

REQUEST FOR PROPOSAL

for a

**Commercial Off-the-Shelf (COTS)
Billing and Accounts Receivable System**

RFP IWM-07061

February 22, 2008

Project for:

State of California
Water Resources Control Board (SWRCB)
P.O. Box 100
1001 I Street
Sacramento, California 95814

Procurement Managed by:

State of California
Integrated Waste Management Board (CIWMB)
P.O. Box 4025
1001 I Street
Sacramento, California 95814

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SECTION I
INTRODUCTION AND OVERVIEW OF REQUIREMENTS

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The State Water Resources Control Board (SWRCB) invites your firm to submit a proposal to provide a new billing and accounts receivable software solution for the SWRCB in accordance with the specifications outlined in this Request for Proposal (hereafter called the RFP). The selected bidder will be expected to provide and perform:

- Commercial Off-the-Shelf (COTS) accounts receivable and billing application software;
- Installation and configuration of application;
- Interface development;
- Report development;
- Testing;
- Application operation and administration training;
- Ongoing maintenance, training and upgrades;
- Help desk support;
- Technical and user documentation; and
- Project planning and management.

The scope of this RFP requires the implementation of a COTS billing and accounts receivable solution for one of the SWRCB's billing processes. The solution implemented based on the awarded contract may also be implemented for other SWRCB billing processes at a future point in time.

Responses to this RFP will be evaluated based on the total bid, and award, if made, will be to a single bidder awarded the highest points as calculated in accordance with the methodology defined in Section IX Evaluation of this RFP.

B. SCOPE OF THE RFP AND BIDDER ADMONISHMENT

This RFP is being conducted under the policies developed by the Department of Finance (DOF) and procedures developed by the Department of General Services as provided under Public Contract Code Section 12102 et seq. This RFP contains the instructions governing the requirements for a firm proposal to be submitted by interested Bidders. The format that proposal information is to be submitted and the material to be included therein, follows. This RFP also addresses the requirements that Bidders must meet to be eligible for consideration, as well as addressing Bidders' responsibilities before and after installation.

IF A BIDDER EXPECTS TO BE AFFORDED THE BENEFITS OF THE STEPS INCLUDED IN THIS RFP, THE BIDDER MUST TAKE THE RESPONSIBILITY TO:

- **CAREFULLY READ THE ENTIRE RFP;**
 - **IF CLARIFICATION IS NECESSARY, ASK APPROPRIATE QUESTIONS IN A TIMELY MANNER (LAST DAY TO SUBMIT QUESTIONS FOR CLARIFICATION OF RFP IS 3/7/2008)**
 - **SUBMIT ALL REQUIRED RESPONSES, COMPLETE TO THE BEST OF BIDDERS ABILITY, BY THE REQUIRED DATES AND TIMES;**
 - **MAKE SURE THAT ALL PROCEDURES AND REQUIREMENTS OF THE RFP ARE ACCURATELY FOLLOWED AND APPROPRIATELY ADDRESSED; AND**
 - **CAREFULLY REREAD THE ENTIRE RFP BEFORE SUBMITTING EACH BID.**
-

C. AVAILABILITY

The selected Bidder must meet the requirements of this RFP and be ready to begin work on the Project Start Date specified in paragraph G. KEY ACTION DATES. If personnel offered by a selected Bidder leave the Bidder's firm or are otherwise unable to participate in this Contract, they must be replaced with equally qualified personnel who are accepted by the State. A condition precedent to Contract Award is that the Bidder makes available on the proposed Project Start Date the personnel it bid, and that the State evaluated as part of the evaluation and selection process. Failure to make any such staff available at the required time will allow the State the choice of exercising one of the following two (2) options: 1) accept equally qualified personnel in accordance with Section V.6.7, Project Team Organization, or 2) award this bid to and execute the Contract with the Bidder with the next highest evaluated score.

Should the selected Bidder fail in its performance of this Contract, or any other term or condition of this Contract, the Contractor may be excluded from participating in the State's bid processes for a period of up to 36 calendar months.

D. PROCUREMENT AUTHORITY

This procurement is being conducted by the State of California Integrated Waste Management Board (CIWMB) on behalf of the State of California Water Resources Control Board (SWRCB).

Statutory authority for the competitive procurement of information technology goods and services for State government resides with the Department of General Services (DGS) (PCC Section 12100 et. seq.). DGS also has the statutory authority to delegate its purchasing authority to departments that meet specific requirements. DGS has granted purchasing authority to CIWMB. Part B of CIWMB's Purchasing Authority Approval gives it the authority to conduct competitive procurements of information technology goods and services for all boards, departments, and offices within the State of California Environmental Protection Agency (CalEPA) **up to the amount of \$500,000.**

E. PROCUREMENT OFFICIAL

The Procurement Official overseeing this procurement in compliance with the purchasing authority granted by DGS is:

Lisa Marquez
California Integrated Waste Management Board
CIWMB Contracts Unit
Phone: (916) 341-6163
FAX: (916) 319-7707
EMAIL: lmarquez@ciwmb.ca.gov
Physical Address: CIWMB Contracts Unit, MS-19A
1001 I Street,
Sacramento, CA 95814
Mailing Address: PO Box 4025,
Sacramento, CA 95812-4025

Any documents delivered in person must be received in the Visitors & Environmental Service Center located in the lobby of the CalEPA Headquarters Building at 1001 I Street, Sacramento, CA 95814.

F. DEPARTMENT CONTACT

The Department Contact person and the mailing address to send proposals, questions or copies of protests is:

Miles Burnett
State Water Resources Control Board
Division of Administrative Services
Phone: (916) 341-6997
FAX: (916) 341-5248
EMAIL: mburnett@waterboards.ca.gov
Physical Address: Division of Administrative Services
1001 I Street,
Sacramento, CA 95814
Mailing Address: P.O. Box 4025,
Sacramento, CA 95812-4025

Any documents delivered in person must be received in the Visitors & Environmental Service Center located in the lobby of the CalEPA Headquarters Building at 1001 I Street, Sacramento, CA 95814.

G. KEY ACTION DATES

Listed below are the important actions and dates and times by which the actions must be taken or completed. If the State finds it necessary to change any of these dates, it will be accomplished via an addendum to this RFP. **ALL DATES AFTER THE FINAL PROPOSAL SUBMISSION DEADLINE ARE APPROXIMATE AND MAY BE ADJUSTED AS CONDITIONS INDICATE, WITHOUT ADDENDUM TO THIS RFP.**

| ACTION | DATE/TIME |
|--|---------------------------|
| 1. Release of RFP | 2/22/2008 |
| 2. Last day to post DVBE advertisement in order to comply with DVBE requirement (14 calendar days prior to submission of proposal) | 3/7/2008 |
| 3. Last day to submit questions for clarification of RFP | 3/7/2008 |
| 4. Last day to submit intention to bid via email | 3/7/2008 |
| 5. Last day to request a change in the requirements of the RFP* | 3/7/2008 |
| 6. Answers to Bidders' questions provided | 3/13/2008 |
| 7. Last day to protest the RFP** | 3/17/2008 |
| 8. Submission of Proposals *** | 3/21/2008 by 4:00 PM |
| 9. Notification to Vendors of Selection for Interviews and Demonstration | 4/4/2008 |
| 10. Interviews and Demonstration of Requirements | 4/14/2008 to 4/17/2008 |
| 11. Cost Proposal Opening | 4/18/2008 |
| 12. Notification of Intent to Award | 4/25/2008 |
| 13. Last Day to Protest Selection ** | 5/2/2008 |

| ACTION | DATE/TIME |
|------------------------|-----------|
| 14. Contract Award | 5/5/2008 |
| 15. Contract Execution | 5/19/2008 |
| 16. Project Start | 6/15/2008 |

Additional action dates may be inserted as desired.

* Or five (5) days following the last Addendum that changes the requirements of the RFP. See Section II B.4., Questions regarding the RFP.

** See Section II, E. 1., Protests.

*** **BIDDERS: REVIEW EXHIBIT I-A BIDDER'S FINAL PROPOSAL CHECKLIST PRIOR TO SUBMITTING FINAL PROPOSAL**

H. INTENTION TO BID

Bidders that want to participate in the RFP must send a notification via email to Miles Burnett (MBurnett@waterboards.ca.gov), the Department Contact identified in Section I.F of this RFP, of their intention to bid on this procurement by the date specified in Section I.G KEY ACTION DATES. The Department Contact will send an acknowledgement via email. Only those Bidders acknowledging interest in this RFP will receive additional correspondence regarding this procurement. The email should identify:

- Bidder's name
- Contact person for the solicitation process
- Email address
- Phone number
- Fax number

There is to be only one (1) contact person during the process. Information related to a Bidder will only be given to the designated contact person. It shall be the Bidder's responsibility to immediately notify the Department Contact, via email, regarding any revision to the information pertaining to the designated contact person. The State shall not be responsible for proposal correspondence not received by the Bidder if the Bidder fails to notify the State, via email, about any change pertaining to the designated contact person.

Bidders responding with their intent to bid will be sent the electronic materials from the Bidders' Library.

If a Bidder **does not** want to submit a response to this RFP, please send a notification via email to Miles Burnett (MBurnett@waterboards.ca.gov), the Department Contact for this RFP, of your reasons for not submitting a bid. Bidders that do not intend to bid are encouraged to be forthcoming in their reasons for not bidding.

I. AMERICANS WITH DISABILITIES ACT (ADA)

To comply with the nondiscrimination requirements of ADA, it is the policy of the State to make every effort to ensure that its programs, activities and services are available to all persons, including persons with disabilities.

For persons with a disability needing a reasonable modification to participate in the procurement process, or for persons having questions regarding reasonable modifications of the procurement process, you may contact the Department Official identified in Section I. You may also contact the State at the numbers listed below.

IMPORTANT: TO ENSURE THAT WE CAN MEET YOUR NEED, IT IS BEST THAT WE RECEIVE YOUR REQUEST FOR REASONABLE MODIFICATION AT LEAST 10 WORKING DAYS BEFORE THE SCHEDULED EVENT (i.e., MEETING, CONFERENCE, WORKSHOP, etc.) OR DEADLINE DUE-DATE FOR PROCUREMENT DOCUMENTS.

The Procurement Division TTY telephone numbers are:
Sacramento Office: 1-916-376-1891

The California Relay Service Telephone Numbers are:
Voice: 1-800-735-2922 or
1-888-877-5379
TTY: 1-800-735-2929 or
1-888-877-5378
Speech to Speech: 1-800-854-7784

J. BIDDERS' LIBRARY

The Bidders' Library contains the SWRCB's Feasibility Study Report that documents the business problems the solution is expected to remediate and the objectives it is intended to achieve. The Bidders' Library also contains sample reports produced by the current systems. Bidders responding with their intent to bid will be sent the materials from the Bidders' Library via email.

K. STEPS IN THIS PROCUREMENT

Section II describes the rules and procedures that govern all formal competitive procurements in the State of California. Not all of the rules and procedures documented in Section II apply to this procurement. Bidders should refer to the other Sections of this RFP for the rules, procedures, and requirements that apply specifically to this procurement.

This procurement will follow all steps/phases as described in Section II RULES GOVERNING COMPETITION except the following:

- Compliance Phase (Section II.C.2)
- Draft Bid Step in the Final Phase (Section II.C.3.a)

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SECTION II
RULES GOVERNING COMPETITION

This section describes the rules and procedures that govern **all** formal competitive procurements in the State of California. Not all of the rules and procedures documented in this Section apply to this procurement. Bidders should refer to the other Sections of this RFP for the rules, procedures, and requirements that apply specifically to this procurement.

A. IDENTIFICATION AND CLASSIFICATION OF RFP REQUIREMENTS

1. Requirements

The State has established certain requirements with respect to bids to be submitted by prospective Bidders¹. The use of "shall", "must", or "will" (except to indicate simple futurity) in this RFP indicates a requirement or condition which is mandatory. A deviation, if not material, may be waived by the State. A deviation from a requirement is material if the deficient response is not in substantial accord with the RFP requirements, provides an advantage to one Bidder over other Bidders, or has a potentially significant effect on the delivery, quantity or quality of items bid², amount paid to the Bidder, or on the cost to the State. Material deviations cannot be waived.

2. Desirable Items

The words "should" or "may" in the RFP indicate desirable attributes or conditions, but are non-mandatory in nature. Deviation from, or omission of, such a desirable feature, even if material, will not in itself cause rejection of the bid.

B. BIDDING REQUIREMENTS AND CONDITIONS

1. General

This RFP, the evaluation of responses, and the award of any resultant contract shall be made in conformance with current competitive bidding procedures as they relate to the procurement of goods and services by public bodies in the State of California. A Bidder's Final Bid is an irrevocable offer for 45 days following the scheduled date for contract award specified in Section I.G, Key Action Dates. A Bidder may extend the offer in the event of a delay of contract award.

2. RFP Documents

This RFP includes, in addition to an explanation of the State's needs which must be met, instructions which prescribe the format and content of bids to be submitted and the model(s) of the contract(s) to be executed between the State and the successful Bidder(s).

If a Bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the Bidder shall immediately notify the Department Contact identified in Section I.F of such error in writing and request clarification or modification of the document. Modifications will be made by addenda issued pursuant to Paragraph II.B.7, Addenda, below. Such clarifications shall be given by written notice to all parties who have identified themselves as Bidders to the Department Contact identified in Section I.F, without divulging the source of the request for same. Insofar as practicable, the State will give such notices to other interested parties, but the State shall not be responsible therefore.

¹ For the purposes of the instructions of this RFP, all entities that have identified their intent to be a Bidder to the Department Contact are called Bidders until such time that the Bidder withdraws or other facts indicate that the Bidder has become nonparticipating.

² The word "bid" as used throughout this document is intended to mean "proposed", "propose" or "proposal", as appropriate.

If the RFP contains an error known to the Bidder, or an error that reasonably should have been known, the Bidder shall bid at its own risk. If the Bidder fails to notify the State of the error prior to the date fixed for submission of bids, and is awarded the contract, the Bidder shall not be entitled to additional compensation or time by reason of the error or its later correction.

3. Examination of the Work

The Bidder should carefully examine the entire RFP and any addenda thereto, and all related materials and data referenced in the RFP or otherwise available to the Bidder, and should become fully aware of the nature and location of the work, the quantities of the work, and the conditions to be encountered in performing the work. Specific conditions to be examined may be listed in RFP Section V, Administrative Requirements and/or Section VI, Functional and Technical Requirements.

4. Questions Regarding the RFP

Bidders requiring clarification of the intent or content of this RFP or on procedural matters regarding the competitive bid process may request clarification by submitting questions, in an email or envelope clearly marked "Questions Relating to RFP IWM-07061", to the Department Contact listed in Section I.F. To ensure a response, questions must be received in writing by the scheduled date(s) given in Section I.G. Question and answer sets will be provided to all Bidders without identifying the submitters. At the sole discretion of the State, questions may be paraphrased by the State for clarity.

A Bidder who desires clarification or further information on the content of the RFP, but whose questions relate to the proprietary aspect of that Bidder's proposal and which, if disclosed to other Bidders, would expose that Bidder's proposal, may submit such questions in the same manner as above, but also marked "CONFIDENTIAL," and not later than the scheduled date specified in Section I.G Key Action Dates to ensure a response. The Bidder must explain why any questions are sensitive in nature. If the State concurs that the disclosure of the question or answer would expose the proprietary nature of the proposal, the question will be answered and both the question and answer will be kept in confidence. If the State does not concur with the proprietary aspect of the question, the question will not be answered in this manner and the Bidder will be so notified.

If the Bidder believes that one or more of the RFP requirements is onerous, unfair, or imposes unnecessary constraints to the Bidder in proposing less costly or alternate solutions, the Bidder may request a change to the RFP by submitting, in writing, the recommended change(s) and the facts substantiating this belief and reasons for making the recommended change. Such request must be submitted to the Department Contact by the date specified in Section I.G for submitting a request for change. Oral answers shall not be binding on the State.

5. Bidders' Conference

A Bidders' Conference may be held, during which suppliers will be afforded the opportunity to meet with State personnel and discuss the content of the RFP and the procurement process. Suppliers are encouraged to attend the Bidders' Conference. The time, date and place of such conference, if held, is included in the Key Action Dates specified in Section I.G. Written questions received prior to the cutoff date for submission of such questions, as noted in Section I.G, will be answered at the conference without divulging the source of the query.

The State may also accept oral questions during the conference and will make a reasonable attempt to provide answers prior to the conclusion of the conference. A transcript of the discussion, or those portions which contain the questions and appropriate answers, will normally be transmitted within approximately ten (10) State business days to all suppliers who have submitted an intention to bid and those who have submitted a written request to receive the information. Written requests are to be submitted to the Department Contact identified in Section

I.F. If questions asked at the conference cannot be adequately answered during the discussion, answers will be provided with the transcribed data. Oral answers shall not be binding on the State.

6. Supplier's Intention to Submit a Bid

Suppliers who want to participate in the bidding process are asked to state their intention by the date specified in Section I.G, Key Action Dates, with respect to submission of bids. The State is also interested as to a supplier's reasons for not submitting a bid; as, for example, requirements that cannot be met or unusual terms and conditions which arbitrarily raise costs. Suppliers are asked to categorize their intent as follows:

- a. Intends to submit a bid and has no problem with the RFP requirements.
- b. Intends to submit a bid, but has one or more problems with the RFP requirements for reasons stated in this response.
- c. Does not intend to submit a bid, for reasons stated in this response, and has no problem with the RFP requirements.
- d. Does not intend to submit a bid because of one or more problems with the RFP requirements for reasons stated in this response.

If a supplier intends to submit a bid, the letter should include additional information identified in Section I.H, Intention To Bid. If suppliers have indicated significant problems with the RFP requirements, the State will examine the stated reasons for the problems and will attempt to resolve any issues in contention, if not contrary to the State's interest, and will amend the RFP if appropriate. All suppliers who have submitted an intention will be advised by the State of any actions taken as a result of the suppliers' responses. If after such actions, a supplier determines that the requirements of the RFP unnecessarily restrict its ability to bid, the supplier is allowed five (5) State business days to submit a protest to those RFP requirements or the State's action, according to the instructions contained in Paragraph II.E.1 of this section.

Hereafter, for the purposes of the instructions of this RFP, all suppliers who have indicated their intent to submit a Final Bid are called Bidders until such time that the Bidder withdraws or other facts indicate that the Bidder has become nonparticipating. Should a Bidder not participate in a bid step, the State reserves the right to drop them from the participating Bidder list and they will not receive any further correspondence until they contact the Department Contact to indicate that they would like further correspondence.

7. Addenda

The State may modify the RFP prior to the date fixed for Contract Award by issuance of an addendum to all Bidders who are participating in the bidding process at the time the addendum is issued, unless the amendments are such as to offer the opportunity for nonparticipating Bidders or suppliers that submitted an intention to become participating, in which case the addendum will also be sent to those parties. Addenda will be numbered consecutively. If any supplier determines that an addendum unnecessarily restricts its ability to bid, the supplier is allowed five (5) State business days to submit a protest to the addendum according to the instructions contained in Paragraph II.E.1 of this section.

8. Plastic Trash Bag Certification Violations

Public Resources Code Section 42290 et seq. prohibits the State from contracting with any supplier, manufacturer, or wholesaler, and any of its divisions, subsidiaries, or successors that have been determined to be noncompliant to the recycled content plastic trash bag certification

requirements. This includes award of a State contract or subcontract or renewal, extension, or modification of an existing contract or subcontract. Prior to award the State shall ascertain if the intended awardee or proposed Subcontractor is a business identified on the current California Integrated Waste Management Board noncompliant list(s). In the event of any doubt of the status or identity of the business in violation, the State will notify the Board of the proposed award and afford the Board the opportunity to advise the State. No award will be made when either the Bidder or a Subcontractor has been identified either by published list or by advice from the Board, to be in violation of certification requirements.

9. Bonds

The State reserves the right to require a faithful performance bond or other security document as specified in the RFP from the supplier in an amount not to exceed the amount of the contract. In the event a surety bond is required by the State which has not been expressly required by the specification, the State will reimburse the supplier, as an addition to the purchase price, in an amount not exceeding the standard premium on such bond.

10. Discounts

In connection with any discount offered, except when provision is made for a testing period preceding acceptance by the State, time will be computed from date of delivery of the supplies or equipment as specified, or from date correct invoices are received in the office specified by the State if the latter date is later than the date of delivery. When provision is made for a testing period preceding acceptance by the State, date of delivery shall mean the date the supplies or equipment are accepted by the State during the specified testing period. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing the State warrant or check.

Cash discounts offered by Bidders for the prompt payment of invoices will not be considered in evaluating offers for award purposes; however, all offered discounts will be taken if the payment is made within the discount period, even though not considered in the evaluation of offers.

11. Joint Bids

A joint bid (two or more Bidders quoting jointly on one bid) may be submitted and each participating Bidder must sign the joint bid. If the contract is awarded to joint Bidders, it shall be one indivisible contract. Each joint contractor will be jointly and severally responsible for the performance of the entire contract, and the joint Bidders must designate, in writing, one individual having authority to represent them in all matters relating to the contract. The State assumes no responsibility or obligation for the division of orders or purchases among joint contractors.

12. Air or Water Pollution Violations

Unless the contract is less than \$25,000 or with a non-competitively bid contractor, Government Code Section 4477 prohibits the State from contracting with a person, including a corporation or other business association, who has been determined to be in violation of any State or federal air or water pollution control law.

Prior to an award, the State shall ascertain if the intended awardee is a person included in notices from the Boards. In the event of any doubt of the intended awardee's identity or status as a person who is in violation of any State or federal air or water pollution law, the State will notify the appropriate Board of the proposed award and afford the Board the opportunity to advise the Department of General Services that the intended awardee is such a person.

No award will be made to a person who is identified either by the published notices or by advice, as a person in violation of State or federal air or water pollution control laws.

13. Fair Employment and Housing Commission Regulations

The California Government Code Section 12990 requires all State contractors to have implemented a Nondiscrimination Program before entering into any contract with the State. The Department of Fair Employment and Housing (DFEH) randomly selects and reviews State contractors to ensure their compliance with the law. DFEH periodically disseminates a list of suppliers who have not complied. Any supplier so identified is ineligible to enter into any State contract.

14. Exclusion for Conflict of Interest

No consultant shall be paid out of State funds for developing recommendations on the acquisition of information technology (IT) products or services or assisting in the preparation of a feasibility study, if that consultant is to be a source of such acquisition or could otherwise directly and/or materially benefit from State adoption of such recommendations or the course of action recommended in the feasibility study. Further, no consultant shall be paid out of State funds for developing recommendations on the disposal of State surplus IT products, if that consultant would directly and/or materially benefit from State adoption of such recommendations.

15. Follow-on Contracts (PCC 10365.5, PCC 10410, and PCC 10411)

No person, firm, or subsidiary thereof, that has been awarded a consulting services contract, or a contract that includes a consulting component, may be awarded a contract for the provision of services, delivery of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate as an end product of the consulting services contract. Therefore, any consultant who contracts with a State agency to develop formal recommendations for the acquisition of IT products or services is precluded from contracting for any work recommended in the formal recommendations. (Formal recommendations include, among other things, feasibility studies.)

16. Seller's Permit

This RFP is subject to all requirements set forth in Sections 6452, 6487, 7101 and 18510 of the Revenue and Taxation Code, and Section 10295 of the Public Contract Code, requiring suppliers to provide a copy of their retailer's seller's permit or certification of registration, and, if applicable, the permit or certification of all participating affiliates issued by the State of California's Board of Equalization. Unless otherwise specified in this RFP, a copy of the retailer's seller's permit or certification of registration, and, if applicable, the permit or certification of all participating affiliates, must be submitted within five (5) State business days of the State's request. Failure of the supplier to comply by supplying the required documentation will cause the supplier's bid to be considered non-responsive and the bid rejected.

17. Disclosure of Financial Interests

Proposals in response to State procurements for assistance in preparation of feasibility studies or the development of recommendations for the acquisition of IT products and services must disclose any financial interests (i.e., service contract, Original Equipment Manufacturer (OEM) agreements, remarketing agreements, etc.) that may foreseeably allow the individual or organization submitting the proposal to materially benefit from the State's adoption of a course of action recommended in the feasibility study or the acquisition recommendations. If, in the State's judgment, the financial interest will jeopardize the objectivity of the recommendations, the State may reject the proposal.

18. Unfair Practices Act and Other Laws

Bidder warrants that its bid complies with the Unfair Practices Act (Business and Professions Code Section 17000 et seq.) and all applicable State and federal laws and regulations.

C. BIDDING STEPS

1. General

The procurement process to be used in this acquisition is composed of at least one phase of bid development. Refer to Section I to determine which phases and steps are included in this RFP. References in this Section II to steps not included in Section I are not applicable to this RFP. There is always a Final Phase, which may include a Draft Bid and revisions, and will always include a Final Bid. Prior to the Final Phase, there may be a Compliance Phase. The possible steps of the Compliance Phase are a Conceptual Proposal, Detailed Technical Proposal and revisions of either or both. A description of these phases and their steps follows.

The Final Bid is a mandatory step for all Bidders; all other steps are optional. However, all Bidders are strongly encouraged to follow the scheduled steps of this procurement to increase the chance of submitting a compliant Final Bid. Cost submitted in any submission other than the Final Bid may preclude the Bidder from continuing in the process.

2. Compliance Phase

The Compliance Phase is an iterative, conversational mode of proposal and contract development. It requires the State, working together in confidence with each Bidder, to assess and discuss the viability and effectiveness of the Bidder's proposed methods of meeting the State's needs as reflected in the RFP. It is a departure from the rigid "either accept or reject" philosophy of traditional competitive bidding, yet it is highly competitive in nature. It provides the flexibility needed for the Bidder to test a solution prior to formal submittal of the Final Bid, and it facilitates the correction of defects before they become fatal to the bid. The steps may include the submission of a Conceptual Proposal and/or a Detailed Technical Proposal by the Bidder, Confidential Discussions of the Bidder's proposal(s) and written Discussion Memorandum as to the correction of defects and the State's acceptance of such changes.

a. Conceptual Proposal

The Conceptual Proposal may be included for the purpose of allowing each Bidder to provide a general concept of a proposal with just enough detail to enable the evaluators to determine if the Bidder is on the right track toward meeting the functional requirements as stated in the RFP; and if not, where the Bidder must change a concept. This step invites the Bidder to be as innovative as the RFP requirements allow in eliminating unnecessary constraints.

b. Detailed Technical Proposal

The Detailed Technical Proposal may be included for the purpose of allowing each Bidder to provide a detailed technical description of its proposal to determine at an early stage whether the proposal is totally responsive to all the requirements of the RFP, and if not, which elements are not responsive and what changes would be necessary and acceptable.

c. Evaluation of Proposals and Discussion Agenda

Upon receipt of the Conceptual and Detailed Technical Proposals, the evaluation team will review each proposal in accordance with the evaluation methodology outlined in Section IX. Evaluation for the purpose of identifying areas in which the proposal is non-responsive to a requirement, is otherwise defective, or in which additional clarification is required in order that the State may fully understand the ramifications of an action proposed by the Bidder. As a result of this evaluation, the evaluation team will prepare an agenda of items to be discussed with the Bidder, and will normally transmit the agenda to the Bidder at least two State business days before the scheduled meeting. The agenda may also include, in addition to the identification of discovered defects, a discussion of the Bidder's proposed supplier support,

implementation plans, validation plans, demonstration plans and proposed contracts, as appropriate.

d. Confidential Discussion with Each Bidder

In accordance with the discussion agenda, the evaluation team will meet with each Bidder for the purpose of discussing the Conceptual Proposal or Detailed Technical Proposal (as the case may be) in detail. The Bidder may bring to the discussion those persons who may be required to answer questions or commit to changes. As the first order of business, the Bidder may be asked to give a short proposal overview presentation. To the maximum extent practical, the Bidder will address the major concerns of the evaluation team, as expressed in the Discussion Agenda, and should be prepared to answer any questions that may arise as a result of the presentation. The participants will then proceed to discuss each of the agenda items.

The State will not make counter proposals to a Bidder's proposed solution to the RFP requirements. The State will only identify its concerns, ask for clarification, and express its reservations if a particular requirement of the RFP is not, in the opinion of the State, appropriately satisfied. The primary purpose of this discussion is to ensure that the Bidder's Final Bid will be responsive.

If any contractual items have a bearing on, or are affected by, the content of the proposal, such matters may be discussed in an effort to reach agreement. (As a concurrent activity when identified in Key Action Date steps in Section I.G, the Bidder and the State may have been working together to negotiate the proposed contract(s) which will become operative if the Bidder's Final Bid is accepted by the State. Further discussion of the contractual aspect of this procurement is contained in Paragraph II.D, Contractual Information.)

Note: In lieu of, or in addition to these Confidential Discussions, Confidential Discussions may be included in the Final Phase. Confidential Discussions will be identified in Section I.G, Key Action Dates.

e. Discussion Memorandum

Throughout the Confidential Discussion a written record will be kept of all items discussed, their resolution, and any changes the Bidder intends to make and the State's acceptance of such changes. If the Bidder's proposal, with the agreed-to changes, is acceptable to the State, such acceptance shall be noted. If agreement has not been reached on all matters during the initial discussion, such will be noted with a specific plan for resolution before the next step. These resolutions and agreements will be prepared in final form as a Discussion Memorandum (which will be the official State documentation of the discussion), and will be mailed to the Bidder normally within two State business days of the discussion. If the discussion is not completed in one meeting and is continued in subsequent meetings, the Discussion Memoranda will follow the meeting at which the discussion is concluded. If a Bidder discovers any discrepancy, omission, or other error in the memorandum, the Bidder shall immediately notify the Department Contact in Section I.F of such error in writing and request clarification or correction. Oral statements made by either party shall not obligate either party.

f. Rejection of Bidder's Proposal

If, after full discussion with a Bidder, the State is of the opinion that the Bidder's proposal (Conceptual Proposal or Detailed Technical Proposal, as the case may be) cannot be restructured or changed in a reasonable time to satisfy the needs of the State, and that further discussion would not likely result in an acceptable proposal in a reasonable time, the Bidder will be given written notice that the proposal has been rejected and that a Final Bid submitted along such lines would be non-responsive.

g. Submission of Amended Proposal

If, at the conclusion of the Confidential Discussion, the State determines that required and agreed-to changes can only be fully confirmed through the submission of an amended proposal (Conceptual Proposal or Detailed Technical Proposal, as the case may be), the State may require the submission of an addendum consisting only of those pages which were in doubt or a complete resubmittal. Similarly, if the Bidder wishes confirmation that the changes the Bidder intends to make, in accordance with the Discussion Memorandum, are acceptable to the State, the Bidder may request and receive permission, if the time permits, to submit such addendum within a reasonable time after the conclusion of the Confidential Discussion. In either event, the State will advise the Bidder as to the acceptability of the amended proposal, or may schedule another discussion period, if in the State's opinion, such a discussion is desirable.

3. Final Phase

The purpose of the Final Phase is to obtain bids that are responsive in every respect. This phase may include a Draft Bid and will always include a Final Bid, as described below:

a. Draft Bid

The purpose of the Draft Bid is to provide the State with an "almost final" bid in order to identify any faulty administrative aspect of the bid which, if not corrected, could cause the Final Bid to be rejected for administrative reasons.

The Draft Bid should correspond to submittals and agreements of the Compliance Phase, if required, and must be complete in every respect as required by the RFP Section VIII, Proposal and Bid Format, except cost. The inclusion of cost information in the draft bid may be a basis for rejecting the bid and notifying the Bidder that further participation in the procurement is prohibited.

Review of the Draft Bid by the State may include confidential discussions with individual Bidders and will provide feedback to the Bidder prior to submittal of the final proposal. If no such discussion step is included in the Key Action Dates then the review of the Draft Bid does not include any assessment of the bid's responsiveness to the technical requirements of the RFP. Regardless of the inclusion of a confidential discussion, the State will notify the Bidder of any defects it has detected in the Draft Bid, or of the fact that it did not detect any such defects. Such notification is intended to minimize the risk that the Final Bid will be deemed defective; however, the State will not provide any warranty that all defects have been detected and that such notification will not preclude rejection of the Final Bid if such defects are later found.

If the State finds it necessary, the State may call for revised Draft Bid submittals, or portions thereof. The Bidder will be notified of defects discovered in these submittals as well. Again the State will not provide any warranty that all defects have been detected and that such notification will not preclude rejection of the final bid if such defects are later found.

b. Final Bid

The Final Bid must be complete, including all cost information, required signatures, contract language changes agreed to in writing and corrections to those defects noted by the State in its review of the Draft Bid. If required in RFP Section VIII, Proposal and Bid Format, cost data (as identified in the above referenced section) must be submitted under separate, sealed cover. Changes that appear in the Final Bid, other than correction of defects, increase the risk that the Final Bid may be found defective.

4. Confidentiality

Final Bids are public upon opening; however, the contents of all proposals, Draft Bids, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a Bidder's proposal shall be held in the strictest confidence until notice of intent to award. Bidders should be aware that marking a document "confidential" or "proprietary" in a Final Bid may exclude it from consideration for award and will not keep that document from being released after Notice of Intent to Award as part of the public record, unless a court has ordered the State not to release the document. The content of all working papers and discussions relating to the Bidder's proposal shall be held in confidence indefinitely unless the public interest is best served by an item's disclosure because of its direct pertinence to a decision, agreement or the evaluation of the bid. Any disclosure of confidential information by the Bidder is a basis for rejecting the Bidder's proposal and ruling the Bidder ineligible to further participate. Any disclosure of confidential information by a State employee is a basis for disciplinary action, including dismissal from State employment, as provided by California Government Code Section 19570 et seq. Total confidentiality is paramount; it cannot be over emphasized.

5. Submission of Proposals and Bids

The instructions contained herein apply to the Final Bid. They also apply to the Conceptual Proposal, Detailed Technical Proposal, and Draft Bid, except as noted.

a. Preparation

Proposals and bids are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

As stated above, the State's evaluation of Conceptual and Detailed Technical Proposals is preliminary, and the review of Draft Bids is cursory. Therefore, Bidders are cautioned to not rely on the State, during these evaluations and reviews, to discover and report to the Bidders all defects and errors in the submitted documents. Before submitting each document, the Bidder should carefully proof it for errors and adherence to the RFP requirements.

b. Bidder's Cost

Costs for developing proposals and bids are the responsibility entirely of the Bidder and shall not be chargeable to the State.

c. Completion of Proposals and Bids

Proposals and bids must be complete in all respects as required by the Section VIII, Proposal and Bid Format. A Final Bid may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. A Final Bid must be rejected if any such defect or irregularity constitutes a material deviation from the RFP requirements. The Final Bid must contain all costs required by Sections VII, Cost and Section VIII, Proposal and Bid Format, setting forth a unit price and total price for each unit price item, and a total price for each lump sum price item in the schedule, all in clearly legible figures. If required in the Section VIII, Proposal and Bid Format, cost data (as identified in the above referenced section) must be submitted under separate, sealed cover. Draft Bids must contain all information required in the Final Bid except cost. Exhibit II-A at the end of this Section II entitled Competitive Bidding And Bid Responsiveness emphasizes the requirements of competitive bidding and contains examples of common causes for rejection of bids. Bidders are encouraged to review this exhibit.

d. False or Misleading Statements

Bids which contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the Bidder, may be rejected. If, in the opinion of the State, such information was intended to mislead the State in its evaluation of the bid, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the bid.

e. Signature of Bid

A cover letter (which shall be considered an integral part of the Final Bid) and Standard Agreement Form 213 (if directed in Appendix A, Contract), or a Bid Form shall be signed by an individual who is authorized to bind the bidding firm contractually. The signature block must indicate the title or position that the individual holds in the firm. An unsigned Final Bid shall be rejected.

The Draft Bid must also contain the cover letter and Form 213, or Bid Form, similarly prepared, including the title of the person who will sign, but need not contain the signature. The Conceptual Proposal and Detailed Technical Proposal need not contain the cover letter and Form 213, or Bid Form.

f. Delivery of Proposals and Bids

Mail or deliver proposals and bids to the Department Contact listed in Section I.F. If mailed, it is suggested that you use certified or registered mail with return receipt requested as delivery of documents is at the Bidder's own risk of untimely delivery, lost mail, etc.

Proposals and bids must be received in the number of copies stated in the Section VIII, Proposal and Bid Format and not later than the dates and times specified in Section I.G and in the individual schedules provided the Bidders. One copy must be clearly marked "Master Copy." All copies of proposals and bids must be under sealed cover which is to be plainly marked "CONCEPTUAL PROPOSAL," "DETAILED TECHNICAL PROPOSAL," "DRAFT BID," or "FINAL BID" for "RFP IWM-07061". Also, the sealed cover (envelope) of all submittals, except the Final Bid, should be clearly marked "CONFIDENTIAL," and shall state the scheduled date and time for submission. Bidders should be aware that marking the Final Bid "confidential" or "proprietary" may exclude it from consideration for award. Proposals and Draft Bids not submitted under sealed cover will be returned for sealing. Final Bids not received by the date and time specified in Section I.G, or not sealed, will be rejected.

If required in Section VIII, Proposal And Bid Format, all cost data (as identified in the above referenced section) must be submitted under separate, sealed cover and clearly marked "COST DATA." If cost data is required to be submitted separately sealed, and is not submitted in this manner, the bid will be rejected. Proposals and bids submitted under improperly marked covers may be rejected. If discrepancies are found between two or more copies of the proposal or bid, the proposal or bid may be rejected. However, if not so rejected, the Master Copy will provide the basis for resolving such discrepancies. If one copy of the Final Bid is not clearly marked "Master Copy," the State may reject the bid; however, the State may at its sole option select, immediately after bid opening, one copy to be used as the Master Copy.

g. Withdrawal and Resubmission/Modification of Proposals and Bids

A Bidder may withdraw its Conceptual Proposal, Detailed Technical Proposal or Draft Bid at any time by written notification. A Bidder may withdraw its Final Bid at any time prior to the bid submission date and time specified in Section I.G by submitting a written notification of withdrawal signed by the Bidder authorized in accordance with Paragraph II.C.5.e, Signature of Bid. The Bidder may thereafter submit a new or modified bid prior to such bid submission

date and time. Modification offered in any other manner, oral or written, will not be considered. Other than as allowed by law, Final Bids cannot be changed or withdrawn after the date and time designated for receipt, except as provided in Paragraph II.C.7.d of this section.

6. Rejection of Bids

The State may reject any or all bids and may waive any immaterial deviation or defect in a bid. The State's waiver of any immaterial deviation or defect shall in no way modify the RFP documents or excuse the Bidder from full compliance with the RFP specifications if awarded the contract.

7. Evaluation and Selection Process

a. General

Proposals and bids will be evaluated according to the procedures contained in Section IX, Evaluation and Selection. Special instructions and procedures apply to Conceptual Proposals, Detailed Technical Proposals, and Draft Bids.

b. Evaluation Questions

During the evaluation and selection process, the State may desire the presence of a Bidder's representative for answering specific questions, orally and/or in writing. During the evaluation of Final Bids, the State may ask the Bidder to clarify their submitted information but will not allow the Bidder to change their bid.

c. Demonstration

This procurement requires a demonstration of the Bidder's response to specific requirements (including benchmark requirements) before final selection in order to verify the claims made in the bid, corroborate the evaluation of the bid, and confirm that the hardware and software are actually in operation; in which case prior notice will be given. The Bidder must make all arrangements for demonstration facilities at no cost to the State. The location of the demonstration will be determined by the Bidder; however, its performance within California is preferred and will be attended at the State's expense. Demonstration outside California will be attended only if approved by the State and the Bidder agrees to reimburse the State for travel and per diem expenses. The State reserves the right to determine whether or not a demonstration has been successfully passed. See Section X, Demonstration for additional information.

d. Errors in the Final Bid

An error in the Final Bid may cause the rejection of that bid; however, the State may at its sole option retain the bid and make certain corrections.

In determining if a correction will be made, the State will consider the conformance of the bid to the format and content required by the RFP, and any unusual complexity of the format and content required by the RFP.

- (1) If the Bidder's intent is clearly established based on review of the complete Final Bid submittal, the State may at its sole option correct an error based on that established intent.
- (2) The State may at its sole option correct obvious clerical errors.
- (3) The State may at its sole option correct discrepancy and arithmetic errors on the basis that if intent is not clearly established by the complete bid submittal the Master Copy shall

have priority over additional copies, the bid narrative shall have priority over the contract, the contract shall have priority over the cost sheets, and within each of these, the lowest level of detail will prevail. If necessary, the extensions and summary will be recomputed accordingly, even if the lowest level of detail is obviously misstated. The total price of unit-price items will be the product of the unit price and the quantity of the item. If the unit price is ambiguous, unintelligible, uncertain for any cause, or is omitted, it shall be the amount obtained by dividing the total price by the quantity of the item.

- (4) The State may at its sole option correct errors of omission, and in the following four situations, the State will take the indicated actions if the Bidder's intent is not clearly established by the complete bid submittal.
 - (a) If an item is described in the narrative and omitted from the contract and cost data provided in the bid for evaluation purposes, it will be interpreted to mean that the item will be provided by the Bidder at no cost.
 - (b) If a minor item is not mentioned at all in the Final Bid and is essential to satisfactory performance, the bid will be interpreted to mean that the item will be provided at no cost.
 - (c) If a major item is not mentioned at all in the Final Bid, the bid will be interpreted to mean that the Bidder does not intend to supply that item.
 - (d) If a major item is omitted, and the omission is not discovered until after contract award, the Bidder shall be required to supply that item at no cost.
- (5) The determination of whether an item is minor or major is the responsibility of the State.

If a Bidder does not follow the instructions for computing costs not related to the contract (e.g., State personnel costs), the State may reject the bid, or at its sole option, recompute such costs based on instructions contained in the RFP.

If the recomputations or interpretations, as applied in accordance with this section, subparagraph II.C.7.d.4.d, result in significant changes in the amount of money to be paid to the Bidder (if awarded the contract) or in a requirement of the Bidder to supply a major item at no cost, the Bidder will be given the opportunity to promptly establish the grounds legally justifying relief from its bid.

IT IS ABSOLUTELY ESSENTIAL THAT BIDDERS CAREFULLY REVIEW THE COST ELEMENTS IN THEIR FINAL BID, SINCE THEY WILL NOT HAVE THE OPTION TO CORRECT ERRORS AFTER THE TIME FOR SUBMITTAL.

- (6) In the event an ambiguity or discrepancy between the general requirements described in Section IV Proposed System and the specific technical requirements set forth in Section VI Technical Requirements is detected after the opening of bids, Section VI, and the Bidder's response thereto, shall have priority over Section IV, and the Bidder's response thereto. Refer to Paragraph II.C.2 regarding immediate notification to State contact when ambiguities, discrepancies, omissions, etcetera are discovered.
- (7) At the State's sole discretion it may declare the Final Bid to be a Draft Bid in the event that the State determines that Final Bids from all Bidders contain material deviations. Bidders may not protest the State's determination that all bids have material deviations. If all bids are declared noncompliant, the State may issue an addendum to the RFP. Should this occur, confidential discussions will be held with Bidders who are interested in continuing to be considered. Each Bidder will be notified of the due date for the submission of a new Final Bid to the State. This submission must conform to the requirements of the original RFP as amended by any subsequent addenda. The new Final Bids will be evaluated as required by Section IX Evaluation.

8. Award of Contract

Award of contract, if made, will be in accordance with Section IX, Evaluation to a responsible Bidder whose Final Bid complies with all the requirements of the RFP documents and any addenda thereto, except for such immaterial defects as may be waived by the State. Award, if made, will be made within forty five (45) days after the scheduled date for Contract Award specified in Section I.G; however, a Bidder may extend the offer beyond 45 days in the event of a delay of contract award.

The State reserves the right to determine the successful Bidder(s) either on the basis of individual items or on the basis of all items included in its RFP, unless otherwise expressly provided in the State's RFP. Unless the Bidder specifies otherwise in its bid, the State may accept any item or group of items of any bid. The State reserves the right to modify or cancel in whole or in part its RFP.

Written notification of the State's intent to award will be made to all Bidders submitting a Final Bid. If a Bidder, having submitted a Final Bid, can show that its bid, instead of the bid selected by the State, should be selected for contract award according to the rules of Paragraph II.C.7, the Bidder will be allowed five (5) State business days to submit a protest to the Intent to Award, according to the instructions contained in Paragraph II.E.1 of this section.

9. Debriefing

A debriefing may be held after contract award at the request of any Bidder for the purpose of receiving specific information concerning the evaluation. The discussion will be based primarily on the technical and cost evaluations of the Bidder's Final Bid. A debriefing is not the forum to challenge the RFP specifications or requirements.

D. CONTRACTUAL INFORMATION

1. Contract Form

The State has model contract forms to be used by State agencies when contracting for information technology (IT) goods and services. The model contract(s) appropriate for the specific requirements of this RFP are included in the RFP.

2. Specific Terms and Conditions

(See Appendix A for contract instructions that supersede this paragraph.)

In traditional competitive bidding, the contract to be awarded is included in the solicitation document in its final form, and any alteration by a Bidder will result in rejection of its bid. The State recognizes, however, that the various suppliers of IT goods and services have developed pricing structures and procedures that differ from each other, and that, if the State were to specify the exact language of the contract to be executed, it could result in firms being unwilling to do business with the State of California because of contract statements which are incompatible with their business methods. In recognition of the above, the form of the contract(s) contained in the attached Appendices permit, where appropriate, the substitution and/or insertion of supplier-specified language by the Bidder. All such substitutions and insertions must be approved by the Department of General Services. The Department of General Services may request the Department of Finance's concurrence on the approval of changes involving significant issues. Terms and conditions which do not comply in substance with all material requirements of the RFP, which are contrary to the best interests of the State, or which are in opposition to State policy will not be accepted.

The State will pre-negotiate repetitively used terms and conditions with suppliers at their request. These pre-negotiated terms and conditions will be kept on file and Bidders may refer to them as their proposed contract language for individual solicitations.

3. Approval of Proposed Contract

(See Appendix A for contract instructions that supersede this paragraph.)

To comply with the requirements of competitive bidding procedures, the contract must be fixed prior to the submission of the Final Bids; other than as allowed by law no negotiation is permissible after that time. It is required, therefore, that any supplier who intends to bid on this RFP submit its proposed contract to the State in accordance with the schedule contained in Section I.G. If a Bidder has pre-negotiated language with the State, the Bidder may indicate that this is the language proposed and submit only changes to any language that has not been pre-negotiated. (For a particular RFP it is possible that pre-negotiated language will not be acceptable due to special circumstances. The State will notify the Bidder if this is the case and will renegotiate that language for this procurement.) For language that has not been pre-negotiated, the proposed contract, or portions thereof, must be submitted in the form of the prescribed model(s), and deviations from the exact language contained in the model(s) must conform to the guidance therein stated. The proposed contract must contain all proposed terms and conditions, and with all blanks filled in, but it must not contain (other than in sample form) any identification of proposed goods or cost data. (Note, however, that the Draft Bid must contain the approved contract with all the blanks filled in except for cost data, as specified in Paragraph II.C.3 above.) The proposed contract must be clearly labeled "Proposed Contract" with the RFP identification from the RFP title page. The State will notify the Bidder as to which, if any, terms and conditions are not acceptable to the State and will arrange an appropriate meeting at a mutually satisfactory time to resolve any differences.

Each appendix contains a set of instructions to guide the Bidder through a step-by-step procedure to develop proposed new language or changes to model contract language, negotiating contract language and securing State approval. Proposed contract language which is not prepared in accordance with these instructions may be returned to the Bidder without review by the State.

It is essential that the Bidder's proposed contract be acceptable to the State prior to the Final Bid submission date. Such acceptance does not relieve the Bidder of providing other necessary information required in the contract. If a bid contains unapproved contract language, the potential for bid rejection is substantially increased.

Approved contract language for this particular RFP which is not proprietary to the Bidder will be available to all Bidders shortly after the last day to negotiate contract language.

Pre-negotiated terms and conditions are available at any time.

4. Term of Contract

The State intends to retain the required goods and services for at least the period specified elsewhere in this RFP. Ideally, the term of the contract will be for the specified period. If the State requires the contract to be terminated during the contract period, such a requirement will be specified in Section V, Administrative Requirements. The State will accept a contract for a longer period than specified if, at the sole option of the State, the contract may be terminated at the end of the period specified with or without the payment of termination charges. Such termination charges, if any, must be included in the evaluated cost of the bid.

E. OTHER INFORMATION

1. Protests

Before a protest is submitted regarding any issue other than selection of the "successful Bidder," the Bidder must make full and timely use of the procedures described in this Section II to resolve any outstanding issue(s) between the Bidder and the State. The procurement procedure is designed to give the Bidder and the State adequate opportunity to submit questions and discuss the requirements, proposals and counter proposals before the Final Bid is due. The protest procedure is made available in the event that a Bidder cannot reach a fair agreement with the State after exhausting these procedures. There are two types of protests: requirements (initial) protests and award protests. A protest shall be submitted according to the procedure below. Protests regarding any issue other than selection of the "successful Bidder" are requirements protests and will be heard and resolved by the Deputy Director of the Department of General Services, Procurement Division, whose decision will be final.

An award protest is where a Bidder has submitted a bid which it believes to be totally responsive to the requirements of the RFP and to be the bid that should have been selected according to the evaluation procedure in Section IX Evaluation and the Bidder believes the State has incorrectly selected another Bidder for award. For this situation, the Bidder may submit a protest of the selection as described below. Protests regarding selection of the "successful Bidder" will be heard and resolved by the Victims Compensation and Government Claims Board, whose decision will be final.

All protests must be made in writing, signed by an individual authorized under Paragraph II.C.5.e, Signature of Bid, and contain a statement of the reason(s) for protest; citing the law, rule, regulation or procedures on which the protest is based. The protester must provide facts and evidence to support the claim. The protest documents should be sent via registered mail to the following parties:

Department of General Services
Office of Legal Services
Attn: Protest Coordinator
707 Third Street, 7th floor
Sacramento, CA 95605
Fax (916) 376-5088

California Integrated Waste Management Board
Attn: Contracts Unit
1001 I Street, MS-19A
Sacramento, CA 95814
Fax (916) 319-7707
Email contracts@ciwmb.ca.gov

All protests to the RFP requirements or procedures must be received by the Deputy Director of the Procurement Division as promptly as possible, but not later than the respective time and date in the Key Action Dates in Section I.G for such protests. Protests concerning the evaluation, recommendation, or other aspects of the selection process must be received by the Deputy Director of the Procurement Division as promptly as possible, but not later than the respective time and date specified in Section I.G for such protests or the respective date of the Notification of Intent to Award, whichever is later. Certified or registered mail should be used unless delivered in person, in which case the protester should obtain a receipt of delivery.

2. Disposition of Proposals and Bids

All materials submitted in response to this RFP will become the property of the State of California and will be returned only at the State's option and at the Bidder's expense. At a minimum, the Master Copy of the Final Bid shall be retained for official files and will become a public record after the Notification of Intent to Award as specified in Section I.G, Key Action Dates. However, materials the State considers confidential information (such as confidential financial information submitted to show Bidder responsibility) will be returned upon request of the Bidder.

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SECTION III
CURRENT SYSTEM OR PROBLEM

A. OVERVIEW

The SWRCB has historically functioned as a General Fund state agency where the state General Fund was the primary funding source to support the agency's service and administrative costs. Over the last five years, however, the SWRCB has shifted to a fee-based structure in which most of the agency's services and programs are now funded by fees. Prior to transitioning to a fee-based structure, the SWRCB's administrative systems were moderately satisfactory in tracking its revenue streams. However, as the SWRCB has transitioned to a fee-based structure, its revenue tracking and asset management needs have become significantly more complex, requiring more robust functionality and connectivity from its administrative systems. Unfortunately, the SWRCB's billing and receivables systems were not designed for this level and complexity of activity and have not been able to keep pace with the agency's expanding business and financial needs.

The SWRCB has nine different water quality programs, some of which have sub-programs. The SWRCB has been granted the authority to set and collect annual fees from entities regulated under discharge permits. The SWRCB collects nearly \$65 million in permit fee revenues from approximately 35,000 dischargers annually. There are different fee schedules for each of the nine different water quality programs. The SWRCB's Division of Administrative Services – Fee Branch (Fee Branch) is responsible for 1) ensuring that the correct fees are collected for each program, and 2) making sure that the permit fee revenues are subsequently applied to the correct programs. This reconciliation is a critical business function to the SWRCB.

B. CURRENT SYSTEMS

There are four systems that the State Water Resources Control Board uses to calculate, record, and track all dischargers' billings and accounts receivables. These current systems are as follows:

California Integrated Water Quality System (CIWQS)

CIWQS is a web-based application for the management of information for California SWRCBs and is built on the SWRCB's Enterprise Data Model (EDM). CIWQS is the SWRCB's primary system for recording and tracking daily operations. It contains information on the State's water bodies, dischargers, activities performed, documents, workload, etc.

Annual Fee Billing System (AFBS)

AFBS was internally developed to support billing functions at the SWRCB. On a quarterly basis, a user initiates the billing process by telling AFBS to extract information about dischargers from CIWQS. AFBS uses this information to calculate billing amounts and generate billing documents. The front-end of this system is Oracle Forms and Reports (version 6) and the back-end is an Oracle database (version 8i).

Annual Fee Remittance System (AFRS)

AFRS was developed by the SWRCB approximately 20 years ago using the Informix database application. It is used to record outstanding accounts receivable balances and to track revenue collection activities. Billing data is imported at user-initiated times from AFBS. Receipts are recorded in AFRS.

California State Accounting and Reporting System (CalSTARS)

CalSTARS is the State of California's accounting system. It was developed to provide all agencies of the state with an automated system to accurately and systematically account for all revenue, expenditures, receipts, disbursements, and property of the state. CalSTARS was designed to conform to Generally Accepted Accounting Principles

(GAAP) and to satisfy Government Code, State Administrative Manual (SAM), and other state accounting requirements.

The system was originally developed in 1980/81 and implemented on July 1, 1981, in 27 state agencies. The system continues to operate on a mainframe at the State Department of Technology Services.

C. BUSINESS PROBLEMS

The volume of billings and the sums of money collected by the SWRCB continue to increase every year. The SWRCB now faces and will continue to face difficulties supporting this level of activity into the future. The receivables systems (AFBS and AFRS) have limited functionality and connectivity, are difficult to maintain, and due to their age and design, are not cost-effective to upgrade. Shadow systems, such as spreadsheets and desktop databases, have been created to track data not captured by the main system-of-record or to compensate for reporting weaknesses in that system. Consequently, the SWRCB's billing, collection and receivables process is overly labor-intensive and lacks adequate fiscal reporting and internal control. The result is fragmented and inconsistent information that requires significant time and resources to reconcile in order to be able to report detailed and accurate financial information to the Governor, Legislature, and stakeholders.

D. PROJECT OBJECTIVES

The objectives of this project are to:

- Improve the ability of the Division of Administrative Services – Fee Branch to track collected permit fees and ensure correct distribution of those fees to water quality programs;
- Replace outdated, vulnerable systems that put the SWRCB at financial risk; and
- Greatly enhance the SWRCB's asset management capabilities.

The SWRCB has determined that an integrated, comprehensive billing and receivables system presents the potential for improving current business practices by automating manual processes and improving functionality, connectivity, reporting, and internal control. Once successfully implemented, this solution may be rolled out to users in other water programs, and may also be used by other programs within the California Environmental Protection Agency.

SECTION IV
PROPOSED SYSTEM

A. PRODUCT REQUIREMENTS

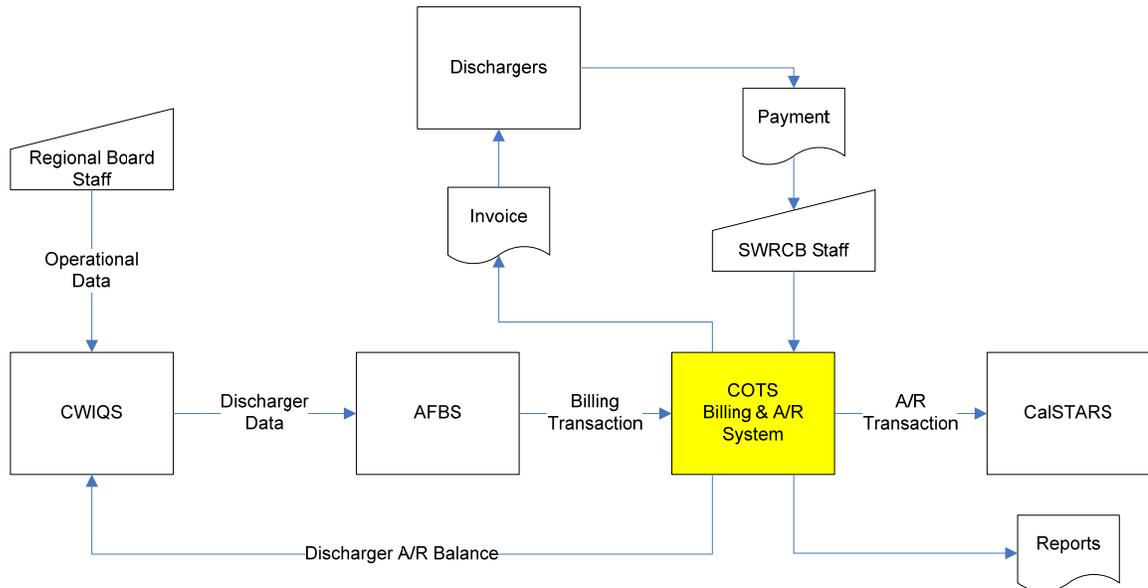
The proposed system will be a commercial off-the-shelf (COTS) Billing and Accounts Receivable System that provides the required functionality to Water Board Fee Unit and Accounting Branch management and staff. The overview below provides a conceptual overview of the proposed solution.

1. Application Architecture

The SWRCB expects to implement a COTS billing and accounts receivable product with no (or minimal) customization. The COTS product is expected to be a drop-in replacement for the current AFBS. The COTS product will:

- Take completed billing calculations from AFBS
- Produce invoices
- Record accounts receivable transactions
- Record cashiering transactions
- Send general ledger transactions to CalSTARS, the state's financial system
- Produce standard and ad hoc reports

The relationship between the COTS solution (in yellow) and the current systems is shown in the diagram below.



2. Interface Requirements

Three interfaces between the COTS product and existing systems will be required, as described below:

| # | Source System | Target System | Data to Be Transferred |
|---|--|---|---|
| 1 | AFBS • UNIX Sun/Solaris OS • Oracle 10g RDBMS • Oracle 10g App server | COTS Product | <ul style="list-style-type: none"> • Discharger data (name, address, facility ID) • Billing data (completed calculation and details) • Imported data must be sorted/combined based on discharger address so that consolidated invoices can be produced |
| 2 | COTS Product | CalSTARS • Mainframe • Flat file meeting COBOL layout requirements | <ul style="list-style-type: none"> • Accounts receivable transaction posting to AR general ledger accounts • Flat file must meet COBOL layout requirements |
| 3 | COTS Product | CIWQS • UNIX Sun/Solaris OS • Oracle 10g RDBMS • Oracle 10g App server | <ul style="list-style-type: none"> • Discharger ID • Discharger accounts receivable balance |

Additional information regarding these interfaces is provided in Appendix F.

Bidders should indicate in their proposals how these interfaces will be accomplished: through custom development or application programming interface, or combination of both.

3. Technical Environment Requirements and Standards

The COTS product must conform to the SWRCB's technical environment and information systems standards, unless an explicit exception is granted by the SWRCB's Division of Information Technology (DIT). The Appendix G provides further details on the SWRCB's technical and system standards.

The bidder is expected to provide minimum and recommended hardware configurations and necessary software (e.g., operating system software, database software) required for the COTS application software. SWRCB will procure hardware and system software separately and install them in the SWRCB environment.

a. Application Server Standards

The technical platforms for the solution may be:

- UNIX Sun/Solaris operating system
- Microsoft Windows operating system

b. Software Standards

The SWRCB's enterprise technology development standards include:

- Oracle 10g RDBMS
- Oracle 10g application server
- Java application development language
- JSP
- Microsoft .NET
- Microsoft ASP environment

Desktop software used at the SWRCB includes:

- Windows 2000 (upgrading to XP)
- Office Professional 2000 (upgrading to 2003)
- MS Internet Explorer (browser standard)

c. Confidentiality Requirements

No information currently stored in the AFRS system is confidential. However, the solution may be rolled out to additional programs with more stringent confidentiality requirements. The solution must use Secure Sockets Layer (SSL) 128-bit encryption and server validation via registered server certificates.

4. User Licenses

The SWRCB will require licenses for the following named users who may or may not be using the system concurrently:

- Eleven program users will require Read/Write privileges.
- Two program users will require Read privileges, primarily for reporting.
- One DBA and one programmer will require appropriate administrative privileges.
- One staff person will require access to perform help desk services.

5. Solution Sizing

The following volumes are provided for the purposes of sizing the billing and accounts receivable solution:

- Dischargers (Customers)
 - Current: 35,000
 - Within 3 years: 70,000
- Invoices Produced Quarterly
 - Current: 8,500
 - Within 3 years: 17,500

6. Functional Requirements

Detailed requirements are listed in Appendix C Requirements Response Workbook. In general, the COTS product is expected to perform the following functions:

- Take completed billing calculations from AFBS
- Produce invoices
- Record accounts receivable transactions
- Record cashiering transactions
- Send general ledger transactions to CalSTARS, the state's financial system
- Produce standard and ad hoc reports

The SWRCB assumes that general ledger functionality is required in order for the procured solution to post general ledger transactions to the State's accounting system, CalSTARS. The Requirements Response Workbook in Appendix C includes general ledger functional requirements. If your solution's billing and accounts receivable system can post general ledger transactions without requiring an integrated general ledger module, please make a note of it in your response.

Detailed requirements are listed in Appendix C Requirements Response Workbook. Requirements identified as "High Priority" and "Near Term" should be implemented as part of this scope of work. Requirements identified as "High Priority" and "Long Term" indicate that the solution should have the capability to perform that function, but it does not need to be implemented as part of this scope of work.

Requirements identified as "Desirable," whether "Near Term" or "Long Term", are desired to be implemented as part of this scope of work, but are not mandatory.

B. BIDDER TASKS AND RESPONSIBILITIES

1. System Design, Development, and Implementation Requirements

The bidder must perform services leading to the implementation of the COTS product, including the following:

a. Project Initiation and Planning

- (1) Develop Detailed Implementation Plan – The bidder will develop a detailed implementation plan, showing anticipated schedule, level of participation, roles of the bidder and SWRCB staff, and milestone targets. The work plan must be updated on a bi-weekly basis, and significant changes from the original plan are subject to approval by SWRCB.
- (2) Conduct Fit/Gap Analysis – This task will be to confirm and finalize the business requirements as defined in this RFO and to match them to the functions included in the proposed system.
- (3) Application Installation – The bidder will install the application software onto SWRCB hardware.

b. System Design

- (1) Configuration Design – The bidder will accomplish the following activities in the context of the results of the Fit/Gap analysis:

- a. Review screens, reports and data elements included in the billing and accounts receivable application package to identify specific functionality gaps. (Bidder should bear in mind that it is the goal of SWRCB to implement without modifications, and therefore should be prepared to propose alternative solutions to meet requirements). Each identified gap will be tracked as an open issue, with assigned responsibilities for resolution.
 - b. Define system controls, control reports, and security administration functions regarding the use and access of financial data. These include access to the system, access for viewing, monitoring, entering, updating, manipulating, or outputting data, combinations of capabilities made available to users, security measures to be taken to avoid unauthorized access to and tampering with the data and the recording of all entries to the system as a control measure.
 - c. Define parameter and control settings as appropriate for the financial applications.
 - d. Define required control information and background or setup table data.
- (2) Chart of Accounts – Map SWRCB’s current account code structure against system functionality. Develop detailed listing of coding elements for the new system and a crosswalk to existing account structure.
 - (3) Report and Form Design – Required reports as identified in the RFO requirements with a “2 Incl.” (included in Bidder’s proposal) will be designed. Design will include a sample report layout and definitions of data sources and manipulation (selection and sorting criteria, subtotals and calculations). SWRCB has Oracle Discoverer reporting tool available. If another report writer is proposed, describe its capabilities and include its costs in the cost proposal.
- c. Systems Development:
- (1) System Prototype Development – Bidder will configure the financial applications to mirror system requirements as defined during the Fit/Gap analysis. The bidder’s implementation team will verify that SWRCB requirements are met in the prototype and will work to establish policies and procedures based on the working model.
 - (2) Report and Form Development – Bidder will develop reports and forms designed in the previous phase using development tools and report writer as provided in this RFP. SWRCB staff will assist in the development of the reports so that they will become fully conversant in the use of the report writer tools.
2. Interface Development and Testing:
- a. Interface Design – Interfaces as identified in Section IV.A.2 of this RFP will be defined by mapping available data to the new financial system and designing any necessary crosswalk tables and/or upload programs and scripts.
 - b. Interface Programming – Bidder will develop interface crosswalk tables and upload functionality as designed in the previous phase. SWRCB will be responsible for populating crosswalk tables.
 - c. Interface Testing – Bidder will develop and conduct tests of system interfaces in accordance with the testing requirements identified below.

3. Testing Requirements

A testing plan is to be developed by the bidder in conjunction with Program and DIT staff according to DIT's Application System Development and System Cut-Over Standard. The testing plan must include a requirements traceability matrix and correlating test scenarios to ensure validation of the original documented business requirements through the proposed application. The testing plan will be conducted by a combination of program staff and IT staff to review the defined test scenarios that will evaluate system response, system adherence to defined parameters, and confirmation that the system meets all functional requirements. The test results must also be recorded by the bidder as part of the testing phase. Each step must be recorded and the results documented for future reference.

a. Unit Testing Phase

The development team will unit test each of the processes and functions developed for the project. Unit testing is defined as the verification of the accuracy and completeness of the individual processes, programs, and procedures that make up the system.

b. System Testing Phase

System testing will be conducted to verify that the application works correctly as a complete system, including all of the external interfaces.

c. User Acceptance Testing Phase

User acceptance testing is the phase where SWCRB system users, who have not been directly involved with the project, will test the system by performing their normal daily tasks and activities in an environment that closely matches production.

4. Data Conversion

Bidder will specify the desired data format(s) for importing directly into their COTS product. State will provide data in the specified format. Bidder will import data into COTS product. If the import fails due to the data structure/format, Bidder will describe the cause of the failure and the State will make the corrections to the data.

5. Training and Documentation

The bidder will provide training and documentation as follows. Pre-packaged materials that accompany the COTS product may be utilized. [assume this given overall budget?]

a. Training

The training will include all necessary instruction and training that will be reasonably required to enable SWRCB's personnel to use and operate the billing and accounts receivable application. The bidder shall provide training at the SWRCB headquarters covering use of the COTS product as implemented to meet SWRCB's functional requirements. Services shall include:

- Classroom instruction to 11 Fee and Accounting Unit staff to achieve "power user" status.
- Technical training to two DIT staff on details of system operation and administration.

b. User Documentation

The user manual will document the key functions and procedures of the system. The manual will include procedures for on-line data entry, procedures for on-line inquiry, instructions for form completion, explanations of report uses and purposes and procedures for reconciliation

and error correction. Specific SWRCB policies and procedures will be added to the documentation by SWRCB staff.

c. System Documentation

The system manual will include a detailed description of each module of the system, error recovery procedures, source listings, narratives of all modified or customized programs and installation and implementation guidelines.

d. Operations Documentation

The operations manual will include the system overview and program flow, operating procedures for all batch jobs, procedures for bringing up and shutting down the on-line system, backup/recovery procedures and job control streams and descriptions. The implementation should include automated job scheduling (and associated software), and the automation of as many of the operational aspects of the system as possible (lights out operation being the ultimate goal)

6. Project Management Responsibilities

The Bidder will perform project management of the COTS implementation, including the following services:

- Monitor development of and adherence to the implementation plan
- Attend Project Management Team meetings
- Elevate risks and mitigation measures to the appropriate level
- Evaluate implementation effectiveness and communicate need for additional or different resources plan
- Elevate budget, schedule, staff, and technical issues as necessary

C. DELIVERABLES

1. Approved implementation plan
2. Fit/Gap analysis
3. System documentation (administration manual, etc.)
4. Data model
5. Interface documentation
6. Training materials
7. User documentation (user manual, etc.)
8. Operations documentation
9. Testing plan
10. Billing and accounts receivable application in production
11. Weekly status reports and meetings

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SECTION V
ADMINISTRATIVE REQUIREMENTS

A. INTRODUCTION

In addition to meeting the technical requirements of this RFP in Section VI, Bidders must adhere to all the administrative requirements of this RFP to be responsive. These include the rules in Section II, RULES GOVERNING COMPETITION, the schedule specified in Section I, the format specified in Section VIII, PROPOSAL AND BID FORMAT, the completion of cost sheets specified in Section VII, COST, satisfactory performance of the demonstration, specified in Section X, INTERVIEWS AND DEMONSTRATION OF REQUIREMENTS, and the administrative requirements of this section.

This section addresses the administrative requirements for RFP IWM-07061. Bidders must meet and adhere to all of the requirements included in the Administrative Requirements of this RFP. All requirements listed with an (M) are Mandatory and scored on a pass/fail basis. A 'Fail' will result in a proposal being deemed non-responsive and therefore will be disqualified. Section IX, Evaluation, contains the details for the evaluation methodology and scoring criteria.

B. BIDDER RESPONSIBILITY

If during the evaluation process the State is unable to assure itself of the Bidder's ability to perform under the Contract if awarded, the State has the option of requesting from the Bidder any information which the State deems necessary to determine the Bidder's ability to perform. This includes, but is not limited to, personnel in the numbers and with the skills required, equipment of appropriate type and in sufficient quantity, financial resources sufficient to complete performance under the contract, and experience in similar endeavors. If such information is required, the Bidder will be so notified and will be permitted five (5) working days to submit the information. Failure to provide the requested information within five (5) working days may be cause for rejection of the proposal.

If the information submitted by the Bidder, or available from other sources, is insufficient to satisfy the State as to the Bidder's ability to perform, the State may ask for additional information or reject the proposal. The State's determination of the Bidder's ability to perform, for the purpose of this RFP, shall be final.

1. Insurance Requirements (M)

The bidder must maintain in force (as required by State law) a valid Worker's Compensation Insurance Policy for all employees engaged in the performance of the contract and agree to furnish the State satisfactory evidence thereof at the time of Final Proposal submittal and at any time the State may so request. Bidder also must complete and submit Exhibit V-D.

C. PAYEE DATA RECORD, STD. 204 (M)

The successful Bidder as a result of this RFP will be required to sign the Payee Data Record, STD. 204 (EXHIBIT V-F), before contract award.

D. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION REQUIREMENT (M)

State law requires that State contracts have participation goals of 3% for disabled veteran business enterprises (DVBEs). For this procurement the participation goal is 3%.

PLEASE READ THIS REQUIREMENT CAREFULLY. FAILURE TO COMPLY WITH THE DVBE REQUIREMENT MAY CAUSE YOUR SOLICITATION RESPONSE TO BE DEEMED

NONRESPONSIVE AND YOUR FIRM INELIGIBLE FOR AWARD OF THE PROPOSED CONTRACT(S).

Review the instructions and complete the forms referenced in EXHIBIT V-B. The State's DVBE online database of certified DVBE vendors can be found at this address: <http://www.pd.dgs.ca.gov/smbus>.

E. OPTIONAL PREFERENCE PROGRAMS

1. SMALL BUSINESS REGULATIONS

The Small Business regulations, located in the California Code of Regulations (Title 2, Division 2, Chapter 3, Subchapter 8, section 1896 et. seq.), concerning the application and calculation of the small business preference, small business certification, responsibilities of small business, department certification, and appeals are revised, effective 09/09/04. The new regulations can be viewed at (www.pd.dgs.ca.gov/smbus). Access the regulations by clicking on "Small Business Regulations" in the right sidebar. For those without Internet access, a copy of the regulations can be obtained by calling the Office of Small Business and DVBE Services at (916) 375-4940.

2. NON-SMALL BUSINESS SUBCONTRACTOR PREFERENCE

A 5% proposal preference is now available to a non-small business claiming 25% California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the proposal response must include a list of the small business(es) with which you commit to subcontract in an amount of at least 25% of the net proposal price with one of more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code section 14837(d)(4).

The required list of California certified small business subcontracts must be attached to the proposal response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied, 5) and the dollar amount or percentage of the net proposal price (as specified in the solicitation) per subcontractor.

Bidders claiming the five percent (5%) preference must commit to subcontract at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5:00 p.m. on the proposal due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

<http://www.documents.dgs.ca.gov/pd/delegations/GSPD105.pdf>

3. SMALL BUSINESS NONPROFIT VETERAN SERVICE AGENCIES (SB/NVSA)

SB/NVSA prime Bidders meeting requirements specified in the Military and Veterans Code section 999.50 et seq. and obtaining a California certification as a small business are eligible for the 5% small business preference.

4. SMALL BUSINESS CERTIFICATION

Bidders claiming the small business preference must be certified by California as a small business or must commit to subcontract at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5:00 p.m. on the proposal due date, and the OSDS must be able to approve the application as submitted.

Small business nonprofit veteran service agencies (SB/NVSA) claiming the small business preference must possess certification by California prior to the day and time proposals are due. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

5. TARGET AREA CONTRACT PREFERENCE (TACPA)

Preference will be granted to California-based Contractors in accordance with Government Code Section 4530 whenever contract for goods and services are in excess of \$85,000 and the Contractor meets certain requirements as defined in the California Code (Title 2, Section 1896.30) regarding labor needed to produce the goods or provide the services being procured. Bidders desiring to claim Target Area Contract Preferences Act shall complete Std. Form 830 and submit it with the Final Proposal. Refer to the following website link to obtain the appropriate form:

<http://www.documents.dgs.ca.gov/osp/pdf/std830.pdf>

6. ENTERPRISE ZONE ACT (EZA)

Government Code Section 7080, et. seq., provides that California based companies may be granted preferences when submitting a proposal on state contracts in excess of \$100,000 for goods and services (excluding construction contracts) if the business site is located within designated "Enterprise Zones" (see Std. Form 831). Bidders desiring to claim this preference must submit a fully executed copy of Std. Form 831 with their Final Proposal. Bidders proposing to perform the contract in a designated enterprise zone are required to identify such site(s) on the Std. Form 831. Failure to identify a site(s), which qualifies as an enterprise zone, will result in denial of the claimed preferences. Refer to the following website link to obtain the appropriate form:

<http://www.documents.dgs.ca.gov/osp/pdf/std831.pdf>

A Bidder that has claimed an EZA preference and is awarded the contract based on such preference(s) will be obligated to perform the contract in accordance with the Act.

7. LOCAL AGENCY MILITARY BASE RECOVERY ACT (LAMBRA)

California Government Code Section 7118, et seq. provides that California-based companies may be granted preferences when submitting a proposal on state contracts in excess of \$100,000 if they qualify and apply for the LAMBRA preference. Bidders desiring to claim this preference must submit a fully executed copy of the form STD.832, with their final proposal, which can be found at

<http://www.documents.dgs.ca.gov/osp/pdf/std832.pdf>

8. BIDDER'S SUMMARY OF CONTRACT ACTIVITIES AND LABOR HOURS

If the Bidder requests EZA, TACPA, and/or LAMBRA contract preferences; the Bidder's Summary form must be completed and signed by the Bidder for each requested preference. The purpose of this form is to give the Evaluators a tool to assess the total Bidder employee labor hours required to complete the contract either inside or outside the preference areas. Refer to the following website link to obtain the appropriate form:

<http://www.documents.dgs.ca.gov/pd/edip/bidsum1001.pdf>

9. MANUFACTURERS SUMMARY

If the Bidder requests EZA, TACPA, and/or LAMBRA contract preferences, the completed Manufacturer's Summary form must be signed by both the manufacturer and the Bidder to be eligible for the preferences. The purpose of this form is to give the Bidder and the Evaluators a

tool to assess the total manufacturing employee labor hours required to complete the contract either inside or outside the preference areas.

<http://www.documents.dgs.ca.gov/pd/dispute/mfgsum1001.pdf>

F. DECLARATION FORMS (M)

All Bidders must complete the Bidder Declaration GSPD-05-105, and include it with the proposal response. See EXHIBIT V-A. When completing the declaration, Bidders must identify all subcontractors proposed for participation in the contract. Bidders awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution and it is incorporated by amendment to the contract.

Bidders who have been certified by California as a DVBE (or who are proposing rental equipment and have obtained the participation of subcontractors certified by California as a DVBE) must also submit a completed form(s) STD. 843 (Disabled Veteran Business Enterprise Declaration). All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s). Should the form not be included with the solicitation, contact the State contracting official or obtain a copy online from the Department of General Services Procurement Division, Office of Small Business and DVBE Services (OSDS) website at: <http://www.pd.dgs.ca.gov/smbus>. The completed form should be included with the proposal response. Refer to the following web site link to obtain the appropriate form:

<http://www.documents.dgs.ca.gov/pd/delegations/GSPD105.pdf>

G. COMMERCIALY USEFUL FUNCTION DESCRIPTION AND INFORMATION (M)

On January 1, 2004, Chapter 623, Statutes of 2003, became effective and required all small business, microbusinesses and disabled veteran enterprises to perform a "commercially useful function" in any contract they perform for the state.

A business that is performing a commercially useful function is one that does all of the following: (1) is responsible for execution of a distinct element of the work of the contract; (2) carries out its obligation by actually performing, managing or supervising the work involved; (3) performs work that is normal for its business, services and function; and (4) is not further subcontracted by normal industry practices.

The Bidder must provide a written statement detailing the role, services and/or goods the subcontractor(s) will provide to meet the Commercially Useful Function requirement, using the Commercially Useful Function Certification, Section V, Exhibit V-C.

H. CERTIFICATION OF USE TAX COLLECTION FOR SELLER'S PERMIT (M)

This RFP is subject to all requirements set forth in Sections 6452, 6487, 7101 and 18510 of the Revenue and Taxation Code, and Section 10295 of the Public Contract Code, requiring suppliers to provide a copy of their retailer's seller's permit or certification of registration, and, if applicable, the permit or certification of all participating affiliates issued by the State of California's Board of Equalization. Unless otherwise specified in this RFP, a copy of the retailer's seller's permit or certification of registration, and, if applicable, the permit or certification of all participating affiliates, must be submitted within five (5) State business days of the State's request. Failure of the Bidder to comply by supplying the required documentation will cause the Bidder's proposal to be considered non-responsive and the proposal rejected. See Exhibit V-E.

I. OTHER ADMINISTRATIVE REQUIREMENTS (M)

1. Contract Amendment

Each contract executed as a result of this RFP must be able to be amended by mutual consent of the State and the Contractor.

2. Subcontractors

Any subcontractor that the Bidder chooses to use in fulfilling the requirements of this RFP, and which is expected to receive more than ten (10) percent of the value of the contract, must also meet all Administrative and Technical Requirements of the RFP, as applicable.

3. Equipment

All equipment offered must be new and the latest model in current production. USED, SHOPWORN, REFURBISHED, DEMONSTRATOR, PROTOTYPE OR DISCONTINUED MODELS ARE NOT ACCEPTABLE.

4. Primary Contractor

The award, if made, will be to a single Contractor. The selected primary Contractor will be responsible for successful performance of all subcontractors and support services offered in this proposal. Furthermore, the SWRCB will consider the primary Contractor to be the sole point of contact regarding contractual matters for the term of the contract. The Contractor shall not assign financial documents to a third party without prior written approval by the SWRCB.

5. Secretary Of State Status

All corporations, Limited Liability Companies (LLC's) and Limited Partnerships (LPs) must be registered and in 'Active' status with the California Secretary of State (SOS) to be awarded contract. The Secretary of State Certificate of Status must be included with the Final proposal. The Secretary of State may be contacted as follows:

California Secretary of State
Division of Corporate Filing and Services
1500 Eleventh Street, Third Floor
Sacramento, CA 95814-5701
Certification Unit: (916) 657-5251

Or the required document may also be obtained through the following website:

<http://kepler.ss.ca.gov>

6. Third Party License Software

The SWRCB recognizes that the Bidder may have integrated Third-Party Software into the proposed application systems. All such software not purchased by the State must be purchased by and licensed to the successful Bidder. All required licenses purchased by the Prime Bidder shall include written acceptance by the Third-Party Software provider of the State's Information Technology General Provisions - GSPD-401IT (Appendix A, STD-213, Attachment 2). Bidder agrees to provide to the State this written acceptance and copies of the software licensing agreement(s) no later than implementation acceptance. Upon receipt, SWRCB will review the documents for approval. Implementation acceptance is conditioned upon receipt and approval of these documents. Software licensing terms and conditions provided by Bidder which are not in conflict with the State's General Provisions -Information Technology (GSPD-401IT) will be accepted by the State, provided however that any licensing clause, term or condition representing that the license is superior to or takes precedence over other articles, attachments,

specification, provisions, contracts, terms or conditions shall be stricken and shall have no legal effect.

Bidder shall hold all licenses until implementation acceptance. After implementation acceptance, the licenses shall automatically pass to the SWRCB consistent with State Model Information Technology Software Special Provisions, Paragraph 1. In the event that Bidder fails to perform on the contract, Bidder shall immediately grant all software licenses to the SWRCB upon request by the SWRCB.

7. Bidder Acknowledgement/Acceptance of Other Administrative Requirements (M)

The Bidder must complete, sign, and submit, with its proposal Exhibit V-G, Bidder Acknowledgement/Acceptance of Other Administrative Requirements, in response to the other administrative requirements of this RFP. The form must be signed by the person authorized to contractually bind the firm.

J. CONFIDENTIALITY

(Intentionally blank)

K. INSTALLATION

(Intentionally blank)

L. CONDITIONS TO BE EXAMINED

(Intentionally blank)

M. SPECIAL SPECIFIC MAINTENANCE REQUIREMENTS

(Intentionally blank)

N. CONTRACTOR'S LICENSE

(Intentionally blank)

O. PUBLIC WORKS REQUIREMENTS (APPLICABLE TO INSTALLATION ONLY)

(Intentionally blank)

SECTION VI
BUSINESS AND TECHNICAL REQUIREMENTS

A. INTRODUCTION

This section contains the detailed business and technical requirements pertaining to the proposed system as described in Section IV. See Section V, ADMINISTRATIVE REQUIREMENTS; Section VIII, PROPOSAL AND BID FORMAT; and Section II, RULES GOVERNING COMPETITION for other requirements that must be met in order to be considered responsive to this RFP.

The State has determined that it is best to define its own needs, desired operating objectives, and desired operating environment. The State will not tailor these needs to fit some solution a Bidder may have available; rather, the Bidder shall propose to meet the State's needs as defined in this RFP.

Many of the requirements may be stated in terms of hardware or software alone; however, this does not preclude the Bidder from proposing a satisfactory solution to these requirements with either hardware, software, or a combination of both. Some requirements may refer to current workloads that are defined in Section III and to projected workloads that are defined in Section IV.

B. BUSINESS REQUIREMENTS

All business requirements listed with an (M) in Part B are Mandatory and scored on a pass/fail basis. A 'Fail' will result in a proposal being deemed non-responsive and therefore will be disqualified.

1. Productive Use Requirements

The objective of the Productive Use Requirements is to protect the State from being an experimentalist for new equipment and software that has no record of proven performance. In the event a bidder's proposed bid would not meet one or more of these requirements, subsection 4, provides for Remedies for Exceptions.

a. Customer In-Use (M)

The purpose of the Customer In-use requirement is to allow time for the bidder to correct defects that could prevent new equipment and software from performing correctly in support of State programs.

The State requires that each applications software component proposed as part of an automated system must have been installed and in productive use on the proposed operating system(s) and database management system(s), in substantially the conformation proposed, for a paying customer external to the Bidder's organization, for at least the number of months shown in Table VI-1 below prior to the required Final Proposal submission.

| Product/Project Cost | Final Proposal Submission |
|---|---------------------------|
| <p>Applications Software “Applications software” is software that performs the functions described in the Requirements Response Workbook (Appendix C).</p> <p>Operating System and Database Management Systems “Operating system and database management” systems include operating systems, data base management systems, language interpreters, assemblers and compilers, communications software, and other essential system software.</p> | |
| (1) More than \$100,000 | 6 Months |
| (2) \$10,000 up to \$100,000 | 3 Months |
| (3) Less than \$10,000 | 1 Month |

Substantial design changes in required system control modules, or in components critical to the processing requirements of the State's workload are also subject to the In-use requirement. Increases or decreases in numbers of components or minor alteration in equipment or minor modifications or updates to software to provide improvements or features, to correct errors, or to accommodate hardware changes may be exempt from the In-use requirement by the Department of General Services, Procurement Division, if no substantial changes in logic, architecture or design are involved.

b. Remedies for Exceptions

To meet the requirements of this RFP, bidders may find it necessary to propose one or more items of equipment or software that do not meet the above Productive Use Requirements. In such situations, a bidder may propose such items only if (1) the bidder also offers an interim remedy which accomplishes the stated purposes of the requirements until the requirements are met, and (2) the State approves the proposed remedy prior to the date for submission of the Final Proposal. If the bidder's proposed remedy includes additional equipment, software, or personnel to be supplied by the Supplier, such additions must be a part of the contractual commitment.

The State will not, however, consider an offer to pay penalties for failure to meet required standards of performance in lieu of these Productive Use Requirements.

2. COTS Software Proposed (M)

The Bidder must clearly and completely describe all software required to develop, test, and implement the system, as required by Appendix C Requirements Response Workbook. COTS software shall be described on EXHIBIT VI-B COTS Software Proposed, and included in the Bidder's Cost Proposal (refer to Section VII, Cost) in order to evaluate total cost of ownership.

The State shall have the option of procuring software licensing for the proposed COTS software at the price provided in the Cost Proposal, for the term of the contract, including any extensions thereof. The State may, at its sole option, purchase COTS licensing outside of this contract.

SWRCB will be responsible for providing operating system software and any necessary system software necessary to connect to the SWRCB network.

3. Recommended Hardware (M)

The Bidder must specify all one-time hardware required for the design, development, implementation and operation of the solution using Exhibit VI-C Hardware Required to meet the SWRCB's business needs. Although the Bidder must propose the type and capacity of the hardware necessary to support the solution, all hardware will be purchased by SWRCB through the California Strategic Sourcing Initiative (CSSI).

4. Bidder Experience (M)

Bidders must provide three (3) qualifications and references that meet the requirements specified below using Exhibit VI-A1 Bidder Experience Reference. Note: Bidders are to submit only three (3) references. If more than three (3) references are submitted only the first three (3) will be evaluated.

The Bidder must have been the prime contractor for each of the referenced projects. A sub contractor's reference can be used if the subcontractor was the prime contractor for the contract and the subcontractor will receive at least 25 percent (%) of the proposed One-Time Costs specified in Appendix D – Cost Workbook.

Qualifying references must meet the following criteria:

- Three (3) references must be for completed implementations for customers who are currently using a version of the base COTS product the Bidder is proposing.
- Two (2) of these references must be from completed implementations of similar size and scope as the SWRCB project in terms of number of internal concurrent users (Section IV.A.4 User Licenses and Section IV.A.5 Solution Sizing).
- Two (2) of these references must be from government entities.
- One (1) of the references must be from a customer meeting the "Customer In-Use" requirement identified in Section VI.B.1.a – Customer in Use.

Use Exhibit VI-A2 Customer In Use to document the Customer In-Use requirement.

Bidders must provide additional qualifications and company information as identified in Exhibit VI-A3.

The purpose of the Bidder reference requirement is to provide the State the ability to assess the Bidder's prior record and experience in providing similar services and functionality to other organizations. The State will contact the references following submission of the proposals to validate the information provided. The Bidder should make certain the reference contact persons will be available Monday through Friday from 8:00 AM through 5:00 PM Pacific Standard Time (PST), between the Final Proposal due date and the Public Cost Opening date, as specified in Section I.7 - Key Action Dates. The State will make two (2) attempts to contact references. If the reference does not respond within two (2) business days, the State may request an alternate reference from the Bidder. If no reference can verify the Bidder experience within four (4) business days, the reference will not be considered compliant. Consideration will be made towards differing time zones.

5. Bidder Project Team Experience (M)

The Bidder must submit a professional resume with three references of each proposed key staff person who will be assigned to the project. Each resume should clearly identify how the proposed key staff member meets the following minimum qualifications:

- 3 years experience in installing, configuring, training or developing the bidder's COTS application,
- Have a thorough understanding of industry standard billing and accounts receivable procedures and practices,
- Have performed services for government clients with business operations of a similar size, scope and complexity as the SWRCB as described in Section IV.A.4 User Licenses and Section IV.A.5 Solution Sizing.

The State will contact the references following submission of the proposals to validate the information provided. The Bidder should make certain the reference contact persons will be available Monday through Friday from 8:00 AM through 5:00 PM Pacific Standard Time (PST), between the Final Proposal due date and the Public Cost Opening date, as specified in Section I.7 - Key Action Dates. The State will make two (2) attempts to contact references. If the reference does not respond within two (2) business days, the State may request an alternate reference from the Bidder. If no reference can verify the Bidder experience within four (4) business days, the reference will not be considered compliant. Consideration will be made towards differing time zones.

6. Documentation Requirements (M)

The Bidder must respond to the following Documentation Requirements by completing Exhibit VI-K Business Requirements Response Tables.

- a. The system must include staff documentation for all modules, either in print or electronic format. (M)
 - User Documentation – The user manual will document the key functions and procedures of the system. The manual will include procedures for on-line data entry, procedures for on-line inquiry, instructions for form completion, explanations of report uses and purposes and procedures for reconciliation and error correction. Specific SWRCB policies and procedures will be added to the documentation by SWRCB staff.
 - System Documentation. The system manual will include a detailed description of each module of the system, error recovery procedures, source listings, narratives of all modified or customized programs and installation and implementation guidelines.
 - Operations Documentation. The operations manual will include the system overview and program flow, operating procedures for all batch jobs, procedures for bringing up and shutting down the on-line system, backup/recovery procedures and job control streams and descriptions.
- b. The Bidder should provide training materials and online tutorials in an electronic format. (D)
- c. The Bidder should not prohibit the SWRCB from reproducing and/or modifying Bidder-produced training materials, tutorials, and manuals for the SWRCB's own internal use. (D)

7. Acceptance Of Deliverables (M)

All deliverables must be submitted to the SWRCB with a formal deliverable transmittal submitted by the Bidder's Project Manager for each milestone. The SWRCB Project Manager will review, approve, and sign off on each deliverable. Should the deliverable be deemed unacceptable, the Bidder will have an opportunity to revise and resubmit the document within 10 days from the date of return to the Bidder from the SWRCB. Upon acceptance of all deliverables for each milestone, the Bidder will be paid as detailed under section VI.B.12.

8. Acceptance Testing (M)

Before acceptance testing can commence, the Bidder must certify in writing that the system is fully functional and meets all the technical requirements the Bidder committed to implementing identified in Appendix C Requirements Response Workbook in the RFP and that the system is ready for acceptance testing. The SWRCB will verify that the system is ready for Acceptance Testing. Acceptance tests will be developed by SWRCB with input by the Bidder. Acceptance testing will be conducted with live production work, test data may also be used. Any system failure starts the acceptance over unless the Bidder and the SWRCB determine that it is not material to the acceptance test.

The acceptance test period shall not be delayed due to any SWRCB request to make a change within a system's featured functionality, unless such a change causes an unanticipated system failure.

Software shall not be accepted by the SWRCB and no charges associated with such software shall be paid by SWRCB until the software has satisfactorily completed the acceptance tests. Upon successful completion of the acceptance test, the SWRCB shall notify the supplier in writing of acceptance of the software and authorize payment.

9. Project Milestones and Payment Terms (M)

The State has defined target "project start" through "system accepted" milestone dates. However, the Bidder's plan shall reflect the schedule that is appropriate based on the Bidder's experience and approach as long as it does not exceed 6 months from the "project start" through "system accepted" milestones in the schedule below. The State's estimate for that period is 6 months. If Bidders feel that more than 6 months is required from "project start" through "system accepted", Bidders should request a change as stated in Section I, Introduction and Overview of Requirements. The projected milestone dates are shown below:

- **Proposed start date is June 15, 2008.**
- **System accepted by December 15, 2008.**

ALL requirements and deliverables defined in Sections VI of this RFP must be accomplished within the timetable proposed by the Bidder and accepted by the State.

- a. All tasks, plans, deliverables, costs, etc., associated with professional/consulting services, software, licensing, travel, analysis, design, implementation, training, warranty, etc., need to meet all requirements specified in this RFP.
- b. A Bidder's Total Fixed Price Cost must include all costs associated with achieving the milestones set forth in the table below.
- c. A Bidder's payments, if selected, will be based on the milestones and percentages set forth in the table below.
- d. Any proposed Project Management Plan, deliverable plan, etc., must coincide with the milestones set forth in the table below.

The milestones (and related percent of payment upon successful completion) for this project are defined in the following table, Table VI-2: Key Project Milestones:

| Table VI-2: Key Project Milestones | | |
|------------------------------------|-----------------------------------|--|
| Line # | Milestone | % Of Payment Upon Successful Completion |
| 1. | Project Plan Details | 5% of One-Time Costs (less 10% payment holdback) |
| 2. | Fit/Gap Analysis | 10% of One-Time Costs (less 10% payment holdback) |
| 3. | System Design | 10% of One-Time Costs (less 10% payment holdback) |
| 4. | System Development | 10% of One-Time Costs (less 10% payment holdback) |
| 5. | Training | 10% of One-Time Costs (less 10% payment holdback) |
| 6. | User Acceptance Testing | 50% of One-Time Costs (less 10% payment holdback) |
| 7. | System Accepted | All "Holdback" Payments. |
| 8. | Contract Maintenance Completed | All Continuing Maintenance Payments. |
| 9. | TOTAL PERCENTAGE UPON COMPLETION: | 100% |

The Contractor shall be entitled to progress payments as outlined above. The progress payment will be tied to the successful completion of work, as defined by the State's acceptance of specified phase deliverables, subject to a 10% withholding on each deliverable. For services satisfactorily rendered, and upon receipt and approval of the invoices, the SWRCB agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified

10. Payment Terms And Conditions (M)

Compensation for Bidder activities, including development and on-going operational costs, shall be made based on the completion of milestones, as defined in Section VI, B.12, Project Milestones and Payment Terms.

For each of the milestones identified in Section VI, B.9 Project Milestones and Payment Terms the Contractor may invoice the State upon completion of successful testing and/or State acceptance of the deliverables.

Travel costs, or any other Bidder costs not specifically included or authorized in writing by the State, will not be reimbursed by the State.

C. TECHNICAL REQUIREMENTS

All technical requirements listed with an (M) are Mandatory and must be addressed in the Bidder's proposal in order to be considered responsive. Additional scoring for Mandatory requirements will be determined as described below and as explained in Section IX, EVALUATION.

1. Detailed Technical Requirements (M)

Detailed requirements are listed in Appendix C Requirements Response Workbook. The functional and technical requirements consist of detailed requirements checklists. The requirements have been prioritized as "High Priority" as part of the proposed solution or "Desirable". The requirements have also been flagged as either "Near Term" or "Long Term" to indicate whether or not the requirement should be implemented as part of the proposed scope of work ("Near Term") or is functionality that SWRCB will implement as part of a future scope of work ("Long Term").

Requirements identified as "High Priority" and "Near Term" should be implemented as part of this scope of work. Requirements identified as "High Priority" and "Long Term" indicate that the solution should have the capability to perform that function, but it does not need to be implemented as part of this scope of work.

Requirements identified as "Desirable," whether "Near Term" or "Long Term", are desired to be implemented as part of this scope of work, but are not mandatory.

| | Near Term | Long Term |
|----------------------|--|--|
| High Priority | In Scope of this RFO; should be implemented as part of this contract | Software should have capability, but is not implemented as part of this RFO |
| Desirable | Desirable functionality that may be proposed by Bidder to be included in statement of work | Desirable functionality that may be proposed by Bidder to be included in statement of work |

Bidders should enter their name at the top of the Workbook in cell B1.

Bidders are expected to complete the requirements checklists using the following codes:

| How Will Requirement Be Met? | Response Code |
|---|---------------|
| <i>Out-of-the-box (COTS)</i> – The system as delivered, unmodified, can meet the stated requirement. This functionality can be demonstrated on the current release of the system. | O |
| <i>Inquiry and Reporting Tools</i> – The system as delivered can meet the requirement through the use of reporting, inquiry or access tools provided as a part of this proposal. | R |
| <i>Customization/Modification</i> – The system software must be modified or customized, or a custom application or report developed, to meet the stated requirement. | C |
| <i>Not Supported</i> – The system cannot meet the requirement. | N |

If a more detailed comment to a specific checklist item would be beneficial in the evaluation process, number the text of the comment with the number of the requirement to which it applies (e.g. AR 16). All such responses should be included in a section following the required responses.

2. System Design, Development, and Implementation Approach (M)

Bidder must include a detailed description of the proposed System Design, Development, and Implementation Services in Exhibit VI-D as detailed in Section IV.B.1 and the relevant deliverables as listed in Section IV.C.

3. Interface Development and Testing Approach (M)

Bidder must include a detailed description of the proposed Interface Development and Testing Services in Exhibit VI-E as detailed in Section IV.B.2 and the relevant deliverables as listed in Section IV.C.

4. System Testing Approach (M)

Bidder must include a detailed description of the proposed System Testing Services in Exhibit VI-F as detailed in Section IV.B.3 and the relevant deliverables as listed in Section IV.C.

5. Training Approach (M)

Bidder must include a detailed description of the proposed Training Services in Exhibit VI-G as detailed in Section IV.B.5 and the relevant deliverables as listed in Section IV.C.

6. Project Management Approach (M)

Bidder must include a detailed description of the proposed Project Management Services in Exhibit VI-H as detailed in Section IV.B.6 and the relevant deliverables as listed in Section IV.C.

7. Project Schedule (M)

Bidder must include a detailed description of the proposed Project Schedule in Exhibit VI-I necessary to accomplish the requirements described in Sections VI.C.1 through VI.C.6 and submit the required deliverables as listed in Section IV.C.

8. Maintenance (M)

Bidder must include a detailed description of the proposed maintenance and support approach in Exhibit VI-J. The Bidder must provide its maintenance and support approach for the billing and accounts receivable system, including the products and service support that the maintenance plan covers and the approach to upgrades and “point releases” of the software. The SWRCB requires detailed information regarding:

- Terms and conditions of the maintenance and support plan
- Products and services covered under the maintenance and support plan
- Documentation maintenance or updates covered.
- Product upgrades
- Defined service level requirements that deal with responding to application problems, carrying out preventative measures so that application and performance problems are averted, and deployment of application change requests This should include response times for: general application problems, emergencies or work stoppage, telephone

support, e-mail support, and on-site support (i.e. 8 hour window to respond to problems and 2 hours for emergencies).

The base maintenance contract shall cover one (1) year for software maintenance and service starting at System Acceptance.

9. Solution Compliance with Technical Standards (M)

The solution proposed by the Bidder will be implemented in an existing IT environment. The SWRCB's current technical standards are documented in Exhibit VI-L Compliance with Technical Standards. Bidder must include responses to the Technical Standards Compliance Requirements.

(Intentionally blank)

SECTION VII
COST

A. INTRODUCTION

Cost is a primary evaluation criterion. Evaluation in this category will be based on the lowest total estimated net cost to the State as calculated according to the methodology in this section. It includes, but is not limited to, consideration of one-time costs, continuing costs, rate escalations, and adjustments as they specifically relate to the products and services to be obtained.

This section contains the instructions and cost table formats the Bidder must submit with their Final proposals. All cost information must be separately sealed and identified as indicated in Section VIII, Proposal and Bid Format.

The Department of General Services has granted purchasing authority to CIWMB up to the amount of \$500,000. Cost Proposals over \$500,000 cannot be considered and will be deemed non-responsive.

The contract period is for 12 months (anticipated to be June 15, 2008 through June 14, 2009) in order to accommodate implementation of the proposed solution (which is assumed to take only 6 months), plus 12 months of maintenance commencing with System Acceptance. Actual contract dates will be based upon the schedule proposed by the Bidder.

B. COST DEFINITIONS

1. One-Time Costs

One-time costs are those costs paid by the State for material and services necessary for the acquisition and implementation of the proposed products and services, including:

- Freight costs—the cost of transportation of equipment to and from the State's facilities.
- Installation costs—the cost of personnel and supplies necessary to effect an operational system.
- Other one-time costs—any other one-time charges necessary to effect the implementation of an operational system.

a. Application Software License Fee Costs

The Bidder must provide the costs associated with all proposed Software. Bidders must include all software cost details in Appendix D, Cost Worksheets.

b. System Design, Development, and Implementation

The Bidder must provide the costs associated with the proposed System Design, Development, and Implementation Services. The costs must include all associated costs, such as Bidder travel and communication costs. Bidders must include all System Design, Development, and Implementation Services cost details in Appendix D, Cost Worksheets.

c. Interface Development and Testing Services

The Bidder must provide the costs associated with the proposed Interface Development and Testing Services. The costs must include all associated costs, such as Bidder travel and communication costs. Bidders must include all Interface Development and Testing Services cost details in Appendix D, Cost Worksheets.

d. System Testing Services

The Bidder must provide the costs associated with the proposed System Testing Services. The costs must include all associated costs, such as Bidder travel and communication costs. Bidders must include all System Testing Services cost details in Appendix D, Cost Worksheets.

e. Training Services

The Bidder must provide the costs associated with the proposed Training Services. The costs must include all associated costs, such as Bidder travel and communication costs. Bidders must include all Training Services cost details in Appendix D, Cost Worksheets.

f. Project Management Services

The Bidder must provide the costs associated with the proposed Project Management Services. The costs must include all associated costs, such as Bidder travel and communication costs. Bidders must include all Project Management Services cost details in Appendix D, Cost Worksheets.

g. Documentation

The Bidder must provide the costs associated with the proposed Documentation. Bidders must include all Documentation cost details in Appendix D, Cost Worksheets.

h. Additional One-Time Non-Labor Costs

The Bidder must provide any additional one-time costs associated with the project not covered in the above sections. Bidders must include all additional cost details in Appendix D, Cost Worksheets.

2. Continuing Costs

Continuing costs are those costs that are projected to be paid by the State to the Contractor(s) on a monthly basis. The State prefers that any discounts offered be reflected in the monthly rates. In addition, for evaluation purposes, continuing costs include any cost adjustments that are applied on a monthly basis (e.g., price escalations and equipment failure costs).

a. Software Maintenance and Support Costs

The Bidder must provide the costs associated with Software Maintenance and Support for maintaining all of the proposed software. The Bidder must itemize the monthly Software Maintenance services costs to be paid by the State in Appendix D, Cost Worksheets, for the period from system acceptance for 12 months.

b. Additional Continuing Costs

The Bidder must provide any additional continuing costs associated with the system not covered in Maintenance and Support Costs. Bidders must include all additional cost details in Appendix D, Cost Worksheets.

3. Cost Adjustments

a. Price Escalation

If a Bidder reserves the right to increase lease or maintenance rates at specified times during the term of the contract, the estimated cost to the State of those increases will be added to

the proposal cost. The costs will be calculated for each year of the term, after the first, as follows using the maximum percentage of increase allowed by the contract:

$$(1 + _ \% \text{ of increase}) \times (\text{previous year rate}) \times (\text{no. of months})$$

b. Termination Charges

If the RFP section on ADMINISTRATIVE REQUIREMENTS specifies that the State be allowed to terminate the contract prior to the end of the contract term, and the bidder requires the State to pay a termination charge for such termination, such charge shall be included as a one-time cost for evaluation purposes.

4. Cost Summary

Bidder must provide a summary of all Project costs in Appendix D, Cost Worksheets.

(Intentionally blank)

SECTION VIII
PROPOSAL AND BID FORMAT

A. INTRODUCTION

These instructions prescribe the mandatory proposal and bid format and the approach for the development and presentation of bid data. Format instructions must be adhered to, all requirements and questions in the RFP must be responded to, and all requested data must be supplied.

B. PROPOSAL FORMAT AND CONTENT

The complete bid must be submitted in the number of paper copies indicated **and electronically on compact disk** in Microsoft Office file formats or Adobe PDF file format. The final proposal and cost proposal must be on **separate CD's** and appropriately labeled. Each volume must include the following items:

1. Volume I—Response to Requirements

1 Master copy

This volume must contain all responses to the **ADMINISTRATIVE REQUIREMENTS**, and **TECHNICAL REQUIREMENTS** of the RFP. All forms and questionnaires, **EXCEPT for cost data**, must be completed and included in this volume. The organization is to be as follows:

Section 1—General (Cover Letter and Executive Summary)

Section 2—Administrative Response

Section 3—Business and Technical Response

2. Volume II—Completed Contract

1 Master copy

This volume must contain the complete contract terms and conditions and all Attachments, complete in every detail. The Standard Form 213IT must be signed.

Responses to Section V, VI, Exhibit VI-D, Exhibit VI-E, Exhibit VI-F, Exhibit VI-G, Exhibit VI-H, Exhibit VI-I, Exhibit VI-J, Exhibit VI-K, and Appendix C will be attached to and become part of the Statement of Work after contract is awarded. See Appendix A.

The Statement of Work must be submitted with the bid.

3. Volume III—Cost Data

1 Master copy in a separately sealed, marked envelope or container and on a separate compact disk

This volume **must** be in a **separately sealed, marked envelope or container** containing all completed cost sheets and any other document with cost data identified as required in this RFP. The organization is to be:

Section 1—Summary Cost Sheet

Section 2—Detail Cost Sheets

Section 3—All Other Exhibits and Documents with Cost Data Identified

4. Volume IV—Literature

1 Master copy

This volume must contain all technical and other reference literature necessary to support the responses to the requirements of this RFP.

C. FORMAT DETAIL (OPTIONAL)

1. Volume I—Response To Requirements

The Bidder's response to the RFP for Volume I must be in the order and format indicated below.

Each page must include:

- the RFP title (**RFP IWM-07061**),
- a label of “**Proposal**”,
- Name of the Bidder
- Proposal volume number, part or exhibit number, and page number.

c. Volume 1, Section 1 - General

This section must contain:

- a signed **Cover Letter** on official business letterhead stationery:
 - Cover letter contains a statement that substantiates that the person who signs the letter is authorized to bind the Bidder's firm contractually,
 - Bidder committing to fulfilling all Mandatory requirements of the RFP.
- an **Executive Summary**, which includes;
 - Overview of the Bidder's company background and qualifications;
 - Salient feature(s) of the Bidder's proposal, including conclusions and recommendations, as well as a general overview of the equipment, software and services offered.
- a **Table of Contents**:
 - All major parts of the proposal, including forms, must be identified by volume and page number,
 - Table of Contents must also identify all tables, figures, charts, graphs, etc.

d. Volume 1, Section 2 - Administrative Response

This section should contain a narrative of Bidder's compliance and/or response for each item (all paragraphs and subparagraphs) identified in Section V, Administrative Requirements, of the RFP.

This section must include completed copies of:

- Exhibit V-A, Bidder Declaration

- Exhibit V-B, DVBE Participation Forms
- Exhibit V-C, Commercially Useful Function Certification (if applicable)
- Exhibit V-D, Worker's Compensation Certification
- Exhibit V-E, Certification of Use Tax Collection for Seller's Permit
- Exhibit V-F, Payee Data Record
- Exhibit V-G, Bidder Acknowledgement/Acceptance of Other Administrative Requirements
- Secretary of State Certificate of Status
- Preference Program (EZA, TACPA, LAMBRA and/or Small Business) Claim Forms (if applicable)
- Bidder's Summary of Contract Activities and Labor Hours (if applicable)
- Manufacturer's Summary (if applicable)

e. Volume 1, Section 3 – Business and Technical Response

This section of Volume 1 must contain the Bidder's response to the Business Requirements (RFP Section VI.B) and the Technical Requirements (RFP Section VI.C).

Refer to Section VI for instructions in completing the response to each of the requirements. Bidders must provide a response to every mandatory requirement. Failure to respond to a mandatory requirement may be cause for rejection of the Bidder's Proposal.

Volume 1, Section 3 must include the Bidder's responses to the Section V.B., Business Requirements and Section VI.C Technical Requirements, including:

- EXHIBIT VI-A1 Bidder Experience Reference
- EXHIBIT VI-A2 Customer In-Use Reference
- EXHIBIT VI-A3 Bidder Qualifications
- EXHIBIT VI-B COTS Software Proposed
- EXHIBIT VI-C Hardware Required
- EXHIBIT VI-D System Design, Development and Implementation Services
- EXHIBIT VI-E Interface Development and Testing Services
- EXHIBIT VI-F System Testing Services
- EXHIBIT VI-G Training Services
- EXHIBIT VI-H Project Management Services
- EXHIBIT VI-I Project Schedule
- EXHIBIT VI-J System Maintenance and Support
- EXHIBIT VI-K Business Requirements Response Tables
- EXHIBIT VI-L Compliance with Technical Standards

Volume 1, Section 3 also must include the Bidder's responses to Appendix C, Requirements Response Workbook. The compact disk of electronic files must include the responses to Appendix C, Requirements Response Workbook in Microsoft Excel file format.

2. Volume II—Completed Contract

This volume must contain the complete contract terms and conditions and all attachments, complete in every detail, **except for cost**. The STD. 213, for IT Goods and Services must be signed.

Bidder shall submit the required number of copies of the previously approved contract in this portion of their response (see Appendix A for additional information). Appendix B contains the State's contract. Deviation from terms and conditions previously approved for this RFP may be cause for rejection of your proposal. All copies of the contract must bear the signature of an individual authorized to bind the firm as specified in Section II, Rules Governing Competition. The Final Proposal must contain an original signature. There should be an original signature on each copy of the contract.

3. Volume III—Cost Data

For submission with the Final Proposal, this volume must be submitted in a **separate, sealed, and clearly identified** envelope or container/carton/box.

This volume must contain all completed cost sheets (Appendix D Cost Worksheets), schedules, and contract attachments with identified costs exhibits identifying cost, bonds and other security documents as required in the RFP.

4. Volume IV—Literature

This volume must contain all technical and other reference literature to support the response to all hardware/software and other functional requirements of this RFP. Substantive technical information should be highlighted on the literature page. Mark the applicable pages (i.e. circling, underlining, bracketing, using a highlight marker that will still show when reproduced, etc.) and list the corresponding Technical Requirement number from Appendix C in the margin.

Volume IV should be organized in the same sequence as the Technical Requirements in Appendix C of this RFP, and labeled accordingly.

SECTION IX
EVALUATION

A. RECEIPT

Each bid will be date and time marked as it is received and verified that all responses are submitted under an appropriate cover, sealed and properly identified. Bids will remain sealed until the designated time for opening.

B. EVALUATION OF FINAL PROPOSALS

1. Bid Opening and Validation Check

All proposals received by the time and date specified in Section I, KEY ACTION DATES will be checked for the presence of proper identification and the required information in conformance with the bid submittal requirements of this RFP. Absence of required information may deem the proposal non-responsive and may be cause for rejection. **Unsealed proposals will be rejected. (Volume III – Cost Data shall remain sealed until the evaluation of administrative and technical requirements is completed. All participating bidders and interested parties shall be notified as to the date and time when a public opening of proposal costs will be conducted.)**

2. Validation Against Requirements

The State will check each proposal in detail to determine its compliance to the RFP requirements. If a proposal fails to meet an RFP requirement, the State will determine if the deviation is material as defined in Section II. A material deviation will be cause for rejection of the proposal. An immaterial deviation will be examined to determine if the deviation will be accepted. If accepted, the proposal will be processed as if no deviation had occurred.

3. Cost Analysis

The required cost forms and schedules will be checked for mathematical accuracy. Errors and inconsistencies will be dealt with according to procedures contained in Section II, paragraph C.7.d., Errors in the Final Bid. Adjustments will be made for the purpose of evaluation in accordance with procedures described in Section VII, COST. Only those cost adjustments will be made for which a procedure is described in this RFP.

4. Reference Checks

All references provided to validate bidder experience (Section VI.B.4) and project team experience (Section VI.B.5) will be contacted. The references will be interviewed in at least four areas including development, implementation, maintenance and effectiveness of bidder's personnel. The majority of the references must respond positively in order for the bidder to be successful in this portion of the evaluation. Negative responses from customers may be cause for rejection of the bid.

5. Interviews and Demonstration of Requirements

Interviews with key project staff and the demonstration of selected Technical Requirements is intended to afford the State the ability to verify the claims made by the proposal in response to the requirements and corroborate the evaluation of the proposal. The Bidders receiving the three highest scores on the Administrative, Business and Technical Requirements, prior to the opening of the COST PROPOSAL, will be notified to attend an interview and perform the demonstration by the Office of Procurement. The interviews and demonstration are PASS/FAIL.

6. Selection

Final selection will be on the basis of the following scoring categories:

- 50% – Administrative and Technical Requirements
 - 10% – Project Approach
 - 10% – Bidder and Project Team Experience
 - 30% – Technical Requirements
- 50% – Cost

Selection will be evaluated from among the proposals that are responsive to the RFP requirements. Responsiveness is comprised of meeting the technical and administrative requirements, conforming to the Rules Governing Competition in Section II of the RFP, performing a satisfactory demonstration if required, and achieving a satisfactory technical rating on the desirable factors if any. The State reserves the right at any time to reject any or all proposals.

7. Evaluation Criteria

For evaluation purposes, certain requirements in Section V and VI have been designated as scoreable requirements and will be scored in accordance with the criteria contained herein. The remainder of the requirements in Section V and VI are non-scoreable and therefore achieve no points. A material deviation on a mandatory requirement whether or not it is scoreable may result in disqualification of the bid.

Scoring:

Points will be awarded during evaluation for Project Approach Requirements (Exhibit VI-D through Exhibit VI-J), Bidder and Project Team Experience (Exhibits VI-A1, A2, A3, Project Team Resumes and References), and Technical Requirements Response Workbook (Appendix C) to each bidder. A Mandatory (M) requirement means that if the minimum requirement is not met no points will be awarded, and the bidder's response may be deemed non-responsive. If the minimum requirement is met, then points will be awarded as described below.

- *Project Approach Requirements (Exhibit VI-D through Exhibit VI-J)*
 - M System Design, Development, and Implementation Approach – 1 to 30 points
 - M Interface Development and Testing Approach – 1 to 10 points
 - M System Testing Approach – 1 to 20 points
 - M Training Approach – 1 to 20 points
 - M Project Management Approach – 1 to 15 points
 - M Project Schedule – 1 to 5 points

Total Project Approach points available: 100 points

- *Bidder and Project Team Experience Requirements (bits VI-A1, A2, A3, Project Team Resumes and References)*
 - M Bidder Experience – 1 to 40 points
 - M Project Team Experience – 1 to 40 points
 - M References – 1 to 20 points

Total Bidder and Project Team Experience points available: 100 points

- *Requirements Response Workbook (Appendix C)*

There are two criteria used to score Bidders' responses to the requirements in the Requirements Response Workbook. The weight of each requirement is first determined by its priority, as shown below:

| Requirements Priority | Code | Pts |
|-------------------------|------|-----|
| High Priority Near-Term | HN | 5 |
| High Priority Long-Term | HL | 4 |
| Desirable Near-Term | DN | 3 |
| Desirable Long-Term | DL | 2 |

Bidders' response to how each requirement will be met is scored as follows:

| Bidder's Response to How the Requirement will Be Met | Code | Points |
|---|------|--------|
| ▪ Out-of-the-box (COTS) – The system as delivered, unmodified, can meet the stated requirement. This functionality can be demonstrated on the current release of the system. | O | 3 |
| ▪ Inquiry and Reporting Tools – The system as delivered can meet the requirement through the use of reporting, inquiry or access tools provided as a part of this proposal. | R | 2 |
| ▪ Customization/Modification – The system software must be modified or customized, or a custom application developed, to meet the stated requirement. | C | 1 |
| ▪ Not Supported – The system cannot meet the requirement. | N | 0 |

The Bidder's score for each requirement is calculated by **multiplying** the requirement's priority points by the Bidder's response to how the requirement will be met. For example:

- A Bidder that meets a High Priority/Near-Term requirement Out-of-the-Box would receive $5 \times 3 = 15$ points for that requirement.
- A Bidder that meets a Desirable/Long-Term requirement through custom development would receive $2 \times 1 = 2$ points for that requirement.

Total Requirements Response Workbook points available: 300 points

Step 1:

An Evaluation Score Sheet will be completed for each bidder for the items designated as scorable requirements. Where applicable, Bidders' scores will be based on a competitive basis within each scoring category. For evaluation of this RFP, "competitive basis" means that the State will determine which of the bids reflects the best response in each

scoring category and award it the most points, then all other bids will be awarded fractional points based upon a comparison with the best response. Bid responses of the same level of quality within each scoring category will receive identical points.

After all scores have been computed, the scores are totaled giving each bidder a Total Administrative and Technical Score.

Step 2:

The Total Score within each Administrative and Technical Scoring Category is identified as follows:

a.

| Bidder | Project Approach | Bidder & Project Team Experience | Requirements Workbook |
|---|-------------------|----------------------------------|-----------------------|
| Bidder 1 | 85 points | 75 points | 2500 points |
| Bidder 2 | 100 points | 80 points | 3000 points |
| Bidder 3 | 70 points | 85 points | 3500 points |
| Highest Score in Each Scoring Category | 100 points | 85 points | 3500 points |

b. Use the highest total score in each scoring category as the DENOMINATOR to form a fraction for each Bidder. Use the Bidder's score in that scoring category as the NUMERATOR. Then, express that fraction as a decimal value to arrive at the Intermediate Score. Then, multiply the Intermediate Score by the Points Available for the Scoring Category to arrive at the Bidder's score for that category. E.g.,

Project Approach Calculation:

| Bidder | Intermediate Score (a) | Points Available for Category (b) | Bidder's Score for Category (a * b) |
|----------|--------------------------|-----------------------------------|-------------------------------------|
| Bidder 1 | $\frac{85}{100} = 0.85$ | 100 | 85 |
| Bidder 2 | $\frac{100}{100} = 1.00$ | 100 | 100 |
| Bidder 3 | $\frac{70}{100} = 0.70$ | 100 | 70 |

Bidder and Project Team Experience Calculation:

| Bidder | Intermediate Score (a) | Points Available for Category (b) | Bidder's Score for Category (a * b) |
|----------|------------------------|-----------------------------------|-------------------------------------|
| Bidder 1 | $\frac{75}{85} = 0.85$ | 100 | 85 |
| Bidder 2 | $\frac{80}{85} = 0.94$ | 100 | 94 |
| Bidder 3 | $\frac{85}{85} = 1.00$ | 100 | 100 |

Requirements Response Workbook Calculation:

| Bidder | Intermediate Score (a) | Points Available for Category (b) | Bidder's Score for Category (a * b) |
|----------|----------------------------|-----------------------------------|-------------------------------------|
| Bidder 1 | $\frac{2500}{3500} = 0.71$ | 300 | 214 |
| Bidder 2 | $\frac{3000}{3500} = 0.86$ | 300 | 257 |
| Bidder 3 | $\frac{3500}{3500} = 1.00$ | 300 | 300 |

Step 3:

The Cost score of each Bidder's Final Proposal will be determined after any adjustments have been made, any errors corrected, and consideration of the TACPA, LAMBRA and EZA Bidding Preferences, if applicable. The relative cost of the bidders' bids will be scored after validating the entries as follows:

- a. Identify the lowest total cost submitted of all the bidders who meet all the mandatory requirements, e.g.,

| Bidder | Cost |
|--------------------|------------------|
| Bidder 1 | \$200,000 |
| Bidder 2 | \$250,000 |
| Bidder 3 | \$350,000 |
| Lowest Cost | \$200,000 |

- b. Use the lowest total cost as the NUMERATOR to form a fraction for each bidder. Use the bidder's total cost is the DENOMINATOR. Then, express that fraction as a decimal value, e.g.,

| Bidder | Intermediate Score (a) | Points Available for Category (b) | Bidder's Score for Category (a * b) |
|----------|--------------------------------------|-----------------------------------|-------------------------------------|
| Bidder 1 | $\frac{\$200,000}{\$200,000} = 1.00$ | 500 | 500 |
| Bidder 2 | $\frac{\$200,000}{\$250,000} = 0.80$ | 500 | 400 |
| Bidder 3 | $\frac{\$200,000}{\$350,000} = 0.57$ | 500 | 286 |

The Bidder's Net Price after Preferences for TACPA, LAMBRA, and EZA, if applicable, will be computed as follows:

LAMBRA, EZA, and TACPA Preferences: Five percent (5%) bid preference is available to businesses that meet the requirements for LAMBRA, EZA, or TACPA. In addition, businesses qualifying for the 5 percent work site preference for LAMBRA and EZA may request an additional one (1) to four (4) percent workforce preference for LAMBRA and EZA preferences.

Step 4:

Add the scores from Steps 2 and 3 in the Step below and compute the Total Score for each Bidder. The Final Score calculation is as follows:

| Bidder | Project Approach | Bidder & Project Team Experience | Requirements Workbook | Cost | Total Score |
|----------|------------------|----------------------------------|-----------------------|------|-------------|
| Bidder 1 | 85 | 85 | 214 | 500 | 884 |
| Bidder 2 | 100 | 94 | 257 | 400 | 851 |
| Bidder 3 | 70 | 100 | 300 | 286 | 756 |

Step 5: Small Business and DVBE Incentives

Small Business Preference and DVBE Incentives will then be applied as described below.

Small Business Preference: Five percent (5%) bid preference is available to a California-certified small business or a non-small business claiming 25% California-certified small business subcontractor participation. The Small Business preference is based on the total possible points,

including cost, as stated in this RFP and is calculated by taking five percent (5%) of the score of the highest scored responsive Final Proposal submitted by a responsible non-small business.

Per Government Code, Section 14835, et seq., Bidders who qualify as a small business will be given a 5 percent preference for contract evaluation purposes only. The 5 percent preference is calculated on the total number of points awarded to the highest scoring non-small business that is responsible and responsive to the proposal requirements. If after applying the small business preference a small business has the highest score, no further preferences would be applied as the small business cannot be displaced from the highest score position by application of any other preference. The rules and regulations of this law, including the definition of a small business for the delivery of goods and services are contained in the California Code of Regulations, Title 2, Section 1896, et seq. and can be viewed online at www.pd.dgs.ca.gov/smbus.

DVBE Incentive: In accordance with Section 999.5(a) of the Military and Veterans Code an incentive will be given to Bidders who provide DVBE participation. For evaluation purposes only, the State shall apply an incentive to proposals that propose California certified DVBE participation as identified on the Bidder Declaration GSPD-05-105 and confirmed by the State. The incentive amount for awards based on best value will vary in conjunction with the percentage of DVBE participation. The following table identifies the incentive points for DVBE participation.

| Confirmed DVBE Participation of: | DVBE Incentive: |
|----------------------------------|-----------------|
| 4% and Over | 5% |
| 3% up to 3.99 | 3% |
| 2% up to 2.99% | 2% |
| 1% up to 1.99% | 1% |
| 0% up to 0.99% | 0% |

The DVBE Incentive percentage is applied to the Proposal total points available. The incentive value will not exceed 5% of the total possible points for this solicitation.

Note: The State has a DVBE goal of three percent (3%). If the Bidder Declaration shows participation of less than 3%, a Good Faith Effort must be documented.

Final Score with Small Business and DVBE Incentives Applied

| Bidder | Small Business ? | Cost Points | Total Score (a) | Small Business Preference Points (b) (highest non-SBE * 0.05) | Total With Small Business (a + b = c) | DVBE Commitment | DVBE Incentive (d) (from table above) | DVBE Points (c * d = e) | Final Score |
|----------|------------------|-------------|-----------------|---|---------------------------------------|-----------------|---------------------------------------|-------------------------|-------------|
| Bidder 1 | Y | 500 | 884 | 43 | 927 | 0% | 0% | 0 | 927 |
| Bidder 2 | N | 400 | 851 | 0 | 851 | 2% | 2% | 17 | 868 |
| Bidder 3 | N | 286 | 756 | 0 | 756 | 3% | 3% | 23 | 779 |

The highest final score will determine the winning bidder, in this example Bidder #1.

SECTION X
INTERVIEWS AND DEMONSTRATION OF REQUIREMENTS

A. GENERAL

The interviews with key staff and the demonstration of selected Technical Requirements are intended to afford the State the ability to verify the claims made by the proposal in response to the requirements and corroborate the evaluation of the proposal. The Bidders receiving the three highest scores on the Administrative, Business and Technical Requirements, prior to the opening of the COST PROPOSAL, will be notified to attend an interview and perform the demonstration by the Office of Procurement. The demonstration is PASS/FAIL.

B. PREPARATION

Questions for the interview with key project staff and specific topics of demonstration will be provided to selected Bidders when they are notified of their selection to perform demonstrations. Anticipated topics for demonstration are described in Section C below. Failure of the bidder to demonstrate that the claims made by the bid, in response to the RFP requirements, are in fact true, may be sufficient to cause the bid to be deemed non responsive. The State reserves the right to determine whether or not the demonstration has been successfully passed.

The State will provide an Internet connection for the purpose of the demonstration. All hardware and software required to perform the demonstration must be provided by the Bidder.

C. ANTICIPATED TOPICS OF DEMONSTRATION

1. Demonstrate importing customer billing transactions into solution from external system (similar to current process of importing from AFBS into AFRS)
2. Demonstrate billing capabilities:
 - a. Routine standard billings with multi-billing cycles
 - b. Off-cycle billing
 - c. Ad hoc billing
 - d. Late notices and final notices
 - e. Block and/or cancel billings
 - f. Revised/re-issue invoices
 - g. Summary Invoices
 - h. Consolidated Billing
3. Demonstrate reconciliation functionality.
4. Demonstrate adjustment functionality.
5. Demonstrate systems ability to manage/ maintain 10+ different programs and associated fees.
6. Demonstrate Journal Entry functionality
7. Demonstrate Stratified Security system requirements: read-only, read-write, blocked access, system administration
8. Demonstrate sample reporting capabilities:
 - a. 'Bad debt' write-off report
 - b. Bank Deposit summary report
 - c. Account for payments received

9. Payment entry
 - a. Posting full payments
 - b. Ability to look up customer and post payments without an invoice
 - c. Posting partial payment to specific line items
 - d. Posting future payments
10. Payment Posting – Revenue is posted to the budget by percentages. Revenue collected in this year, will posted to both this fiscal year and part to next fiscal year. For example, revenue collected:
 - During first quarter is posted 100% to current fiscal year
 - During 2nd quarter is posted 75% to current fiscal year and 25% to next fiscal year
 - During 3rd quarter is posted 50% to current fiscal year and 50% to next fiscal year
 - During 4th quarter is posted 25% to current fiscal year and 75% to next fiscal year