPI density) Both EBCDIC and ASCII format character sets must be accepted. Refer to Attachment Y.

Diskette: The contractor must accept 3½ diskettes. The diskettes must be IBM compatible. The contractor will provide a template for employer input. Refer to Attachment Y.

EDI via Value Added Network (VAN): The contractor must be able to process electronic collections from employers using the methods and formats prescribed by the Bankers EDI (Electronic Data Interchange) Council and NACHA (National Automated Clearing House Association), see Attachment Y. The employer should be able to submit collections to the contractor using either NACHA CCD+ or CTX formats.

EFT: When EFT is used for collections or disbursements, the contractor is responsible for Pre-Note or Zero Dollar File clean-up.

Telephone Receipt: The contractor must be able to accept employer/payer collections via Interactive Voice Response (IVR) technology. Implementation is subject to DWD approval of the script and menu levels.

Other Reporting Methods: The contractor may propose alternative child support collection methods. Process design and implementation procedures must be approved by DWD.

Electronic collection transfers must be reviewed and balanced before transmittal to KIDS. The contractor must report collections by individual payer when an electronic transfer is received with multiple payers.

All checks received by the contractor must be endorsed "For Deposit Only."

If correspondence requiring county or State action is received with a collection, the correspondence or facsimile must be forwarded to the appropriate county or the state agency within 48 hours of receipt.

Source documents must be retained in electronic or microfiche format for seven years.

An employer collection can contain multiple transactions, one for each employee. The total number of receipt transactions to be handled per month is estimated at 420,000. The transaction volume is expected to increase at a rate of 10% annually. Approximately 70-75% of these transactions are collected via income withholding. Wisconsin currently estimates an average of approximately 20,000 collections per day. Approximately 28,000 posting transactions are generated each Monday.

Other Data Collection

The contractor will also be responsible for processing the following data submitted with collections:

- Entry of change of payer/payee address.
- Entry of change of employment status.

Entry of this information onto KIDS must occur within three business days of receipt.

The contractor must provide an account history when a payer requests it. DWD will provide access to KIDS to allow the contractor to produce an account history for mailing by first class mail to the payer.

Performance Standards:

1. The contractor, at a minimum, must collect mail addressed to the central receipt and disbursement post office box each day, Monday through Friday, on an agreed upon schedule. The schedule must ensure that all mail received in the post office box by 3:00 PM is picked up the same day. The contractor will provide a log of pick-up times on a weekly basis to the State.
2. The contractor is responsible for processing 99.9% of all collections, other than those that require research, received at the post office box by 3:00 PM, each day. Processing is defined as receipted and transmitted to KIDS by 6:30 PM Monday through Friday. Daily management reports and random on-site monitoring by DWD representatives will determine if this requirement is being met.
3. Ninety-nine and nine tenths percent (99.9%) of collections processed by the contractor must be deposited by 6:30 PM on the day of receipt into the Support Collections Trust Fund. Management reports and random on-site monitoring will determine if this requirement is being met. Ninety-nine and tenths nine percent (99.9%) of collections that require debt designation must be designated on KIDS the following business day after processing. The KIDS suspense report and random on-site monitoring will determine if this requirement is being met.
4. If correspondence is received with a receipt that requires county or State action, the correspondence or a facsimile must be forwarded to the appropriate county or the State agency within 48 hours of receipt.
5. Entry of change of payer/payee address and change of employment status onto KIDS must occur within three business days of receipt.

If these monthly performance standards are not met, the contractor will be subject to a corrective action plan or liquidated damages as defined in Attachment X.

2. Disbursements

Wisconsin currently estimates an average of approximately 15,000 disbursements per day. Approximately 18,000 disbursements are generated each Monday.

The contractor must maintain an automated system that will print child support-related checks to custodial parents and other court-ordered payees. Information contained on the check stub must conform to federal regulations and State policy and is subject to DWD approval. If the check is going to an agency and includes disbursements for multiple child support cases, the check must be accompanied by the KIDS D562 Monthly Disbursement Report which details the cases and case amounts. See Attachment P for a sample check with stub and Attachment T for a sample KIDS D562 Monthly Disbursement Register.

The contractor must be able to print five types of checks that may be included in the check file produced by KIDS. The five check types are:

- Standard Check
- Interstate Check
- Third Party Check
- End-of-month Third Party Check
- Payer Check

DWD will forward a check file to the contractor Tuesday through Saturday. The check file will be sent from the KIDS system to the contractor no later than 6:00 a.m.

Disbursement checks will be printed on blank check stock provided to the contractor by the State. The State will provide the contractor with a signature plate.

Checks must be printed and mailed by the contractor the same day the check file is received from KIDS. Any check holds will be controlled by the KIDS system. The contractor must pre-sort, bar-code and bundle the checks by zip code to take advantage of lower mailing costs. The contractor must provide the window envelopes used for mailing checks. The envelopes will have the contractor's address as the return address. The contractor is responsible for costs associated with mailing checks, except for postage costs which will be passed-through to DWD.

The contractor's system must provide the ability to accommodate up to 160 characters of informational text to be printed on the check stub.

The contractor will use the KIDS system to void, stop payment on and/or cancel checks. Information on NSF checks is addressed in Section 1.4.7. The contractor must assume responsibility for researching returned checks to determine if they should be voided or canceled and re-issued. If the returned check is voided, the contractor will record the necessary information in KIDS and perform the require manual adjustment to accurately reflect where the funds are to be held.

When a court-ordered payee or agency requests automatic deposit of child support payments, the contractor must have a means to electronically transmit the direct deposit to the payee's bank account.

The contractor's system must produce a daily report with control totals of the number of checks and EFTs, the total dollar amount of each, and a grand total of disbursements. The vendor will be given access to EOS, the system used to generate KIDS reports. The KIDS C249 Daily Disbursement Register can be used to reconcile to the daily check print job. The D561 Daily Disbursement Report includes items that cannot be disbursed for reasons such as no payee address. KIDS retains these reports for more than 30 days for reconciliation purposes. The vendor is required to retain the daily disbursement file until the Support Collections Trust Fund is reconciled each month.

Performance Standards: The contractor must print and mail all checks via first class mail each business day (Monday through Friday except for the six major legal holidays) in which the contractor receives a check file from KIDS. In instances where checks must be re-issued, the contractor must reprint and mail those checks on the same day. Check reissues must be completed within 24 hours of identifying the need for reissuance. The contractor must notify DWD within 1 hour of any checkprinting problems that will cause a delay in processing the

daily check file on the same day it was received from KIDS. The contractor's performance will be measured by comparing the checkwrite file received from KIDS with the contractor's check print report.

If these monthly performance standards are not met, the contractor will be subject to a corrective action plan or liquidated damage as defined in Attachment X.

3. Customer Service:

DWD's intent is that the contractor provide customer service as minimally defined in Component One below. During the course of the contract, DWD reserves the right to expand customer service activities to include any or all of the additional components or other mutually agreed upon customer service tasks. Any contract change will be subject to negotiation. Pricing is requested for Components One, Two and Three. DWD may request expansion of the contractor's customer service function as defined in Component Four with payment mutually agreeable to DWD and the contractor. If DWD requests expansion of the contract to encompass additional customer services, DWD will request implementation under this section and negotiate a mutually acceptable payment to the contractor.

For purposes of this section, agency is defined as county Child Support Agencies, DWD and Child Support Agencies from other states.

Component One (Mandatory):

The contractor will act as DWD's agent and will be responsible for providing the following customer service tasks, at a minimum:

- A. Provide assistance to payers, payees, employers and agencies regarding receipt and disbursement information.
- B. Provide assistance to payers, payees and employers to change receipt and/or disbursement methods.
- C. Provide general problem resolution regarding lost, damaged or delayed receipts and disbursements.
- D. Provide customers with the appropriate agency telephone number as necessary.
- E. Provide a customer service system which:
 1. Provides sufficient capacity so all calls are answered prior to the 4th ring;
 2. Provides sufficient capacity so no caller is on hold for more than one minute;
 3. Provides messages to the caller when the system is down or busy.
 4. Provides four *separate* toll free (800 or 888) numbers for each of DWD's customer groups. The toll free numbers must be available for in-state and out-of-state callers. The system must contain a sufficient number of telephone lines and staff so that a caller can receive personal assistance Monday through Friday from 7:00 AM to 6:00 PM central time. The contractor must provide:

- a. A toll free number for DWD and county child support agencies questions/problem resolutions;
- b. A toll free number for employer inquiries;
- c. A toll free number for TTY (text telephone) access;
- d. A toll free number, associated with a voice response system, for payer and payee questions.

IVR Information: DWD currently maintains an interactive voice response system (IVR) that receives approximately 233,000 calls per month or a yearly total of 2.8 million calls. The voice response system is available to callers from 6 a.m. to midnight Monday through Friday, 6 a.m. to 8 p.m. on Saturdays and 9 a.m. to midnight on Sundays. The proposal must incorporate this system into the contractor's system and increase the hours of availability and access. DWD will provide the contractor with the script and access to the KIDS system for the information. DWD must approve any IVR script changes and modifications. The voice response system customer service system must, at a minimum:

- e. Include a security component so confidential information is protected;
 - f. Operate at a minimum 23 hours a day, 7 days a week;
 - g. Be accessible for hearing impaired;
 - h. Provide information in English, Spanish, and Hmong;
 - i. Provide information on the last five transactions for both receipts and disbursements;
 - j. Provide arrearage information and current financial obligation balances;
 - k. Provide federal and state tax intercept information;
 - l. Provide transfer to a customer service representative Monday through Friday from 7:00 AM to 6:00 PM central time;
 - m. Provide sufficient capacity so all calls to the IVR are answered prior to the 4th ring;
 - n. Provide messages to the caller when the IVR is down or busy.
- F. Provide multilingual (at a minimum English, Spanish, and Hmong) customer service to respond to payer, payee and employer inquiries.
- G. Fulfill 98% of all requests for receipt and disbursement information by 6:00 PM the following business day.

Component Two (At DWD option; pricing is requested in Section 5):

Customer service activities will expand to include:

1. Mail requests for account histories;
2. Communicating requests for services to county case workers; and
3. Distributing general information about child support services.

Component Three (At DWD option; pricing is requested in Section 5):

The contractor will provide an Internet inquiry site with sufficient security to ensure its integrity and to limit the accessibility of data. At a minimum, the Internet reporting system will require encryption capabilities and a unique log-on identification and password combination.

The contractor will design and implement a distinct Child Support Home Page which will provide general and case specific information. General information, available to the public, will document frequently asked questions, reporting options, specifications for reporting electronically, requests for brochures and pamphlets, county contact information, links to federal OCSE sites, links to county sites and links to DWD's Child Support Home Page.

Case specific information will require secure log-on procedures for employers, custodial parents and noncustodial parents. Information available will include account history, receipt, billing and payment information. NCPs will have the option of printing payment coupons and employers shall be provided printable employer lists, each with case specific and employer specific information available.

Proper security and log-on procedures must be maintained so the requesting party receives only the information he/she is entitled to receive. All child support confidentiality rules must be strictly applied.

Web site design, all data contained therein, security procedures and web page updates are subject to DWD approval.

If DWD requests an expansion of the web site to encompass more information beyond what is described above, DWD will provide reasonable notice to the contractor and negotiate a mutually acceptable payment to the contractor.

Component Four (Exact Scope of Services to be Determined at a Later Date):

The contractor would respond to inquiries regarding allocation and distribution of monies and enforcement-related activities based on case specific data from the KIDS system. All contacts would be logged on the KIDS system in case notes. The performance standard is that less than 25% of all unsolicited calls received will be transferred to a county or DWD.

Implementation of such services may be on a county-by-county basis or statewide. The contractor will work with DWD and the counties involved to identify the expanded customers/services to be provided by the contractor.

Customer service performance will be measured, in part, by survey of county staff.

4. Outreach

The contractor will develop and present outreach materials, individualized seminars and workshops to inform and educate customers of CR&D program requirements and customers' responsibilities. All outreach materials must be approved by DWD prior to use. DWD will fund the production cost for all approved outreach materials except the video production which must be supplied by the contractor.

Key factors to the success of CR&D are education and outreach. The CR&D customers/groups are:

- Employers and Payroll Agencies
- Payers and Payees
- County Child Support Agencies
- Financial Institutions
- Clerks of Courts, Judges and Attorneys.

The contractor CR&D education and outreach program must include, but is not limited to, the following:

- Programs designed for each customer group
- Seminars explaining CR&D
- News articles which can be inserted in various publications
- Training programs which define new requirements and responsibilities for the customers
- A video describing CR&D operations.

The contractor will develop and conduct an ongoing effort to encourage employers to submit payments via EFT or electronically via tape, diskette, EDI, or Internet. The contractor must provide technical support to employers, their agents and their financial institutions in development of automated payment systems.

Performance Standards: The contractor must provide DWD copies of the seminar and training program evaluations completed by the customers at all of the seminars and training programs. The contractor must send a report to DWD at the end of each month detailing the number of employer collections received and processed via EFT, tape, diskette, EDI and Internet. A narrative must be included in the report detailing the outreach effort. On June 30, 1999, a benchmark of employers reporting electronically will be established. The benchmark will be based on the previous three months reporting experience. The contractor must attain a 3% increase from the benchmark in employers reporting electronically each year of the contract.

5. Banking Services

Banking services for the CR&D program will be provided by the financial institution designated by the State Depository Selection Board. Firststar Bank, Milwaukee, is currently under contract with the State to provide these services through June 30, 2000. A detailed listing of the services which will be provided to the CR&D program under the State Working Bank Contract is included in Attachment I. The services provided are normal deposit and checking services including, but not limited to, the following:

- Checking services, including processing and depositing items delivered to the bank for the CR&D program;
- Checking services, including making payment and reconciling all checks drawn, providing an automated reconciliation system for all checks issued, processing ACH transactions and stop payment orders.

Fees for all banking services will be billed directly to the State by the designated financial institution and will not be passed through to the contractor. If the contractor finds it necessary to procure additional banking services not listed in Attachment I, the contractor must first consult with DWD. The State will then decide how to procure the additional banking services.

Fees for banking services will be based on the fees provided in the State Working Bank Contract. Compensating balance earnings for all CR&D accounts will be computed in accordance with the State Working Bank Contract and will be applied against the cost of bank services and/or credited to the State.

For reconciliation purposes, the contractor must provide the bank with a file containing the check number and amount of each check issued.

The bank must provide DWD and/or the contractor with a canceled check file containing the check number, amount and date cleared. This file will be used to update KIDS.

6. Employer Table

The KIDS system includes an employer table which is used by the system for two purposes: 1) to extract the employer's address when an income withholding notice to an employer is generated by the system and 2) to extract employer addresses when employer billing lists are generated by the system.

Currently, the KIDS employer table consists of approximately 197,000 entries. At any given time, approximately 40,000 of the 197,000 employers in the table have employees with active income withholding orders. The table consists of both in-state and out-of-state employers.

Initially county staff had add/update access to the KIDS employer table. Because so many duplicate employers were being added to the table, DWD assumed responsibility for maintenance of the table in March, 1997. Since that time, four DWD staff have assumed responsibilities for maintaining the table on a daily basis. Additionally, other DWD staff are working to delete duplicate and incorrect entries. The clean-up effort will be completed prior to the implementation of centralized receipt and disbursement.

County staff send a KIDS worklist (i.e., system e:mail message) to DWD staff when they identify a need to add or update employer information in KIDS. DWD staff research the request and add, update or reject as appropriate. Approximately 525 worklist requests are received each week. This is in keeping with the fact that, in Wisconsin alone, there are approximately 20,000 new employers each year with an equal number going out of business.

The contractor will be responsible for assuming the employer table maintenance currently handled by DWD. Contractor staff will receive KIDS worklist requests (i.e., KIDS system e:mail messages) for adds and updates to the employer table from county staff. Within 24 hours of receipt of a worklist, vendor staff must add or update the employer table and respond, via a KIDS worklist, to inform the county worker who submitted the worklist request, that the request has been honored. In addition, if an add or update request is not honored, contractor staff must inform the county worker, via a KIDS worklist, that the request was denied. Requests are denied when an employer name and/or address do not need to be added or updated because there is already a correct name and address for the employer in the KIDS employer table.

Performance Standards: The contractor must respond to 99.9 percent of all KIDS worklist requests for add/updates to the KIDS Employer Table within 24 hours of receipt. Performance reports and relevant source documents will be reviewed by DWD staff on a weekly basis.

7. Fiduciary Responsibilities/Reconciliation

The contractor must establish and implement procedures to control all collections received using standard accounting control measures such as the use of control numbers. Personnel duties must be separated so that no single person has complete control over check issuance, accounting transactions, program changes and data entry. The contractor must establish accounting policies and procedures, maintain records and supply reports to DWD periodically and as requested by DWD. The contractor shall be responsible for establishing and maintaining additional accounting policies, procedures and records as required to control and document all fiscal activities. All accounting policies, records, procedures and reporting, including expense charging practices, shall be subject to federal and DWD approval. All accounting relationships with related business organizations and subcontractors must be clearly defined.

The accounting procedures must comply with Generally Accepted Accounting Principles (GAAP).

The contractor must ensure that every person who has access to, or control over, funds collected under this contract is covered by a bond against loss resulting from employee dishonesty. (Federal Code of Regulations 45 302.19)

"Bonding of employees. The State plan provides that the following requirements and criteria to bond employees:

- (a) IV-D responsibility. The IV-D agency will insure that every person, who has access to or control over funds collected under the child support enforcement program, is covered by a bond against loss resulting from employee dishonesty.
- (b) Scope. The requirement in paragraph (a) of this section applies to every person who, as a regular part of his or her employment, receives, disburses, handles or has access to support collections, which include:

- (1) IV-D agency employees and employees of any other State or local agency to which IV-D functions have been delegated.
 - (2) Employees of a court or law enforcement officials performing under a cooperative agreement with the IV-D agency.
 - (3) Employees of any private or governmental entity from which the IV-D agency purchases services.
- (c) Bond. The bond will be for an amount which the State IV-D agency deems adequate to indemnify the State IV-D program for loss resulting from employee dishonesty.
- (d) Self-bonding System. A State or political subdivision may comply with the requirement in paragraph (a) of this section:
- (1) By means of a self-bonding system established under State law or,
 - (2) In the case of a political subdivision, by means of a self-bonding system approved by the State IV-D agency.
- (e) IV-D liability. The requirements of this section do not reduce or limit the ultimate liability of the IV-D agency for losses of support collections from the State's IV-D program."

DWD has established the appropriate bond amount to be \$100,000 per person for entities that handle more than \$1 million in child support-related receipts per year.

Performance Standards:

1.
 - a. The contractor is required to reconcile recorded receipts, disbursements and suspense items daily to the cash balances.
 - b. Receivable amounts identified from non-sufficient fund (NSF) checks and misapplied collections must be restored to the depository account from administrative funds.
 - c. Monthly bank reconciliation must be completed within ten business days of receipt of the bank statement and forwarded to DWD for approval.
2. All receipting errors attributed to the contractor that cause an overpayment will be paid for by the contractor. In addition, the contractor shall have a data entry error rate of less than .3 % (three tenths of one percent) per month. A receipting error is defined as an incorrect recording of any of the following:
 - a. Amount of the collection for the designated account.
 - b. The account number for which the collection is intended.
 - c. The withholding date, if provided, as follows:
 - The obligor withholding date is the date received by the contractor.
 - The employer withholding date is the designated withholding date if given; the check date, if not provided.
 - The reciprocal date is the designated withholding date, if provided; the check date, if not provided.
 - d. Employer FEIN incorrectly posted.
 - e. The receipt amount to a payer account including accurate conversion of foreign currency.
 - f. Gross income amount.

Other errors occur when the contractor has failed to:

- a. Process a collection within the collection processing standard of this RFP.
- b. Provide complete and accurate information for each of the data elements that must be included as required receipt information.

- c. Identify and return to a payer or employer any non-certified collections received after the contractor has been notified by the State bank that the payer or employer previously remitted collections found to have non-sufficient funds.
- d. Process a disbursement within the disbursement processing standards of this RFP.

The contractor payment processing error rate will be calculated by dividing the number of all transaction processing errors identified by the total number of transactions processed for the month based on management reports provided by the contractor per section 1.4.15 (statistical sampling may be used to test the report accuracy).

The contractor must provide DWD with a corrective action plan by the end of the calendar month in which the contractor receives a report from DWD that identifies a payment processing error rate which exceeds .3% (three tenths of one percent). The corrective action plan must detail the action taken by the contractor to ensure that future payments are processed within the accuracy rate required by this RFP.

If these monthly performance standards are not met, the contractor will be subject to a corrective action plan or liquidated damage as defined in Attachment X.

8. Cash Handling

The contractor must maintain methods of administration designed to ensure that persons responsible for handling cash receipts do not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of support collections. Such methods of administration shall follow generally accepted accounting principles (GAAP). (Federal Code of Regulation 45 302.20 "Separation of cash handling and accounting functions.") The State plan provides that the following requirements and criteria to separate cash handling and accounting functions are in effect:

"(a) IV-D responsibility. The IV-D agency will maintain methods of administration designed to assure that persons responsible for handling cash receipts of support do not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of support collections. Such methods of administration shall follow generally recognized accounting standards.

(b) Scope. The requirement in paragraph (a) of this section applies to persons who participate in the collection, accounting or operating functions which include:

- (1) IV-D agency employees and employees of any other State or local agency to which IV-D functions have been delegated.
- (2) Employees of a court or law enforcement official performing under a cooperative agreement with the IV-D agency.
- (3) Employees of any private or governmental entity from which the IV-D agency purchases services.

(c) Exception. The Regional Office may grant a waiver to sparsely populated geographical areas, where the requirements in paragraph (a) of this section would necessitate the hiring of unreasonable numbers of additional staff. The IV-D agency must document such administrative unfeasibility and provide an alternative system of controls that reasonably insures that support collections will not be misused. "

9. Exception Processing

The contractor is required to identify all receipts to recorded participants in KIDS. If a collection is received from (or on behalf of) an individual who is not recorded as a KIDS participant using the match criteria stated in section 1.4.1, it is the responsibility of the contractor to determine whether the collection is for a Wisconsin child support obligation, contact the individual or employer to determine where the order for support was issued and notify the appropriate county to have the participant and case established on KIDS. If the order is in another state and Wisconsin is not enforcing the order, the contractor must forward the funds to the state with the order. If the contractor cannot contact the individual, the contractor must attempt to identify the case or county of ownership using other information that may be provided with the collection, such as custodial person name, child(ren) name(s) or other identifying information on the collection document(s) or envelope. Since all monies received must be receipted and deposited within 24 hours, monies that are not identified to a KIDS participant are recorded in the KIDS suspense account as "unknown payer" with as much information as available from the information received with the collection.

The contractor is responsible for the following receipt exceptions:

- a. Undated checks, checks which are postdated, checks dated six months or more prior to the date of processing, checks with amounts differing between the written and numeric, checks with missing signatures, and international receipts.
- b. Checks which are found to be unacceptable for deposit. For example: mutilated checks, checks with no magnetic ink bank routing numbers, checks with no sequence number, or checks without other standard identification information.
- c. Insufficient funds checks, including those identified as insufficient funds because the account has been closed or receipt stopped. Funds for the first NSF receipt from an individual will be DWD's liability. The contractor is liable for the amount of subsequent NSF receipts from any payer or employer that previously tendered a receipt with non-sufficient funds where the contractor has received notice from the State bank. The contractor must provide the funds within twenty-four hours of the notification of the NSF payment. The contractor must re-deposit the returned remittance a second time and then if found to be NSF, return the payment to the payer or employer and advise in writing that the payment and all future payments must be remitted in a certified form.
- d. Items damaged by the Post Office. The contractor is responsible for obtaining replacement items from individuals or employers.
- e. Foreign currency collections. The contractor is required to obtain the exchange rate and record the deposit at the amount of the United States currency equivalent.

Checks that are returned as undeliverable or reported by the bank as stale dated (i.e., not negotiated within one year of issuance) must be recorded in KIDS. The disbursement/check is canceled within the KIDS system. If there is not a current valid address, the participant should be in locate status and the disbursement will show as undisbursable because there is not a valid address for the payee. If there is a valid address, the amount will be included in the next check write file issued by KIDS for the contractor to print and mail.

Items on the suspense report are the responsibility of various entities based on the reason an item is in suspense. Attachment V lists the various suspense reasons and the responsible entity.

Performance Standards:

1. a. 100% of stale dated checks must be correctly recorded in KIDS before receipt of the next bank statement. DWD will verify that this has occurred by reviewing the monthly KIDS outstanding check report.

b. 100% of returned checks must be recorded in KIDS within 1 business day of receiving the return in the mail. DWD onsite staff will randomly monitor this performance.
2. The contractor must resolve 95% of the collection exceptions within 3 business days. (Collections without identification are exempt from the total). The contractor must identify and return all collections received from payers and employers that are not acceptable for deposit with an explanation for the returned collection. The unaccepted collection must be delivered to the post office for first class mail delivery the same day it is received. Any collections which cannot be returned must be referred to DWD.

10. Security

The contractor is responsible for providing a secure environment for all collections, data, records, and data processing operations. The contractor must secure all data from sabotage, manipulation, theft or breach of confidentiality. The contractor is required to use existing State security to limit access and manipulation within KIDS and its related systems. The contractor shall maintain a secure area for processing and holding collections, printing checks, storing check stock and data files and allowing access to the IVR consistent with normal business practice and the satisfaction of DWD.

Each person hired by the contractor must be informed of the confidentiality of child support data and the penalties involved in breaching confidentiality. All personnel must be required to sign a statement that they understand the requirements of confidentiality prior to receiving authorization to process collections and access KIDS. See Attachment U for sample confidentiality forms.

Should a breach of confidentiality occur by a person employed by the contractor, the State of Wisconsin and its Departments and personnel shall be held harmless. The contractor must assume total financial liability associated with any breach of confidentiality.

The contractor shall be required to perform a security clearance/background check of all employees of the contractor or a subcontractor who will have access to the facilities or operations. The security clearance/background check can only be related to the areas of responsibility to which the individual will be assigned. For example:

- Individuals who have access to participant addresses may have background checks run for restraining orders, violent crimes against men/women/children, and burglary.
- Individuals who have access to funds may have background checks run for bankruptcy, embezzlement, theft, fraud, forgery and personal finance.

The contractor should request the appropriate law enforcement agency to assist in obtaining necessary FBI information. This may require finger prints from prospective employees.

DWD reserves the right to review all security clearance results and to disapprove any contractor's employee. Contractor employees who have fiscal access to checks or cash shall be bonded (refer to Section 1.4.7) The contractor must have a security plan approved by DWD.

The contractor must demonstrate evidence that they will provide a secure area for KIDS terminals to which only those employees given security clearance on KIDS have access.

Periodically, auditors will inspect the premises of the contractor for physical security considerations. The contractor must agree to implement any improvements or modifications indicated by such a physical security review.

The contractor must also pass a background check. DWD will contact the Wisconsin Department of Justice to obtain information on financial and criminal activities of the company or its primary officers/stockholders prior to the final award of the contract.

11. Employer Withholding Lists

The KIDS system currently generates monthly statements and scannable coupons for approximately 230,000 payers. The number of coupons included with the statement vary depending upon the payer's ordered frequency for paying child support-related obligations. Currently, Wisconsin's Department of Administration (DOA) prints, stuffs and mails statements and coupons to noncustodial parents who do not have income withholding orders.

DWD has piloted sending employer withholding lists to employers. Employer withholding lists specify the names of employees who have an income withholding order and provide identifying information for these employees. The pilot has involved approximately 2,500 employers who have employees with court orders in Kenosha County. DWD anticipates rolling-out employer lists for remaining employers during 1998 in preparation for centralized receipt and disbursement. After the roll-out is complete, DWD estimates that 40,000 employers will receive employer withholding lists each month. This number excludes those employers who want to generate their own automated lists (an additional 5 to 10 %).

Approximately 70-75 % of child support collections in Wisconsin are received through income withholding. The pilot experience has shown the benefits of employer withholding lists. Less than 10 percent of the Kenosha employers opted to generate their own automated lists. Employer lists match the income withholding collection screen in KIDS and, as a result, enhance the collection entry process. DWD will work with the contractor to make this list scannable and in increasing the numbers of employers who use the KIDS-generated list. In the first month of the pilot, 22 percent of Kenosha's employers used the KIDS-generated list.

The contractor must print, stuff, and mail employer withholding lists monthly. DWD will work with the vendor to determine if the current KIDS employer list should be redesigned and, if so, DWD will work with the contractor to redesign the list. This list is intended to expedite collection processing for income withholding collections from employers.

12. Contractor Location

The contractor's primary operating location for the purposes of executing this contract must be within the state of Wisconsin and within a two hour driving radius of Madison, Wisconsin.

13. Mail

The contractor will be required to rent a P. O. Box with a unique zip code (or zip code extension) with a Wisconsin address for receipt of child support mail. Misdirected mail delivered to the contractor must be returned to the Post Office within 24 hours. At contract termination the P.O. Box will be transferred to DWD.

14. Public Information Approval

All information sent to employers or other child support customers/groups requires DWD approval. No contractor originated material may be mailed without DWD consent. Throughout the term of the contract, the contractor shall secure DWD's written approval prior to the public release of any information whatsoever in written or electronic form which pertains to the status of the project covered by this contract or which identifies the Wisconsin system or Wisconsin policies expressly or by implication, such approval not to be unreasonably withheld.

15. Management Reports

At a minimum, the contractor will be required to produce the following reports:

- A daily management report showing an item count of mail received, an item count of any backlog at the end of the day, and where in the work flow the backlog exists.
- IVR reports indicating the number of calls received, abandoned calls, average call lengths, and any other standard IVR call monitoring indicators.
- A daily management report of item counts and dollars collected for each type of receipt category received and completed; immediate processing items, minimal special handling items, extensive special handling items, quality control analysis of the receipt processing error rate and quality control analysis of the data entry error rate.
- A daily management report which specifically addresses unidentified and rejected collections.
- A daily financial report of total items and dollars deposited by receipt type.
- A daily management report of volume mailed and postage usage for each different mailing job.
- A monthly disbursement report (See sample in Attachment T).
- A monthly summary of management reports.
- A monthly report of the number of employer withholding lists printed and mailed.
- A daily check print report.
- Any other report that can be developed by report generation software.

The contractor will develop the report formats with approval from DWD.

Performance standards: Failure to have daily reports available at the end of the business day and monthly reports available at the end of the first full business day after the end of the month will result in a corrective action plan or liquidated damages.

16. Disaster Recovery

The contractor must provide no interruption of service or loss of data and must utilize their most current versions of software during the recovery process.

The contractor must have a daily backup of the file transmitted to DWD and must retain that file for 3 business days with an ability to retain the dataset for longer if requested.

17. Documents and Document Storage

The contractor must maintain original source documents, until stored electronically or via other retrievable medium. Either the original source document or the electronically stored document must be held for seven years.

All stored documents must be kept in an environmentally controlled and secured location. All documents must be disposed of in a manner that will ensure confidentiality. If a subcontractor is used for document disposal, documentation of proper disposal must be kept. DWD documents and records must be physically protected from being co-mingled with other contractor or contractor client records.

18. Virus Checks

The contractor must ensure that all data transmitted to DWD is free of computer viruses. The contractor will be held liable for a liquidated damage of \$5,000 if a virus is detected from a transmitted data file. Compensation will be applied to DWD labor costs incurred to eliminate the virus infection from its systems.

19. Cost Pass Through

The contractor is not allowed to assess costs or fees to employers, payers, payees, or state agencies.

20. Confidentiality

The records created or maintained by the contractor or a subcontractor in connection with the data capture of child support information are confidential and shall be open to public inspection or disclosure only to the extent DWD permits.

The contractor and any subcontractor shall provide written notice to all employees of the confidential nature of child support records and specify that unauthorized disclosure is strictly prohibited and is grounds for dismissal of an employee. The contractor must also establish procedures to assure that information is not released to inappropriate individuals or agencies.

Tapes and diskettes submitted to the contractor are not to be returned to the sender and are to be destroyed or reformatted to prevent future access to data.

21. Technical Support

The contractor must demonstrate the ability to support their systems in such a manner to ensure compliance with all specifications of the RFP.

22. Contractor Participation in Receipts and Disbursement Testing and Nonproduction Pilot

The contractor is required to participate in acceptance testing, a pilot, and volume testing of the CR&D System to be conducted by DWD from October 1, 1998, through December 31, 1998. At the completion of the testing and pilot, but prior to implementation, the contractor must reinitialize their child support database. The contractor must provide an isolated development and testing environment for system changes and testing. This environment must be completely separate from the production system.

Acceptance testing:

- a. The contractor must complete their own in-house testing prior to beginning DWD acceptance testing.
- b. For acceptance testing purposes, the contractor will process child support collections and disbursements as detailed in these RFP specifications.
- c. DWD will supply all electronic and paper collections for contractor entry, edit and transmittal to DWD. The volume of collections will be between 100-2000 per day.

CR&D System Nonproduction Pilot:

- a. DWD will participate in a nonproduction pilot and will provide collections in all media to the contractor.
- b. The contractor will process disbursements as detailed in this RFP.
- c. The contractor will process collections as detailed in this RFP.
- d. The contractor will provide reports to DWD as detailed in these specifications.
- e. The contractor will resolve all problems with the contractor system prior to January 1, 1999 unless DWD gives permission for an extension.
- f. The volume of collections will be between 100 and 2000 per day.

Volume Testing:

- a. Prior to implementation, the contractor must participate in a volume test of 25,000 to 35,000 collections. Data entry, processing of these collections and related disbursements are required.
- b. Further details of the volume testing will be negotiated as part of the contract.

23. Postage

The contractor is responsible for postage equipment. DWD will reimburse the contractor for 100% of the postage costs for the purposes of this contract. The contractor must pre-sort, bar-code and bundle checks and any other mailings required by this RFP by zip code to take advantage of lower mailing costs.

24. Electronic Funds Transfer (EFT)

The contractor must be able to process and disburse child support funds electronically for the following:

- a. Direct deposit of disbursements to payee bank accounts.
- b. Direct debit deposit of child support disbursements to payee debit accounts.
- c. Child support electronic benefit transfer (EBT) direct deposit to payee accounts.
- d. Recurring Automatic Withdrawal from payer bank accounts.
- e. Support collections from employers for income withholding.
- f. Support collections from other state child support agencies.
- g. Disbursement to other state child support agencies.
- i. Pay-by-phone for payers who wish to authorize deductions one collection at a time.

The KIDS System will produce the data sets necessary for direct deposit and debit card disbursements to custodial parents and other states.

25. Data Transmission Between Contractor and DWD

The contractor will transmit receipt data to KIDS using the dataset layout illustrated in Attachment K. The KIDS system will transmit disbursement data to the contractor using the dataset layout illustrated in Attachment L.

The contractor will communicate receipt and disbursement datasets with KIDS using the nationwide Advantis network. The contractor will establish their own Advantis account. The contractor will arrange for access to KIDS through the state computer utility INFO-Tech Services. The file of daily receipts must be transmitted to KIDS by 6:30 PM, central time, Monday through Friday. If KIDS has not processed a previous dataset, the new dataset will be appended to the old dataset and the two processed together and deleted. Backups of the transmissions KIDS receives are kept on a Generation Data Set. The file of daily disbursements will be transmitted to the contractor from KIDS by 6:00 AM, central time, Tuesday through Saturday.

26. Training

DWD will develop KIDS training and resource materials and will provide initial training to contractor staff on the components of KIDS that contractor staff will need to use to do their daily work. Once the initial training has been completed, DWD will turn over the training curriculum developed by DWD to the contractor to be used for future training sessions conducted by the contractor when new employees are hired. DWD will work with the contractor to determine when the initial training will occur. The initial training must occur before the contractor assumes responsibility for receipt and disbursement of child support in Wisconsin. It is estimated that contractor training on KIDS will last up to two weeks. No more than 20 contractor staff will be trained by DWD. DWD will arrange for a training site. Manuals for the KIDS system will be provided at no cost. DWD will also provide on-site support assistance for contractor staff during the first month that the contractor receipts and disburses child support collections. Contractor staff will be permitted to contact the KIDS Help Desk when they have questions regarding use of the KIDS system.

Customer Service Training: The contractor is expected to answer any and all questions that are related to receipt and disbursement. Any questions not directly related to receipt and disbursement must be referred to the appropriate county.

DWD must approve customer service training and training materials prepared by the contractor for contractor staff.

27. Year 2000

The contractor's system must be Year 2000 compliant/ready. Refer to Attachment H.

28. KIDS access

Access to KIDS is obtained via the use of a 3270 emulator accessing the Advantis network. DWD will be responsible for working with the contractor to provide accounts to those individuals who are authorized to access the KIDS system. DWD will also work with the contractor to provide expert knowledge on the optimum tools and methods to use to gain this access. The contractor is responsible for the procurement and maintenance of all equipment required to perform the services required by the RFP. DWD is under no obligation to provide any hardware or software to accomplish this effort.

29. Maintenance of Processing Activity Records

The contractor must maintain records of all processing activity undertaken as part of the contract. Such records shall be maintained in the Wisconsin office of the contractor or other location specified by DWD.

The contractor must maintain processing, statements and other records as specified in the contract for seven (7) years after the last payment made to the contractor pursuant to the contract.

The contractor must keep these materials in a separate secured area to which unauthorized access is prohibited. DWD documents and records must be physically protected from being co-mingled with other contractor or contractor client records.

30. Audit Requirements

For purposes of this section, the term auditors includes auditors from DWD, the Department of Administration, the Legislative Audit Bureau and any other authorized State or federal auditors or outside independent auditors employed by any of these entities.

The contractor shall maintain books, records, documents and other evidence pertaining to its fiscal and banking responsibilities, administrative costs and expenses of the contract, to the extent and in such detail as shall properly reflect all funds receipted and disbursed, all net costs, direct and apportioned and other costs and expenses which relate to the performance of contractual duties under the provisions of the contract. The contractor must be able to produce audit reports for review by DWD and State, federal or outside auditors. The contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to the contract shall be readily ascertainable therefrom.

The contractor shall obtain an annual audit of its financial statements and records. The audit shall be performed by an independent Certified Public Accounting (CPA) firm, in accordance with generally accepted accounting principles (GAAP) and general accepted auditing standards (GAAS). The annual audit report shall be submitted to DWD within 120 days after the close of the contractor's fiscal year.

Visits to Contractor

The contractor agrees that, with no advance notice, DWD or anyone or more of the persons who serve as its staff may visit the contractor at any time to observe and inspect the operations of the contractor providing service under this Agreement. The State Contract Administrator will provide any other authorized State visitor with a letter of identification.

State Auditors, Legislative Audit Bureau or Outside Auditors

DWD reserves the right to complete contractor on-site financial, program and performance audits whenever it is deemed necessary by DWD. DWD also reserves the right to request records, documents, papers, and other necessary materials for audit purposes without advance notice. The contractor agrees to provide reasonable access to all records, documents, papers, and other necessary materials, at the discretion of the auditors, when requested by the auditors and at no cost to DWD.

The contractor agrees, upon 24 hours advance notice, to make workspace available to these auditors. The contractor will also provide the auditors with access to a telephone, FAX machine, photocopier, and access to any computer systems used by the contractor in the performance of this contract.

Audit Resolution

The contractor agrees to submit a written corrective action plan for approval by DWD addressing all deficiencies identified in any audit. The corrective action plan shall be provided to DWD within 30 days of the audit report distribution.

31. Implementation and County Transition

The implementation of centralized receipt and disbursement in Wisconsin contains two major components. The first component involves transitioning child support receipt and disbursement responsibilities from 72 Wisconsin counties to the contractor while the second component involves transitioning child support related responsibilities from the Clerk of Court's Office to the Child Support Agency in 53 counties (approximately 19 counties will have made this transition prior to 1999). Although DWD will assume primary responsibility for transitioning responsibilities from the Clerk of Court's Office to the Child Support Agency, the contractor will be responsible for working with the bank in each county that maintains the account in which child support collections are currently deposited. The contractor will work with county banks to ensure the transfer of funds from county accounts to the Support Collections Trust Fund. This transition will be completed by October 1, 1999. There has not been a start date identified in 1999 to begin this transition process, however, DWD anticipates transitioning 7 to 8 counties per month.

32. Contractor Provided Space for DWD Personnel

The contractor is responsible for providing segregated, full time office space for three DWD employees. This space will be provided at no cost to DWD. This space must meet DWD standards for cubic feet of work area per employee. The space must also be equipped with desks, chairs, files, computer equipment, and phone hook-ups. All equipment must be approved by DWD. DWD staff must have access to a FAX machine.

1.5 Pricing

Respondent's prices shall be held firm for 180 days after the Request for Proposal due date.

1.6 Contract Period

The contract period shall be for three years with two one-year renewal options. Renewal options are available if agreeable to both DWD and the contractor with the same terms and conditions. DWD will issue a notification of intent to renew in writing ninety (90) days prior to expiration of the current contract period. Renewal options are subject to the availability of funds.

1.7 Contract Termination

All written notices related to this section must be issued by certified mail or other acknowledged delivery.

The contractor may terminate the contract by providing 180 days written notice. The State reserves the right to terminate the contract upon 90 days written notice. In addition, the State reserves the right to terminate the contract upon 10 days written notice if the contractor fails to meet the contract requirements. In the event of termination, the contractor will be paid for all work successfully performed for the State, as specified in the contract.

1.8 Reasonable Accommodations

The Department of Workforce Development does not discriminate when providing services or employment on the basis of age, race, color, sex, national origin, ancestry, martial status, religion, sexual orientation, arrest/conviction record, use of lawful products, military status or disability. If you need this material in an alternate format, need assistance in using this service, or have concern or comment please contact Charles Pasker at: Telephone 608/267-4435, Fax 608/267-3757; or email paskech@mail.state.wi.us.

1.9 Proposal Material Ownership

Title to all accepted Proposal material submitted to DWD in response to this Request for Proposals shall rest with the Department. Such ownership does not extend to proprietary materials owned by the Proposer. The Department of Workforce Development retains the full right to use the accepted Proposal materials for its purposes without compensation or approval of the Proposer.

1.10 Vendor Net

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 certified minority businesses and certified rehabilitation centers, will ensure that you will receive any bid/proposal over \$25,000 that occurs statewide in your commodity/service area. In the future, this bid will not automatically be sent to you if you are not a registered vendor. To obtain information on the state's registration process, visit the Vendornet website at <<<http://vendornet.state.wi.us>>> or please call the Vendor Information Center (1-800-482-7813). You may also contact the center with your other purchasing questions. In the Madison area, please call 264-7897 or 264-7898.

2.0 RESPONSE PROCEDURES AND INSTRUCTIONS

2.1 Method of Proposal

Contractors must submit an ORIGINAL AND 5 COPIES of all materials required for acceptance of their proposal by the deadline shown on the Request For Proposal form to:

(Original RFP must be clearly marked)

Charles Pasker, Purchasing Manager
Department of Workforce Development
201 E. Washington Ave., Room 431X
P.O. Box 7518
Madison, WI 53707

DWD does not accept faxed proposals. Proposals must be received by the receptionist in the above office. All proposals must be time stamped in the DWD Procurement Office prior to the stated opening time. Proposals not so stamped will be considered late. Late proposals will not be accepted and will be returned unopened to the proposer(s). Receipt of a proposal by the State mail system does not constitute receipt of a proposal by the Procurement Office, for purposes of this RFP. Proposals must be received in Room 431X by the time and date specified in this RFP package.

All proposals must be packaged, sealed in one container, and show the following information on the outside of the package. Use the sealed bid label, (DOA-3107 - included with this RFP), for this information:

- Contractor's Name and Address
- RFP Title
- RFP Number
- RFP Due Date

When responding to this request for proposal via the U.S. Mail, use P.O. Box 7518 vs. the street address for faster delivery. Contractors are encouraged to submit their proposals as far in advance of the proposal opening date and time as possible due to an occasional delay in the mail system.

2.2 Calendar of Events

Listed below are important dates and times by which actions related to this RFP must be completed. In the event that the State finds it necessary to change any of these dates and times it will do so by issuing a supplement to this RFP.

<u>DATE</u>	<u>TIME</u>	<u>EVENT</u>
1/21/98	4:30 PM CST	Date of issue of the RFP.
2/11/98	8:30 AM CST	Vendor Conference (Refer to Section 2.7)
2/17/98	4:00 PM CST	Written questions (may be faxed) due from contractors. (Refer to Section 2.6)
2/27/98		Questions and responses sent to all contractors.
3/18/98	2:30 PM CST	Proposals due from contractors/Proposal opening.

2.3 Format of Proposal

Contractors responding to this RFP must comply with the following format requirements:

2.3.1 REQUEST FOR PROPOSAL FORM/COVER LETTER - TAB #1

Include here the signed Request for Proposal form (DOA-3261), any cover letter included with the proposal, the Affidavit (DOA-3476, Attachment A), the Designation of Confidential and Proprietary Information form (DOA-3027, Attachment B), and the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions form (Attachment D). Proposals submitted in response to this RFP must be signed by the person in the contractor'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 agent for the person responsible for the decision on prices.

By submitting a signed proposal, the contractor's 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.

2.3.2 CONTRACTOR DATA SHEET/REFERENCE DATA SHEET - TAB #2

Include here the Vendor Information Sheet (Attachment E) and the Vendor Reference Sheet (Attachment F) that have been included in this RFP. Each contractor must furnish a list of four (4) references to verify information supplied by the contractor in their proposal. References should be for services rendered in the previous five years with emphasis given to similar work performed for public sector entities. **All references must document the time period and description of services provided.** Contractors should submit additional Reference Data Sheet forms as necessary.

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

Failure to obtain consistent positive references will be cause for disqualification of the proposer.

2.3.3 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 the contractor'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.

2.3.4 COST INFORMATION - TAB #4

Provide cost information on the cost sheets (ATTACHMENT C) included in this RFP. Include all costs for furnishing product(s) and/or service(s) to meet all specifications in this RFP. Only one copy of cost sheets must be submitted.

THE COST SHEET MUST BE SUBMITTED IN ITS OWN SEALED ENVELOPE AND PLACED WITHIN THE ORIGINAL RFP.

2.4 Multiple Proposals

Multiple proposals from a contractor will be permissible. However, each proposal must conform fully to the requirements contained for proposal submission. Each such proposal must be separately submitted and labeled as Proposal #1, Proposal #2, etc. on each page included in the response.

2.5 Incurring Costs

The State of Wisconsin is not liable for any cost incurred by a contractor in the process of responding to this RFP.

2.6 Questions

Any questions concerning this RFP must be submitted in writing in accordance with the Calendar of Events, Section 2.2, of this RFP. Questions prior to the Vendor's Conference are highly encouraged. Faxed questions are acceptable. Direct questions to:

PROCEDURAL QUESTIONS
Charles Pasker, Purchasing Manager
DWD Bureau of Procurement
PO Box 7518
Madison, WI 53707
(608) 267-4435
FAX (608) 267-3757

TECHNICAL/PROGRAM QUESTIONS
Prudy Stewart, CR&D Project Manager
Office of IT Coordination
PO Box 7935
Madison, WI 53707-7935
(608) 267-7323
FAX (608) 266-3689

Contractors must raise any questions, exceptions, or additions they have concerning the RFP document in writing in accordance with the Calendar of Events, Section 2.2. If a contractor discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the contractor 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, supplements or revisions 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 to the RFP.

2.7 Vendor Conference

A vendor conference will be held on February 11, 1998 at 8:30 a.m. to 11:30 AM, central time, at the Department of Workforce Development, 201 E. Washington Ave., Rm. 400X to respond to written questions and to provide any needed additional instruction to vendors on the submission of proposals. If no questions are received, the State serves the right to cancel the vendor conference. All vendors who intend to respond to the RFP are encouraged to attend the vendor conference.

2.8 News Releases

News releases pertaining to this RFP or to the acceptance, rejection, evaluation of proposals and subsequent contract(s) shall not be made without the prior written approval of the State.

2.9 Oral Presentation/Site Visit

A proposer's proposal must be written and complete. Selected proposers may be required to make oral presentations and/or provide access for site visits to supplement their proposals in whole or in part, if requested by the State. The State will make every reasonable attempt to schedule each presentation and/or site visit at a time and location that is agreeable to the proposer. Failure of a proposer to conduct a presentation and/or to provide access for a site visit to the state on the date scheduled may result in rejection of the proposer's proposal. The State reserves the right to require a proposer to give an oral clarification of a specific response.

2.10 American Made: Not Applicable

2.11 Prime Contractor, Subcontractors and Minority Business Subcontractors

The prime contractor will be responsible for contract performance when subcontractors are used. However, when subcontractors are used, they must abide by all terms and conditions of the contract. When subcontractors are to be used, the proposer must clearly explain their participation.

The State of Wisconsin has a goal of placing 5 percent of its total purchasing dollars with certified minority businesses. Authority for this program is found in Wisconsin Statutes 15.107(2), 16.74 (4), 16.755 and 560.036(2). DWD is committed to the promotion of minority business in the state's purchasing program.

With this procurement, the successful proposer(s) are encouraged to purchase services and supplies from minority businesses enterprises (MBE) certified by the Wisconsin Department of Commerce, Bureau of Minority Business Development. DWD will require the successful proposer to meet with the DWD Director of Procurement and the State of Wisconsin Director of

Minority Business Enterprise Program to identify MBE subcontractors for the provision of services for this RFP. DWD will also require the successful proposer to file a quarterly report of supplies and services purchased from Certified MBE subcontractors in the performance of this contract. A list of certified minority businesses, the services and commodities they provide is available from the Department of Administration, Office of Minority Business Programs, 608-267-7806. The list is published on the Internet at: <http://www.doa.state.wi.us/dsas/mbe.htm>.

3.0 PROPOSAL ACCEPTANCE, EVALUATION AND AWARD

3.1 Proposal Opening

Proposals will be opened at the time and place shown on the RFP form. Only the names of contractors from whom responses have been received will be read at that time.

3.2 Preliminary Evaluation

The proposals will first be reviewed to determine if they contain the required forms and submittal requirements are met. Failure to submit specified forms and submittal requirements may result in the proposal being rejected. In the event that all vendors do not meet one or more of the specified requirements, the State 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. The State shall be the sole judge as to compliance with the instructions contained in this RFP.

3.3 Proposal Scoring

In order to ensure quality, DWD will be completing a multi-phase evaluation. **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. Any proposal which does not receive a minimum of 60 of the available 75 quality points (exclusive of the 25 cost points) will be disqualified. The committee may review references and use the results in scoring the proposals. **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. **PHASE THREE:** Proposals deemed of highest quality shall be awarded cost points based on a pre-established methodology. Proposals from certified Minority Business Enterprises may be awarded up to a five percent (5%) preference in this phase.

3.4 Evaluation Criteria

The proposals will be scored using the following criteria. Related RFP sections are noted only as a guide to respondents. The State will consider the complete RFP response in scoring.

Description	Points
1. Organization (4.2(1), 4.2(2), 4.2(4))	5
2. Staffing (4.4, 4.10)	10
3. Comparable Service Experience (4.2(3), 4.2(5), 4.3(2), 4.16)	25
4. CR&D System Design (4.3(1), 4.3(3), 4.3(4), 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 4.12, 4.13, 4.14, 4.21, 4.24, 4.29)	35
5. Cost	25
Total	<u>100</u>

Note: 4.15 Certified Minority Business Enterprise and 4.16 Innovations will be evaluated where applicable.

3.5 Method of Award/Best and Final Offer

The award will be granted in one of two ways. An award may be granted to the highest scoring responsive and responsible proposer. Alternatively, the highest scoring proposer or proposers 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. The award will then be granted to the highest scoring proposer(s).

3.6 Notification of Intent to Award

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

3.7 Right To Reject Proposals and Negotiate Contract Terms

DWD reserves the right to reject any and all proposals and to negotiate the terms of the contract, including the award amount, with the selected proposer prior to entering into a contract. If substantial progress is not made in contract negotiations with the highest scoring proposer within two weeks of award, DWD may choose to cancel the first award and commence negotiations with the next highest scoring respondent.

3.8 Appeals Process

The appeals procedure applies to only those requests for proposals that are \$25,000 or greater. 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:

Secretary of DWD
c/o Art Zoellner
Dept. of Workforce Development
201 E. Washington Ave., Room 431X
P.O. Box 7518
Madison, WI 53707

This notice of intent to protest must be received in his office no later than five (5) working days after the notice of intent to award is issued.

The written protest must be received in his office no later than ten (10) working days after the notices of intent to award are 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, provided the appeal alleges a violation of a statute or a provision of the Wisconsin Administrative Code.

3.9 Disclosure of Proposal Information

All information concerning the proposals and the evaluation process will become part of the public record at the time that the notice(s) of award is (are) issued.

Any restrictions on the use of the data contained in a contractor's response to this RFP must be clearly stated and Form DOA-3027, Designation of Confidential and Proprietary Information must be completed (Attachment B). Proprietary information submitted in response to this RFP will be handled in accordance with applicable State of Wisconsin procurement regulations and the Wisconsin Public Records Law.

4.0 TECHNICAL SPECIFICATIONS/PROPOSER'S QUALIFICATIONS:

Contractor services must meet all specifications listed below. The contractor's response should indicate "DOES COMPLY" or "DOES NOT COMPLY" to each and every requirement for the category proposal. Responses should be provided under TAB 3 - Response to Technical Specifications.

The technical specifications are points 4.1 through 4.34. If documents are requested (e.g., Sections 4.2-4.16), the respondent should state DOES COMPLY and provide the documents. If the technical specification outlines a general expectation (e.g., Sections 4.1, 4.17-4.34) which the respondent agrees to, the response should be DOES COMPLY. For any technical specification in which the required documents/samples are not provided, the respondent should state DOES NOT COMPLY and explain why. Also, if a respondent does not meet the minimum requirements or disagrees with a general expectation the respondent should state DOES NOT COMPLY and explain why and if an alternative is proposed. Failure to COMPLY may be cause for disqualification if a proposed alternative is deemed unsatisfactory.

The following management framework has been established to accomplish the requested services in this RFP.

4.1 Contract Services

The proposer agrees to provide the services necessary to successfully complete the tasks in this RFP as outlined in Section 1.4 and in Section 4. Services will be provided on a continuous basis.

4.2 Organization Qualifications

The respondent must provide a narrative demonstrating that they possess or have access to the capabilities/specialties requested in this RFP, specifically Section 1.4 and 4.0 of this RFP. Proposer must provide an agency profile including the following:

1. Name, year founded, locations.
2. Organizational structure including reporting hierarchy with specific key management and technical personnel working title/personnel assignments.
3. Experience working with government agencies.
4. Corporate, customer base and financial information referenced in Attachment R.
5. Experience, if any, with a centralized child support receipts and disbursement program.

4.3 Understanding of Services/Process Documentation

The contractor must provide a document outlining their steps to accomplish the requested services and deliverables in this RFP including a description of all processes involved to achieve the deliverables listed in the scope of work. Provide flow charts where appropriate. Specific areas of interest are:

1. Receipt of all child support collections including collection methods, mail pickup schedules, and mail opening; Disbursement of child support to payees; Customer service; Customer relations/outreach; Data capture and transfer to the KIDS system; Employer table maintenance; Employer withholding lists; Exception processing including research of unidentified collections; and Update of participant address and employment information.
2. A minimum of three (3) examples of current contracts similar to services requested in this RFP with descriptive distinctions of difficulty of the services provided.
3. General staffing including job titles/task assignments specific to services requested in this RFP for CR&D processing in Wisconsin.
4. Management Plan, including the accounting procedures that will be used to monitor and record contract charges. This description must include the proposed methods for providing documentation for audit purposes and staff who will be responsible for overseeing all charges to DWD under the contract.

4.4 Staffing

The contractor must provide resumes and job descriptions of key personnel to be assigned to the start-up and ongoing operations of the requirements in Section 4.3.1 including a proposed organizational chart for this project.

4.5 Management Reports

The contractor must describe how the management reports in Section 1.4.15 will be generated, to include data collection methods.

4.6 Disaster Recovery Plan

The contractor must provide a disaster recovery plan for evaluation purposes. The disaster recovery plan must demonstrate the contractor's ability to meet all contractual requirements within specified performance standards without interruption and should include a general inventory of off-site equipment and personnel that would be expected to perform this service.

4.7 Security

The contractor must provide a security plan that covers all of the requirements in Section 1.4.10.

4.8 Storage of Source Documents

Describe how source documents will be stored.

4.9 Cash Handling

There will be times that cash is received through the mail. Describe any special handling or processes associated with cash receipts.

4.10 Recruitment/Retention/Training Plan

Describe the contractor's recruitment and retention of qualified employees. Also, include a training plan to ensure that personnel are trained.

4.11 Gross Income for Percentage Expressed Orders

Describe the methodology for reporting gross income for percentage expressed orders using EFT and EDI collection methods and using the NACHA format.

4.12 Confidential Information

The records made or maintained by the contractor or subcontractor in connection with the data capture of Child Support Receipt & Disbursement information are confidential and shall be open to public inspection or disclosure only to the extent the Department of Workforce Development permits in the interest of the Child Support Receipt & Disbursement program.

The contractor shall inform all employees of the confidential nature of the Child Support Receipt & Disbursement records and specify that unauthorized disclosure of Child Support Receipt & Disbursement information is grounds for dismissal of an employee.

Describe all of your confidentiality procedures.

4.13 Forwarding Correspondence

The contractor is required to forward correspondence, or facsimile, received with a collection that requires county or State action to the county or State agency within 48 hours of receipt. Please provide information on how this requirement will be met.

4.14 Address and Employment Status Changes

The contractor is required to input change of participant address and change of employment status onto KIDS within three business days of receipt. Please provide information on how this requirement will be met.

4.15 Certified Minority Business Enterprise

The respondent must provide a Certified Minority Business Enterprise subcontracting and Tier II purchasing action plan addressing their efforts to meet the 5% procurement goal established in Section 2.11 of this RFP.

4.16 Innovations

DWD advocates the development of a supplier model which includes 1) quality; 2) timeliness; 3) excellent communications; 4) flexibility; 5) an attitude of continuous improvement; 6) the habit of collaboration and 7) trust. Appropriately implemented, such a model will result in an on-going relationship between DWD and the contractor which involves a commitment over an extended time period, sharing of information and the mutual sharing of risks and rewards.

DWD encourages respondents to consider and propose innovative methods of meeting the Child Support Receipt & Disbursement Program requirements:

- Economic incentives to the contractor for unforeseen innovations with economic or service improvements documented through mutually agreed upon performance measurements.
- Innovative employer marketing/outreach strategies.
- Innovative technologies for data capturing, authentication and transmission.
- Innovative employee hiring and employee support programs.

At a minimum, respondents are required to work with DWD to pursue continuous improvement and business process re-engineering efforts. Periodic value analysis of service processes will be completed by the contractor and DWD. The respondent must propose how the value analysis should be structured.

A value analysis is defined as a systematic and objective evaluation of the value of a good or service, focusing on an analysis of function relative to the cost of providing the item or service. Value analysis provides insight into the inherent worth of the final service, possibly altering specification and quality requirements that could reduce costs without impairing functional suitability.

If substantial specification modifications are a product of a value analysis, these changes will not, in and of themselves, be considered sufficient to cause DWD to re-bid the contract. However, if it is in the best interest of DWD, DWD reserves the right not to renew a contract and to proceed with a re-bid.

The contractor agrees to implement innovative technologies as they arise in their respective markets. DWD reserves the right to require a contractor to implement a new technology, if the technology has been proven in the market place and if, in the opinion of DWD, an added value will be realized. Innovations may be implemented on a pilot basis. Failure to cooperate in the implementation of innovations is cause for contract termination.

Describe any proposed innovations not previously discussed in your RFP response. In addition, reference all sections in your RFP response discussed elsewhere which you believe meets the spirit and intent of this innovation section.

4.17 Performance Measurement

The contractor agrees to provide the services with all performance standards as outlined in Section 1.4 and Attachment X.

4.24 Deliverable Timeline

Exclusive of timeline requirements documented in Section 1.4, the proposer agrees that a mutually agreed upon delivery timeline for any other services provided under this RFP must be negotiated with the State prior to issuance of a purchase order.

4.25 Management Briefings

The proposer agrees to brief DWD management, preparing and presenting information as may be required by DWD, in order for DWD to make an informed judgment on the proposer's performance.

4.26 Audit

DWD reserves the right to complete contractor on-site program and performance audits as described in Section 1.4 (30). The contractor agrees to cooperate with DWD, and other State and/or federal auditors. An audit may focus, at minimum, on the following:

- Maintenance of the security of data.
- Compliance with process design.
- Maintenance of a disaster recovery plan.
- Compliance with reporting method documentation.
- Review of Customer Service and Outreach Services.

4.27 Federal Penalties

The contractor is responsible for federal penalties imposed upon the state due to any action or inaction, contrary to contractual requirements, on the part of the contractor. These amounts will be withheld from the monthly payment until the damages amount has been satisfied.

4.28 Transition

The contractor agrees to cooperate with DWD or its agent(s) in completing a timely transition of services from the contractor to a new service provider. Transition planning activities may be scheduled up to ninety (90) days prior to service termination. Failure by the contractor to cooperate will result in the withholding of monthly service payments until the transition is completed to the satisfaction of DWD.

Computer Programs and Other Software

All computer programs and other software which are developed by the contractor for the operations contemplated under this contract and which are used solely for the operations contemplated under this contract shall belong to and upon request shall be delivered both in written and disk or tape form to DWD 18 months prior to the termination of this contract.

The contractor agrees that if the contractor should not bid, or be an unsuccessful bidder, following the termination of this contract, the contractor will cooperate with the DWD and any successor contractor.

4.29 Foreign Currency

The contractor agrees to convert foreign currency collections to the current exchange rate before they are entered as receipts.

4.30 Liquidated Damages/Progressive Contract Administration Actions

The contractor acknowledges that damages will be incurred by DWD due to the contractor's failure to meet performance specifications established in this RFP. The contractor agrees that DWD shall have the right to liquidate such damages, through deduction from the contractor's invoices, in the amount equal to the damages incurred, or by direct billing to the contractor.

In general, DWD will follow a progressive contract administration model for the purposes of managing contract performance. It is DWD's intent to work in partnership with the contractor to resolve all quality issues. However, DWD will not accept service performance below standards established in this RFP.

Unless otherwise specified, progressive contract administration actions shall be as follows:

1. First Incident: Written Notification of Breach of Contract
2. Second Incident: Request for Corrective Action Plan
3. Third Incident: Liquidated Damages

If the progressive contract administration model does not result in satisfactory contract performance, DWD reserves the right to terminate the contract under the provisions of Section 1.7.

Given the difficulty of measuring actual direct and indirect administrative costs due to contractor nonperformance, the contractor agrees that all liquidated damages defined in Sections 1.4 and Attachment X are reasonable and shall be paid upon demand.

4.31 Technical Support

The contractor agrees to support their technical systems in such a manner to ensure compliance with all specifications of the RFP.

4.32 Equipment and Equipment Maintenance

The contractor agrees to procure and maintain all equipment required to perform the services of the RFP.

4.33 Contract Administration

The contractor must forward all contract amendments, renewals or problem resolution correspondence to the DWD Contract Administrator by certified or receipted delivery. Fax submissions, not requiring original signatures, are acceptable if acknowledged by the DWD Contract Administrator. First class mail is acceptable for invoice submission. The DWD Contract Administrator must respond to the contractor's contract amendment, renewal or problem resolution correspondence within 10 business days. This correspondence timeline is exclusive of Corrective Action Plans, Liquidated Damages and other specifically noted performance standard

timelines established in this RFP.

The DWD Contract Administrator will be named at time of contracting. DWD will give the contractor's Contract Administrator written notification of reassignment of the DWD Contract Administrator no less than five (5) business days prior to the effective date of the reassignment.

The Contractor's Contract Administrator will be named at time of contracting. The Contractor will give DWD's Contract Administrator written notification of reassignment of the Contractor's Contract Administrator no less than five (5) business days prior to the effective date of the reassignment.

4.34 Honesty Bond and Performance Surety

DWD requires contractors to post both an Honesty Bond(s) and a Performance Surety 30 days prior to contract performance. In the event that DWD elects to exercise its option to extend the contract, the contractor shall provide documentation not less than 30 days prior to any such extension, evidencing that the Honesty Bond(s) and Performance Surety have been extended to be contiguous with the contract.

DWD requires contractors to provide cost information for the provision of the requested Honesty Bond(s) and Performance Surety. DWD reserves the right to request a modification of the face value of the Honesty Bond(s) and Performance Surety subject to cost negotiations. Refer to Section 6.0 and Attachment C.

1. Honesty Bond

The contractor agrees to obtain an Honesty Bond with coverage in the amount of \$100,000 per person for each employee who has access to and/or handles child support related deposits and receipts.

2. Performance Surety

The contractor agrees to provide DWD with a Performance Surety guaranteeing performance of all contract provisions. DWD will be entitled to demand payment from the surety in the event liquidated damages are assessed during the period of the contract and/or as a result of the contractor's nonperformance. In the event of damages occurring as a result of non-performance, and/or in the event of breach of the contract resulting in liquidated damages, DWD may demand disbursement of all or any portion(s) of the face value of the surety to recover said damages and/or liquidated damages. Such disbursements, pursuant to demand of all or any portion(s) of the face value of the surety, may be affected by DWD's submission of written notice(s) to the institution that issued the surety on behalf of the contractor. Partial disbursement(s), pursuant to demand, shall not terminate the surety, but the balance shall be diminished by any amounts disbursed and shall otherwise remain in effect. The surety will cover 100% of all aforementioned damages and/or liquidated damages up to its face value. Issuance of a surety does not prohibit DWD from pursuing payment for damages and/or liquidated damages through other administrative or judicial means. The surety may consist of:

- a. A bond in the amount of \$8 million for a period extending three months beyond the life of the contract, and maintained in force and effect for the benefit of DWD. The bond must be issued by a bonding or insurance company authorized to do business in Wisconsin.

b. An irrevocable Letter of Credit, drawn upon a financial institution approved or accepted by DWD, the terms of which shall be subject to approval by DWD, in the amount of \$8 million for a period extending three months beyond the life of the contract, and maintained in force and effect for the benefit of DWD.

c. Another surety instrument in the amount of \$8 million agreeable to DWD.

5.0 COST PROPOSAL:

Contractors are required to respond to two cost methodologies. DWD reserves the right to choose which pricing option is in its best interest. Each methodology will be priced for each year of the contract, for each of six mandatory components and three optional components. A separate price is required for each component based on either a unit price, a range of transactions or as a fixed monthly fee. Unit price and range of transaction pricing will be bid on a grid in order to allow respondents to price services reflecting anticipated efficiencies of scale. In addition, DWD requests Honesty Bond(s) and Performance Surety costs as discussed in Section 4.34.

The mandatory components are a unit price for each collection processed by the contractor, a unit price for each disbursement processed by the contractor, a monthly rate for Customer Service (Component 1) based on a monthly range of collection volume, a monthly rate for Outreach, a monthly price for Employer Withholding Lists processed based on a range of transactions and a unit price for each employer table worklist based on a range of worklists. The three optional components are a monthly rate for Customer Service (Component 2) based on a monthly collection volume, a fixed monthly fee for Customer Service (Component 3), and an hourly rate for additional report generation. If and when DWD chooses to elect Customer Service Component 4, costs will be negotiated with the contractor. DWD reserves the right to exercise any of these optional components at any time during a contract year.

1. Methodology One: **MANDATORY REQUIREMENTS:**

- A fixed unit price per collection, plus
- A fixed unit price per disbursement, plus
- A monthly fixed price for customer service (Component 1), plus
- A monthly fixed price for outreach, plus
- A fixed unit price per employer table worklist, plus
- A monthly fixed price for employer withholding list processed based on a range of transactions.

Honesty Bond(s) and Performance Surety

OPTIONAL REQUIREMENTS:

- A monthly fixed price for customer service (Component 2) based on a range of collection transactions,
- A monthly fixed price for customer service (Component 3),
- A hourly fixed price for additional report generation, as required.

2. Methodology Two: A fixed start-up cost to be paid in four equal increments. Fixed start-up cost invoices will be accepted on the following four dates:

1. Date of contract signing
2. January 1, 1999 or date of initial contract provision of services, whichever is later.
3. April 1, 1999 or 3 calendar months after initial contract provision of services, whichever is later.
4. October 1, 1999 or date of complete transition of all child support responsibilities from Clerks of Court Offices to Child Support Agencies, whichever is later.

Plus

MANDATORY REQUIREMENTS:

- A fixed unit price per collection, plus
- A fixed unit price per disbursement, plus
- A monthly fixed price for customer service (Component 1), plus
- A monthly fixed price for outreach, plus
- A fixed unit price per employer table worklist, plus
- A monthly fixed price for employer withholding lists processed based on a range of transactions.

Honesty Bond(s) and Performance Surety

OPTIONAL REQUIREMENTS:

- A monthly fixed price for customer service (Component 2) based on a range of collection transactions,
- A monthly fixed price for customer service (Component 3),
- A hourly fixed price for additional report generation, as required.

DWD will use a weighted life cycle cost analysis. Details of the cost analysis methodology will not be provided to RFP respondents during the RFP process. A copy of the cost analysis methodology may be obtained after the issuance of the Notice of Intent to Award.

Cost Detail Sheets (ATTACHMENT C) will be used by contractors to provide the cost detail. No cost items should be so noted. All costs of complying with the terms and conditions of the RFP must be shown on the Cost Detail Sheet. Additional options, available to the State, should be listed on a separate page attached to the Cost Detail Sheet. Failure to comply with a cost methodology is cause for disqualification of an RFP response. Costs should reflect that the State will retain ownership rights to all work performed under this contract.

6.0

INVOICE/PAYMENT:

With the exception of start-up costs, DWD will pay contract costs on a monthly basis. Itemized invoices must be submitted to the DWD Contract Administrator for both start-up costs and on-going contract costs. DWD will pay all properly submitted invoices within 30 day of receipt, providing goods and/or services have been delivered. A properly completed invoice must include the related DWD purchase order number and be submitted to the correct address for processing.

7.0 REIMBURSABLES:

The State will not pay proposers for any costs, including travel, beyond those documented in Section 5.0.

8.0 MATERIAL OWNERSHIP:

All materials produced as a result of this RFP are the property of DWD. Upon request from DWD, the contractor will immediately transfer possession of all materials produced as a result of the RFP.

9.0 REQUIRED FORMS:

The following forms must be completed and submitted with the proposal in accordance with the instructions given in Section 2.3. Blank forms are attached.

- Request for Proposal form (DOA-3261)
- Affidavit
- Designation of Confidential and Proprietary Information
- Cost Detail Sheet
- Certificate Regarding Debarment
- Contractor Data Sheet
- Reference Data Sheet

- Cover Sheet
- Attachment A
- Attachment B
- Attachment C
- Attachment D
- Attachment E
- Attachment F

ATTACHMENT A

STATE OF WISCONSIN
DOA-3476 (R12/98)

Bid / Proposal # _____

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.

ATTACHMENT B

STATE OF WISCONSIN
DOA-3027 N(R08/98)

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

The attached material submitted in response to Bid/Proposal # CP-1713 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.