Maryland Logo

State of Maryland

DEPARTMENT OF HUMAN SERVICES(DHS)

Request for Proposals (RFP)

MD STATE DISBURSEMENT UNIT SERVICES

RFP Number CSA/SDU/24-001-S

Issue date: March 6, 2024

NOTICE

A Prospective Offeror that has received this document from a source other than eMarylandMarketplace (eMMA) https://procurement.maryland.gov should register on eMMA. See **Section 4.2**.

Minority Business Enterprises Are Encouraged to Respond to this Solicitation.

**VENDOR FEEDBACK FORM**

To help us improve the quality of State solicitations, and to make our procurement process more responsive and business friendly, please provide comments and suggestions regarding this solicitation. Please return your comments with your response. If you have chosen not to respond to this solicitation, please email or fax this completed form to the attention of the Procurement Officer (see Key Information Summary Sheet below for contact information).

**Title: MD STATE DISBURSEMENT UNIT SERVICES**

**Solicitation No: CSA/SDU/24-001-S**

1. If you have chosen not to respond to this solicitation, please indicate the reason(s) below:

* Other commitments preclude our participation at this time
* The subject of the solicitation is not something we ordinarily provide
* We are inexperienced in the work/commodities required
* Specifications are unclear, too restrictive, etc. (Explain in REMARKS section)
* The scope of work is beyond our present capacity
* Doing business with the State is simply too complicated. (Explain in REMARKS section)
* We cannot be competitive. (Explain in REMARKS section)
* Time allotted for completion of the Proposal is insufficient
* Start-up time is insufficient
* Bonding/Insurance requirements are restrictive (Explain in REMARKS section)
* Proposal requirements (other than specifications) are unreasonable or too risky (Explain in REMARKS section)
* MBE or VSBE requirements (Explain in REMARKS section)
* Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section)
* Payment schedule too slow
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. If you have submitted a response to this solicitation, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Attach additional pages as needed.)

REMARKS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Contact Person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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State of Maryland

DEPARTMENT OF HUMAN SERVICES (dhs)

Key Information Summary Sheet

|  |  |
| --- | --- |
| **Request for Proposals** | MD State Disbursement Unit Services |
| **Solicitation Number:** | **CSA/SDU/24-001-S** |
| **RFP Issue Date:** | March 6, 2024 |
| **RFP Issuing Office:** | Department of Human Services (”The Department or DHS”) |
| **Procurement Officer:** | Samuel Eduful  311 West Saratoga Street  Baltimore, MD 21201 |
| **e-mail:**  **Office Phone:** | [Samuel.Eduful@maryland.gov](mailto:Samuel.Eduful@maryland.gov)  410-767-7068 |
| **Proposals are to be sent to:** | Proposals will be accepted through the State's eMaryland Marketplace Advantage (eMMA) e-Procurement system.  Instructions on how to submit proposals electronically can be found at: Download the page as a PDF or Word Document.  <https://procurement.maryland.gov/wp-content/uploads/sites/12/2021/01/5-eMMA-QRG-Responding-to-Solicitations-Double-EnvelopeRFP.pdf> |
| **Pre-Proposal Conference:** | **March 19, 2024, from 10:00 am – 12:00 pm Local Time.** Note: The Proposal Conference will be conducted virtually See **Attachment A** for directions and instructions. |
| **Questions Due Date and Time** | **April 11, 2024, at 12.00 pm Local Time** |
| **Proposal Due (Closing) Date and Time:** | **May 28, 2024, 3:00 pm Local Time.**  Offerors are reminded that a completed Feedback Form is requested if a no-bid decision is made (see **page iv**). |
| **MBE Subcontracting Goal:** | 25% (with no subgoals) |
| **VSBE Subcontracting Goal:** | 5% |
| **Contract Type:** | Firm Fixed Price |
| **Contract Duration:** | 5 year, 3 months – Base Contract Term with 2-1 year renewal option. |
| **Primary Place of Performance:** | Must be within 50 miles of the Circuit Court for Baltimore City  111 N. Calvert Street  Baltimore, MD 21202 |
| **SBR Designation:** | No |
| **Federal Funding:** | Yes |

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# Minimum Qualifications

## Offeror Minimum Qualifications

There are no Offeror Minimum Qualifications for this procurement.

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# Contractor Requirements: Scope of Work

## Summary Statement

The Department of Human Services (“The Department or DHS”) is issuing this Request for Proposals (RFP) for the purpose of obtaining a Contractor to manage and operate the State Disbursement Unit (SDU), a unit within the Child Support Administration (CSA). The SDU is a centralized child support payment processing unit that allows for same Business Day processing of incoming payments. The SDU also performs bank reconciliation, transaction processing, electronic depository application processing, electronic payment marketing, local mail processing, medical notice processing, non-sufficient fund check processing, and collection of State-owed debt functions.

It is the Department’s intention to obtain goods and services, as specified in this RFP, from a Contract between the selected Offeror and the State. The anticipated duration of services to be provided under this Contract is approximately five years, with a three-month transition in period and, one two-year renewal option.

The Department intends to make a single award as a result of this RFP. See RFP Section 4.9 for more Contract award information.

An Offeror, either directly or through its subcontractor(s), must be able to provide all services and meet all of the requirements requested in this solicitation and the successful Offeror (the Contractor) shall remain responsible for Contract performance regardless of subcontractor participation in the work.

## Background, Purpose and Goals

The overall purpose of this RFP is to provide information to Offerors interested in preparing and submitting Proposals to meet the requirements for contractual services described herein.

CSA is responsible for administering the child support program in Maryland. The child support program is established under Title IV-D of the Social Security Act, Title 45 §302.32. CSA provides direct services to customers to include application intake, locate, and establishment of paternity and support obligations, collection and disbursement of child support payments, enforcement of child support and medical support obligations, and review and adjustment of support obligations. Therefore, in State Fiscal Year - SFY 2000, CSA implemented the SDU for the collection and disbursement of support payments.

CSA also provides and operates several centralized programs to include the State Parent Locator Service, State Central Registry, Passport Denial, Income Intercept Programs (Wage, Income Tax, Casino, Unemployment, Workman’s Compensation, Lottery, Abandoned Property, and Vendor Offset), Driver’s and Professional License Suspension Programs, State Directory of New Hires and the Administrative Garnishment of Financial Accounts Program. Federal law mandates the collection, distribution, and disbursement of support payments within two days after receipt. See, Title IV-D of the Social Security Act, Title 45 §302.32.

Since implementation of the SDU, most support payments submitted by non-custodial parents (NCP), employers, and other States, are sent to the SDU for payment processing. A small percentage of payments are received by the Local Departments of Social Services (LDSS) and forwarded to the SDU for processing. Also, using Maryland’s EFT/EDI process, payments resulting from federal offset and State intercept programs are electronically transmitted directly into the Child Support Management System (CSMS). Currently, through its Depository Bank, CSA disburses payments by paper check, direct deposit, or Electronic Payment Card (EPC).

The following chart represents an overview of the SDU Historical Statistical Data, which presents an overview of collections, the percentage of electronic payments receipts, local transaction requests for adjustments of receipts, and local office mail, which is scanned and sent to the local jurisdictions.

**SDU HISTORICAL STATISTICAL DATA**

2019-2020

Total Receipts Number: 2,855,599

Total Receipts Amount: $534,617,085.13

% Electronic payments: 77.678%

Local Transaction processed (accepted and denied): 28,150

Local Office Mail documents:250,259

2020-2021

Total Receipts Number: 3,146,331

Total Receipts Amount: $548,447,573.25

% Electronic payments: 82.993%

Local Transaction processed (accepted and denied): 31,083

Local Office Mail documents: 259,550

**Note:** CSA averages two hundred and twenty-eight (228) monthly NSF transactions.

### Project Goals

1. The timely processing of incoming payments for disbursement prior to 5:00 pm daily to meet Federal child support guidelines.
2. The timely processing of incoming mail for distribution to the local child support offices prior to 5:00 pm daily.
3. Identification of 100% of unidentified payments received prior to 5:00 pm daily using tools and resources available to the Contractor.

### State Staff and Roles

1. State Contract Monitor (SDU Director) - The main purpose of this position is to direct and provide oversight for the federal and State requirements established for the SDU and the MD Intercept Programs.
2. SDU Finance Contract Monitors (3) - Monitor Contract services provided by the Contractor for the SDU to ensure that deliverables are met.

### Other State Responsibilities

1. The State is responsible for providing required information, data, documentation, and test data to facilitate the Contractor’s performance of the work and will provide such additional assistance and services as is specifically set forth.
2. Within thirty (30) calendar days after a written Notice to Proceed (NTP), the State will provide the Contractor with a file containing all the NCPs, employers and data pertaining to interstate and intergovernmental agencies so the Contractor can input the data in Contractor’s payment processing system.
3. Upon receipt of the name, position and duties associated with each employee, the State will issue logon IDs for the Contractor’s staff to access CSMS, and the Depository Bank. It can take up to thirty (30) calendar days before a logon ID is issued. The Contractor shall access CSMS, to carry out functions including, but not limited to transaction processing, recoupment, direct deposit and EPC enrollment and maintenance. The Contractor will be required to comply to the DHS Automated System Security Requirements **(see Exhibit 1)**.
4. The State will provide a validation file within sixty (60) calendar days of the NTP that contains sample data which the Contractor can use to test the transmission of data to CSMS.
5. On the last day of the Transition-In period, the SDU Director will provide the Contractor the keys to access CSA’s Post Office (PO) Boxes for retrieval of child support payments and incoming correspondence to the SDU. Currently, below are the PO Boxes being used. Additional PO Boxes may be added as necessary.
6. PO Box 17396 – For receipt of Child Support Payments, which may include employer wage withholding payments, interstate payments [payments from other States], intergovernmental (payments from other countries), NCP payments, and refunds from other States.
7. PO Box 297 - For receipt of CSA Debt payments - repayment for Check Recoupment (CR), Misapplied Recoupment (MR), Tax Recoupment (TR).
8. PO Box 1287 – For receipt of genetic test fee payments, returned custodial parent checks, returned Notices to TCA customers, Returned Un-cashed Check Notices, and Signed Un-cashed Check Notices.
9. PO Box 17615 – For receipt of direct deposit applications and correspondence.
10. PO Box 41626 – For receipt of Financial Institution Data Match (FIDM) payments.
11. PO Box 17286 – For receipt of Local Office Mail
12. The CSA Contract Monitor will coordinate with the Director of the Accounting and Banking Services Unit (ABS) to provide electronic access to the Contractor to the Depository Bank.
13. At a minimum, although subject to change, the following State sponsored training will be made available for Contractor’s employees during the ninety (90) Calendar Day Transition-In period. Specialized training for new job-related initiatives and State sponsored training will be mandatory for the appropriate Contractor staff. The Contractor will be given advance written notice by the SDU Director when all required training is available. Training will be held at a location in the Baltimore Metro Area.

**Note:** The Contractor shall cover all costs associated with attendance by the Contractor’s employees at State sponsored training.

|  |  |
| --- | --- |
| * **Type of Training** | **Estimated Length of Training** |
| * CSMS Fiscal Overview | * Five Calendar Days |
| IRS Security Review | * 30 Minutes Annually |
| * Local Transaction Request | * 3 hours |
| * Bank Reconciliation | * 8 Hours |
| * Direct Deposit Processing | * 1.5 Hours |

1. CSA will transmit an electronic file each Business Day to the Contractor that includes all the National Medical Support Notices (NMSN) that have been identified in CSMS for processing.
2. CSA will provide Panini iDeal scanners for all local jurisdictions per their requirements. The Contractor will be responsible for set-up and IT support of the scanners.
3. CSA will provide the Recoupment Packet, which contains the information and documents required for processing the debt collection including party’s name, case number/individual registration number (IRN), address, deposit information, and overpayment amount with reason for overpayment.
4. CSA will provide guidelines for local office mail processing.
5. CSA will manage all intercept programs including CCU Collection, Tax Adjustment Management, the state vendor payment funding requests and casinos and lottery programs.

## Responsibilities and Tasks

### SDU Operating Hours

The Contractor shall operate the SDU between the hours of 7:00 a.m. – 5:00 p.m. EST, Monday through Friday, except State Holidays and closures.

### Customer Service Calls

The Contractor may receive an average of four hundred (400) customer service calls per month. The types of calls may involve questions regarding overpayments, online payments, and local jurisdictions seeking assistance with payments or local office mail. The Contractor shall:

1. Hire full time employees who are exclusively dedicated to handling customer service calls.
2. Be able to communicate with customers who speak different languages, including Spanish speaking customers.
3. Provide standard information and responses to frequently asked questions. CSA will provide its Policies and Procedures to the successful Offeror after award.
4. Answer all calls received between the hours of 8:00 am to 5:00 pm.
5. Maintain an average wait time of no more than ninety (90) seconds for a customer service representative to answer the telephone.
6. Ensure that its call system accepts voicemail messages during and outside of business hours. The Contractor shall respond to voicemail messages within 24 business hours after receipt.
7. Create and update case action logs to document customer inquiries and resolutions.
8. Provide a separate phone number or access line for State employees to call to speak with a supervisor and receive immediate assistance during working hours.
9. Have the capability to initiate and participate in conference and virtual calls.
10. Upon receipt of a call or inquiry that requires the immediate attention of CSA (Hot Calls), the Contractor shall send an email to the contact person at the local office of child support with a copy to the State Contract Monitor the same Business Day of receipt of the call.Calls or inquiries from members of the media e.g., Television, Radio, Newspapers, etc.shall be transferred **immediately** to the on-site Supervisor at the local office.

### SDU Functions

1. **Payment Processing**

Payment processing means converting all payments received, including paper and electronic payments, into a single electronic file for transmission to CSMS.

The Contractor shall:

1. Receive payments for all Title IV-D and non-IV-D child support obligations regardless of payment method and process all payments on the same Business Day received.
2. Scan all payment images to CSA’s Enterprise Content Management System (ECMS) daily along with the associated metadata, including payment receipt date, amount, NCP member-id, case number, account number and other identifying information.
3. Electronically send payment to the State’s Depository Bank. The Contractor shall retain and make available to the Department the payment images online for the entire Contract period, including any option periods or extensions.
4. Process refunds from other States and unidentifiable payments.
5. **Mail Processing, Opening, Sorting and Batching**

The Contractor shall:

1. Develop a collection verification process for the collection, receipt, scanning and processing of mail and correspondence sent to all PO Boxes.
2. Collect mail two times per day, Monday through Friday.
3. Maintain and process child support payments in separate batches from all other mail.
4. Process regular and undeliverable mail using the local office mail module.
5. Modify or update existing templates or create new templates for the processing of new documents or categories. Changes shall be completed within twenty (20) days of notice by the State Contract Monitor.
6. Sort mail and scan the contents of the envelope into batches where a unique work item number is assigned to each document and envelope.
7. Route scanned images of the envelope and its contents to a queue where a document category and document type are assigned and then associated to a CSMS case number.
8. Perform a daily audit review on no less than 10% of the documents to ensure they are being sent to the correct jurisdiction and have the correct category/type. The results of the review and file images shall be transmitted to the ECMS by close of business of each day.
9. Return any misdirected mail (defined as any mail not child support related, such as utility bills) received at the SDU to the Post Office via courier.
10. **National Medical Insurance Documentation**

The Contractor shall:

* + 1. Scan NMSN documentation that has been returned as undeliverable into Contractor’s system.
    2. At the end of each day, transmit a file of NMSN documentation to CSMS.
    3. Mail the insurance card and other documentation that cannot be scanned to the appropriate LDSS within one Business Day.

1. **EFT/EDI Processing**

The Contractor shall develop a payment processing system that shall has the ability to receive and process child support payments from individuals, employers and other states via Electronic Funds Transfer/Electronic Data Interchange - EFT/EDI using CCD+ and CTX formats or as otherwise may be required by the federal Office of Child Support Enforcement - OCSE for the transmittal of income withholding and interstate payments.

1. **Refunds from Other States**

Refunds are those monies returned to Maryland from other states because other state’ payment records do not show a payment due. The Contractor shall:

1. Determine if the payment is a refund from another state.
2. Ensure that a refund from another state is not processed as a child support payment.

1. Put a ninety-nine (99) day hold on the NCP member ID.
2. Contact the LDSS to determine the disposition of the payment.
3. Not re-post refunds from other states that have already been posted to CSMS to avoid the NCP from receiving credit for the same payment more than once.
4. Be on alert when processing any check that shows a different bank routing number from previous checks received related to the Obligor and Obligee. Such changes in payment source shall be processed as exceptions as these may be refunds from other States that are not so identified.
5. **Deposit Payments to the State’s Bank Accounts**

The Contractor shall deposit incoming child support payments to be processed for disbursement to the State’s Depository Bank daily. All deposits shall be sent electronically or transported by a bonded courier service.

1. **Unidentifiable Payments Process**

Unidentifiable payments are payments that cannot be matched to a customer or a case within CSMS. Property that cannot be identified or matched for a period of three years is considered abandoned.

The Contractor shall:

1. Attempt to identify the payment account by using the CSMS system, contacting employers, other state agencies, interstate agencies, NCP and custodial parents, and other resources.
2. If unable to identify the payment account after ten (10) days, upload a copy of all data related to unidentified payments to CSMS.
3. Refund the payment of identified accounts by sending a State Refund Request Packet **(see Exhibit 2**) to the State Contract Monitor.
4. Provide to the State Contract Monitor a **Cumulative Monthly Unidentified Payment Report** within twenty (20) Business days after the report month, which lists each unidentified payment, the name of the payor, the amount, financial instrument number and the date of receipt. Unidentified payments that have been maintained by the Contractor for thirty-six (36) months shall be flagged on the report. The Contractor shall submit a Maryland Unclaimed Property Report to the Accounting and Banking Services Unit **(see Exhibit 3a and Exhibit 3b).** Thirty (30) days thereafter, said payments shall be deleted from the Cumulative Monthly Unidentified Payment Report.

**Note:** All research performed must be documented in the Contractor’s payment processing system and retained as per the terms of the Contract. The SDU Monitoring Unit shall be given online access to this documentation upon request.

1. **State Refund Requests**

The Contractor shall:

1. Submit a request for a State refund to the State Contract Monitor after determining that monies currently being held in the Depository Bank should be refunded to the remitter. These are mainly unidentified receipts or chargebacks.
2. Maintain a log of the items to be refunded for tracking purposes within Contractor’s system.
3. Search its database in order to determine if a refund request has been previously submitted.
4. Complete the State Refund Request Form **(see Exhibit 2)**. Packets containing errors will be rejected and returned.
5. Complete the State Refund Daily Summary document **(see Exhibit 4)** in the document folder and forward the State Refund Request Package to a Contractor’s Supervisor for internal review and approval.
6. Submit the State Refund Request Package to the CSA Contract Monitor for review and approval.
7. **Electronically Transmit Payment Data to CSMS**

The Contractor shall:

1. Ensure that payments are electronically transmitted to CSMS daily, no later than 5:00 p.m. for processing and distribution to customers.
2. Perform a Back-up of all electronic transmissions so that they are capable of being loaded into the CSMS database daily. The electronic transmissions shall be compatible with the existing CSMS computer system. The CSMS Software Interface Requirements will be provided after award.
3. **Account Management – Reconciliation of the State** **Central Depository Account**

The Contractor shall:

1. Each Business Day, prepare a daily statewide consolidated (both electronic and manual) Daily Bank Reconciliation **(see Exhibit 5).** Any material modifications to the aforementioned template must be approved by the SDU Director.
2. Ensure that the individual who prepares the daily bank reconciliation is independent of the depository process and the daily bank reconciliation is reviewed by senior management.

1. Maintain a copy of the daily bank reconciliations, and upon request, make the daily bank reconciliations available to the SDU Director and CSA’s Office of Internal Audit.
2. Immediately notify the SDU Director of any discrepancies and/or untimely bank deposit postings.
3. **Transaction Processing (TR)**

The Contractor shall:

* 1. Process all returned checks, Transaction Exceptions, un-cashed check notices, receipt adjustments, stop payments, stale dated, releasing payee disbursement holds, funds in escrow, misapplied payments, and voids.
  2. Place a ten (10) day ‘hold’ on any personal check in the amount of $5,000.00 and above.
  3. Identify, track and recoup Contractor misapplied payments from the person receiving payments in error. Contractor misapplied payment shall be kept separate and not included in CSMS. The Contractor shall not recoup misapplied payments from incoming child support payments.
  4. Process forgery reimbursements. The LDSS will forward a forgery packet to the Contractor, along with a copy of the cancelled check (back and front) to review for accuracy and forwarding to the Depository Bank via U.S. mail within one Business Day.

1. **Non-Sufficient Funds (NSF) Payments**

The Contractor is liable for all charge back fees and the amount of the checks returned by the Depository Bank or any other financial institution. Currently, the Depository Bank charges the State a charge back fee of two dollar ($2.00) for each NSF return.

The Contractor shall:

1. Not process payor checks where a stop payment request has been made.
2. Contact the payor via phone and in writing to request reimbursement and to discuss alternative payment methods.
3. Not place a payor on the bad check list or refuse to accept a check or payment from any payor without the prior written consent of the CSA.
4. Enter a case action log on each case impacted by each NSF occurrence including all communications with the payor.
5. Reimburse the State for NSF charge back fees within thirty (30) days after receipt of an invoice.
6. **Recoupment of State Misapplied Payments**

Misapplied payments consist of overpayments or payments made in error and may include intercepted tax refunds and subsequent injured spouse claims, payments to a customer receiving public assistance that should have been retained by the State, and payments that are applied to a case in error.

The Contractor shall:

1. Pursue the recoupment of funds owed to the State that result from an overpayment to a customer.
2. Document all communications to and from the customer in CSMS and in the Contractor’s electronic system, including date sent and amount of debt.
3. Establish an electronic recoupment account for collection of the debt due to the State within 5 (five) days of receiving the Recoupment Package.
4. Send the initial notice requesting payment in full or a request to establish a payment plan within thirty (30) days of the date of the notice. If the customer fails to respond to the initial notice, the Contractor shall attempt to contact the customer and send a second notice. If the customer fails to respond, a third and final notice must be sent.
5. If the notice is returned as a “bad address,” call the customer daily for three Business days and attempt to get the current address and check CSMS for address changes. If the Contractor cannot obtain a valid address, the debt must be referred to State Contract Monitor.
6. Negotiate and prepare a payment plan as agreed to by the customer. The customer must sign the agreement and return within thirty (30) days of receipt of the payment plan.
7. Review payment plans monthly for compliance and contact the customer and request payment via a past due notice whenever an account becomes delinquent.
8. Manually post all payments on the Misapplied Recoupment account within CSMS.
9. Complete the Central Collections Unit Excel spreadsheet and refer delinquent accounts in default, as well as failures to respond to a third notice for payment, to the State Contract Monitor.
10. **Web-Based and Touch-Tone Telephone Payments**

The Contractor shall:

1. Implement and maintain a secure website as well as a toll-free touch-tone telephone system that permits payors to access their account and make child support payments in addition to live customer support.
2. Offer child support obligors the option of paying their child support obligation via a major credit and/or debit card.
3. Be compliant with the Payment Card Industry Data Security Standard(PCI-DSS) for the processing of credit card payments.
4. Process the content and transmit the daily processed payment file to the to the State’s automated system for collections.
5. Design, develop and distribute materials to market and advertise enrolment in Direct Deposit.
6. Establish a schedule of all fees the obligor will be responsible for when utilizing this method of payment. The State shall not be responsible for any fees associated with the collection of payments via this service.
7. Make every effort to minimize fees associated with credit card transactions.
8. Provide the State Contract Monitor a Monthly Credit Card Payment Report within twenty (20) Business days after the report month, which lists the number of credit card payments received by date, the type of payment and the total value of all credit card payments by payment type.
9. Ensure that payment remittance via the website or by telephone comply with Information Technology Non-Visual Access Standards for customers as described in **Exhibit 6,** IRS Publication 1075 IRS Publication 1075 guidelines, and National Automated Clearing House Association’s (NACHA) prescribed formats (see **www.NACHA.org**). In addition, the Contractor shall implement modifications to the system to support all future EFT/EDI program and software enhancements and/or changes required by the Federal OCSE and NACHA.
10. Provide to the State Contract Monitor a hyperlink that will be utilized on the State’s website for internet access to electronic payment services.
11. **Direct Debit**

The Contractor shall receive and process ACH direct debit requests.

The process shall include exception handling and reporting, and timely confirmation of payment status.

1. **Remote Scanning For Local Offices**

The Contractor shall:

1. Develop an on-line application using the Panini iDeal scanners, that will allow the LDSSs and identified Courthouses to scan payments received. The application shall also include, at a minimum, the following additional functions:
   1. Ability to search for payors by name, social security number, address, case number, or IRN.
   2. Require that debits be saved, balanced, and reconciled before the CSA worker can commit the payment. After committing the payment, the CSA worker will receive confirmation that the payment was received.
   3. Maintain a scanning and payment history that includes the CSA workers’ processing payment history.
   4. Permit scanned payments to be visible in the online image viewer maintained by the Contractor.
   5. Ability to filter payments based on category types (i.e., location, payor, payment amount, etc.), generate reports and export the data.
2. Process the scanned payments received by 2:00 pm EST daily for inclusion with the daily deposit. Payments received after 2:00 pm will be added to the next day’s file and processed to CSMS within one day of receipt.
3. Develop, train and assign CSA staff user roles at the LDSSs on the use of the scanners and error reporting processes. Additional training may be requested at the State’s discretion.
4. **Payment Kiosk**
   * + 1. The Contractor shall offer payment kiosks that will accept payment via credit and debit cards, cash, checks and money orders. The payment kiosks will be located and secured at the local Prince George’s County CSA office, and in some cases, at the local courthouse and be available during normal business hours.

**Note: The State will not be responsible for transaction fees or bear any liability for payments using the kiosks.**

* + - 1. At a minimum, the Contractor shall ensure that the kiosk provide the following:
      2. A photograph of the payor making their transaction.
      3. A receipt listing the name, case number, method of payment, time and date of payment, and payment amount.
      4. The ability to generate reports on user activity, which contains all pertinent identifying information as well as location, time and date of payment, and method of payment.
      5. Ensure transactions are made in real time.
      6. Can identify and reject counterfeit currency.

In addition, the Contractor shall:

1. Monitor and maintain the kiosks in proper working condition.
2. Ensure that no employee of the state or the contractor has access to the kiosk.
3. Reconcile kiosk payments daily with the reports provided by the kiosk company and the Depository Bank.
4. Transmit payments made through the kiosk to the SDU daily for processing and disbursement within 48 hours of receipt of payment in the kiosk.

### Child Support EFT Case Reconciliation

### The LDSS will confirm the information provided by the payor and update CSMS with the correct information and notify the Contractor via email immediately after CSMS is updated. If the discrepant information cannot be resolved, the LDSS shall notify the Contractor via email and provide the appropriate documentation to support its finding(s).

### 2.3.5. EFT Outreach

To reduce the need for manual processing of payments, the Contractor shall:

1. Conduct outreach to customers advising of the benefits of enrolling in the EFT program.
2. Enroll customers in the EFT program.
3. Conduct a semi-annual mailing to all customers currently not enrolled in the EFT program.

### Direct Deposit Enrollment

The Contractor shall:

* 1. Process all direct deposit enrollment applications and modifications.
  2. Notify the customer in writing to obtain missing, incomplete, or inaccurate information in order to complete the application enrollment process.

### Electronic Payment Processing System

The Contractor shall develop a payment processing system to meet the requirements of this RFP. At a minimum the system shall:

* 1. Be compatible with CSMS, without modification to CSMS, and be able to accept data from and transmit data to CSMS as detailed in the CSMS Software Interface Requirements.
  2. Connect to the DHS network via a site-to-site Virtual Private Network (VPN). Contractor equipment and software used to access CSMS shall at a minimum conform to the specifications contained in CSMS Software Interface Requirements and Security Requirements.
  3. Contain “smart” and/or “artificial intelligence” components within the database. The system shall also be capable of recognizing collections that are consistent from payment to payment for more efficient processing.
  4. Automatically identify and post incoming payments to the appropriate CSA case.
  5. Process multiple payors and/or cases included in one payment.
  6. Process post-payment distribution modifications.
  7. Maintain images, provide read only access to data processed and encode financial instruments.
  8. Produce, at a minimum, the reports identified in **Section 2.4** of the RFP.
  9. Establish a telecommunications link that uses a secure site-to-site tunnel, that utilizes encryption compliance standards per FIPS 140-2. The system shall have the capacity to transmit all payment processing system data to CSMS in an overnight batch process. All batch transactions between systems shall be confirmed by the receiving party with a confirmation message, one per file transmission. In addition, the Contractor shall institute control procedures to ensure that all transmitted data is accurate and complete in order to prevent the processing of incomplete and/or duplicate data.

### Training Plan/Program

The Contractor shall:

A. Develop and implement a training plan/program to include training for the

Contractor’s employees on the Department’s and the Contractor’s systems.

B. Develop an on-demand web-based training on the Contractor’s image

retrieval/processing.

### Operational Procedures

The Contractor shall develop and implement internal operating procedures that clearly establish

separation of functions to comply with General Accepted Accounting Principles and Generally

Accepted Auditing Standards (GAAP and GAAS).

### Primary SDU Contractor Facilities

The Contractor shall:

1. Provide a single facility located in Maryland, within fifty (50) miles from the DHS headquarters in downtown.
2. Ensure suitable redundant power and multiple network carriers, which allow the SDU to have telecommunications redundancy to avoid potential network outages. This facility must contain a battery back-up or generator to sustain electrical power for at least eight hours.
3. Provide a copy of the signed lease to the SDU Director. The facility will be inspected by the SDU Director and team.
4. Provide equipment, furniture, telephone, and data lines required for Contractor’s staff to operate the SDU during all phases of operation, as well as other functions described in this RFP.

**For CSA Personnel**

1. Provide four offices for CSA personnel who are responsible for Contract Management. Each office shall have key/electronic locks on each office door that are controlled by the State and Contractor security staff only. Each office shall contain one desk or modular furniture, one ergonomic chair, two side chairs, and a trash receptacle.
2. Provide one storage room that is at least a 10’ x 20’, which will allow the monitoring team space to retain daily work files. The storage room shall be secured by key/electronic locks.
3. Provide a second storage room that is at least 10’ x 10’ for the retention of Tax Reports. The storage room shall be secured by key/electronic locks and controlled by the Tax Monitor and the Contractor’s security staff.
4. Provide a common work area, that can accommodate 3-4 individuals working at the same time. The Contractor shall provide a table and chairs to accommodate the workers and shelving. The space must also be able to accommodate a copier and fax machine. This equipment will be provided by the State.
5. Provide access to restrooms, lobby, and break/conference rooms.

### Quality Assurance and Monitoring

The Contractor Shall:

A. Monitor worker performance in all phases of the SDU operation, including but not limited to payment processing activities, accounting, local office mail, LTR and operations activities.

B. Have procedures in place for reviewing internal controls and security related to Contractor’s systems, facilities and employee access to systems and secured areas in accordance with GAAP and GAAS.

* 1. Test the payment processing activities, Accounting, local office mail, LTR, operation activities and each area included in the approved Quality Assurance Plan.
  2. Submit a Quality Assurance Quarterly Report within thirty (30) calendar days after the end of the report quarter, which includes test results and any corrective actions taken by the Contractor to resolve deficiencies and the results of the corrective actions.
  3. Immediately notify the SDU Director upon realization of any adverse situation related to the operation of the SDU (other than a security incident), by phone or email as soon as practicable.

### State and Federal Audits

CSA Internal Auditors, State Legislative Auditors, DHS Internal Auditors, federal Auditors, and any other private agents under Contract with the State or federal government may conduct unannounced, periodic monitoring and/or audits of the payment processing operation.

The Contractor, its employees and subcontractors shall cooperate fully and provide all necessary information and documents requested (verbal and written) to the auditors. Such information shall be provided within the timeframe requested.

In the event deficiencies are identified requiring a Corrective Action Plan (CAP), the State Contract Monitor will notify the Contractor in writing. The Contractor shall submit the CAP to the SDU Director within the timeframe requested. The CAP shall describe in detail actions that will be taken by the Contractor to resolve the deficiencies and the timeline (begin and end dates) for completing each action. Final acceptance of the CAP is contingent on written approval by the SDU Director and the CSA Director of Audit.

### Contract Monitoring

The State’s Contract Monitoring Unit may conduct scheduled and unannounced reviews of the Contractor’s operation and deliverables (see **Section 2.4.9**, Deliverable Acceptance Criteria), to ensure compliance with Contract outcomes, federal and State law and State policy and procedures.

The Contractor shall:

1. Comply with all processes and requests made by the SDU Director in conducting monitoring oversight activities during the term of the Contract.
2. Respond to and correct any deficiencies noted by the CSA Contract Monitoring Unit as specified in the notification.
3. Permit the SDU Director and Contract Monitoring staff to communicate with contractors’ staff as necessary.

### Contractor Performance Evaluation

1. The Contractor shall cooperate with performance evaluations (**see** **Exhibit 7 Sample** Contractor Performance Evaluation). An initial evaluation will be conducted within 180 calendar days after the Go Live date. An evaluation is considered acceptable if there are no marks in the Needs Improvement column. All evaluations with marks in the Needs Improvement column shall require the Contractor to submit a CAP to the SDU Director.
2. After the initial evaluation, the Contractor shall be evaluated every six months until the Contractor receives an evaluation with no checks in the Needs Improvement column. After two acceptable evaluations, the Contractor will be evaluated once a year. The Contractor’s failure to receive acceptable evaluations for two successive periods may be considered by the State as grounds for termination of the Contract.

### Security – SDU

Due to the sensitive nature of the information stored at the SDU, it is imperative that strict access controls be maintained to safeguard all areas. In taking steps to protect data on managed servers, workstations, and networks, the following ideals are considered, in order of importance:

Confidentiality. Ensuring that private data stays private.

Integrity. Ensuring that data and systems have not been altered in an unauthorized

manner.

Availability. Ensuring that the systems and data are available when needed.

Accountability. All actions are traceable.

Assurance. Ensuring that all of the above-mentioned elements are in place.

Each of these attributes are to be upheld as a contractor as outlined in the Standards for Security Categorization of Federal Information and Information Systems:[NIST.FIPS.199.pdf](https://drive.google.com/file/d/1sQPnGLkKHGsEhF__zlNh8Uretx3kZoQO/view?usp=sharing).

The tools and methods to enforce the basic ideal of system security are constantly evolving. As computer attack methods become more sophisticated, so do the tools that are used to defend and protect systems and networks.

The Contractor shall:

* + - * 1. Develop security policies and procedures for DHS’s review and approval, including a breach of security action plan and escalation protocols.  At a minimum, the policies and procedures shall meet National Institute of Standards and Technology (NIST) Handbook (Introduction to Computer Security) guidelines for management controls, operational controls, and technical controls. <http://www.nist.gov/pml/wmd/pub/hb133-13.cfm>. To further this understanding these policies can also be viewed in the Maryland IT Security Manual Sections: Operational Level Controls: Incident Response: [Maryland-IT-Security-Manual-v1-2.pdf](https://drive.google.com/file/d/1gDnjlZvewMalAiVaUgNQ_1QR0WYzOqwD/view?usp=sharing).

B. Ensure that any changes to the approved security policies and

procedures are approved in writing by the SDU Director before implementation.

C. Capture data for audit trail purposes of all access exceptions and

make that data available to DHS upon request as outlined in

[Maryland-IT-Security-Manual-v1-2.pdf](https://drive.google.com/file/d/1gDnjlZvewMalAiVaUgNQ_1QR0WYzOqwD/view?usp=sharing).

D. Provide ongoing operational support of system security processes to

supported environments.

E. Establish an automated process for tracking unauthorized access

attempts.

F. Immediately (upon approval of the SDU Director) initiate

corrective actions to ensure a breach will not occur again if it is within

the Contractor’s scope of responsibility. Prepare and retain

documentation of breach investigations and provide copies to DHS

within twenty-four (24) hours of detection of the breach as outlined in

[Maryland-IT-Security-Manual-v1-2.pdf](https://drive.google.com/file/d/1gDnjlZvewMalAiVaUgNQ_1QR0WYzOqwD/view?usp=sharing).

G. In consultation with DHS, identify security risks, recommend

procedures to minimize them, and implement such procedures, as

appropriate.

H. Perform the following checks on a quarterly basis:

1. System patch review

2. User account review

3. System audit log configuration review

I. Inform the SDU Director when emergency security patches are

made available and apply those patches after written approval by DHS.

J. Perform annual operating system upgrade review. The Contractor shall

notify the Project Manager of any unusual activity or system

compromise and perform all mitigation activities with constant,

accurate and effective communication to ensure DHS is kept abreast.

K. Have the following authorization controls implemented:

* + 1. A documented process to ensure that access privileges are verified at least annually.

* + 1. An automated process to ensure that individual user sessions either time out or initiate a password protected screen saver after a period of fifteen (15) minutes of inactivity.
    2. A documented process to ensure that access rights reflect changes in employee/Contractor status within twenty-four (24) hours of the change.
    3. A documented process to ensure that physical and logical access is immediately disabled upon a change in employment status where appropriate.
    4. An automated process to ensure that user ids are disabled after forty-five (45) calendar days of inactivity and deleted after ninety (90) calendar days of inactivity unless they are extended through the explicit approval of the Information Custodian (Note: Functional ids may be exempted from this requirement).
    5. A documented process to ensure that all default access capabilities are removed, disabled, or protected to prevent unauthorized use.
    6. A process/system to ensure that access privileges are traceable to a unique user id; and
    7. An automated display, after a successful logon, showing the date and time of last successful logon and the number of unsuccessful logon attempts since the last successful logon.

### Security–State IT Security and Policy Standards

The Contractor shall comply with and adhere to DHS’s and DoIT’s IT Security Policies and Standards. DoIT policies may be revised from time to time and the Contractor shall comply with all such revisions. (**See Section 3.7** Security Requirements).

### Security–DHS’s Additional Requirements

The Contractor shall comply with the following network security features:

A. Access to Information Resources – Use of firewalls to deny all access to information resources except to that which has been explicitly authorized.

B. Confidentiality of Data and Systems – Use of firewalls to secure and segment data and systems. Information resources assigned from one entity to another shall be authorized by the providing entity, in writing.

C. Encryption – Encryption algorithms are used to encode data transmissions. Encryption of data must meet IRS Publication 1075 requirements (<https://www.irs.gov/pub/irs-pdf/p1075.pdf>).

D. Auditing – All changes to information resources require a change approval that is documented and stored on a secure server. Changes to network devices are also logged to a server that maintains records for forty-five (45) calendar days.

1. The following minimum set of events/actions must be logged and kept as required by IRS Publication 1075.

a. Additions, changes or deletions to data produced by IT systems.

b. Identification and authentication processes.

c. Actions performed by system operators, system managers, system engineers, technical support, data security officers, and system administrators; and

d. Emergency actions performed by support personnel and highly privileged system and security resources.

2. The audit trails must include at least the following information:

a. Date and time of event

b. User id of person performing the action

c. Type of event

d. Asset or resource name and type of access

e. Success or failure of event

f. Source (terminal, port, location, IP address) where technically feasible

g. Identification and authentication processes

E. Portable Computing – Mobile computing devices shall be encrypted using the Wi-Fi Protected Access (WPA2).

F. Security Monitoring – The security server shall authenticate and log all connections to all network devices.

G. DMZ (Demilitarized Zone) – Shall be used with a combination of firewalls and access-lists applied to the routers.

H. Firewall – Firewalls shall be secure and segmented and have the ability to: 1) evaluate source and destination network addresses; and 2) compare the request (including destination ports) to predefined access control lists for filtering purposes. The firewall device shall be the only access point between the DMZ and the rest of the network and/or the Internet. Any form of cross-connection which bypasses the firewall device is strictly prohibited.

I. Intrusion Detection System – An intrusion detection system shall be in place to record log information for all network devices and stores the logs for forty-five (45) calendar days. Alerts shall be sent to a twenty-four (24) hour monitor and can alert network personnel if deemed necessary.

J. Current applicable security patches and/or hot fixes for any application shall be applied.

K. Any applications not serving the business requirements under this RFP shall be disabled.

L. Insecure services or protocols shall be replaced with more secure equivalents whenever such exist. For example, HTTPS (HTTP over SSL Encryption) must be used for web page authentication.

M. System Identification / Logon Banner – The following banner shall be displayed on all devices and systems login screen:

a. “Unauthorized Access is Prohibited by Law.”

b. “Your IP has been logged in.”

N. Quarterly review of standards, process, logs, configurations, with the customer.

### Service Level Agreement and Performance Standards

The Contractor shall provide service at or above the defined service level performance standards – referred to as Service Level Agreements (SLA). Failure to meet SLAs may result in DHS requiring the Contractor to submit a CAP or withholding the Contractor’s payment.

### Contractor-Supplied Hardware, Software, and Materials

1. By responding to this RFP and accepting a Contract award, the Offeror specifically agrees that for any software, hardware or hosting service that it proposes, the State will have the right to purchase such item(s) from another source, instead of from the selected Offeror.
2. SaaS applications shall be accessible from various client devices through a thin client interface such as a Web browser (e.g., Web-based email) or a program interface.
3. The State shall be permitted limited user-specific application configuration settings.
4. The Contractor is responsible for the acquisition and operation of all hardware, software and network support related to the services being provided and shall keep all software current.
5. All Upgrades and regulatory updates shall be provided at no additional cost.
6. The State requires that the Offeror price individual software modules separately.
7. The State also requires that the Offeror provide fully functional, generally available software and multiple-user licenses for purchase as needed throughout the life of the Contract.
8. The Offeror shall install and provide all documentation for the software furnished under the Contract.

### Required Project Policies, Guidelines and Methodologies

The Contractor shall be required to comply with all applicable laws, regulations, policies, standards and guidelines affecting Information Technology projects, which may be created or changed periodically. Offeror is required to review all applicable links provided below and state compliance in its response.

It is the responsibility of the Contractor to ensure adherence and to remain abreast of new or revised laws, regulations, policies, standards and guidelines affecting project execution. These include, but are not limited to:

1. The State of Maryland System Development Life Cycle (SDLC) methodology at: http://doit.maryland.gov/SDLC/Pages/agile-sdlc.aspx ;
2. The State of Maryland Technology Security Manual:<https://doit.maryland.gov/Documents/Maryland%20IT%20Security%20Manual%20v1.2.pdf>
3. The State of Maryland Information Technology Non-Visual Standards at: <http://doit.maryland.gov/policies/Pages/ContractPolicies.aspx>; and

1. The Contractor shall follow project management methodologies consistent with the most recent edition of the Project Management Institute’s Project Management Body of Knowledge Guide.

### Product Requirements

1. Offerors may propose open-source software; however, the Offeror must provide operational support for the proposed software as part of its Proposal.
2. Offeror shall be authorized to furnish the proposed goods and services. Offerors proposing to resell services of another entity must be authorized by such other entity (See RFP **Section 5.3.)**
3. No international processing for State Data: As described in **Section 3.7** Security Requirements, Offerors are advised that any processing or storage of data outside of the continental U.S. is prohibited.
4. Any Contract award is contingent on the State’s agreement, during the Proposal evaluation process, to any applicable terms of use and any other agreement submitted under **Section 5.3.2.P.** Such agreed upon terms of use shall apply consistently across services ordered under the Contract.
5. The Contractor shall not establish any auto-renewal of services beyond the period identified in Contract documents.
6. In addition to any notices of renewal sent to the Department, Contractors shall email notices of renewal to the e-mail address designated by the Contract Monitor.

### Maintenance and Support

Maintenance and support, and Contractor’s ongoing maintenance and support obligations, are defined as follows:

#### Technical Support

1. “Technical Support” means Contractor-provided assistance for the services or Solution furnished under the Contract, after initial end-user support confirms a technical issue that requires additional troubleshooting capabilities; sometimes referenced as Tier II – IV support.
2. Technical Support shall be available during Normal State Business Hours.
3. The State shall be able to contact a Technical Support team member 24 hours per day, 7 days per week, 365 days per year.
4. Contractor Personnel providing technical support shall be familiar with the State’s account (i.e., calls shall not be sent to a general queue).
5. Contractor shall return calls for service of emergency system issues (see Section 2.5 Service Level Agreement) within 15 minutes.
6. Calls for non-emergency IT service requests will be returned within three (3) hours or immediately the following day if after Normal State Business Hours.
7. The State shall be provided with information on software problems encountered at other locations, along with the solution to those problems, when relevant to State software.

#### Backup

The Contractor shall:

1. Establish Direct Access Storage Device (DASD) Management services.
2. Develop procedures with DHS governing time periods for retention of media for auditing purposes. Such procedures will be clearly documented, communicated to DHS, and followed unless otherwise directed by DHS.
3. Perform backups of the web, application, and database servers on a regular basis. This shall include daily incremental backups and full weekly backups of all volumes of servers. Reference IRS PUB 1075 for the required DR & backup compliance requirements. Additionally, the Vendor will need to be in compliance with the State of Maryland Technology Security Manual, Section AU-9.2.
4. Store daily backups off-site.
5. Monitor, log and tracking all media in accordance with IRS Publication 1075 guidelines. This should include physical media movement in and out of the SDU, off-site vault storage, media rotation with the media storage provider, and tracking media returns.
6. Ensure media destruction procedures meet or exceed IRS Publication 1075 guidelines, including degaussing, crushing and shredding, to assure that no data is retrievable.
7. Provide for the recovery and reconstitution of the information system to a known state after a disruption, compromise, or failure.
8. Provide DHS the capability to monitor media management operations, mailing and receipt control, in compliance with retention and storage requirements.
9. Ensure media is reliable and read/write errors are avoided.
10. Ensure that authorized DHS representatives and/or auditors shall be granted access to inspect storage areas.
11. Retrieve archived media and restore required files and datasets as directed by the DHS Project Manager within three days of notification. The Contractor shall set up a process by which DHS can request recovery of deleted or corrupted files.
12. Ensure equipment is properly cleaned and maintained at the required intervals to minimize problems and outages.
13. Ensure adequate supplies for the media environment are maintained and that the scratch media pool is sufficient to fulfill all SDU needs.
14. Monitor media utilization and report tape usage and tape usage requirements to the SDU Director as part of the monthly status report.
15. Assume responsibility for system data back-up requirements, which include periodic off-site vaulting of data on media, cataloging off-site content, retrieving back-up media and restoring data from the back-ups.
16. Perform nightly, weekly, and monthly back-ups on all Contractors’ systems and State data between 7:00 p.m. and 7:00 a.m. to meet the Contractor’s proposed production-processing schedule.
17. Perform backups for all application and configuration data that is necessary to restore the application to full operability on suitable hardware. Perform automated backup management functions both on- and off-site. The backup shall consist of at least:
    1. Incremental daily backups, retained for one (1) month,
    2. Full weekly backups, retained for two years, and
    3. Last weekly backup for each month maintained for two (2) years.
18. Send the weekly backup electronically to a facility designated by the State.
19. Encrypt the backups using a shared key.
20. Perform a backup recovery at least semi-annually.
21. Provide on demand support for the State’s recovery of a backup set.

## Deliverables

### Deliverable Submission

1. For every deliverable, the Contractor shall request the Contract Monitor confirm receipt of that deliverable by sending an e-mail identifying the deliverable name and date of receipt.
2. Unless specified otherwise, written deliverables shall be compatible with Microsoft Office, Microsoft Project or Microsoft Visio within two (2) versions of the current version. At the Contract Monitor’s discretion, the Contract Monitor may request one hard copy of a written deliverable.
3. A standard deliverable review cycle will be elaborated and agreed-upon between the State and the Contractor. This review process is entered into when the Contractor completes a deliverable.
4. For any written deliverable, the Contract Monitor may request a draft version of the deliverable, to comply with the minimum deliverable quality criteria listed in **Section 2.4.8 Minimum Deliverable Quality**. Drafts of each final deliverable, except status reports, are required at least two weeks in advance of when the final deliverables are due (with the exception of deliverables due at the beginning of the project where this lead time is not possible, or where draft delivery date is explicitly specified). Draft versions of a deliverable shall comply with the minimum deliverable quality criteria listed in **Section 2.4.8 Minimum Deliverable Quality**.
5. All reports shall be submitted to the SDU Director in the specified time frames. The Contractor is required to provide a hard copy of their reports in addition to an electronic copy. The SDU Director will provide the Contractor an acknowledgement of the receipt of the report that contains the report name, date received and signature of the SDU director. After review of the report, the SDU Director will provide the Contractor a written response that either approves or disapproves the report. The written response will contain the report name, the signature of the SDU Director or other Department Official as appropriate, and the date. If disapproved, the document will provide in detail the reasons for disapproval, action required to address deficiency(ies) and date when the revised report is due.

### Deliverable Acceptance

1. A final deliverable shall satisfy the scope and requirements of this RFP for that deliverable, including the quality and acceptance criteria for a final deliverable as defined in **Section 2.4.9 Deliverable Descriptions/Acceptance Criteria**.
2. The Contract Monitor shall review a final deliverable to determine compliance with the acceptance criteria as defined for that deliverable. The Contract Monitor is responsible for coordinating comments and input from various team members and stakeholders. The Contract Monitor is responsible for providing clear guidance and direction to the Contractor in the event of divergent feedback from various team members.
3. The Contract Monitor will issue to the Contractor a notice of acceptance or rejection of the deliverable in the DPAF (see online sample). Following the return of the DPAF indicating “Accepted” and signed by the Contract Monitor, the Contractor shall submit a proper invoice in accordance with the procedures in **Section 3.3**. The invoice must be accompanied by a copy of the executed DPAF or payment may be withheld.
4. In the event of rejection, the Contract Monitor will formally communicate in writing any deliverable deficiencies or non-conformities to the Contractor, describing in those deficiencies what shall be corrected prior to acceptance of the deliverable in sufficient detail for the Contractor to address the deficiencies. The Contractor shall correct deficiencies and resubmit the corrected deliverable for acceptance within the agreed-upon time period for correction.

### Minimum Deliverable Quality

The Contractor shall subject each deliverable to its internal quality-control process prior to submitting the deliverable to the State.

Each deliverable shall meet the following minimum acceptance criteria:

1. Be presented in a format appropriate for the subject matter and depth of discussion.
2. Be organized in a manner that presents a logical flow of the deliverable’s content.
3. Represent factual information reasonably expected to have been known at the time of submittal.
4. In each section of the deliverable, include only information relevant to that section of the deliverable.
5. Contain content and presentation consistent with industry best practices in terms of deliverable completeness, clarity, and quality.
6. Meets the acceptance criteria applicable to that deliverable, including any State policies, functional or non-functional requirements, or industry standards.
7. Contains no structural errors such as poor grammar, misspellings, or incorrect punctuation.
8. Must contain the date, author, and page numbers. When applicable for a deliverable, a revision table must be included.
9. A draft written deliverable may contain limited structural errors such as incorrect punctuation, and shall represent a significant level of completeness toward the associated final written deliverable. The draft written deliverable shall otherwise comply with minimum deliverable quality criteria above.

### Deliverable Descriptions/Acceptance Criteria

In addition to the items identified in the table below, the Contractor may suggest other subtasks, artifacts, or deliverables to improve the quality and success of the assigned tasks.

**Deliverables Summary Table\***

|  |  |  |  |
| --- | --- | --- | --- |
| **Solicitation Ref. Section** | **Deliverable Description** | **Acceptance Criteria** | **Deliverable Frequency (submit to State Contract Monitor unless otherwise specified)** |
| **TRANSITION-IN** |  |  |  |
| § 2.2.3 | Key Personnel completed Logon-Id Request Forms | Hard copies listing management CSMS roles with signatures. | NTP +30 calendar days |
| § 2.2.3 | Non-Key Personnel completed Logon | Hard copies listing financial worker role selection with signatures. | NTP +60 calendar days |
| § 2.3.11 | Copy of signed Lease. | Hard copy with signatures. Changes and updates to the lease need to be sent on the same frequency. | NTP + ten (10) calendar days |
| § 3.1 (D) | Project Management Plan | Hard & soft copy - Plan shall address the nine PMBOK areas. | NTP +10 calendar days |
| § 3.1 (D) | Project Schedule | Project schedule should demonstrate tasks, task estimates, resource assignments, and dependencies for both CSA and Contractor Personnel, with tasks no less than 8 hours and no greater than 80 hours. | NTP +15 calendar days |
| § 3.1(D) | Staffing Management Plan | Hard & soft copy - The Contractor shall review and update this plan when there are changes in staffing or every six months, whichever comes first. | NTP + 10 calendar days |
| § 3.1 (D) | Risk Management Plan | Hard & soft copy - The Plan shall include the Contractor’s approach to managing risk as well as describe the Contractor’s understanding of risk management. | NTP + 15 calendar days |
| § 3.1(D) | Communication Management Plan | Hard & soft copy - Plan that serves as the guideline to manage communications across the enterprise including status reporting and other key communications. | NTP +15 calendar days |
| § 3.1(D) | Configuration Plan | Hard & soft copy - Plan that addresses the methods and tools to be used for maintenance problem reporting, and version control to maintain software. | NTP +60 calendar days |
| § 3.1(D) | Quality Assurance Plan - Initial Draft | Hard & soft copy – draft Plan to include the creation of clear, specific, measurable objectives that can be monitored and analyzed. | NTP+45 calendar days |
| § 3.1(D) | Monthly Progress Reports | Soft Copy – Report will provide project issues, action items, risks, and scope change requests. | Due the 30th day of the month following the close of the period |
| § 2.3.3. I.2 | CSMS Interface System Requirements Document (includes business process flow) | Hard & soft copy Document consists of the requirements document, architecture design, source code, validation docs, verification and testing info, and a maintenance or help guide. Includes business process flow. | NTP +15 calendar days |
| § 2.3.21 | SDLC Plan | Hard & soft copy – Plan details the ten-phase methodology intended to reduce the risk of project failure through the application of a proven and incremental project development process. | NTP + 10 calendar days |
| § 2.3.8 | System Testing Plan | Hard & soft copy – Plan will list developed scenarios, schedule and identify requirements. | NTP + 10 calendar days |
| N/A | Acceptance Test – Results of two successfully completed tests based on System Testing Plan | Hard & soft copy - The steps taken for User Acceptance Testing involving one or more of the following: User Acceptance Test (UAT) Planning, Designing UA Test Cases, Selecting a Team that would execute the (UAT) Test Cases, Executing Test Cases, Documenting the Defects found during UAT. Results of two successfully completed tests based on System Testing Plan | NTP + 65 calendar days |
| N/A | Transition Results Document | Soft copy – The document will lay out the tasks and activities that were performed to efficiently transition the SDU from the transition in phase to the maintenance phase. This will include the tools, techniques, and methodologies required. It will include contingency planning and risk mitigation. An impact statement will be formulated that outlines the steps taken to transition the existing infrastructure, and operations. | NTP + 85 calendar days |
| § 3.7.7.C | Final Security Plan that includes system security test plan | Hard & soft copy – Plan shall detail the steps and processes employed by the Contractor as well as the features and characteristics which will ensure compliance with the security requirements of the Contract. Shall include system security test plan. | NTP + 30 calendar days |
| § 2.3.3. D | Final Payment Processing Plan | Hard & soft copy – Plan will detail processing of incoming payments and transmission of processed payment information to the state-wide Child Support Management System. | NTP + 15 calendar days. |
| § 2.3.9 | Draft Internal Operating Procedures | Soft copy – draft procedures shall clearly establish separation of functions  to comply with General Accepted Accounting Principles and Generally Accepted  Auditing Standards (GAAP and GAAS). | NTP +20 calendar days |
| § 2.3.9 | Final Internal Operating Procedures | Hard & soft copy – final procedures will confirm successful implementation of procedures from the draft. | NTP +30 calendar days |
| § 2.3.8 | Training Plan | Hard & soft copy – The plan shall include  procedures for new workers and refresher training, as well as incorporating enhancements based on changes in federal and State requirements and Contractor initiated automation or procedural changes. | NTP +30 calendar days |
| § 3.2. A.6 | Documentation of Completed Training | Hard & soft copy – documentation that all staff (Key and non-Key) have successfully completed training in their assigned position within the SDU. | NTP +75 calendar days |
| § 3.5.1 B.1.2 | Back-Up Facility Initial Test Results | Soft copy – provide initial test results detailing the transition to a back-up facility for payment and mail processing. Risks and challenges should be listed as well as procedural enhancements which were made to facilitate a smooth transition. | NTP+60 calendar |
| § 3.5.1 | Draft Disaster Recovery Plan | Soft copy – draft plan outlining the process, policies and procedures related to preparing for recovery or continuation of technology infrastructure critical to an organization after a natural or human-induced disaster. | NTP + 45 calendar days |
| § 3.5.1 | Final Disaster Recovery Plan | Hard & soft copy – final plan which implements procedures for recovery and successful operations during a disaster situation. | NTP + 90 calendar days. |
| § 2.3.11 | Final Quality Assurance Plan | Hard & soft copy – final plan shall support the SDU's goals by clearly identifying the areas in which the SDU does well and areas that need some work. | NTP+ 90 calendar days |
| § 2.3.11 | Quality Assurance Reports | Soft copy – reports shall include results of reviews and any corrective actions taken to resolve deficiencies. | Within thirty (30) calendar days after the end of the report quarter beginning with first full calendar Quarter after implementation of payment processing functions. |
| § 3.3.1 | Monthly Invoices – Payment Terms and billing | Hard & soft copy – includes – Payment terms and billing for transactions, local office mail, and other services provided as scheduled. | By the 30th day after the end of the month |
| § 3.12. A.1 | MBE Subcontractor Payment Report | Soft copy - documents the progress made towards achieving the goals of the Contract. This report is to be completed by the Contractor. This form should reflect payments made to Certified MBE and WBE assigned by the Contractor for the contract. | For each MBE subcontractor, within fifteen (15) calendar days after the end of the report month in which payments were received by the MBE |
| § 5.3.2. F.7 | Pandemic Plan | Hard & soft copy – the plan outlines the Contractors response to an emerging pandemic or state of emergency that may affect operations at the SDU. | Within thirty (30) calendar days of award |
| § 3.1(D) | Notice to Non-Custodial Parents and Employers | Hard & soft copy – notice to be sent to NCPs and Employers in respect to any changes to payment resources available for making electronic payments. | Sixty (60) calendar days prior to Go-Live date. |
| **ON GOING** |  |  |  |
| § 3.1. | Bi-Weekly Status Report | Soft copy – report shall provide the following information: activities completed; upcoming activities; customer/stakeholder relationship,  management changes and any risk management updates. | Within five Business days after the end of the reporting period. |
| § 3.1. | Monthly Progress Report | Soft Copy – report shall provide project issues, action items, risks, and scope change requests. | Due the 30th of each month following the report month |
| § 3.12. A.1 | Prime Contractor Unpaid MBE Invoice Report  Contraction Administration | Soft copy – report listing any unpaid invoices over 45 days old received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made. | Within fifteen (15) calendar days after the end of the report month in which payments were due but not paid to MBE subcontractor(s) |
| § 2.3.3. E | Monthly Other State Refund Report | Soft Copy – report with provide information on the number of refunds received from Interstate agencies and their current status. | Within fifteen (15) Business days after the end of report month |
| § 2.3.3. F | Daily Deposit Verification | Soft Copy – verification of deposits from the Depository Bank. | Within one Business Day after bank deposit is completed |
| § 2.3.3. F | Electronic Copy of Deposit Confirmation | Soft copy – electronic copy of deposit confirmation from the Depository Bank. | Within one Business Day after bank deposit is completed |
| § 2.3.3. G | Cumulative Monthly Unidentified Payment Report | Soft copy – report which lists each unidentified payment, the name of the payor, the amount, financial instrument number and the date of receipt. | Within twenty (20) Business days after the report month |
| § 2.3.7. F | Daily Transaction Report | Soft copy – lists each transaction, the name of the payor, case number, the amount, and date of receipt. | The next Business Day |
| § 2.3.3. J | Report of Discrepancies & Posting Errors on the General Ledger | Soft copy – report should address timing differences, mistakes, missing transactions, possible fraud. | Daily |
| § 2.3.3. J | Report of Reconciled Central Depository Account – | Soft copy – report on the reconciliation of the main CSA account at the Depository Bank used for deposits and disbursements for the SDU. | Within ten (10) calendar days after the report month |
| § 2.3.3. J | Reconciled Monthly Bank Account Statement | Soft copy – monthly reconciliation which compares the bank's records of account activity with the SDU records of activity for the same account. The reconciliation will locate any differences between the two versions, as well as to spot any errors made by the bank. | Within thirty (30) calendar days after the report month |
| § 2.3.3. N.8 | Monthly Credit Card Payment Report | Soft copy – report lists the number of credit card payments received by date, the type of payment and the total value of all credit card payments by payment type. | Within twenty (20) Business days after the report month |
| § 3.3.1 | Monthly Invoices – Payment Terms and billing | Hard & soft copy – includes – Payment terms and billing for transactions, local office mail, and other services provided as scheduled. | By the 15th day after the end of the month |
| § 3.12. A.1 | Prime Contractor Unpaid MBE Invoice Report  Contraction Administration | Soft copy – report listing any unpaid invoices over 45 days old received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made. | Due thirty (30) calendar days after the end of the report month in which payments were due but not paid to MBE subcontractor(s) |
| § 3.12. A.1 | MBE Subcontractor Invoice Payment Report | Soft copy – report lists paid invoices, the amount of each invoice. | Due thirty (30) calendar days after the end of the report month in which payments were received by the MBE |
| § 2.3.3. K.1 | Transactions Exceptions Report | All soft copy –   * Payment Processing Exception Report * Cumulative Unidentifiable Report * Weekly Refund Report * Cumulative Refund Report Cumulative * Recoupment Report | Once daily |
| § 2.3.3. K.3 | Weekly Report of Contractor Misapplied Payments | Soft copy – report to identify, track and list Contractor misapplied payments. The Contractor shall recoup from the person receiving payments in error | Due the last Business Day of each week |
| § 2.3.3. L | Weekly Cumulative NSF Report | Soft copy – cumulative report of all NSF payments made to the SDU listing dates, NCP information, and amounts. | Within five (5) Business days after the end of the reporting period |
| § 2.3.3. M.8 | Weekly Report of All Recoupment Payments Processed | Soft copy – weekly report of all recoupment payments made for State Debts. Includes name, case, and amount of payment. | Every Monday |
| § 2.3.3. J | Daily Reconciliation Report | Soft copy – daily reconciliation of the deposits made to the Depository Bank. | Daily |
| § 2.3.5 | Outreach Plan Status Reports | Soft copy – status provides information on the number of customers contacted to advise them of the benefits of enrolling in the EFT program. | Bi-annually after Contract start date |
| § 2.3.11 | Quality Assurance Quarterly Report | Soft copy – report include test results and any corrective actions taken by the Contractor to resolve deficiencies and results of the corrective actions. | Within thirty (30) calendar days after the end of the report quarter |
| § 3.5.1 | Disaster Recovery Plan | Soft copy – plan details procedures for recovery and successful operations during a disaster situation. | Updates due within sixty (60) calendar days after the annual test |
| § 3.5.1 B.1.2 | Back-Up Facility Annual Test Results | Soft copy - provide annual test results detailing the transition to a back-up facility for payment and mail processing. Risks and challenges should be listed as well as procedural enhancements which were made to facilitate a smooth transition. | Within thirty (30) calendar days after the end of each twelve (12) month period |
| § 2.3.5 | Electronic Payment Marketing | Soft copy – semi-annual mailing of electronic payments options to NCPs and Employers who currently pay by check. | Semi-annually beginning six months after Contract start |
| § 3.9 | SOC 2 Type II Audit Reports | Hard & soft copy – reports include general compliance, and testing to confirm the PCI assessment results. | Due on or before June 1 of each Contract year. |
| § 2.3.11  § 2.3.12  § 2.3.143  § 3.9 | Responses to Monitoring (including Performance Evaluations) and Audit Reports (including SOC 2 Audit) | Hard & soft copy – Corrective action plan should there be a monitoring or audit finding. Implementation of solutions to findings will be made accordingly to the timeframe established by the monitor/auditor. | Within the time frames established in the report |
| § 2.3.3. G | Cumulative Monthly Unidentifiable Payment Report | Soft copy – report which lists each unidentified payment, the name of the payor, the amount, financial instrument number and the date of receipt. | Within thirty (30) calendar days after the end of each calendar month. Within the time frames established in the Report |
| § 2.3.3. B.4 | Local Office Mail Statistical Report | Soft copy – reports list mail counts per jurisdictions and types. Final page will have a summary with a grand total. | Daily Within thirty (30) calendar days after the end of each calendar month |
| § 2.3.2 | Monthly Customer Service Report | Soft copy – report lists number of calls received, documents case information, reason for call, resolution of call, time tracking per call. | Within ten (10) calendar days after the end of each calendar month |
| **TRANSITION OUT** |  |  |  |
| § 3.2.1. A.1 | Report of any outstanding deliverables tasks and time frames for completion | Soft copy – report lists all outstanding deliverables with time frames for completion. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.2 | Report documenting that all services and/or deliverables are completed and approved | Soft copy – final reports documents completion of outstanding services/deliverables. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.3 | All source code, object code, design and architecture documentation and all data files are delivered to the State | Soft copy – all information provided to CSA on state-of-the-art storage device. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.4 | Reports that provide:  a. Results of any final audit  - Audit of Contractor’s unidentified collections | Soft copy – report will list audit results and resolution status; report will provide the remaining unidentified receipts to be processed at Transition Out. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.5 | Updated system documentation to include modification to the system | Soft copy – documentation of current system status including modifications made during the lifetime of the contract. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.7 | Electronic data files from the payment processing system on CD. | Soft copy – CD given to CSA containing electronic data files. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.8 | Electronic data files from the Transaction Request system and hard copy documentation | Hard & soft copy – final data files from the Transaction Request System. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.9 | Hard copy Non-IV-D, recoupment, direct deposit, and debit card records, if applicable | Hard & soft copy – final copies of Non-IV-D, recoupment, direct deposit, and debit card records, if applicable | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1. A.10 | Records of final bank reconciliation and outstanding forgery reimbursement package, and validated final deposit | Hard & soft copy – all records on bank reconciliation and outstanding forgery issues and final deposit to be given to CSA. | Within five (5) Business Days after receipt of request from the State |
| § 3.2.1 | Transition Out Plan | Hard & soft copy – Plan which lists all services/deliverables that are outstanding and the time frame for completion. Provides all records to CSA. | Within three hundred sixty-five (365) calendar days prior to Contract end date (including the Option Period). |
| § 3.2.1 | Final Transition Out Plan | Hard & soft copy – Plan with descriptions of changes related to the resources that the Contractor will commit and the functions that the Contractor will perform, along with time frames, in transferring the operation to the State or a successor Contractor. | Within 180 calendar days before Contract expiration (including the Option Period). |
| § 3.11 | Replacement of Key Personnel and Recruitment Plan | Soft copy – Contractor will provide resumes and candidates for the Key Personnel positions. Contractor will work with MBE/WBE to establish a recruitment plan. | Within one (1) Business Day of occurrence |
| N/A | Ad-Hoc Reports | Hard & soft copy – reports as needed on any topic in relation to the SDU and the Contractor. | As requested |

\*The deliverables summary table may not list every contractually-required deliverable. Offerors and Contractors should read the RFP thoroughly for all Contract requirements and deliverables.

## Service Level Agreement (SLA)

### Definitions

1. A “Problem” is defined as any situation or issue reported via a help desk ticket that is related to the system operation that is not an enhancement request.
2. “Problem resolution time” is defined as the period of time from when the help desk ticket is opened to when it is resolved.
3. Monthly Charges: for purposes of SLA credit calculation, Monthly Charges are defined as the charges set forth in **Attachment B, Financial Proposal Form,** invoiced during the month of the breach for the monthly fixed services, or, in the event of annual billing, 1/12 of the annual invoice amount **Financial Proposal Form.**

### SLA Requirements

The Contractor shall:

1. Be responsible for complying with all performance measurements and shall also ensure compliance by all subcontractors.
2. Meet the Problem response time and resolution requirements as defined in **Section 2.5.8**.
3. Provide a monthly report to monitor and detail response times and resolution times.
4. Log Problems into the help desk software and assign an initial severity (Emergency, High, Medium or Low as defined in **Section 2.5.8**.
5. Respond to and update all Problems, including recording when a Problem is resolved and its resolution. Appropriate Department personnel shall be notified when a Problem is resolved.
6. The Department shall make the final determination regarding Problem severity.
7. Contractor shall review any Problem with Department to establish the remediation plan and relevant target dates.

### SLA Effective Date (SLA Activation Date)

SLAs set forth herein shall be in effect beginning with the commencement of monthly services as of the completion of the Transition-In Period.

Beginning on the SLA Activation Date, for any performance measurement not met during the monthly reporting period, the SLA credit for that individual measurement shall be applied to the Monthly Charges.

### Service Level Reporting

1. Contractor performance will be monitored by the Department.
2. The Contractor shall provide detailed monthly reports evidencing the attained level for each SLA.
3. The Contractor shall provide a monthly summary report for SLA performance.
4. Monthly reports shall be delivered to the SDU Director by the 15th of the following month.
5. If any of the performance measurements are not met during the monthly reporting period, the Contractor will be notified of the standard that is not in compliance.

### SLA Service Credits

Time is an essential element of the Contract. For work that is not completed within the time(s) specified in the service level metrics below the Contractor shall be liable for service credits in the amount(s) provided for in the Contract.

Service credits will be cumulative for each missed service requirement. The State, at its option for amount due the State as service credits, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item. In the event of a catastrophic failure affecting the entire Solution, all affected SLAs shall be credited to the State.

In no event shall the aggregate of all SLA credits paid to the State in any calendar month exceed 25% of the Monthly Charges.

Example: If the Monthly Charges were $100,000 and one SLA was missed, with an applicable 4% credit, the credit to the monthly invoice would be $4,000, and the State would pay a net Monthly Charge of $96,000.

The parties agree that any assessment of service credits shall be construed and treated by the parties not as imposing a penalty upon the Contractor, but as compensation to the State for the Contractor’s failure to satisfy its service level obligations.

### Root Cause Analysis

If the same SLA measurement yields an SLA credit more than once, the Contractor shall conduct a root cause analysis. Such root cause analysis shall be provided within 30 days of the second breach, and every breach thereafter.

In addition, for each ‘Emergency’ or ‘High’ priority Problem, the affected parties will perform a root cause analysis and institute a process of problem management to prevent recurrence of the issue.

### Service Level Measurements Table (System performance)

Offeror shall complete the table below with its proposed service level metrics and SLA credits.

| No. | Service Requirement | Measurement | Service Level Agreement | SLA Credit |
| --- | --- | --- | --- | --- |
| 1 | Problem Response Time – High | Average Response Time for High Priority Problems. | 98% <15 minutes | 1% |
| 2 | Problem Response Time - Normal | Average Response Time for Normal or Low Priority Problems | 98% <2 hours | 1% |
| 3 | Problem Resolution Time - High | Resolution Time for each High Priority Problem | 98% <4 hours | 1% |
| 4 | Problem Resolution Time - Normal | Resolution Time for Normal Priority Problems | 98% <24 hours | 1% |
| 5 | Problem Resolution Time - Low | Resolution Time for Low Priority Problems | 98% <72 hours | 1% |
| 6 | Scheduled Downtime/  Maintenance | Scheduled maintenance and downtime shall only occur during non-business hours. The Contractor shall provide 14 calendar days’ notice prior to any scheduled downtime. | <6 hours each month | 6% |
| 7 | Service Availability | All application functionality and accessibility shall be maintained at 99.5% uptime performance levels. Contractor shall minimize or eliminate unscheduled network downtime to .5% or less. | <99.5% | 2% |
| 8 | Notification of Security Incident | Notification of a Security Incident within 10 minutes of occurrence | 24 Hours | N/A |
| 9 | Security Incident Reporting | Security incident reporting requirement in 10 minutes or 1 hour | 10 Minutes –  1 Hour | N/A |
| 10 | System Restoration (Disaster Recovery – Non-Critical Applications) |  | 7 calendar days from declaration of disaster - 100% of the time | N/A |
| 11 | System File Restoration – 24x7x365 requests | 95% of file restoration within four (4) hours of failure | 100% of the time | 2% |
| 12 | Backups – As Scheduled and Accurate |  | 99% of the time | N/A |
| 13 | Payment Processing | Completed within 1 Business Day of receipt | 100% of the time | N/A |
| 14 | Market Outreach | Semi-annually to 100% of payees not utilizing electronic methods for incoming payments | 100% of the time | N/A |

The State shall have the unilateral right to reallocate percentages among the various SLAs annually on the anniversary of the Contract, provided that such reallocation will not exceed the cap identified in **Section** **2.6.5**.

### Problem Response Definitions and Times

The Contractor shall meet the Problem response time and resolution requirements.

The Contractor shall provide a monthly report to monitor and detail response times and resolution times.

| **Service Priority** | **Response Time** | **Resolution Time** | **Response Availability** | **Work Outage** | **Users Affected** |
| --- | --- | --- | --- | --- | --- |
| Emergency | Less than 15 minutes | Within 2 hours of first report | 24 hours per day, seven days per week | Major portions of the System are inaccessible.  Systems or users are unable to work, or to perform some portion of their job. | Users or internal System functionalities are impaired. To include CSA Central staff, Local offices, NCPs, Employers |
| High | Less than 30 minutes | Within 4 hours after first report | 24 hours per day, seven days per week | Major portions of the System are inaccessible.  Systems or users are unable to work, or to perform some portion of their job. | Affects the majority of users to include public facing users: CSA Central staff, Local offices, NCPs, Employers. |
| Normal | Within 2 hours | Within 1 day (24 hours) after first report. If the outage is not resolved a resolution plan must be in place. | Mon-Fri, 7AM-7PM | Specific non-critical features are not operating as specified.  Systems or users are unable to perform a small portion of their job but are able to complete most tasks. | Affects a number of users: CSA Central staff, Local offices, NCPs, Employers. |
| Low | Within 2 hours | Within 3 days (72 hours) after first report. If the outage is not resolved a resolution plan must be in place. | Mon-Fri, 7AM-7PM | Lower priority features that can be done manually are not operating as specified.  Often a request for service with ample lead time. | Affects a number of users: CSA Central staff, Local offices, NCPs, Employers. |

# Contractor Requirements: General

## Contract Initiation Requirements

1. Contractor shall attend, within five Business days of the NTP Date, a post-award Kick-Off Meeting with the State’s CSA team to understand and communicate timelines and known requirements relative to the Transition-In Plan and Contract requirements.
2. The Transition-In Plan shall be submitted with the Proposal. To facilitate a smooth and seamless transition of the Maryland SDU with no interruption of service, the Contractor shall:

1. Implement its transition plan to ensure implementation of all payment processing functions within ninety (90) calendar days after the Contract start date. The Contractor shall implement the transition milestones within the number of days specified in the Deliverables, Section 2.4.

2. Report the results of the transition to the State’s Project Manager in a document entitled “Transition Period Results” due within eighty- five (85) days of NTP. Satisfactory progress as determined by the State’s Project Manager will be the basis of acceptance. If the State’s Project Manager does not see conclusive results by the Contractor to ensure a smooth and effective complete transition to the Contractor, the transition of functions to the Contractor may not go forward and may be the basis for the State to terminate the contract. If the State’s Project Manager determines that the Contractor has made sufficient progress for transition and demonstrates that a smooth transition to the Contractor is in the best interest of the State, the Transition Period Results will be accepted by the State.

C. The Transition-In Plan shall specifically address in detail milestones and key deliverables dates; key transition personnel; the reporting mechanism for providing, at a minimum; weekly reports during the transition; any experiences and concerns considered important and relevant; and the required involvement of the incumbent contractor.

D. During the Transition-In Period, and in accordance with the Deliverables chart, the Contractor shall:

Provide to the SDU Director a comprehensive Project Management Plan within ten (10) calendar days of the date contained in the NTP. The Project Management Plan shall address the nine PMBOK areas. The Project Management Plan shall define how the Contractor shall apply its project management methodology to achieve maximum benefit for the State. This project will be following the best practices as identified by Project Management Institute (PMI).

1. Develop a Project Schedule that includes fields to track the task, resource, planned start date, revised start date, actual start date, planned end date, revised end date, actual end date, percent complete, and task dependencies. The Project Schedule shall include all major tasks that will be required to complete the project including activities to be performed by CSA. The Project Schedule shall be developed using MS Project and be published in MS Project and Adobe PDF. The SDU Director will review and approve the baseline Project Schedule. A copy of the Project Schedule shall be provided to the SDU Director at a weekly status meeting, and with the Contractor’s monthly report.
2. Deliver to the SDU Director a final Staffing Management Plan within ten (10) calendar days from the NTP. The Contractor shall review and update this plan when there are changes in staffing or every six months, whichever comes first.
3. Submit to SDU Director a thorough, separate, and complete Risk Management Plan. The Plan shall include the Contractor’s approach to managing risk as well as describe the Contractor’s understanding of risk management. A risk register shall be kept on an ongoing basis and shall include: all project related risks, initial risk prioritization (urgency), and potential risk impacts (each risk), risk responses (each risk), risk mitigation strategy (each risk) as well as risk mitigation / assignments (the Contractor staff responsible for the mitigation / response to each specific risk). The risk register shall be reviewed and updated in accordance with the risk management plan no less than monthly.
4. Develop and maintain a separate Communication Management Plan that serves as the guideline to manage communications across the enterprise including status reporting and other key communications. The Contractor shall:

a. Submit a draft Communication Management Plan within fifteen (15) calendar days from the NTP. The Communication Management Plan shall be issued in draft form for review. The SDU Director will provide comments to the Contractor within five Business days of the draft submission.

b. Submit the final Communication Management Plan shall be issued within five calendar days of the receipt of the SDU Director’s comments.

c. Periodically update the Plan throughout the life of the project as changes occur.

d. Hold weekly status meetings with the SDU Director and other appropriate DHS staff. The updates shall include a brief written status report at a minimum and provide the following information:

1. activities completed.
2. upcoming activities; and
3. customer/stakeholder relationship management changes and any risk management update.
4. Provide a Configuration Management Plan that addresses the methods and tools to be used for maintenance problem reporting, and version control to maintain software.

1. Provide a draft Quality Assurance/Quality Control Plan within forty-five (45) calendar days of the NTP to describe methods, procedures, and measures followed to implement quality

installations, releases, and upgrades to existing and new systems in the SDU.

1. Provide a monthly progress report due within thirty (30) days of the month

following the close of the period. At a minimum, the monthly progress report shall contain:

a. Agency name.

b. Contract number.

c. Functional area name and number.

d. Work accomplished during the month.

e. Plan progress, as a percentage of completion.

f. Problem areas, including scope creep or deviation from the

work plan.

g. Planned activities for the next reporting period.

h. Quality Assurance Review (QAR) Committee activities, as applicable.

i. Gantt chart updated from the original to show actual progress; as

applicable,

j. Explanations for variances and plan for completion on schedule; and

k. An accounting report for the current reporting period and a cumulative summary of the totals for both the current and previous reporting periods.

The accounting report shall include amounts invoiced-to-date and paid-to-date.

l. A summary of the any security incidents or violations and the current status.

9. Prepare and send notice to all non-custodial parents and employers advising of web

based payments options, IVR options and any fees involved thirty (30) days before

the Go Live date.

## End of Contract Transition

1. Beginning at least 365 calendar days before the end of the Contract (either the base contract term without the renewal option being exercised or for any renewal option period if exercised) and continuing throughout the 365 day period, at a time requested by the State, the Contractor shall support end-of-Contract transition efforts with technical and project support to include but not be limited to:
2. A report of any outstanding deliverables tasks and time frames for completion (within five Business days after receipt of request from the State).
3. All services and/or deliverables are completed and approved (within five Business days after receipt of request from the State).
4. All source code, object code, design and architecture documentation and all data files are delivered to the State (within five Business days after receipt of request from the State).
5. Reports that provide:
6. Results of any final audit (within five Business days after receipt of request from the State).
7. Audit of Contractor’s unidentified collections (within five Business days after receipt of request from the State).
8. All documentation is updated to include all modifications to the Contractor’s proprietary system. Documentation shall be written in plain English and be by hardcopy and at least one electronic copy on CD in MS Word or applicable medium and format at the time of turnover (within five Business days after receipt of request from the State).
9. All required support, training, and transition information to State staff (within five Business days after receipt of request from the State).
10. All electronic data files from the front-end payment processing system on CD in EXCEL or applicable medium and format at the time of turnover (within five Business days after receipt of request from the State).
11. All electronic data files from the Transaction Request system and hard copy documentation (within five Business days after receipt of request from the State).
12. All hard copy Non-IV-D, recoupment, direct deposit, and debit card records (within five Business days after receipt of request from the State).
13. Records of final bank reconciliation and outstanding forgery reimbursement package and validated final deposit (within five Business days after receipt of request from the State).
14. In addition, the Contractor shall provide the following:
15. Access to operating systems for training during normal working hours (8:00 a.m. until 6:00 p.m.).
16. Space, desks, reasonable office support (copiers, etc.) provided for six transition staff of the successor contractor or the Department.
17. Full cooperation in transferring operations to the State or a successor contractor beginning ninety (90) calendar days before Contract expiration.
18. One-hundred eighty (180) calendar days prior to Contract expiration, an updated final Transition-Out Plan. In this regard, the update to the plan shall contain descriptions of changes related to the resources that the Contractor will commit and the functions that the contractor will perform, along with time frames, in transferring the operation to the State or a successor contractor. Complete all turnover activities as provided for in the contractor’s updated final turnover plan and within timeframes that will enable the successful takeover of the operation with no delays or decreases in services.

**NOTE: If DHS exercises the option period, the Transition Out Plan will be updated annually at the beginning of each year during all option periods. The plan shall be updated within sixty (60) calendar days of the start of each year during the option periods. No less than thirty (30) calendar days before the end of the Contract during the *Transition Out* phase, the Contractor shall submit, a revised transition out plan.**

1. Access to any data or configurations of the furnished product and services shall be available after the expiration of the Contract as described in Section 3.2.5.

### Return and Maintenance of State Data

1. Upon termination or the expiration of the Contract Term, the Contractor shall: (i) return to the State all State data in either the form it was provided to the Contractor or in a mutually agreed format along with the schema necessary to read such data; (ii) preserve, maintain, and protect all State data until the earlier of a direction by the State to delete such data or the expiration of 90 days (“the retention period”) from the date of termination or expiration of the Contract term; (iii) after the retention period, the Contractor shall securely dispose of and permanently delete all State data in all of its forms, such as disk, CD/DVD, backup tape and paper such that it is not recoverable, according to National Institute of Standards and Technology (NIST)-approved methods with certificates of destruction to be provided to the State; and (iv) prepare an accurate accounting from which the State may reconcile all outstanding accounts. The final monthly invoice for the services provided hereunder shall include all charges for the 90-day data retention period.
2. During any period of service suspension, the Contractor shall maintain all State data in its then existing form, unless otherwise directed in writing by the State Contract Monitor.
3. In addition to the foregoing, the State shall be entitled to any post-termination/expiration assistance generally made available by Contractor with respect to the services.

## Invoicing

### General

1. The Contractor shall send a hard copy and e-mail the original of each invoice, the Expenditure Report Invoice **(See Exhibit 9)** and signed authorization to invoice to the Contract Monitor and SDU director. All invoices for services shall be verified by the Contractor as accurate at the time of submission.
2. An invoice not satisfying the requirements of a Proper Invoice (as defined at COMAR 21.06.09.01 and .02) cannot be processed for payment. To be considered a Proper Invoice, invoices must include the following information, without error:
   1. Contractor name and address.
   2. Remittance address.
   3. Federal taxpayer identification (FEIN) number, social security number, as appropriate.
   4. Invoice period (i.e., time period during which services covered by invoice were performed);
   5. Invoice date.
   6. Invoice number.
   7. State assigned Contract number.
   8. State assigned (Blanket) Purchase Order number(s);
   9. Goods or services provided.
   10. Amount due; and
   11. Any additional documentation required by regulation or the Contract.
3. Invoices that contain both fixed price and time and material items shall clearly identify each item as either fixed price or time and material billing.
4. The Department reserves the right to reduce or withhold Contract payment in the event the Contractor does not provide the Department with all required deliverables within the time frame specified in the Contract or otherwise breaches the terms and conditions of the Contract until such time as the Contractor brings itself into full compliance with the Contract.
5. Any action on the part of the Department, or dispute of action by the Contractor, shall be in accordance with the provisions of Md. Code Ann., State Finance and Procurement Article §§ 15-215 through 15-223 and with COMAR 21.10.04.
6. The State is generally exempt from federal excise taxes, Maryland sales and use taxes, District of Columbia sales taxes and transportation taxes. The Contractor, however, is not exempt from such sales and use taxes and may be liable for the same.
7. Invoices for final payment shall be clearly marked as “FINAL” and submitted when all work requirements have been completed and no further charges are to be incurred under the Contract. In no event shall any invoice be submitted later than 60 calendar days from the Contract termination date.

### Invoice Submission Schedule

The Contractor shall submit invoices in accordance with the following schedule:

1. For items of work for which there is one-time pricing (see **Attachment B** – Financial Proposal Form) those items shall be billed in the month following the acceptance of the work by the Department.
2. For items of work for which there is annual pricing, see **Attachment B**– Financial Proposal Form, those items shall be billed in equal monthly installments for the applicable Contract year in the month following the performance of the services.

### Travel Reimbursement

Travel will not be reimbursed under this RFP.

## Liquidated Damages

### MBE Liquidated Damages Only

MBE liquidated damages are identified in Attachment M.

## Disaster Recovery and Data

The following requirements apply to the Contract:

### Redundancy, Data Backup and Disaster Recovery

1. Unless specified otherwise in the RFP, Contractor shall maintain or cause to be maintained disaster avoidance procedures designed to safeguard State data and other confidential information, Contractor’s processing capability and the availability of hosted services, in each case throughout the Contract term. Any force majeure provisions of the Contract do not limit the Contractor’s obligations under this provision.
2. The Contractor shall have robust contingency and disaster recovery (DR) plans in place to ensure that the services provided under the Contract will be maintained in the event of disruption to the Contractor/subcontractor’s operations (including, but not limited to, disruption to information technology systems), however caused.
   1. The Contractor shall furnish a DR site.
   2. The DR site shall be at least 50 miles from the primary operations site and have the capacity to take over complete production volume in case the primary site becomes unresponsive.
3. The contingency and DR plans must be designed to ensure that services under the Contract are restored after a disruption within twenty-four (24) hours from notification and a recovery point objective of one (1) hour or less prior to the outage in order to avoid unacceptable consequences due to the unavailability of services.
4. The Contractor shall test the contingency/DR plans at least twice annually to identify any changes that need to be made to the plan(s) to ensure a minimum interruption of service. Coordination shall be made with the State to ensure limited system downtime when testing is conducted. At least one (1) annual test shall include backup media restoration and failover/fallback operations at the DR location. The Contractor shall send the Contract Monitor a notice of completion following completion of DR testing.
5. Such contingency and DR plans shall be available for the Department to inspect and practically test at any reasonable time, and subject to regular updating, revising, and testing throughout the term of the Contract.

### Data Export/Import

1. The Contractor shall, at no additional cost or charge to the State, in an industry standard/non-proprietary format:
   1. perform a full or partial import/export of State data within 24 hours of a request; or
   2. provide to the State the ability to import/export data at will and provide the State with any access and instructions which are needed for the State to import or export data.
2. Any import or export shall be in a secure format per the Security Requirements.

### Data Ownership and Access

1. Data, databases and derived data products created, collected, manipulated, or directly purchased as part of a RFP are the property of the State. The purchasing State agency is considered the custodian of the data and shall determine the use, access, distribution and other conditions based on appropriate State statutes and regulations.
2. Public jurisdiction user accounts and public jurisdiction data shall not be accessed, except (1) in the course of data center operations, (2) in response to service or technical issues, (3) as required by the express terms of the Contract, including as necessary to perform the services hereunder or (4) at the State’s written request.
3. The Contractor shall limit access to and possession of State data to only Contractor Personnel whose responsibilities reasonably require such access or possession and shall train such Contractor Personnel on the confidentiality obligations set forth herein.
4. At no time shall any data or processes – that either belong to or are intended for the use of the State or its officers, agents or employees – be copied, disclosed or retained by the Contractor or any party related to the Contractor for subsequent use in any transaction that does not include the State.
5. The Contractor shall not use any information collected in connection with the services furnished under the Contract for any purpose other than fulfilling such services.
   * 1. Provisions in Sections 3.5.1 – 3.5.3 shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of Sections 3.5.1-3.5.3 (or the substance thereof) in all subcontracts.

## Insurance Requirements

The Contractor shall maintain, at a minimum, the insurance coverages outlined below, or any minimum requirements established by law if higher, for the duration of the Contract, including option periods, if exercised:

* + 1. The following type(s) of insurance and minimum amount(s) of coverage are required:

1. Commercial General Liability - of $3,000,000 combined single limit per occurrence for bodily injury, property damage, and personal and advertising injury and $5,000,000 annual aggregate. The minimum limits required herein may be satisfied through any combination of primary and umbrella/excess liability policies.
2. Errors and Omissions/Professional Liability - $3,000,000 per combined single limit per claim and $5,000,000 annual aggregate.
3. Crime Insurance/Employee Theft Insurance - to cover employee theft with a minimum single loss limit of $3,000,000 per loss, and a minimum single loss retention not to exceed $10,000. The State of Maryland and the Department shall be added as a “loss payee.”
4. Cyber Security / Data Breach Insurance – (For any service offering hosted by the Contractor) ten million dollars ($5,000,000) per occurrence. The coverage must be valid at all locations where work is performed or data or other information concerning the State’s claimants or employers is processed or stored.
5. Worker’s Compensation - The Contractor shall maintain such insurance as necessary or as required under Workers’ Compensation Acts, the Longshore and Harbor Workers’ Compensation Act, and the Federal Employers’ Liability Act, to not be less than one million dollars ($1,000,000) per occurrence (unless a state’s law requires a greater amount of coverage). Coverage must be valid in all states where work is performed.
6. Automobile or Commercial Truck Insurance - The Contractor shall maintain Automobile or Commercial Truck Insurance (including owned, leased, hired, and non-owned vehicles) as appropriate with Liability, Collision, and PIP limits no less than those required by the State where the vehicle(s) is registered, but in no case less than those required by the State of Maryland.
   * 1. The State shall be listed as an additional insured on the faces of the certificates associated with the coverages listed above, including umbrella policies, excluding Workers’ Compensation Insurance and professional liability.
     2. All insurance policies shall be endorsed to include a clause requiring the insurance carrier provide the Procurement Officer, by certified mail, not less than 30 days’ advance notice of any non-renewal, cancellation, or expiration. The Contractor shall notify the Procurement Officer in writing, if policies are cancelled or not renewed within five (5) days of learning of such cancellation or nonrenewal. The Contractor shall provide evidence of replacement insurance coverage to the Procurement Officer at least fifteen (15) days prior to the expiration of the insurance policy then in effect.
     3. Any insurance furnished as a condition of the Contract shall be issued by a company authorized to do business in the State.
     4. The recommended awardee must provide current certificate(s) of insurance with the prescribed coverages, limits and requirements set forth in this section within five (5) Business Days from notice of recommended award. During the period of performance for multi-year contracts, the Contractor shall provide certificates of insurance annually, or as otherwise directed by the Contract Monitor.
     5. Subcontractor Insurance

The Contractor shall require any subcontractors to obtain and maintain comparable levels of coverage and shall provide the Contract Monitor with the same documentation as is required of the Contractor.

## Security Requirements

The following requirements are applicable to the Contract:

### Employee Identification

1. Contractor Personnel shall display his or her company ID badge in a visible location at all times while on State premises. Upon request of authorized State personnel, each Contractor Personnel shall provide additional photo identification.
2. Contractor Personnel shall cooperate with State site requirements, including but not limited to, being prepared to be escorted at all times, and providing information for State badge issuance.
3. Contractor shall remove any Contractor Personnel from working on the Contract where the State determines, in its sole discretion, that Contractor Personnel has not adhered to the Security requirements specified herein.
4. The State reserves the right to request that the Contractor submit proof of employment authorization of non-United States Citizens, prior to commencement of work under the Contract.

### Security Clearance / Criminal Background Check

1. A criminal background check for any Contractor Personnel providing services shall be completed prior to each Contractor Personnel providing any services under the Contract or accessing DHS data or Federal Tax Information (FTI) (including but not limited to electronic data and/or paper files).  The CJIS background check shall cover a period of ten (10) years.
2. The Contractor shall obtain at its own expense a Criminal Justice Information System (CJIS) State and Federal criminal background check, which shall include at a minimum: fingerprinting, a check of local law enforcement records where the individual has lived, worked, or attended school within the last five (5) years, and a check of citizenship/residency, for each individual performing services for the Contractor.  The Contractor shall complete the USCIS Form I-9 to document verification of the identity and employment authorization of each new employee.  Within three (3) days of completion, the Contractor shall process the new employee through E-Verify to assist with verification of his/her status and the documents provided.  The E-Verify is free of charge and can be located at [www.uscis.gov/e-verify](http://www.uscis.gov/e-verify).
3. The CJIS criminal record check of each Contractor Personnel who will work on the Contract shall be reviewed by the Contractor for convictions of any of the following crimes described in the Annotated Code of Maryland, Criminal Law Article:
   1. §§ 6-101 through 6-104, 6-201 through 6-205, 6-409 (various crimes against property).
   2. any crime within Title 7, Subtitle 1 (various crimes involving theft).
   3. §§ 7-301 through 7-303, 7-313 through 7-317 (various crimes involving telecommunications and electronics).
   4. §§ 8-201 through 8-302, 8-501 through 8-523 (various crimes involving fraud).
   5. §§9-101 through 9-417, 9-601 through 9-604, 9-701 through 9-706.1 (various crimes against public administration); or
   6. a crime of violence as defined in CL § 14-101(a).
4. Contractor Personnel with access to systems supporting the State or to State data who have been convicted of a felony or of a crime involving telecommunications and electronics from the above list of crimes shall not be permitted to work on State premises under the Contract; Contractor Personnel who have been convicted within the past five (5) years of a misdemeanor from the above list of crimes shall not be permitted to work on State premises.
5. Provide a Criminal Background Check Affidavit (**See Attachment P)** for each employee, contractor, and/or subcontractor certifying to the Department that a background check has been performed. After award, the Affidavits shall be submitted to the State Contract Monitor. Criminal background checks or reinvestigations must be conducted on all employees assigned to work under the Contract annually from the date of the previous background investigation.
6. If a prospective employee has been convicted of a criminal offense, including Probation Before Judgment, other than an offense listed above, or if the conviction is more than three (3) years old, the Contractor shall make an initial individualized assessment of whether to hire. The Department reserves the right to reject any of Contractor’s employees or subcontractors that DHS determines, in its sole discretion, to be inconsistent with the performance and/or security requirements set forth in this DHS policy.
7. DHS reserves the right to perform additional background checks or spot audits to ensure the background checks have been completed and are current. DHS may randomly request a copy of a background check for any individual associated with the Contract. The Contractor shall provide a copy of the background check within 24 hours of the request.
8. The Contractor shall ensure that any replacement personnel have a background check before starting employment.

### On-Site Security Requirement(s)

1. For the conditions noted below, Contractor Personnel may be barred from entrance or leaving any site until such time that the State’s conditions and queries are satisfied.
   1. Contractor Personnel may be subject to random security checks when entering and leaving State secured areas. The State reserves the right to require Contractor Personnel to be accompanied while on secured premises.
   2. Some State sites, especially those premises of the Department of Public Safety and Correctional Services, require each person entering the premises to document and inventory items (such as tools and equipment) brought onto the site, and to submit to a physical search of his or her person. Therefore, Contractor Personnel shall always have available an inventory list of tools being brought onto a site and be prepared to present the inventory list to the State staff or an officer upon arrival for review, as well as present the tools or equipment for inspection. Before leaving the site, the Contractor Personnel will again present the inventory list and the tools or equipment for inspection. Upon both entering the site and leaving the site, State staff or a correctional or police officer may search Contractor Personnel. Depending upon facility rules, specific tools or personal items may be prohibited from being brought into the facility.
2. Any Contractor Personnel who enters the premises of a facility under the jurisdiction of the Department may be searched, fingerprinted (for the purpose of a criminal history background check), photographed, present photo ID provide information for the obtaining of State-issued Contractor-ID-badges, wear Contractor-issued and State-issued security badges prominently when inside State facilities and presenting ID upon request at any time.
3. Further, Contractor Personnel shall not violate Md. Code Ann., Criminal Law Art. Section 9-410 through 9-417 and such other security policies of the agency that controls the facility to which the Contractor Personnel seeks access. The failure of any of the Contractor Personnel to comply with any provision of the Contract is sufficient grounds for the State to immediately terminate the Contract for default.
4. The contractor shall agree to enter into a connectivity agreement with DHS. The agreement shall include, but not be limited to, the following:
5. Not attaching any non-State-owned computers to any State network without prior written permission and assurances that the State security standards are met. Commercially available diagnostic tools may receive a blanket approval for use on the network, State owned PCs or other equipment as necessary to diagnose and resolve incidents.
6. Security settings must be maintained to meet or exceed State security standards.
7. Once established, no security provisions for firewalls, client, and server computers shall be modified without written State approval.
8. Current updated virus software and virus definition files that are enabled to perform real time scans shall be maintained on all Contractor-supplied hardware.
9. Dialup modem use is specifically disallowed while attached to the State network.
10. Contractor shall not install or utilize remote control or file sharing software unless explicitly approved in writing by the State.

### Information Technology

1. Contractors shall comply with and adhere to the State IT Security Policy and Standards. These policies may be revised from time to time and the Contractor shall comply with all such revisions. Updated and revised versions of the State IT Policy and Standards are available online at: [www.doit.maryland.gov](http://www.doit.maryland.gov) – keyword: Security Policy.
2. Contractors shall comply with and adhere to IRS Publication 1075 latest revision and comply and adhere to any new guidance or revisions that come from the IRS. Ensure that electronic images and data storage solutions adhere to IRS Publication 1075 Guidelines for encryption, so that they may be retrievable by date, batch number and by sequence number within each batch. The hard copy source documents related to financial instruments shall be shredded ninety (90) calendar days after receipt. Destruction of documents that contain Federal Tax Information (FTI) shall be destroyed in the manner specified in IRS Publication 1075, Destruction Methods. All electronic images of financial instruments and related source documents retained by the Contractor shall be turned over to the SDU Director within thirty (30) calendar days prior to the end of the Contract.
3. The Contractor shall adhere to the IRS Safeguards Program, IRS Publication 1075 (<https://www.irs.gov/pub/irs-pdf/p1075.pdf>) and those outlined in CSA’s Child Support Administration Annual Internal Revenue Service (IRS) Employee Awareness (See Exhibit 8), maintaining federal Policy and Guidelines, IRS Security of Confidential Information, Official Documents, Tax Data, Personnel and Property 30.6.1 (<http://www.irs.gov/irm/part30/irm_30-006-001.html>).
4. The Contractor shall not place confidential or sensitive data on any application servers, database servers, or infrastructure components that require direct access from the Internet. Components that meet these criteria must be placed behind a DMZ where they are not accessible from the Internet and can only interact with DMZ components through a firewall.
5. The Contractor shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor-owned equipment to a State LAN/WAN.

The Contractor shall:

* 1. Implement administrative, physical, and technical safeguards to protect State data that are no less rigorous than accepted industry best practices for information security such as those listed below (see **Section 3.7.5**);
  2. Ensure that all such safeguards, including the manner in which State data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws as well as the terms and conditions of the Contract; and
  3. The Contractor, and Contractor Personnel, shall (i) abide by all applicable federal, State and local laws, rules and regulations concerning security of Information Systems and Information Technology and (ii) comply with and adhere to the State IT Security Policy and Standards as each may be amended or revised from time to time. Updated and revised versions of the State IT Policy and Standards are available online at: www.doit.maryland.gov – keyword: Security Policy.

### Data Protection and Controls

1. Contractor shall ensure a secure environment for all State data and any hardware and software (including but not limited to servers, network and data components) provided or used in connection with the performance of the Contract and shall apply or cause application of appropriate controls so as to maintain such a secure environment (“Security Best Practices”). Such Security Best Practices shall comply with an accepted industry standard, such as the NIST cybersecurity framework.
2. To ensure appropriate data protection safeguards are in place, the Contractor shall implement and maintain the following controls at all times throughout the Term of the Contract (the Contractor may augment this list with additional controls):
   1. Establish separate production, test, and training environments for systems supporting the services provided under the Contract and ensure that production data is not replicated in test or training environment(s) unless it has been previously anonymized or otherwise modified to protect the confidentiality of Sensitive Data elements. The Contractor shall ensure the appropriate separation of production and non-production environments by applying the data protection and control requirements listed in **Section** **3.7.5**.
   2. Apply hardware and software hardening procedures as recommended by Center for Internet Security (CIS) guides https://www.cisecurity.org/, Security Technical Implementation Guides (STIG) <https://public.cyber.mil/stigs/>, or similar industry best practices to reduce the systems’ surface of vulnerability, eliminating as many security risks as possible and documenting what is not feasible or not performed according to best practices. Any hardening practices not implemented shall be documented with a plan of action and milestones including any compensating control. These procedures may include but are not limited to removal of unnecessary software, disabling or removing unnecessary services, removal of unnecessary usernames or logins, and the deactivation of unneeded features in the Contractor’s system configuration files.
   3. Ensure that State data is not comingled with non-State data through the proper application of compartmentalization Security Measures.
   4. Apply data encryption to protect Sensitive Data at all times, including in transit, at rest, and also when archived for backup purposes. Unless otherwise directed, the Contractor is responsible for the encryption of all Sensitive Data.
   5. For all State data the Contractor manages or controls, data encryption shall be applied to such data in transit over untrusted networks.
   6. Encryption algorithms which are utilized for encrypting data shall comply with current Federal Information Processing Standards (FIPS), “Security Requirements for Cryptographic Modules”, FIPS PUB 140-2:

<http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf>

<http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/1401vend.htm>

* 1. Enable appropriate logging parameters to monitor user access activities, authorized and failed access attempts, system exceptions, and critical information security events as recommended by the operating system and application manufacturers and information security standards, including Maryland Department of Information Technology’s Information Security Policy.
  2. Retain the aforementioned logs and review them at least daily to identify suspicious or questionable activity for investigation and documentation as to their cause and remediation, if required. The Department shall have the right to inspect these policies and procedures and the Contractor or subcontractor’s performance to confirm the effectiveness of these measures for the services being provided under the Contract.
  3. Ensure system and network environments are separated by properly configured and updated firewalls.
  4. Restrict network connections between trusted and untrusted networks by physically or logically isolating systems from unsolicited and unauthenticated network traffic.
  5. By default “deny all” and only allow access by exception.
  6. Review, at least annually, the aforementioned network connections, documenting and confirming the business justification for the use of all service, protocols, and ports allowed, including the rationale or compensating controls implemented for those protocols considered insecure but necessary.
  7. Perform regular vulnerability testing of operating system, application, and network devices. Such testing is expected to identify outdated software versions; missing software patches; device or software misconfigurations; and to validate compliance with or deviations from the security policies applicable to the Contract. Contractor shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and remediate the vulnerability no later than 30 days following the earlier of vulnerability’s identification or public disclosure, or document why remediation action is unnecessary or unsuitable. The Department shall have the right to inspect the Contractor’s policies and procedures and the results of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.
  8. Enforce strong user authentication and password control measures to minimize the opportunity for unauthorized access through compromise of the user access controls. At a minimum, the implemented measures should be consistent with the most current Maryland Department of Information Technology’s Information Security Policy (<https://doit.maryland.gov/policies/Pages/default.aspx>), including specific requirements for password length, complexity, history, and account lockout below:

      a. At least twelve (12) non-blank characters.

                                                        b. Characters from three (3) of the following

                                                            four (4) categories:

                                                       1. At least one (1) upper-case

                                                             characters (A-Z).

2. At least one (1) lower-case

                                                             characters (a-z).

                                                       3. At least one (1) numbers based on 10 digits

  (0-9).

                                                         4. At least one (1) non-alphanumeric/special

characters (ex.! $, #;)

c. Enforce at least three (3) changed character rule

when new passwords are created.

d. Store and transmit only encrypted representation of

passwords using FISMA compliant valid encryption

as defined by NIST standards.

e. Enforce a password minimum lifetime restriction of

two (2) days and a maximum lifetime restriction of

90 days.

f. Service account passwords may be set to never

expire, but must be denied local logon, and must be

identified in the system’s SSP and supporting

documentation for tracking.

g. Prohibit password reuse for a specific account for 24

generations or four (4) years.

h. Allow the use of a temporary password for system

logons with an immediate change to a permanent password.

j. Password-protect system initialization (boot) settings.

k. Passwords must not contain:

Account Username

Beginning or trailing blanks

More than two identical characters in a row

Recommendations for passwords include avoiding predictability and the following.

* 1. Ensure State data is not processed, transferred, or stored outside of the United States (“U.S.”). The Contractor shall provide its services to the State and the State’s end users solely from data centers in the U.S. Unless granted an exception in writing by the State, the Contractor shall not allow Contractor Personnel to store State data on portable devices, including personal computers, except for devices that are used and kept only at its U.S. data centers. The Contractor shall permit its Contractor Personnel to access State data remotely only as required to provide technical support.
  2. Ensure Contractor’s Personnel shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State, which may be revoked at any time for any reason. The Contractor shall complete any necessary paperwork as directed and coordinated with the Contract Monitor to obtain approval by the State to connect Contractor -owned equipment to a State LAN/WAN.
  3. Ensure that anti-virus and anti-malware software is installed and maintained on all systems supporting the services provided under the Contract; that the anti-virus and anti-malware software is automatically updated; and that the software is configured to actively scan and detect threats to the system for remediation. The Contractor shall perform routine vulnerability scans and take corrective actions for any findings.
  4. Conduct regular external vulnerability testing designed to examine the service provider’s security profile from the Internet without benefit of access to internal systems and networks behind the external security perimeter. Evaluate all identified vulnerabilities on Internet-facing devices for potential adverse effects on the service’s security and integrity and remediate the vulnerability promptly or document why remediation action is unnecessary or unsuitable. The Department shall have the right to inspect these policies and procedures and the performance of vulnerability testing to confirm the effectiveness of these measures for the services being provided under the Contract.

### Security Logs and Reports Access

1. For a SaaS or non-State hosted solution, the Contractor shall provide reports to the State in a mutually agreeable format.
2. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State files related to the Contract.

### Security Plan

1. The Contractor shall protect State data according to a written security policy (“Security Plan”) no less rigorous than that of the State and shall supply a copy of such policy to the State for validation, with any appropriate updates.
2. The Security Plan shall meet Systems Security chapter of the FNS Handbook 901: <http://www.fns.usda.gov/apd/Handbook_901/V_1-4/Chapter_8-Security.pdf> including assessments no less than biennially, written reports, and completion of any mitigation plans. In addition to this security compliance requirement, the Vendor will also need to be in compliant with Section 3.7 Security Requirements to address the required security compliance related to this section.
3. The Security Plan shall detail the steps and processes employed by the Contractor as well as the features and characteristics which will ensure compliance with the security requirements of the Contract.

### Security Incident Response

1. The Contractor shall notify the Department in accordance with **Section 3.7.8A-D** when any Contractor system that may access, process, or store State data or State systems experiences a Security Incident or a Data Breach.

At a minimum, the following events shall be considered a Security Incident or Data Breach:

1. Two or more failed attempts per system per day to access or modify security files, password tables or security devices.

2. Disabled logging or attempts to disable logging.

3. Two or more failed attempts to access or modify confidential information within a week (five Business days); and

4. Any unauthorized attempts to modify software or to disable hardware configurations.

The Contractor shall:

* 1. Notify the Department within twenty-four (24) hours of the discovery of a Security Incident by providing notice via written or electronic correspondence to the Contract Monitor, Department chief information officer and Department chief information security officer.
  2. Notify the Department within two (2) hours if there is a threat to Contractor’s Solution as it pertains to the use, disclosure, and security of State data; and
  3. Provide written notice to the Department within one (1) Business Day after Contractor’s discovery of unauthorized use or disclosure of State data and thereafter all information the State (or the Department) requests concerning such unauthorized use or disclosure.

1. Contractor’s notice shall identify:
   1. The nature of the unauthorized use or disclosure.
   2. The State data used or disclosed.
   3. Who made the unauthorized use or received the unauthorized disclosure.
   4. What the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and
   5. What corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.
   6. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.
2. The Contractor may need to communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing Security Incidents with the State should be handled on an urgent as-needed basis, as part of Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the Contract.
3. The Contractor shall comply with all applicable laws that require the notification of individuals in the event of unauthorized release of State data or other event requiring notification, and, where notification is required, assume responsibility for informing all such individuals in accordance with applicable law and to indemnify and hold harmless the State (or Department ) and its officials and employees from and against any claims, damages, and actions related to the event requiring notification.

### Data Breach Responsibilities

1. If the Contractor reasonably believes or has actual knowledge of a Data Breach, the Contractor shall, unless otherwise directed:
   1. Notify the appropriate State-identified contact within 24 hours by telephone in accordance with the agreed upon security plan or security procedures unless a shorter time is required by applicable law.
   2. Cooperate with the State to investigate and resolve the data breach.
   3. Promptly implement commercially reasonable remedial measures to remedy the Data Breach; and
   4. Document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services.
2. If a Data Breach is a direct result of the Contractor’s breach of its Contract obligation to encrypt State data or otherwise prevent its release, the Contractor shall bear the costs associated with (1) the investigation and resolution of the data breach; (2) notifications to individuals, regulators or others required by State law; (3) a credit monitoring service required by State or federal law; (4) a website or a toll-free number and call center for affected individuals required by State law; and (5) complete all corrective actions as reasonably determined by Contractor based on root cause; all [(1) through (5)] subject to the Contract’s limitation of liability.
   * 1. The State shall, at its discretion, have the right to review and assess the Contractor’s compliance to the security requirements and standards defined in the Contract.
     2. Provisions in **Sections** **3.7.1 – 3.7.10** shall survive expiration or termination of the Contract. Additionally, the Contractor shall flow down the provisions of **Sections** **3.7.4-3.7.10** (or the substance thereof) in all subcontracts.

## Problem Escalation Procedure

* + 1. The Contractor must provide and maintain a Problem Escalation Procedure (PEP) for both routine and emergency situations. The PEP must state how the Contractor will address problem situations as they occur during the performance of the Contract, especially problems that are not resolved to the satisfaction of the State within appropriate timeframes.
    2. The Contractor shall provide contact information to the Contract Monitor, as well as to other State personnel as directed should the Contract Monitor not be available.
    3. The Contractor must provide the PEP no later than ten (10) Business Days after notice of recommended award. The PEP, including any revisions thereto, must also be provided within ten (10) Business Days after the start of each Contract year and within ten (10) Business Days after any change in circumstance which changes the PEP. The PEP shall detail how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. The PEP shall include:

1. The process for establishing the existence of a problem.
2. Names, titles, and contact information for progressively higher levels of personnel in the Contractor’s organization who would become involved in resolving a problem.
3. For each individual listed in the Contractor’s PEP, the maximum amount of time a problem will remain unresolved with that individual before the problem escalates to the next contact person listed in the Contractor’s PEP.
4. Expedited escalation procedures and any circumstances that would trigger expediting them.
5. The method of providing feedback on resolution progress, including the frequency of feedback to be provided to the State.
6. Contact information for persons responsible for resolving issues after normal business hours (e.g., evenings, weekends, holidays) and on an emergency basis; and
7. A process for updating and notifying the Contract Monitor of any changes to the PEP.
   * 1. Nothing in this section shall be construed to limit any rights of the Contract Monitor or the State which may be allowed by the Contract or applicable law.

## SOC 2 Type 2 Audit Report

### A SOC 2 Type 2 Audit applies to the Contract. The applicable trust services criteria are: Security, Availability, Processing Integrity, Confidentiality, or Privacy as defined in the Guidance document identified in Section 3.9.2.

### In the event the Contractor provides services for identified critical functions, handles Sensitive Data, or hosts any related implemented system for the State under the Contract, the Contractor shall have an annual audit performed by an independent audit firm of the Contractor’s handling of Sensitive Data or the Department ’s critical functions. Critical functions are identified as all aspects and functionality of the Solution including any add-on modules and shall address all areas relating to Information Technology security and operational processes. These services provided by the Contractor that shall be covered by the audit will collectively be referred to as the “Information Functions and Processes.” Such audits shall be performed in accordance with audit guidance: Reporting on an Examination of Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly-recognized professional organization, as agreed to by the Department , to assess the security of outsourced client functions or data (collectively, the “Guidance”) as follows:

1. The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the “SOC 2 Audit” or “SOC 2 Report”). All SOC2 Audit Reports shall be submitted to the Contract Monitor as specified in Section F below. The initial SOC 2 Audit shall be completed within a timeframe to be specified by the State. The audit period covered by the initial SOC 2 Audit shall start with the Contract Effective Date unless otherwise agreed to in writing by the Contract Monitor. All subsequent SOC 2 Audits after this initial audit shall be performed at a minimum on an annual basis throughout the Term of the Contract and shall cover a 12-month audit period or such portion of the year that the Contractor furnished services.
2. The SOC 2 Audit shall report on the suitability of the design and operating effectiveness of controls over the Information Functions and Processes to meet the requirements of the Contract, including the Security Requirements identified in **Section 3.7**, relevant to the trust services criteria identified in 3.9.1: as defined in the aforementioned Guidance.
3. The audit scope of each year’s SOC 2 Report may need to be adjusted (including the inclusion or omission of the relevant trust services criteria of Security, Availability, Processing Integrity, Confidentiality, and Privacy) to accommodate any changes to the environment since the last SOC 2 Report. Such changes may include but are not limited to the addition of Information Functions and Processes through modifications to the Contract or due to changes in Information Technology or the operational infrastructure. The Contractor shall ensure that the audit scope of each year’s SOC 2 Report engagement shall accommodate these changes by including in the SOC 2 Report all appropriate controls related to the current environment supporting the Information Functions and/or Processes, including those controls required by the Contract.
4. The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the TO Contractor or essential support to the Information Functions and Processes provided to the Department under the Contract. The Contractor shall ensure the audit includes all such subcontractors operating in performance of the Contract.
5. All SOC 2 Audits, including those of the Contractor, shall be performed at no additional expense to the Department.
6. The Contractor shall provide to the Contract Monitor, within 30 calendar days of the issuance of each SOC 2 Report, a complete copy of the final SOC 2 Report(s) and a documented corrective action plan addressing each audit finding or exception contained in the SOC 2 Report. The corrective action plan shall identify in detail the remedial action to be taken by the Contractor along with the date(s) when each remedial action is to be implemented.
7. If the Contractor currently has an annual, independent information security assessment performed that includes the operations, systems, and repositories of the Information Functions and Processes being provided to the Department under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the Department will determine in consultation with appropriate State government technology and audit authorities whether the Contractor’s current information security assessments are acceptable in lieu of the SOC 2 Report(s).
8. If the Contractor fails during the Contract term to obtain an annual SOC 2 Report by the date specified in **Section 3.9.2.A**, the Department shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report of the Information Functions and Processes utilized or provided by the Contractor and under the Contract. The Contractor agrees to allow the independent audit firm to access its facility/ies for purposes of conducting this audit engagement(s), and will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. The Department will invoice the Contractor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Contractor.
9. Provisions in **Section 3.9.1-2** shall survive expiration or termination of the Contract. Additionally, the Contractor and shall flow down the provisions of **Section 3.9.1-2** (or the substance thereof) in all subcontracts.

## Experience and Personnel

### Preferred Offeror Experience

The following experience is expected and will be evaluated as part of the Technical Proposal (see the Offeror experience, capability, and references evaluation factors from Section 6.2):

A. At least three (3) years’ experience within the last seven (7) years’ operating an

SDU.

B. Demonstrated knowledge of same Business Day processing of payments, bank

reconciliation, and transaction processing.

1. Knowledge in child support program policies, laws, regulations, GAAP and GAAS.

As part of the determination to be considered reasonably susceptible of being selected for award, the Offeror must document in its Proposal that, within the last seven (7) years, the following have been met:

### The Offeror must have prior experience working with local, State and/or federal agencies implementing and operating a state’s collection and disbursement of child support payments.

### Required Documentation: As proof of meeting this requirement, the Offeror shall provide at least three reference letters that collectively attest to the Offeror’s required years of experience in operating and providing state disbursement services.

### Key Personnel Identified

For the Contract, the following positions to be identified in the Technical Proposal will be considered Key Personnel and shall be required to meet the qualifications stated herein.

1. Project/Operations Manager – This person is directly responsible for managing all aspects of the payment process functions and local mail processing and shall serve as the State’s point of contact regarding the services performed under the Contract. This person shall possess, at minimum, a bachelor’s degree from an accredited college or university and at least five years general project management experience and supervisory experience.
2. Systems IT Manager – This person shall be responsible for maintaining the Contractor’s local area network (LAN). In addition, this person shall provide technical assistance to the Contractor’s employees, perform daily maintenance, support moves, additions, and change requests to the network. This person shall possess a bachelor’s degree from an accredited college or university in Computer Information Technology, Management Information Systems, or other information technology related field. This person shall have a minimum of three years of experience providing IT network support.
3. Finance Manager – This person is responsible for managing the finance functions relating to payment processing. This person shall possess at minimum a bachelor’s degree in finance or accounting from an accredited college or university. This person shall have a minimum of four years of supervisory or management experience.
4. Quality Control Manager – This person is responsible for the oversight of the Contractor’s quality control program. This person shall possess, at minimum, a bachelor’s degree from an accredited college or university in finance or related field. This person shall have four years’ experience conducting internal operational audits that include elements for financial compliance, economy and efficiency, and program results.

**NOTE:** The Key Personnel identified above may not hold more than one key position under the Contract.

* + 1. **Substitution of Experience for Education**

1. Candidates not possessing a bachelor’s degree may be considered qualified after demonstrating an equal number of years of professional experience and/or accredited certification in fields related to their proposed position.
2. A Master’s Degree may be substituted for two years of the general and specialized experience required for the position.

## Substitution of Personnel

### Continuous Performance of Key Personnel

When Key Personnel are identified for the Contract, the following apply:

1. Key Personnel shall be available to perform Contract requirements as of the NTP Date. Unless explicitly authorized by the Contract Monitor or specified in the Contract, Key Personnel shall be assigned to the State of Maryland as a dedicated resource.
2. Key Personnel shall perform continuously for the duration of the Contract, or such lesser duration as specified in the Technical Proposal. Key Personnel may not be removed by the Contractor from working under the Contract without the prior written approval of the Contract Monitor.
3. The provisions of this section apply to Key Personnel identified in any Task Order proposal and agreement, if issued, and any Work Order Request and Work Order, if issued.

### Definitions

For the purposes of this section, the following definitions apply:

1. **Extraordinary Personal Event** – means leave under the Family Medical Leave Act; an Incapacitating injury or Incapacitating illness; or other circumstances that in the sole discretion of the State warrant an extended leave of absence, such as extended jury duty or extended military service that precludes the individual from performing his/her job duties under the Contract.
2. **Incapacitating** – means any health circumstance that substantially impairs the ability of an individual to perform the job duties described for that individual’s position in the RFP or the Contractor’s Technical Proposal.

### Contractor Personnel General Substitution Provisions

The following provisions apply to all of the circumstances of Contractor Personnel substitution described in **Section 3.11.4**.

1. The Contractor shall demonstrate to the Contract Monitor’s satisfaction that the proposed substitute has qualifications at least equal to those of the Contractor Personnel proposed to be replaced.
2. The Contractor shall provide the Contract Monitor with a substitution request that shall include:
   * + - 1. A detailed explanation of the reason(s) for the substitution request.
         2. The resume of the proposed substitute, signed by the substituting individual and his/her formal supervisor.
         3. The official resume of the current personnel for comparison purposes; and
         4. Evidence of any required credentials.
3. The Contract Monitor may request additional information concerning the proposed substitution and may interview the proposed substitute personnel prior to deciding whether to approve the substitution request.
4. The Contract Monitor will notify the Contractor in writing of: (i) the acceptance or denial, or (ii) contingent or temporary approval for a specified time limit, of the requested substitution. The Contract Monitor will not unreasonably withhold approval of a proposed Contractor Personnel replacement.

### Replacement Circumstances

1. Directed Personnel Replacement
   * + - 1. The Contract Monitor may recommend the Contractor to replace any Contractor Personnel who, in the sole discretion of the Contract Monitor, are perceived as being unqualified, non-productive, unable to fully perform the job duties, disruptive, or known, or reasonably believed, to have committed a major infraction(s) of law, Department policies, or Contract requirements. Normally, a directed personnel replacement will occur only after prior notification of problems with requested remediation, as described in paragraph 3.11.4.A.2.
         2. If deemed appropriate in the discretion of the Contract Monitor, the Contract Monitor may give written notice of any Contractor Personnel performance issues to the Contractor, describing the problem and delineating the remediation requirement(s). The Contractor shall provide a written response to the remediation requirements in a Remediation Plan within ten (10) days of the date of the notice and shall immediately implement the Remediation Plan upon written acceptance by the Contract Monitor. If the Contract Monitor rejects the Remediation Plan, the Contractor shall revise and resubmit the plan to the Contract Monitor within five (5) days, or in the timeframe set forth by the Contract Monitor in writing.
         3. Should performance issues persist despite an approved Remediation Plan, the Contract Monitor may give written notice of the continuing performance issues and either request a new Remediation Plan within a specified time limit or direct the substitution of Contractor Personnel whose performance is at issue with a qualified substitute, including requiring the immediate removal of the Contractor Personnel at issue.
         4. Replacement or substitution of Contractor Personnel under this section shall be in addition to, and not in lieu of, the State’s remedies under the Contract or which otherwise may be available at law or in equity.
         5. If the Contract Monitor determines to direct substitution under 3.11.4.A.1, if at all possible, at least fifteen (15) days advance notice shall be given to the Contractor. However, if the Contract Monitor deems it necessary and in the State’s best interests to remove the Contractor Personnel with less than fifteen (15) days’ notice, the Contract Monitor may direct the removal in a timeframe of less than fifteen (15) days, including immediate removal.
         6. In circumstances of directed removal, the Contractor shall, in accordance with paragraph 3.11.4.A.1 of this section, provide a suitable replacement for approval within fifteen (15) days of the notification of the need for removal, or the actual removal, whichever occurs first.
2. Key Personnel Replacement
   1. To replace any Key Personnel in a circumstance other than as described in **3.11.4.B**, including transfers and promotions, the Contractor shall submit a substitution request as described in **Section 3.11.3** to the Contract Monitor at least fifteen (15) days prior to the intended date of change. A substitution may not occur unless and until the Contract Monitor approves the substitution in writing.
   2. Key Personnel Replacement Due to Sudden Vacancy
      1. The Contractor shall replace Key Personnel whenever a sudden vacancy occurs (e.g., Extraordinary Personal Event, death, resignation, termination). A termination or resignation with thirty (30) days or more advance notice shall be treated as a replacement under **Section 3.11.4.B.1**.
      2. Under any of the circumstances set forth in this paragraph B, the Contractor shall identify a suitable replacement and provide the same information and items required under **Section 3.11.3** within fifteen (15) days of the actual vacancy occurrence or from when the Contractor first knew or should have known that the vacancy would be occurring, whichever is earlier.
   3. Key Personnel Replacement Due to an Indeterminate Absence
      1. If any Key Personnel has been absent from his/her job for a period of ten (10) days and it is not known or reasonably anticipated that the individual will be returning to work within the next twenty (20) days to fully resume all job duties, before the 25th day of continuous absence, the Contractor shall identify a suitable replacement and provide the same information and items to the Contract Monitor as required under **Section 3.11.3**.
      2. However, if this person is available to return to work and fully perform all job duties before a replacement has been authorized by the Contract Monitor the Contract Monitor may, at his/her sole discretion, authorize the original personnel to continue to work under the Contract, or authorize the replacement personnel to replace the original personnel, notwithstanding the original personnel’s ability to return.

### Substitution Prior to and Within 30 Days After Contract Execution

Prior to Contract execution or within thirty (30) days after Contract execution, the Offeror may not substitute proposed Key Personnel except under the following circumstances (a) for actual full-time personnel employed directly by the Offeror: the vacancy occurs due to the sudden termination, resignation, or approved leave of absence due to an Extraordinary Personal Event, or the death of such personnel; and (b) for any temporary staff, subcontractors or 1099 contractors: the vacancy occurs due to an Incapacitating event or the death of such personnel. To qualify for such substitution, the Offeror must demonstrate to the State's satisfaction the event necessitating substitution. Proposed substitutions shall be of equal caliber or higher, in the State's sole discretion. Proposed substitutes deemed by the State to be less qualified than the originally proposed individual may be grounds for pre-award disqualification or post-award termination.

## Minority Business Enterprise (MBE) Reports

If this solicitation includes an MBE Goal (**see Section 4.26**), the Contractor shall:

1. Submit the following reports by the 10th of each month to the Contract Monitor and the Department ’s MBE Liaison Officer:
   1. A Prime Contractor Paid/Unpaid MBE Invoice Report (**Attachment D-4A**) listing any unpaid invoices, over 45 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. (If Applicable) An MBE Prime Contractor Report (**Attachment D-4B**) identifying an MBE prime’s self-performing work to be counted towards the MBE participation goals.
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit an MBE Subcontractor Paid/Unpaid Invoice Report (**Attachment D-5**) by the 10th of each month to the Contract Monitor and the Department ’s MBE Liaison Officer that identifies the Contract and lists all payments to the MBE subcontractor received from the Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amounts of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the Contract, type of work performed by each, and actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State’s representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the Contract.
5. Upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

## Veteran Small Business Enterprise (VSBE) Reports

If this solicitation includes a VSBE Goal (**see Section 4.27**), the Contractor shall:

1. Submit the following reports by the 10th of the month following the reporting period to the Contract Monitor and the Department VSBE representative:
   1. VSBE Participation Prime Contractor Paid/Unpaid VSBE Invoice Report (**Attachment E-3**) listing any unpaid invoices, over 45 days old, received from any VSBE subcontractor, the amount of each invoice and the reason payment has not been made; and
   2. **Attachment E-4**, the VSBE Participation Subcontractor Paid/Unpaid VSBE Invoice Report by the 10th of the month following the reporting period to the Contract Monitor and the VSBE Liaison Officer.
2. Include in its agreements with its VSBE subcontractors a requirement that those subcontractors submit monthly by the 10th of the month following the reporting period to the Contract Monitor and Department VSBE representative a report that identifies the prime contract and lists all payments received from Contractor in the preceding reporting period month, as well as any outstanding invoices, and the amount of those invoices (**Attachment E-4**).
3. Maintain such records as are necessary to confirm compliance with its VSBE participation obligations. These records must indicate the identity of VSBE and non-VSBE subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. The subcontract agreement documenting the work performed by all VSBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State’s representatives verifying compliance with the VSBE participation obligations. The Contractor must retain all records concerning VSBE participation and make them available for State inspection for three years after final completion of the Contract.
5. At the option of the Department, upon completion of the Contract and before final payment and release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from VSBE subcontractors.

## Work Orders

THIS SECTION IS INAPPLICABLE TO THIS RFP.

# Procurement Instructions

## Pre-Proposal Conference

4.1.1 A Pre-Proposal conference (Conference) will be held at the date, time, and location indicated on the

Key Information Summary Sheet.

* + 1. Attendance at the Conference is not mandatory, but all interested parties are encouraged to attend in order to facilitate better preparation of their Proposals. If the solicitation includes an MBE goal, failure to attend the Conference will be taken into consideration as part of the evaluation of an offeror’s good faith efforts if there is a waiver request.
    2. It is highly recommended that ALL Prime Contractors bring their intended subcontractors to the Conference/Site Visit to ensure that all parties understand the requirements of the contract and the MBE Goal.
    3. MBE subcontractors are encouraged to attend the Conference to market their participation to potential prime contractors.
    4. Following the Conference, the attendance record and summary of the Conference will be distributed via the same mechanism described for amendments and questions (see **Section 4.2.1** eMMA).
    5. Those wishing to attend the web conference may request a meeting invitation by emailing **Samuel Eduful** at [Samuel.Eduful@maryland.gov](mailto:Dapheny.mccray3@maryland.gov) no later than **2:0 PM on March 18, 2024.** An invitation e-mail is required for registration, and therefore attendance. Upon receipt of the email, the Procurement Officer will reply with a registration email with a link that may be used to register for the conference. Registration must be completed by **2:00 PM on March 18, 2024.**

## eMaryland Marketplace Advantage (eMMA)

* + 1. eMMA is the electronic commerce system for the State of Maryland. The RFP, Conference summary and attendance sheet, Offerors’ questions and the Procurement Officer’s responses, addenda, and other solicitation-related information will be made available via eMMA.
    2. In order to receive a contract award, a vendor must be registered on eMMA. Registration is free. Go to [emma.maryland.gov](https://emma.maryland.gov/page.aspx/en/usr/login?ReturnUrl=%2fpage.aspx%2fen%2fbuy%2fhomepage), click on “New Vendor? Register Now” to begin the process, and then follow the prompts.

## Questions

* + 1. All questions, including concerns regarding any applicable MBE or VSBE participation goals, shall identify in the subject line the Solicitation Number and Title**: CSA/SDU/24-001-S - MD State Disbursement Unit Services**, and shall be submitted in writing via e-mail to the Procurement Officer, at least five (5) days prior to the Proposal due date no later than the date and time specified the Key Information Summary Sheet. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the Proposal due date.
    2. Answers to all questions that are not clearly specific only to the requestor will be distributed via the same mechanism as for RFP amendments and posted on eMMA.
    3. The statements and interpretations contained in responses to any questions, whether responded to verbally or in writing, are not binding on the Department unless it issues an amendment in writing.

## Procurement Method

A Contract will be awarded in accordance with the Competitive Sealed Proposals method under COMAR 21.05.03.

## Proposal Due (Closing) Date and Time

* + 1. Proposals, in the number and form set forth in **Section 5** **Proposal Format**, must be received by the Procurement Officer no later than the Proposal due date and time indicated on the Key Information Summary Sheet in order to be considered.
    2. Requests for extension of this date or time shall not be granted.
    3. Offerors submitting Proposals should allow sufficient delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after the due date and time listed in the Key Information Summary Sheet will not be considered.
    4. The date and time of an e-mail submission is determined by the date and time of arrival in the e-mail address indicated on the Key Information Summary Sheet.
    5. Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in the Key Information Summary Sheet for receipt of Proposals.
    6. Proposals may not be submitted by facsimile. Proposals will not be opened publicly.
    7. Potential Offerors not responding to this solicitation are requested to submit the “Notice to Vendors” form, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements).

## Multiple or Alternate Proposals

Multiple or alternate Proposals will not be accepted.

## Economy of Preparation

Proposals should be prepared simply and economically and provide a straightforward and concise description of the Offeror’s Proposal to meet the requirements of this RFP.

## Public Information Act Notice

* + 1. The Offeror should give specific attention to the clear identification of those portions of its Proposal that it considers confidential and/or proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4 (See also RFP **Section 5.3.2.B** “Claim of Confidentiality”). This information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal and if applicable, separately in the Financial Proposal.
    2. Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information must be disclosed.

## Award Basis

A Contract shall be awarded to the responsible Offeror(s) submitting the Proposal that has been determined to be the most advantageous to the State, considering price and evaluation factors set forth

in this RFP (see COMAR 21.05.03.03F), for providing the goods and services as specified in this RFP.

See RFP **Section 6** for further award information.

## Oral Presentation

Offerors may be required to make oral presentations to State representatives. Oral presentations are considered part of the Technical Proposal. Offerors must confirm in writing any substantive oral clarification of, or change in, their Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror’s Proposal. The Procurement Officer will notify Offerors of the time and place of oral presentations.

## Duration of Proposal

Proposals submitted in response to this RFP are irrevocable for the latest of the following: 120 days

following the Proposal due date and time, best and final offers if requested (see **Section 6.5.2**), or the

date any protest concerning this RFP is finally resolved. This period may be extended at the Procurement Officer’s request only with the Offeror’s written agreement.

## Revisions to the RFP

* + 1. If the RFP is revised before the due date for Proposals, the Department shall post any addenda to the RFP on eMMA and shall endeavor to provide such addenda to all prospective Offerors that were sent this RFP or are otherwise known by the Procurement Officer to have obtained this RFP. It remains the responsibility of all prospective Offerors to check eMMA for any addenda issued prior to the submission of Proposals.
    2. Acknowledgment of the receipt of all addenda to this RFP issued before the Proposal due date shall be included in the Transmittal Letter accompanying the Offeror’s Technical Proposal.
    3. Addenda made after the due date for Proposals will be sent only to those Offerors that remain under award consideration as of the issuance date of the addenda.
    4. Acknowledgement of the receipt of addenda to the RFP issued after the Proposal due date shall be in the manner specified in the addendum notice.
    5. Failure to acknowledge receipt of an addendum does not relieve the Offeror from complying with the terms, additions, deletions, or corrections set forth in the addendum, and may cause the Proposal to be deemed not reasonably susceptible of being selected for award.

## Cancellations

* + 1. The State reserves the right to cancel this RFP, accept or reject any and all Proposals, in whole or in part, received in response to this RFP, waive or permit the cure of minor irregularities, and conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State.
    2. The State reserves the right, in its sole discretion, to award a Contract based upon the written Proposals received without discussions or negotiations.
    3. In the event a government entity proposes and receives the recommendation for award, the procurement may be cancelled, and the award processed in accordance with COMAR 21.01.03.01.A(4).
    4. If the services that are the subject of the RFP are currently being provided under an interagency agreement with a public institution of higher education and the State determines that the services can be provided more cost effectively by the public institution of higher education, then the RFP may be cancelled in accordance with Md. Code Ann., State Finance and Procurement Art., § 3-207(b)(2).

## Incurred Expenses

The State will not be responsible for any costs incurred by any Offeror in preparing and submitting a

Proposal, in making an oral presentation, providing a demonstration, or performing any other activities

related to submitting a Proposal in response to this solicitation.

## Protest/Disputes

Any protest or dispute related to this solicitation, or the Contract award shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

## Offeror Responsibilities

* + 1. Offerors must be able to provide all goods and services and meet all of the requirements requested in this solicitation and the successful Offeror shall be responsible for Contract performance including any subcontractor participation.
    2. All subcontractors shall be identified and a complete description of their role relative to the Proposal shall be included in the Offeror’s Proposal. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate Attachment(s) to this RFP (see **Section 4.26** “Minority Participation Goal” and **Section 4.27** “VSBE Goal”).
    3. If the Offeror is the subsidiary of another entity, all information submitted by the Offeror, including but not limited to references, financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications, if any, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror’s Proposal shall contain an explicit statement, signed by an authorized representative of the parent organization, stating that the parent organization will guarantee the performance of the subsidiary.
    4. A parental guarantee of the performance of the Offeror under this Section will not automatically result in crediting the Offeror with the experience or qualifications of the parent under any evaluation criteria pertaining to the actual Offeror’s experience and qualifications. Instead, the Offeror will be evaluated on the extent to which the State determines that the experience and qualifications of the parent are applicable to and shared with the Offeror, any stated intent by the parent to be directly involved in the performance of the Contract, and the value of the parent’s participation as determined by the State.

## Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, shall be deemed to have accepted the terms and conditions of this RFP and the Contract, attached hereto as **Attachment**

**M**. Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of

the Technical Proposal. **All exceptions will be taken into consideration when evaluating the**

**Offeror’s Proposal. The Department reserves the right to accept or reject any exceptions.**

## Proposal Affidavit

A Proposal submitted by the Offeror must be accompanied by a completed Proposal Affidavit. A copy

of this Affidavit is included as Attachment C of this RFP.

## Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful

Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for

informational purposes as **Attachment** **N** of this RFP. This Affidavit must be provided within five (5)

Business Days of notification of recommended award. For purposes of completing Section “B” of this

Affidavit (Certification of Registration or Qualification with the State Department of Assessments and

Taxation), a business entity that is organized outside of the State of Maryland is considered a “foreign”

business.

## Compliance with Laws/Arrearages

By submitting a Proposal in response to this RFP, the Offeror, if selected for award, agrees that it will

comply with all federal, State, and local laws applicable to its activities and obligations under the

Contract.

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the

payment of any obligations due and owing the State, including the payment of taxes and employee

benefits, and shall not become so in arrears during the term of the Contract if selected for Contract

award.

## Verification of Registration and Tax Payment

Before a business entity can do business in the State, it must be registered with the State Department

of Assessments and Taxation (SDAT). SDAT is located at State Office Building, Room 803, 301 West

Preston Street, Baltimore, Maryland 21201. For registration information, visit

https://www.egov.maryland.gov/businessexpress.

It is strongly recommended that any potential Offeror complete registration prior to the Proposal due date and time. The Offeror’s failure to complete registration with SDAT may disqualify an otherwise

successful Offeror from final consideration and recommendation for Contract award.

## False Statements

Offerors are advised that Md. Code Ann., State Finance and Procurement Article, § 11-205.1 provides

as follows:

* + 1. In connection with a procurement contract a person may not willfully:

1. Falsify, conceal, or suppress a material fact by any scheme or device.
2. Make a false or fraudulent statement or representation of a material fact.
3. Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
   * 1. A person may not aid or conspire with another person to commit an act under **Section 4.22.1**.
     2. A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding $20,000 or imprisonment not exceeding five (5) years or both.

## Payments by Electronic Funds Transfer

By submitting a Proposal in response to this solicitation, the Offeror, if selected for award:

* + 1. Agrees to accept payments by electronic funds transfer (EFT) unless the State Comptroller’s Office grants an exemption. Payment by EFT is mandatory for contracts exceeding $200,000. The successful Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form.
    2. Any request for exemption must be submitted to the State Comptroller’s Office for approval at the address specified on the COT/GAD X-10 form, must include the business identification information as stated on the form, and must include the reason for the exemption. The COT/GAD X-10 form may be downloaded from the Comptroller’s website at: http://comptroller.marylandtaxes.com/Vendor\_Services/Accounting\_Information/Static\_Files/GADX10Form20150615.pdf.

## Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the

Prompt Payment Policy Directive issued by the Governor’s Office of Small, Minority & Women Business Affairs (GOSBA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State

Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR

21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on

non-construction procurement contracts. The Contractor shall comply with the prompt payment

requirements outlined in the Contract, Section 31 “Prompt Pay Requirements” (see **Attachment** **M**).

Additional information is available on GOSBA’s website at:

http://www.gomdsmallbiz.maryland.gov/documents/legislation/promptpaymentfaqs.pdf.

## Electronic Procurements Authorized

* + 1. Under COMAR 21.03.05, unless otherwise prohibited by law, the Department may conduct procurement transactions by electronic means, including the solicitation, proposing, award, execution, and administration of a contract, as provided in Md. Code Ann., Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21.
    2. Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of that Contract which are specifically authorized under the solicitation or Contract. In the case of electronic transactions authorized by this RFP, electronic records and signatures by an authorized representative satisfy a requirement for written submission and signatures.
    3. “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes e-mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g., <https://procurement.maryland.gov>), and electronic data interchange.
    4. In addition to specific electronic transactions specifically authorized in other sections of this solicitation (e.g., RFP § 4.23 describing payments by Electronic Funds Transfer), the following transactions are authorized to be conducted by electronic means on the terms as authorized in COMAR 21.03.05:

1. The Procurement Officer may conduct the procurement using eMMA or e-mail to issue:
   1. The RFP.
   2. Any amendments and requests for best and final offers.
   3. Pre-Proposal conference documents.
   4. Questions and responses.
   5. Communications regarding the solicitation or Proposal to any Offeror or potential Offeror.
   6. Notices of award selection or non-selection; and
   7. The Procurement Officer’s decision on any Proposal protest or Contract claim.
2. The Offeror or potential Offeror may use eMMA :
   1. Submit Proposals.
   2. Ask questions regarding the solicitation.
   3. Reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer’s request or direction to reply by e-mail or through eMMA, but only on the terms specifically approved and directed by the Procurement Officer and;
   4. Submit a "No Proposal Response" to the RFP.
3. The Procurement Officer, the Contract Monitor, and the Contractor may conduct day-to-day Contract administration, except as outlined in **Section 4.25.5** of this subsection, utilizing e-mail or other electronic means if authorized by the Procurement Officer or Contract Monitor.
   * 1. The following transactions related to this procurement and any Contract awarded pursuant to it are **not authorized** to be conducted by electronic means:
4. Submission of initial Proposals, except through eMMA
5. Filing of protests.
6. Filing of Contract claims.
7. Submission of documents determined by the Department to require original signatures (e.g., Contract execution, Contract modifications); or
8. Any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor or Offeror be provided in writing or hard copy.
   * 1. Any e-mail transmission is only authorized to the e-mail addresses for the identified person as provided in the solicitation, the Contract, or in the direction from the Procurement Officer or Contract Monitor.

## MBE Participation Goal

* + 1. Establishment of Goal and Subgoals

An overall MBE subcontractor participation goal as identified in the Key Information Summary Sheet has been established for this procurement, representing a percentage of the total Contract dollar value, including all renewal option terms, if any, has been established for this procurement.

Notwithstanding any subgoals established for this RFP, the Contractor is encouraged to use a diverse group of subcontractors and suppliers from any/all of the various MBE classifications to meet the remainder of the overall MBE participation goal.

By submitting a response to this solicitation, the Offeror acknowledges the overall MBE subcontractor participation goal and subgoals and commits to achieving the overall goal and subgoals by utilizing certified minority business enterprises, or requests a full or partial waiver of the overall goal and subgoals.

**An Offeror that does not commit to meeting the entire MBE participation goal outlined in this Section 4.26 implies that it is requesting a full or partial waiver for the remainder of the MBE goal or subgoals as applicable and, if recommended for award, shall submit documentation supporting its good faith efforts to meet the MBE goal made prior to submission of its proposal as outlined in Attachment D-1B, Waiver Guidance. Failure of an Offeror to properly complete, sign, and submit Attachment D-1A at the time it submits its Technical Response(s) to the RFP may result in the State’s rejection of the Offeror’s Proposal.**

* + 1. Attachments.

1. D-1 to D-5 – The following Minority Business Enterprise participation instructions, and forms are provided to assist Offerors:
2. Attachment D-1A MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (must be submitted with Proposal)
3. Attachment D-1B Waiver Guidance
4. Attachment D-1C Good Faith Efforts Documentation to Support Waiver Request
5. Attachment D-2 Outreach Efforts Compliance Statement
6. Attachment D-3A MBE Subcontractor Project Participation Certification
7. Attachment D-3B MBE Prime Project Participation Certification
8. Attachment D-4A Prime Contractor Paid/Unpaid MBE Invoice Report
9. Attachment D-4B MBE Prime Contractor Report
10. Attachment D-5 Subcontractor Paid/Unpaid MBE Invoice Report
11. The Offeror shall include with its Proposal a completed MBE Utilization and Fair Solicitation Affidavit (**Attachment D-1A**) whereby:
12. The Offeror acknowledges the certified MBE participation goal and commits to make a good faith effort to achieve the goal and any applicable subgoals, or requests a waiver, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
13. The Offeror responds to the expected degree of MBE participation, as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of Proposal submission. The Offeror shall specify the percentage of total contract value associated with each MBE subcontractor identified on the MBE participation schedule, including any work performed by the MBE prime (including a prime participating as a joint venture) to be counted towards meeting the MBE participation goals.
14. The Offeror requesting a waiver should review **Attachment D-1B** (Waiver Guidance) and **D-1C** (Good Faith Efforts Documentation to Support Waiver Request) prior to submitting its request.

***If the Offeror fails to submit a completed Attachment D-1A with the Proposal as required, the Procurement Officer shall determine that the Proposal is not reasonably susceptible of being selected for award, unless the inaccuracy is determined to be the result of a minor irregularity that is waived or cured in accordance with COMAR 21.06.02.04.***

* + 1. Offerors are responsible for verifying that each MBE (including any MBE prime and MBE prime participating in a joint venture) selected to meet the goal and any subgoals and subsequently identified in **Attachment** **D-1A** is appropriately certified and has the correct NAICS codes allowing it to perform the committed work.
    2. Within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, the Offeror must provide the following documentation to the Procurement Officer.

1. Outreach Efforts Compliance Statement (**Attachment D-2**);
2. MBE Subcontractor/Prime Project Participation Certification (**Attachment D-3A/3B**); and
3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the certified MBE subcontractor participation goal or any applicable subgoals.
4. Further, if the recommended awardee believes a waiver (in whole or in part) of the overall MBE goal or of any applicable subgoal is necessary, the recommended awardee must submit a fully-documented waiver request that complies with COMAR 21.11.03.11.

***If the recommended awardee fails to return each completed document within the required time, the Procurement Officer may determine that the recommended awardee is not responsible and, therefore, not eligible for Contract award. If the Contract has already been awarded, the award is voidable.***

* + 1. A current directory of certified MBEs is available through the Maryland State Department of Transportation (MDOT), Office of Minority Business Enterprise, 7201 Corporate Center Drive, Hanover, Maryland 21076. The phone numbers are (410) 865-1269, 1-800-544-6056, or TTY (410) 865-1342. The directory is also available on the MDOT website at <http://mbe.mdot.maryland.gov/directory/>. The most current and up-to-date information on MBEs is available via this website. **Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.**
    2. The Offeror that requested or implied to request a waiver of the goal or any of the applicable subgoals will be responsible for submitting the Good Faith Efforts Documentation to Support Waiver Request (**Attachment D-1C**) and all documentation within ten (10) Business Days from notification that it is the recommended awardee or from the date of the actual award, whichever is earlier, as required in COMAR 21.11.03.11.
    3. All documents, including the MBE Utilization and Fair Solicitation Affidavit & MBE Participation Schedule (**Attachment D-1A**), completed and submitted by the Offeror in connection with its certified MBE participation commitment shall be considered a part of the Contract and are hereby expressly incorporated into the Contract by reference thereto. All of the referenced documents will be considered a part of the Proposal for order of precedence purposes (see Contract – **Attachment M**, **Section 2.1**).
    4. The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the requirements of the MBE program and pertinent Contract provisions. (See Contract – **Attachment M**, **Liquidated Damages for MBE,** **section** **39**.
    5. As set forth in COMAR 21.11.03.12-1(D), when a certified MBE firm participates on a contract as a prime contractor (including a joint-venture where the MBE firm is a partner), a procurement agency may count the distinct, clearly defined portion of the work of the contract that the certified MBE firm performs with its own work force towards fulfilling up to fifty-percent (50%) of the MBE participation goal (overall) and up to one hundred percent (100%) of not more than one of the MBE participation subgoals, if any, established for the contract.

In order to receive credit for self-performance, an MBE prime must list its firm in Section 4A of the MBE Participation Schedule (**Attachment D-1A**) and include information regarding the work it will self-perform. For the remaining portion of the overall goal and the subgoals, the MBE prime must also identify other certified MBE subcontractors [see Section 4B of the MBE Participation Schedule (**Attachment D-1A**)] used to meet those goals. If dually certified, the MBE prime can be designated as only one of the MBE subgoal classifications but can self-perform up to 100% of the stated subgoal.

As set forth in COMAR 21.11.03.12-1, once the Contract work begins, the work performed by a certified MBE firm, including an MBE prime, can only be counted towards the MBE participation goal(s) if the MBE firm is performing a commercially useful function on the Contract. Refer to MBE forms (**Attachment D**) for additional information.

## VSBE Goal

### Purpose

1. The Contractor shall structure its procedures for the performance of the work required in the Contract to attempt to achieve the VSBE participation goal stated in this solicitation. VSBE performance must be in accordance with this section and **Attachment** **E**, as authorized by COMAR 21.11.13. The Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this section and **Attachment** **E**.
2. A certified Veteran-Owned Small Business Enterprises (VSBE) must be verified by the State Department of Veterans Affairs or US Department of Veteran’s Affairs [Vets First Verification Program](https://www.va.gov/osdbu/verification/) (VetBiz) and registered as a VSBE on the State's eProcurement platform, eMaryland Marketplace Advantage (eMMA). The listing of VSBEs is available through the “Vendor Search” on [eMMA](https://emma.maryland.gov/page.aspx/en/usr/login?ReturnUrl=%2fpage.aspx%2fen%2fbuy%2fhomepage).

### VSBE Goal

1. A VSBE participation goal of the total Contract dollar amount has been established for this procurement as identified in the Key Information Summary Sheet.
2. By submitting a response to this solicitation, the Offeror agrees that this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.

### Solicitation and Contract Formation

1. In accordance with COMAR 21.11.13.05 C (1), this solicitation requires Offerors to:
   1. Identify specific work categories within the scope of the procurement appropriate for subcontracting.
   2. Solicit VSBEs before Proposals are due, describing the identified work categories and providing instructions on how to bid on the subcontracts.
   3. Attempt to make personal contact with the VSBEs solicited and to document these attempts.
   4. Assist VSBEs to fulfill, or to seek waiver of, bonding requirements; and
   5. Attempt to attend pre-proposal or other meetings the procurement agency schedules to publicize contracting opportunities to VSBEs.
2. The Offeror must include with its Proposal a completed VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule (**Attachment E-1**) whereby the Offeror:
   1. Acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal; and
   2. Responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Proposal submission. The Offeror shall specify the percentage of contract value associated with each VSBE prime/subcontractor identified on the VSBE Participation Schedule.
3. As set forth in COMAR 21.11.13.05.B(2), when a verified VSBE firm participates on a Contract as a Prime Contractor, a procurement agency may count the distinct, clearly defined portion of the work of the contract that the VSBE Prime Contractor performs with its own work force towards meeting up to one hundred percent (100%) of the VSBE goal.
4. In order to receive credit for self-performance, a VSBE Prime must list its firm in the VSBE Prime/Subcontractor Participation Schedule (**Attachment E-1**) and include information regarding the work it will self-perform. For any remaining portion of the VSBE goal that is not to be performed by the VSBE Prime, the VSBE Prime must also identify verified VSBE subcontractors used to meet the remainder of the goal.
5. Within 10 Business Days from notification that it is the apparent awardee, the awardee must provide the following documentation to the Procurement Officer:
   1. VSBE Project Participation Statement (**Attachment E-2**);
   2. If the apparent awardee believes a full or partial waiver of the overall VSBE goal is necessary, it must submit a fully-documented waiver request that complies with COMAR 21.11.13.07; and
   3. Any other documentation required by the Procurement Officer to ascertain Offeror responsibility in connection with the VSBE participation goal.

***If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not reasonably susceptible of being selected for award.***

## Living Wage Requirements

1. Maryland law requires that contractors meeting certain conditions pay a living wage to covered employees on State service contracts over $100,000. Maryland Code Ann., State Finance and Procurement Article, § 18-101 et al. The Commissioner of Labor and Industry at the Maryland Department of Labor requires that a contractor subject to the Living Wage law submit payroll records for covered employees and a signed statement indicating that it paid a living wage to covered employees; or receive a waiver from Living Wage reporting requirements. See COMAR 21.11.10.05.
2. If subject to the Living Wage law, Contractor agrees that it will abide by all Living Wage law requirements, including but not limited to reporting requirements in COMAR 21.11.10.05. Contractor understands that failure of Contractor to provide such documents is a material breach of the terms and conditions and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions. Information pertaining to reporting obligations may be found by going to the Maryland Department of Labor website <http://www.dllr.state.md.us/labor/prev/livingwage.shtml>.
3. Additional information regarding the State’s living wage requirement is contained in **Attachment** **F**. Offerors must complete and submit the Maryland Living Wage Requirements Affidavit of Agreement (**Attachment F-1**) with their Proposals. If the Offeror fails to complete and submit the required documentation, the State may determine the Offeror to not be responsible under State law.
4. Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier area. The specific living wage rate is determined by whether a majority of services take place in a Tier 1 Area or a Tier 2 Area of the State. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State.
   1. The Tier 1 Area includes Montgomery, Prince George’s, Howard, Anne Arundel and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State Contract pursuant to §18-102(d) of the State Finance and Procurement Article shall assign the tier based upon where the recipients of the services are located. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. In this circumstance, the Contract will be determined to be a Tier (enter “1” or “2,” depending on where the majority of the service recipients are located) Contract.
   2. The Contract will be determined to be a Tier 1 Contract or a Tier 2 Contract depending on the location(s) from which the Contractor provides 50% or more of the services. The Offeror must identify in its Proposal the location(s) from which services will be provided, including the location(s) from which 50% or more of the Contract services will be provided.
   3. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract.
   4. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract.
5. If the Contractor provides more than 50% of the services from an out-of-State location, the State agency determines the wage tier based on where the majority of the service recipients are located. See COMAR 21.11.10.07.
6. The Offeror shall identify in the Proposal the location from which services will be provided.
7. **NOTE:** Whereas the Living Wage may change annually, the Contract price will not change because of a Living Wage change or a change in the State minimum wage.

## Federal Funding Acknowledgement

* + 1. There are programmatic conditions that apply to the Contract due to federal funding (see **Attachment G**).
    2. The total amount of federal funds allocated for the Department of Human Service’s/Child Support Administration is $28,941,214, in Maryland State Fiscal Year 22. This represents 67% of all funds budgeted for the unit in that fiscal year. This does not necessarily represent the amount of funding available for any particular grant, contract, or solicitation.
    3. The Contract contains federal funds. The source of these federal funds is: TITLE IV. The CFDA number is: 94.563. The conditions that apply to all federal funds awarded by the Department are contained in Federal Funds **Attachment G**. Any additional conditions that apply to this particular federally-funded contract are contained as supplements to Federal Funds **Attachment G** and Offerors are to complete and submit these Attachments with their Proposals as instructed in the Attachments. Acceptance of this agreement indicates the Offeror’s intent to comply with all conditions, which are part of the Contract.

## Conflict of Interest Affidavit and Disclosure

* + 1. The Offeror shall complete and sign the Conflict of Interest Affidavit and Disclosure (**Attachment** **H**) and submit it with its Proposal.
    2. By submitting a Conflict of Interest Affidavit and Disclosure, the Contractor shall be construed as certifying all Contractor Personnel and subcontractors are also without a conflict of interest as defined in COMAR 21.05.08.08A.
    3. Additionally, a Contractor has an ongoing obligation to ensure that all Contractor Personnel are without conflicts of interest prior to providing services << under OR individual Task Orders issued under >> the Contract. For policies and procedures applying specifically to Conflict of Interests, the Contract is governed by COMAR 21.05.08.08.
    4. Participation in Drafting of Specifications: Disqualifying Event: Offerors are advised that Md. Code Ann. State Finance and Procurement Article §13-212.1(a) provides generally that “an individual who assists an executive unit in the drafting of specifications, an invitation for bids, a request for proposals for a procurement, or the selection or award made in response to an invitation for bids or a request for proposals, or a person that employs the individual, may not: (1) submit a bid or proposal for that procurement; or (2) assist or represent another person, directly or indirectly, who is submitting a bid or proposal for that procurement.” Any Offeror submitting a Proposal in violation of this provision shall be classified as “not responsible.” See COMAR 21.05.03.03.

## Non-Disclosure Agreement

### Non-Disclosure Agreement (Offeror)

A Non-Disclosure Agreement (Offeror) is not required for this procurement.

### Non-Disclosure Agreement (Contractor)

All Offerors are advised that this solicitation and any Contract(s) are subject to the terms of the Non-Disclosure Agreement (NDA) contained in this solicitation as **Attachment** **I**. This Agreement must be provided within five (5) Business Days of notification of recommended award; however, to expedite processing, it is suggested that this document be completed and submitted with the Proposal.

## HIPAA - Business Associate Agreement

A HIPAA Business Associate Agreement is not required for this procurement.

## Nonvisual Access

The bidder or offeror warrants that the information technology offered under this bid or proposal (1) provides equivalent access for effective use by both visual and nonvisual means consistent with the standards of § 508 of the federal Rehabilitation Act of 1973 and Code of Maryland Regulations 14.33.02; (2) provides an individual with disabilities with nonvisual access in a way that is fully and equally accessible to and independently usable by the individual with disabilities so that the individual is able to acquire the same information, engage in the same interactions, and enjoy the same services as users without disabilities, with substantially equivalent ease of use; (3) will present information, including prompts used for interactive communications, in formats intended for both visual and nonvisual use; (4) if intended for use in a network, can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired; and (5) is available, whenever possible, without modification for compatibility with software and hardware for nonvisual access. The bidder or offeror further warrants that the cost, if any, of modifying the information technology for compatibility with software and hardware used for nonvisual access will not increase the cost of the information technology by more than 15 percent.

If the information technology procured under this solicitation does not meet the nonvisual access standards set forth in the Code of Maryland Regulations 14.33.02, the State will notify the bidder or offeror in writing that the bidder or offeror, at its own expense, has 12 months after the date of the notification to modify the information technology in order to meet the nonvisual access standards. If the bidder or offeror fails to modify the information technology to meet the nonvisual access standards within 12 months after the date of the notification, the bidder or offeror may be subject to a civil penalty of a fine not exceeding $5,000 for a first offense, and a fine not exceeding $10,000 for a subsequent offense.

The bidder or offeror shall indemnify the State for liability resulting from the use of information technology that does not meet the applicable nonvisual access standards.

For purposes of this regulation, the phrase ‘equivalent access' means the ability to receive, use, and manipulate information and operate controls necessary to access and use information technology by nonvisual means. Examples of equivalent access include keyboard controls used for input and synthesized speech, Braille, or other audible or tactile means used for output.

## Mercury and Products That Contain Mercury

This solicitation does not include the procurement of products known to likely include mercury as a

component.

## Location of the Performance of Services Disclosure

The Offeror is required to complete the Location of the Performance of Services Disclosure. A copy of

this Disclosure is included as **Attachment** **L**. The Disclosure must be provided with the Proposal.

## Department of Human Services (DHS) Hiring Agreement

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful

Offeror will be required to complete a DHS Hiring Agreement. A copy of this Agreement is included as

**Attachment** **O**. This Agreement must be provided within five (5) Business Days of notification of

recommended award.

## Small Business Reserve (SBR) Procurement

This solicitation is not designated as a Small Business Reserve (SBR) Procurement.

## Bonds

* + 1. **Performance Bond**

The successful Offeror shall deliver a Performance Bond, or other suitable security, to the State after notification of recommended award.

The successful Offeror must submit a Performance Bond, or other suitable security in the

amount of $1,000,000.00, guaranteeing that the Contractor shall well and truly perform the

Contract.

The Performance Bond shall be in the form provided in **Appendix 3** and underwritten by a

surety company authorized to do business in the State and shall be subject to approval by the

State, or other acceptable security for bond as described in COMAR 21.06.07, as summarized

in **4.38.2**.

The Performance Bond shall be maintained throughout the term of the Contract, and renewal

option period(s), if exercised. Evidence of renewal of the Performance Bond and payment of

the required premium shall be provided to the State.

The Performance Bond may be renewable annually. The Contractor shall provide to the State,

30 days before the annual expiration of the bond, confirmation from the surety that the bond

will be renewed for the following year. Failure to timely provide this notice shall

constitute an event of default under the Contract. Such a default may be remedied if the

Contractor obtains a replacement bond that conforms to the requirements of the Contract and

provides that replacement bond to the State prior to the expiration of the existing Performance

Bond.

The cost of this bond, or other suitable security, is to be included in the total prices proposed

and is not to be proposed and will not be recoverable as a separate cost item.

After the first year of the Contract, the Contractor may request a reduction in the amount of the

Performance Bond. The amount and the duration of the reduction, if any, will be at the

Department ’s sole discretion. If any reduction is granted, the Department’s shall have the

right to increase the amount of the Performance Bond to any amount, up to the original amount,

at any time and at the Department’s sole discretion.

* + 1. **Acceptable security**

Acceptable security shall be as described below, identified within and excerpted from COMAR 21.06.07:

1. Acceptable security for Proposal, performance, and payment bonds is limited to:
   1. A bond in a form satisfactory to the State underwritten by a surety company authorized to do business in this State.
   2. A bank certified check, bank cashier's check, bank treasurer's check, cash, or trust account.
   3. Pledge of securities backed by the full faith and credit of the United States government or bonds issued by the State.
   4. An irrevocable letter of credit in a form satisfactory to the Attorney General and issued by a financial institution approved by the State Treasurer
      1. **Surety Bond Assistance Program**

Assistance in obtaining bid, performance and payment bonds may be available to qualifying small businesses through the Maryland Small Business Development Financing Authority (MSBDFA). MSBDFA can directly issue bid, performance or payment bonds up to $750,000. MSBDFA may also guarantee up to 90% of a surety's losses as a result of a Contractor’s breach of Contract; MSBDFA exposure on any bond guaranteed may not, however, exceed $900,000. Bonds issued directly by the program will remain in effect for the duration of the Contract, and those surety bonds that are guaranteed by the program will remain in effect for the duration of the surety’s exposure under the Contract. To be eligible for bonding assistance, a business must first be denied bonding by at least one surety on both the standard and specialty markets within 90 days of submitting a bonding application to MSBDFA. The applicant must employ fewer than 500 full-time employees or have gross sales of less than $50 million annually, have its principal place of business in Maryland or be a Maryland resident, must not subcontract more than 75 percent of the work, and the business or its principals must have a reputation of good moral character and financial responsibility. Finally, it must be demonstrated that the bonding or guarantee will have a measurable economic impact, through job creation and expansion of the state’s tax base. Applicants are required to work through their respective bonding agents in applying for assistance under the program. Questions regarding the bonding assistance program should be referred to:

Maryland Department of Commerce

Maryland Small Business Development Financing Authority

MMG Ventures

826 E. Baltimore Street

Baltimore, Maryland 21202

Phone: (410) 333-4270

Fax: (410) 333-2552

## Working Families Act Requirements

On February 11, 2018, the Maryland Healthy Working Families Act went into effect. All offerors should be aware of how this Act could affect your potential contract award with the State of Maryland. See the Department of Labor, Licensing and Regulations web site for Maryland Healthy Working Families Act Information: <http://dllr.maryland.gov/paidleave/>.

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# Proposal Format

## Two Part Submission

Offerors shall submit Proposals in separate volumes (or envelopes):

* + Volume I –Technical Proposal
  + Volume II – Financial Proposal

## Proposal Delivery and Packaging

* + 1. Proposals delivered by facsimile and e-mail shall not be considered.
    2. Provide no pricing information in the Technical Proposal. Provide no pricing information on the media submitted in the Technical Proposal.
    3. Offerors may submit Proposals through the State’s internet based electronic procurement system, eMMA.
    4. The Procurement Officer must receive all electronic Proposal material by the RPF due date and time specified in the Key Information Summary Sheet. Requests for extension of this date or time will not be granted. Except as provided in COMAR 21.05.03.02F, Proposals received by the Procurement Officer after the due date will not be considered.
    5. Offerors shall provide their Proposals in two separate envelopes through eMMA following the [Quick Reference Guides](https://procurement.maryland.gov/emma-qrgs/) (QRG) labelled “**5 - eMMA QRG Responding to Solicitations (RFP)**” for double envelope submissions.
    6. Two Part (Double Envelope) Submission:

1. Technical Proposal consisting of:
   1. Technical Proposal and all supporting material in Microsoft Word format, version 2007 or greater,
   2. Technical Proposal in searchable Adobe PDF format,
   3. a second searchable Adobe copy of the Technical Proposal, with confidential and proprietary information redacted (see **Section 4.8**), and
2. Financial Proposal consisting of:
   1. Financial Proposal entered into the price form spreadsheet within eMMA and all supporting material in Excel format,
   2. Financial Proposal in searchable Adobe PDF format,
   3. a second searchable Adobe copy of the Financial Proposal, with confidential and proprietary information removed (see **Section 4.8**).

## Volume I - Technical Proposal

NOTE: Omit all **pricing information** from the Technical Proposal (Volume I). Include pricing

information only in the Financial Proposal (Volume II).

* + 1. In addition to the instructions below, responses in the Offeror’s Technical Proposal shall reference the organization and numbering of Sections in the RFP (e.g., “Section 2.2.1 Response . . .; “Section 2.2.2 Response . . .,”). All pages of both Proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page “x”).
    2. The Technical Proposal shall include the following documents and information in the order specified as follows. Each section of the Technical Proposal shall be separated by a TAB as detailed below:

1. Title Page and Table of Contents (Submit under TAB A)

The Technical Proposal should begin with a Title Page bearing the name and address of the Offeror and the name and number of this RFP. A Table of Contents shall follow the Title Page for the Technical Proposal, organized by section, subsection, and page number.

1. Claim of Confidentiality (If applicable, submit under TAB A-1)

Any information which is claimed to be confidential and/or proprietary information should be identified by page and section number and placed after the Title Page and before the Table of Contents in the Technical Proposal, and if applicable, separately in the Financial Proposal. An explanation for each claim of confidentiality shall be included (see **Section 4.8 “Public Information Act Notice”**). The entire Proposal cannot be given a blanket confidentiality designation - any confidentiality designation must apply to specific sections, pages, or portions of pages of the Proposal and an explanation for each claim shall be included.

1. Offeror Information Sheet and Transmittal Letter (Submit under TAB B)

The Offeror Information Sheet (see **Appendix 2**) and a Transmittal Letter shall accompany the Technical Proposal. The purpose of the Transmittal Letter is to transmit the Proposal and acknowledge the receipt of any addenda to this RFP issued before the Proposal due date and time. Transmittal Letter should be brief, be signed by an individual who is authorized to commit the Offeror to its Proposal and the requirements as stated in this RFP.

D. Executive Summary (Submit under TAB C)

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled “Executive Summary.”

In addition, the Summary shall indicate whether the Offeror is the subsidiary of another entity, and if so, whether all information submitted by the Offeror pertains exclusively to the Offeror. If not, the subsidiary Offeror shall include a guarantee of performance from its parent organization as part of its Executive Summary (see **Section 4.16 “Offeror Responsibilities”**).

The Executive Summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment M**). Acceptance or rejection of exceptions is within the sole discretion of the State. **Exceptions to terms and conditions, including requirements, may result in having the Proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.**

1. Minimum Qualifications Documentation (If applicable, Submit under TAB D)

The Offeror shall submit any Minimum Qualifications documentation that may be required, as set forth in RFP **Section 1**. If references are required in **RFP Section 1**, those references shall be submitted in this section and shall contain the information described in both **Section 1** and **Section 5.3.2.I**.

1. Offeror Technical Response to RFP Requirements and Proposed Work Plan (Submit under TAB E)
2. The Offeror shall address each RFP requirement (RFP **Section 2** and **Section 3**) in its Technical Proposal with a cross reference to the requirement and describe how its proposed goods and services, including the goods and services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to an RFP requirement shall include an explanation of how the work will be performed. The response shall address each requirement in **Section 2** and **Section 3** in order and shall contain a cross reference to the requirement.
3. Any exception to a requirement, term, or condition may result in having the Proposal classified as not reasonably susceptible of being selected for award or the Offeror deemed not responsible.
4. The Offeror shall give a definitive section-by-section description of the proposed plan to meet the requirements of the RFP, i.e., a Work Plan. The Work Plan shall include the specific methodology, techniques, and number of staff, if applicable, to be used by the Offeror in providing the required goods and services as outlined in RFP **Section 2**, Contractor Requirements: Scope of Work. The description shall include an outline of the overall management concepts employed by the Offeror and a project management plan, including project control mechanisms and overall timelines. Project deadlines considered contract deliverables must be recognized in the Work Plan.
5. The Offeror shall identify the location(s) from which it proposes to provide services, including, if applicable, any current facilities that it operates, and any required construction to satisfy the State’s requirements as outlined in this RFP.
6. The Offeror shall provide a draft Problem Escalation Procedure (PEP) that includes, at a minimum, titles of individuals to be contacted by the Contract Monitor should problems arise under the Contract and explains how problems with work under the Contract will be escalated in order to resolve any issues in a timely manner. Final procedures shall be submitted as indicated in **Section 3.8**.
7. The Offeror shall provide a Backup solution/ strategy recommendation as part of its Proposal.
8. The Offeror shall provide a Pandemic Plan which outlines the Offeror’s response to an emerging pandemic for state of emergency that may affect operations at the SDU. The plan shall include recommendations from the Centers for Disease Control and Prevention (CDC) and Occupational Safety & Health Administration (OSHA), as well as the Offeror’s Maryland SDU Business Continuity Plan.
9. Experience and Qualifications of Proposed Staff (Submit under TAB F)

The Offeror shall identify the qualifications and types of staff proposed to be utilized under the Contract including information in support of the Personnel Experience criteria in **Section 3.10.2**. Specifically, the Offeror shall:

* 1. Describe in detail how the proposed staff’s experience and qualifications relate to their specific responsibilities, including any staff of proposed subcontractor(s), as detailed in the Work Plan.
  2. Include individual resumes for Key Personnel, including Key Personnel for any proposed subcontractor(s), who are to be assigned to the project if the Offeror is awarded the Contract. Each resume should include the amount of experience the individual has had relative to the Scope of Work set forth in this solicitation.
  3. Include letters of intended commitment to work on the project, including letters from any proposed subcontractor(s). Offerors should be aware of restrictions on substitution of Key Personnel prior to RFP award (see Substitution Prior to and Within 30 Days After Contract Execution in Section 3.11.5).
  4. Provide an Organizational Chart outlining Personnel and their related duties. The Offeror shall include job titles and the percentage of time each individual will spend on his/her assigned tasks. Offerors using job titles other than those commonly used by industry standards must provide a crosswalk reference document.
  5. If proposing differing personnel work hours than identified in the RFP, describe how and why it proposes differing personnel work hours.

1. Offeror Qualifications and Capabilities (Submit under TAB G)

The Offeror shall include information on past experience with similar projects and services including information in support of the Offeror Experience criteria in **Section 3.10.1**. The Offeror shall describe how its organization can meet the requirements of this RFP and shall also include the following information:

* 1. The number of years the Offeror has provided the similar goods and services;
  2. The number of clients/customers and geographic locations that the Offeror currently serves.
  3. The names and titles of headquarters or regional management personnel who may be involved with supervising the services to be performed under the Contract.
  4. The Offeror’s process for resolving billing errors; and
  5. An organizational chart that identifies the complete structure of the Offeror including any parent company, headquarters, regional offices, and subsidiaries of the Offeror.

1. References (Submit under TAB H)

At least three (3) reference letters are requested from customers who are capable of documenting the Offeror’s ability to provide the goods and services specified in this RFP. References used to meet any Minimum Qualifications (see RFP **Section 1**) may be used to meet this request. Each reference shall be from a client for whom the Offeror has provided goods and services within the past five (5) years and shall include the following information:

* 1. Name of client organization.
  2. Name, title, telephone number, and e-mail address, if available, of point of contact for client organization; and
  3. Value, type, duration, and description of goods and services provided.

The Department reserves the right to request additional references or utilize references not provided by

the Offeror. Points of contact must be accessible and knowledgeable regarding Offeror performance.

1. List of Current or Prior State Contracts (Submit under TAB I)

Provide a list of all contracts with any entity of the State of Maryland for which the Offeror is currently performing goods and services or for which services have been completed within the last five (5) years. For each identified contract, the Offeror is to provide:

* 1. The State contracting entity.
  2. A brief description of the goods and services provided.
  3. The dollar value of the contract.
  4. The term of the contract.
  5. The State employee contact person (name, title, telephone number, and, if possible, e-mail address); and
  6. Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

Information obtained regarding the Offeror’s level of performance on State contracts will be used by the Procurement Officer to determine the responsibility of the Offeror and considered as part of the experience and past performance evaluation criteria of the RFP.

1. Financial Capability (Submit under TAB J)

The Offeror must include in its Proposal a commonly-accepted method to prove its fiscal integrity. If available, the Offeror shall include Financial Statements, preferably a Profit and Loss (P&L) statement and a Balance Sheet, for the last two (2) years (independently audited preferred).

In addition, the Offeror may supplement its response to this Section by including one or more of the following with its response:

* 1. Dun & Bradstreet Rating.
  2. Standard and Poor’s Rating.
  3. Lines of credit.
  4. Evidence of a successful financial track record; and
  5. Evidence of adequate working capital.

1. Certificate of Insurance (Submit under TAB K)

The Offeror shall provide a copy of its current certificate of insurance showing the types and limits of insurance in effect as of the Proposal submission date. The current insurance types and limits do not have to be the same as described in **Section 3.6**. See **Section 3.6** for the required insurance certificate submission for the apparent awardee.

1. Subcontractors (Submit under TAB L)

The Offeror shall provide a complete list of all subcontractors that will work on the Contract if the Offeror receives an award, including those utilized in meeting the MBE and VSBE subcontracting goal(s), if applicable. This list shall include a full description of the duties each subcontractor will perform and why/how each subcontractor was deemed the most qualified for this project. If applicable, subcontractors utilized in meeting the established MBE or VSBE participation goal(s) for this solicitation shall be identified as provided in the appropriate attachment(s) of this RFP.

1. Legal Action Summary (Submit under TAB M)

This summary shall include:

* 1. A statement as to whether there are any outstanding legal actions or potential claims against the Offeror and a brief description of any action.
  2. A brief description of any settled or closed legal actions or claims against the Offeror over the past five (5) years.
  3. A description of any judgments against the Offeror within the past five (5) years, including the court, case name, complaint number, and a brief description of the final ruling or determination; and
  4. In instances where litigation is ongoing and the Offeror has been directed not to disclose information by the court, provide the name of the judge and location of the court.

1. Economic Benefit Factors (Submit under TAB N)
   1. The Offeror shall submit with its Proposal a narrative describing benefits that will accrue to the Maryland economy as a direct or indirect result of its performance of the Contract. Proposals will be evaluated to assess the benefit to Maryland’s economy specifically offered. The economic benefit offered should be consistent with the Offeror’s Total Proposal Price from **Attachment B**, the Financial Proposal Form. See COMAR 21.05.03.03A (3).
   2. Proposals that identify specific benefits as being contractually enforceable commitments will be rated more favorably than Proposals that do not identify specific benefits as contractual commitments, all other factors being equal.
   3. Offerors shall identify any performance guarantees that will be enforceable by the State if the full level of promised benefit is not achieved during the Contract term.
   4. As applicable, for the full duration of the Contract, including any renewal period, or until the commitment is satisfied, the Contractor shall provide to the Procurement Officer or other designated agency personnel reports of the actual attainment of each benefit listed in response to this section. These benefit attainment reports shall be provided quarterly, unless elsewhere in these specifications a different reporting frequency is stated.
   5. In responding to this section, the following do not generally constitute economic benefits to be derived from the Contract:
      * 1. generic statements that the State will benefit from the Offeror’s superior performance under the Contract.
        2. descriptions of the number of Offeror employees located in Maryland other than those that will be performing work under the Contract; or
        3. tax revenues from Maryland-based employees or locations, other than those that will be performing, or used to perform, work under the Contract.
   6. Discussion of Maryland-based employees or locations may be appropriate if the Offeror makes some projection or guarantee of increased or retained presence based upon being awarded the Contract.
   7. Examples of economic benefits to be derived from a contract may include any of the following. For each factor identified below, identify the specific benefit and contractual commitments and provide a breakdown of expenditures in that category:
      * 1. The Contract dollars to be recycled into Maryland’s economy in support of the Contract, through the use of Maryland subcontractors, suppliers and joint venture partners. **Do not include actual fees or rates paid to subcontractors or information from your Financial Proposal;**
        2. The number and types of jobs for Maryland residents resulting from the Contract. Indicate job classifications, number of employees in each classification and the aggregate payroll to which the Offeror has committed, including contractual commitments at both prime and, if applicable, subcontract levels; and whether Maryland employees working at least 30 hours per week and are employed at least 120 days during a 12-month period will receive paid leave. If no new positions or subcontracts are anticipated as a result of the Contract, so state explicitly.
        3. Tax revenues to be generated for Maryland and its political subdivisions as a result of the Contract. Indicate tax category (sales taxes, payroll taxes, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the Contract.
        4. Subcontract dollars committed to Maryland small businesses and MBEs; and
        5. Other benefits to the Maryland economy which the Offeror promises will result from awarding the Contract to the Offeror, including contractual commitments. Describe the benefit, its value to the Maryland economy, and how it will result from, or because of the Contract award. Offerors may commit to benefits that are not directly attributable to the Contract, but for which the Contract award may serve as a catalyst or impetus.
2. Technical Proposal - Required Forms and Certifications (Submit under TAB O)
   1. All forms required for the Technical Proposal are identified in Table 1 of **Section 7** – RFP Attachments and Appendices. Unless directed otherwise by instructions within an individual form, complete, sign, and include all required forms in the Technical Proposal, under TAB O.
   2. Offerors shall furnish any and all agreements and terms and conditions the Offeror expects the State to sign or to be subject to in connection with or in order to use the Offeror’s services under this Contract. This includes physical copies of all agreements referenced and incorporated in primary documents, including but not limited to any software licensing agreement for any software proposed to be licensed to the State under this Contract (e.g., EULA, Enterprise License Agreements, Professional Service agreement, Master Agreement) and any AUP. The State does not agree to terms and conditions not provided in an Offeror’s Technical Proposal and no action of the State, including but not limited to the use of any such software, shall be deemed to constitute acceptance of any such terms and conditions. Failure to comply with this section renders any such agreement unenforceable against the State.
   3. For each service, hardware or software proposed as furnished by a third-party entity, Offeror must identify the third-party provider and provide a letter of authorization or such other documentation demonstrating the authorization for such services. In the case of an open source license, authorization for the open source shall demonstrate compliance with the open source license.
   4. A Letter of Authorization shall be on letterhead or through the provider’s e-mail. Further, each Letter of Authorization shall be less than twelve (12) months old and must provide the following information:
      * 1. Third-party POC name and alternate for verification
        2. Third-party POC mailing address
        3. Third-party POC telephone number
        4. Third-party POC email address
        5. If available, a Re-Seller Identifier

## Volume II – Financial Proposal

The Financial Proposal shall contain all price information in the format specified in **Attachment** **B**. The

Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal

Instructions and the Financial Proposal Form itself. Do not amend, alter, or leave blank any items on the

Financial Proposal Form or include additional clarifying or contingent language on or attached to the

Financial Proposal Form. Failure to adhere to any of these instructions may result in the Proposal being

determined to be not reasonably susceptible of being selected for award and rejected by the Department.

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# Evaluation and Selection Process

## Evaluation Committee

Evaluation of Proposals will be performed in accordance with COMAR 21.05.03 by a committee established for that purpose and based on the evaluation criteria set forth below. The Evaluation Committee will review Proposals, participate in Offeror oral presentations and discussions, and provide input to the Procurement Officer. The Department reserves the right to utilize the services of individuals outside of the established Evaluation Committee for advice and assistance, as deemed appropriate.

During the evaluation process, the Procurement Officer may determine at any time that a particular Offeror is not susceptible for award.

## Technical Proposal Evaluation Criteria

The criteria to be used to evaluate each Technical Proposal are listed below in descending order of importance. Unless stated otherwise, any sub-criteria within each criterion have equal weight.

* + 1. Offeror’s Technical Response to Requirements and Work Plan (See RFP **§ 5.3.2.F**)

The State prefers the Offeror’s Technical Proposal to illustrate a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be performed. Proposals which include limited responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Proposals that demonstrate an understanding of the work requirements and include plans to meet or exceed them. Proposals include should the methodology and approaches to how the work will be performed including measures that improve security and tracking and fraud prevention.

* + 1. Experience and Qualifications of Proposed Staff (See RFP **§ 5.3.2.G**)
    2. Offeror Qualifications and Capabilities, including proposed subcontractors (See RFP **§ 5.3.2.H**)
    3. Economic Benefit to State of Maryland (See RFP **§ 5.3.2.O**)

## Financial Proposal Evaluation Criteria

All Qualified Offerors (see **Section 6.5.2.D**) will be ranked from the lowest (most advantageous) to the highest (least advantageous) price based on the Total Proposal Price within the stated guidelines set forth in this RFP and as submitted on **Attachment** **B** - Financial Proposal Form.

## Reciprocal Preference

* + 1. Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. COMAR 21.05.01.04 permits procuring agencies to apply a reciprocal preference under the following conditions:

1. The Maryland resident business is a responsible Offeror;
2. The most advantageous Proposal is from a responsible Offeror whose principal office, or principal base of operations is in another state.
3. The other state gives a preference to its resident businesses through law, policy, or practice; and
4. The preference does not conflict with a federal law or grant affecting the procurement Contract.
   * 1. The preference given shall be identical to the preference that the other state, through law, policy, or practice gives to its resident businesses.

## Selection Procedures

### General

1. The Contract will be awarded in accordance with the Competitive Sealed Proposals (CSP) method found at COMAR 21.05.03. The CSP method allows for the conducting of discussions and the revision of Proposals during these discussions. Therefore, the State may conduct discussions with all Offerors that have submitted Proposals that are determined to be reasonably susceptible of being selected for contract award or potentially so. However, the State reserves the right to make an award without holding discussions.
2. With or without discussions, the State may determine the Offeror to be not responsible or the Offeror’s Proposal to be not reasonably susceptible of being selected for award at any time after the initial closing date for receipt of Proposals and prior to Contract award.

### Selection Process Sequence

1. A determination is made that the MDOT Certified MBE Utilization and Fair Solicitation Affidavit (**Attachment** **D-1A**) is included and is properly completed, if there is a MBE goal. In addition, a determination is made that the VSBE Utilization Affidavit and subcontractor Participation Schedule (**Attachment** **E-1**) is included and is properly completed, if there is a VSBE goal.
2. Technical Proposals are evaluated for technical merit and ranked. During this review, oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State’s requirements and the Offeror’s ability to perform the services, as well as to facilitate arrival at a Contract that is most advantageous to the State. Offerors will be contacted by the State as soon as any discussions are scheduled.
3. Offerors must confirm in writing any substantive oral clarifications of, or changes in, their Technical Proposals made in the course of discussions. Any such written clarifications or changes then become part of the Offeror’s Technical Proposal. Technical Proposals are given a final review and ranked.
4. The Financial Proposal of each Qualified Offeror (a responsible Offeror determined to have submitted an acceptable Proposal) will be evaluated and ranked separately from the Technical evaluation. After a review of the Financial Proposals of Qualified Offerors, the Evaluation Committee or Procurement Officer may again conduct discussions to further evaluate the Offeror’s entire Proposal.
5. When in the best interest of the State, the Procurement Officer may permit Qualified Offerors to revise their initial Proposals and submit, in writing, Best and Final Offers (BAFOs). The State may make an award without issuing a request for a BAFO. **Offerors may only perform limited substitutions of proposed personnel as allowed in Section 3.11 (Substitution of Personnel**).

### Award Determination

Upon completion of the Technical Proposal and Financial Proposal evaluations and rankings, each Offeror will receive an overall ranking. The Procurement Officer will recommend award of the Contract to the responsible Offeror that submitted the Proposal determined to be the most advantageous to the State. In making this most advantageous Proposal determination, technical factors will receive greater weight than financial factors.

## Documents Required upon Notice of Recommendation for Contract Award

Upon receipt of a Notification of Recommendation for Contract award, the apparent awardee shall complete and furnish the documents and attestations as directed in Table 1 of **Section 7** – **RFP Attachments and Appendices**.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

# RFP ATTACHMENTS AND APPENDICES

**Instructions Page**

A Proposal submitted by the Offeror must be accompanied by the completed forms and/or affidavits identified as “with Proposal” in the “When to Submit” column in Table 1 below. All forms and affidavits applicable to this RFP, including any applicable instructions and/or terms, are identified in the “Applies” and “Label” columns in Table 1.

For documents required as part of the Proposal:

1. For e-mail submissions, submit one (1) copy of each with signatures.
2. For paper submissions, submit two (2) copies of each with original signatures. All signatures must be clearly visible.

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete certain forms and affidavits after notification of recommended award. The list of forms and affidavits that must be provided is described in Table 1 below in the “When to Submit” column.

For documents required after award, submit three (3) copies of each document within the appropriate number of days after notification of recommended award, as listed in Table 1 below in the “When to Submit” column.

Table 1: RFP ATTACHMENTS AND APPENDICES

| Applies? | When to Submit | Label | Attachment Name |
| --- | --- | --- | --- |
| Y | Before Proposal | A | Pre-Proposal Conference Response Form |
| Y | With Proposal | B | Financial Proposal, Instructions and Form |
| Y | With Proposal | C | Bid/Proposal Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>) |
| Y | With Proposal | D | MBE Forms D-1A (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>)  **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment D-1A is to be submitted for each Functional Area or Service Category where there is a MBE goal. |
| Y | 10 Business Days after recommended for award | D | MBE Forms D-1B, D-1C,D-2, D-3A, D-3B (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>)  **Important:** Attachment D-1C, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | As directed in forms | D | MBE Forms D-4A, D-4B, D-5 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>) |
| Y | With Proposal | E | Veteran-Owned Small Business Enterprise (VSBE) Form E-1A (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **IMPORTANT:** If this RFP contains different Functional Areas or Service Categories. A separate Attachment E-1A is to be submitted for each Functional Area or Service Category where there is a VSBE goal. |
| Y | 5 Business Days after recommended for award | E | VSBE Forms E-1B, E-2, E-3 (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>)  **Important:** Attachment E-1B, if a waiver has been requested, is also required within 10 days of recommended award. |
| Y | With Proposal | F | Maryland Living Wage Requirements for Service Contracts and Affidavit of Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf>) |
| Y | With Proposal | G | Federal Funds Attachments (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf>) |
| Y | With Proposal | H | Conflict of Interest Affidavit and Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>) |
| Y | 5 Business Days after recommended for award – However, suggested with Proposal | I | Non-Disclosure Agreement (Contractor) (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>) |
| Y | With Proposal | L | Location of the Performance of Services Disclosure (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>) |
| Y | 5 Business Days after recommended for award | M | Sample Contract (included in this RFP) |
| Y | 5 Business Days after recommended for award | N | Contract Affidavit (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf>) |
| Y | 5 Business Days after recommended for award | O | DHS Hiring Agreement (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf>) |
| Y | 5 Business Days after recommended for award. Submission with Proposal is recommended | P | Criminal Background Check Affidavit and Ongoing |
| Applies? | When to Submit | Label | Attachment Name |
| Y | With Proposal | 2 | Offeror Information Sheet (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>) |
| Y | 5 Business Days after recommended for award | 3 | Performance Bond  (see link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-z-Performance-Bond.dotx>) |
| Y | 5 Business Days after recommended for award |  | Evidence of meeting insurance requirements (see **Section 3.6**); 1 copy |
| Y | 10 Business Days after recommended for award |  | PEP; 1 copy |

1. Pre-Proposal Conference Response Form

**Solicitation Number CSA/SDU/23-001-S**

MD STATE DISBURSEMENT UNIT SERVICES

A Pre-Proposal conference will be held virtually on **March 19, 2024, at 10:00 am – 12:00 pm Local Time via google meet.**

Please return this form **2:00 pm on March 18, 2024,** advising whether or not your firm plans to attend. The completed form should be returned via e-mail or fax to the Procurement Officer at the contact information below:

Samuel Eduful

Department of Human Services

E-mail: Samuel.Eduful@maryland.gov

Please indicate:

|  |  |
| --- | --- |
|  | Yes, the following representatives will be in attendance. |
|  | Attendees name and e-mail addresses (Check the RFP for limits to the number of attendees allowed):  1.  2.  3. |
|  | No, we will not be in attendance. |

|  |  |  |
| --- | --- | --- |
| Please specify whether any reasonable accommodations are requested (see RFP § 4.1“Pre-Proposal conference”): | | |
| Offeror: |  |
| *Offeror Name (please print or type)* |  |
| By: |  |
| *Signature/Seal* |  |
| Printed Name: |  |
| *Printed Name* |  |
| Title: |  |
| *Title* |  |
| Date: |  |
| *Date* |  |

1. Financial Proposal Instructions & Form

B-1 Financial Proposal Instructions

In order to assist Offerors in the preparation of their Financial Proposal and to comply with the requirements of this solicitation, Financial Proposal Instructions and a Financial Proposal Form have been prepared. Offerors shall submit their Financial Proposal on the Financial Proposal Form in accordance with the instructions on the Financial Proposal Format as specified herein. Do not alter the Financial Proposal Form or the Proposal may be determined to be not reasonably susceptible of being selected for award. The Financial Proposal Form is to be signed and dated, where requested, by an individual who is authorized to bind the Offeror to the prices entered on the Financial Proposal Form.

The Financial Proposal Form is used to calculate the Offeror’s TOTAL Proposal PRICE. Follow these instructions carefully when completing your Financial Proposal Form:

A) All Unit and Extended Prices must be clearly entered in dollars, e.g., $24.00. Make your decimal points clear and distinct.

B) All Unit Prices must be the actual price per unit the State will pay for the specific item or service identified in this RFP and may not be contingent on any other factor or condition in any manner.

C) All calculations shall be rounded to the nearest dollar.

D) Any goods or services required through this RFP and proposed by the vendor at **No Cost to the State** must be clearly entered in the Unit Price, if appropriate, and Extended Price with **$0.00**.

E) Every blank in every Financial Proposal Form shall be filled in. Any changes or corrections made to the Financial Proposal Form by the Offeror prior to submission shall be initialed and dated.

F) Except as instructed on the Financial Proposal Form, nothing shall be entered on or attached to the Financial Proposal Form that alters or proposes conditions or contingencies on the prices. Alterations and/or conditions may render the Proposal not reasonably susceptible of being selected for award.

G) It is imperative that the prices included on the Financial Proposal Form have been entered correctly and calculated accurately by the Offeror and that the respective total prices agree with the entries on the Financial Proposal Form. Any incorrect entries or inaccurate calculations by the Offeror will be treated as provided in COMAR 21.05.03.03.F, and may cause the Proposal to be rejected.

H) If option years are included, Offerors must submit pricing for each option year. Any option to renew will be exercised at the sole discretion of the State and comply with all terms and conditions in force at the time the option is exercised. If exercised, the option period shall be for a period identified in the RFP at the prices entered in the Financial Proposal Form.

I) All Financial Proposal prices entered below are to be fully loaded prices that include all costs/expenses associated with the provision of services as required by the RFP. The Financial Proposal price shall include, but is not limited to, all: labor, profit/overhead, general operating, administrative, and all other expenses and costs necessary to perform the work set forth in the solicitation. No other amounts will be paid to the Contractor. If labor rates are requested, those amounts shall be fully-loaded rates; no overtime amounts will be paid.

J) Unless indicated elsewhere in the RFP, sample amounts used for calculations on the Financial Proposal Form are typically estimates for evaluation purposes only. Unless stated otherwise in the RFP, the Department does not guarantee a minimum or maximum number of units or usage in the performance of the Contract.

K) Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

B-1 Financial Proposal Form

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. If option years are included, Offerors must submit pricing for each option year. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

**See separate Excel Financial Proposal Form.**

Submitted by:

|  |  |
| --- | --- |
| Offeror: |  |
| Offeror Name (please print or type) |  |
| By: |  |
| Signature of Authorized Representative |  |
| Printed Name: |  |
| Printed Name |  |
| Title: |  |
| Title |  |
| Date: |  |
| Date |  |
| Address: |  |
| Company Address |  |

1. Proposal Affidavit

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentC-Bid_Proposal-Affidavit.pdf>.

1. Minority Business Enterprise (MBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentDMBE-Forms-1.pdf>.

This solicitation includes a Minority Business Enterprise (MBE) participation goal of \_\_25%\_\_\_

1. Veteran-Owned Small Business Enterprise (VSBE) Forms

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentE-VSBEForms.pdf>.

This solicitation includes a VSBE participation goal of \_\_5\_\_%.

1. Maryland Living Wage Affidavit of Agreement for Service Contracts

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentF-LivingWageAffidavit.pdf> to complete the Affidavit.

A. This contract is subject to the Living Wage requirements under Md. Code Ann., State Finance and Procurement Article, Title 18, and the regulations proposed by the Commissioner of Labor and Industry (Commissioner). The Living Wage generally applies to a Contractor or subcontractor who performs work on a State contract for services that is valued at $100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee’s time during any work week on the State Contract.

B. The Living Wage Law does not apply to:

(1) A Contractor who:

(a) Has a State contract for services valued at less than $100,000, or

(b) Employs 10 or fewer employees and has a State contract for services valued at less than $500,000.

(2) A subcontractor who:

(a) Performs work on a State contract for services valued at less than $100,000,

(b) Employs 10 or fewer employees and performs work on a State contract for services valued at less than $500,000, or

(c) Performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(b) above, or B (3) or C below.

(3) Service contracts for the following:

(a) Services with a Public Service Company;

(b) Services with a nonprofit organization;

(c) Services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement (“Unit”); or

(d) Services between a Unit and a County or Baltimore City.

C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.

D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Md. Code Ann., State Finance and Procurement Article, Title 18.

E. Each Contractor/subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.

F. The Commissioner shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry’s website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.

G. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of the health insurance premium, as provided in Md. Code Ann., State Finance and Procurement Article, §18-103(c), shall not lower an employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s share of health insurance premium shall comply with any record reporting requirements established by the Commissioner.

H. A Contractor/subcontractor may reduce the wage rates paid under Md. Code Ann., State Finance and Procurement Article, §18-103(a), by no more than 50 cents of the hourly cost of the employer’s contribution to an employee’s deferred compensation plan. A Contractor/subcontractor who reduces the wages paid to an employee based on the employer’s contribution to an employee’s deferred compensation plan shall not lower the employee’s wage rate below the minimum wage as set in Md. Code Ann., Labor and Employment Article, §3-413.

I. Under Md. Code Ann., State Finance and Procurement Article, Title 18, if the Commissioner determines that the Contractor/subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of $20 per day for each employee paid less than the Living Wage.

J. Information pertaining to reporting obligations may be found by going to the Division of Labor and Industry website <http://www.dllr.state.md.us/labor/prev/livingwage.shmtl> and clicking on Living Wage for State Service Contracts.

1. Federal Funds Attachments

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/AttachmentG-FederalFundsAttachment.pdf>.

1. Conflict of Interest Affidavit and Disclosure

See link at <https://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/AttachmentH-Conflict-of-InterestAffidavit.pdf>

1. Non-Disclosure Agreement (Contractor)

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-I-Non-DisclosureAgreementContractor.pdf>.

1. HIPAA Business Associate Agreement

This solicitation does not require a HIPAA Business Associate Agreement.

1. Mercury Affidavit

This solicitation does not include the procurement of products known to likely include mercury as a component.

1. Location of the Performance of Services Disclosure

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-L-PerformanceofServicesDisclosure.pdf>.

1. Contract

DEPARTMENT OF HUMAN SERVICES (DHS)

“MD STATE DISBURSEMENT UNIT SERVICES”

CSA/SDU/24-001-S

THIS CONTRACT (the “Contract”) is made this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Contractor”) and the STATE OF MARYLAND, acting through the MARYLAND Department of Human Services (DHS or the “Department”).

In consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

1.1 “COMAR” means Code of Maryland Regulations.

1.2 “Contractor” means the entity first named above whose principal business address is (Contractor’s primary address) and whose principal office in Maryland is (Contractor’s local address), whose Federal Employer Identification Number or Social Security Number is (Contractor’s FEIN), and whose eMaryland Marketplace Advantage vendor ID number is (eMMA Number).

1.3 “Financial Proposal” means the Contractor’s [pick one: Financial Proposal or Best and Final Offer (BAFO)] dated \_\_\_\_\_\_\_\_\_(Financial Proposal date or BAFO date).

1.4 Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.

1.5 “RFP” means the Request for Proposals for Md State Disbursement Unit Services Solicitation #CSA/SDU-24-001-S and any amendments, addenda, and attachments thereto issued in writing by the State.

1.6 “State” means the State of Maryland.

1.7 “Technical Proposal” means the Contractor’s Technical Proposal dated. \_\_\_\_\_\_\_\_\_\_\_\_ (Technical Proposal date), as modified and supplemented by the Contractor’s responses to requests clarifications and requests for cure, and by any Best and Final Offer.

1.8 “Veteran-owned Small Business Enterprise” (VSBE) means A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

1.9 Capitalized terms not defined herein shall be ascribed the meaning given to them in the RFP.

2. Scope of Contract

2.1 The Contractor shall perform in accordance with this Contract and Exhibits A-D, which are listed below and incorporated herein by reference. If there is any conflict between this Contract and the Exhibits, the terms of the Contract shall control. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision:

Exhibit A – The RFP

Exhibit B – The Contract Affidavit, executed by the Contractor and dated (date of Attachment C)

Exhibit C – The Technical Proposal

Exhibit D – The Financial Proposal

2.2 The Procurement Officer may, at any time, by written order, make unilateral changes in the work within the general scope of the Contract. No other order, statement, or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor’s cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

2.3 Without limiting the rights of the Procurement Officer under Section 2.2 above, the Contract may be modified by mutual agreement of the parties, provided: (a) the modification is made in writing; (b) all parties sign the modification; and (c) all approvals by the required agencies as described in COMAR Title 21, are obtained.

3. Period of Performance

3.1 The term of this Contract begins on the date the Contract is signed by the Department following any required prior approvals, including approval by the Board of Public Works, if such approval is required (the “Effective Date”) and shall continue until \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Initial Term”).

3.2 In its sole discretion, the Department shall have the unilateral right to extend the Contract for <<enter the number of periods >>, successive <<enter the length of the period>> - <<select either year(s), month(s), or day(s)>> renewal options (each a “Renewal Term”) at the prices established in the Contract. “Term” means the Initial Term and any Renewal Term(s).

3.3. The Contractor’s performance under the Contract shall commence as of the date provided in a written NTP.

3.4 The Contractor’s obligation to pay invoices to subcontractors providing products/services in connection with this Contract, as well as the audit; confidentiality; document retention; patents, copyrights & intellectual property; warranty; indemnification obligations; and limitations of liability under this Contract; and any other obligations specifically identified, shall survive expiration or termination of the Contract.

4. Consideration and Payment

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Department shall pay the Contractor in accordance with the terms of this Contract and at the prices quoted in the Financial Proposal. Unless properly modified (see above Section 2), payment to the Contractor pursuant to this Contract, including the Initial Term and any Renewal Term, shall not exceed the Contracted amount.

The total payment under a fixed price Contract or the fixed price element of a combined fixed price – time and materials Contract shall be the firm fixed price submitted by the Contractor in its Financial Proposal.

For time and materials Contracts, IDIQ Contracts, or Contracts which include either or both a time and materials or IDIQ element(s), total payments to the Contractor pursuant to this Contract for the time and materials and IDIQ portion(s) may not exceed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “NTE Amount”), which includes $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the Initial Term and $\_\_\_\_\_\_\_\_\_\_\_\_\_ for the Renewal Term(s).

Contractor shall notify the Contract Monitor, in writing, at least sixty (60) days before payments reach the NTE Amount. After notification by the Contractor, if the State fails to increase the Contract amount, the Contractor shall have no obligation to perform under this Contract after payments reach the stated amount; provided, however, that, prior to the stated amount being reached, the Contractor shall: (a) promptly consult and work in good faith with the Department to establish a plan of action to assure that every reasonable effort is undertaken by the Contractor to complete State-defined critical work in progress prior to the date the NTE Amount will be reached; and (b) when applicable secure databases, systems, platforms, and applications on which the Contractor is working in an industry standard manner so as to prevent damage or vulnerabilities to any of the same due to the existence of any such unfinished work.

4.2 Unless a payment is unauthorized, deferred, delayed, or set-off under COMAR 21.02.07, payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the Department ’s receipt of a proper invoice from the Contractor as required by RFP section 3.3.

The Contractor may be eligible to receive late payment interest at the rate of 9% per annum if:

(1) The Contractor submits an invoice for the late payment interest within thirty days after the date of the State’s payment of the amount on which the interest accrued; and

(2) A contract claim has not been filed under State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland.

The State is not liable for interest:

(1) Accruing more than one year after the 31st day after the agency receives the proper invoice; or

(2) On any amount representing unpaid interest. Charges for late payment of invoices are authorized only as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, or by the Public Service Commission of Maryland with respect to regulated public utilities, as applicable.

Final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

Electronic funds transfer shall be used by the State to pay Contractor pursuant to this Contract and any other State payments due Contractor unless the State Comptroller’s Office grants Contractor an exemption.

4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

4.4 Payment of an invoice by the Department is not evidence that services were rendered as required under this Contract.

5. Rights to Records

5.1 The Contractor agrees that all documents and materials including, but not limited to, software, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations, and data prepared by the Contractor for purposes of this Contract shall be the sole property of the State and shall be available to the State at any time. The State shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, works created as a Deliverable under this Contract (as defined in **Section 7.2**), and services performed under this Contract shall be “works made for hire” as that term is interpreted under U.S. copyright law. To the extent that any products created as a Deliverable under this Contract are not works made for hire for the State, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

5.3 The Contractor shall report to the Contract Monitor, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

5.4 The Contractor shall not affix any restrictive markings upon any data, documentation, or other materials provided to the State hereunder and if such markings are affixed, the State shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

5.5 Upon termination or expiration of the Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place identified by the Procurement Officer.

6. Exclusive Use

6.1 The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with this Contract. If any material, including software, is capable of being copyrighted, the State shall be the copyright owner and Contractor may copyright material connected with this project only with the express written approval of the State.

6.2 Except as may otherwise be set forth in this Contract, Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Department or developed by Contractor relating to the Contract, except as provided for in **Section 8**. **Confidential or Proprietary Information and Documentation**.

7. Patents, Copyrights, and Intellectual Property

7.1. All copyrights, patents, trademarks, trade secrets, and any other intellectual property rights existing prior to the Effective Date of this Contract shall belong to the party that owned such rights immediately prior to the Effective Date (“Pre-Existing Intellectual Property”). If any design, device, material, process, or other item provided by Contractor is covered by a patent or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the State to use such item or items pursuant to its rights granted under the Contract.

7.2 Except for (1) information created or otherwise owned by the Department or licensed by the Department from third parties, including all information provided by the Department to Contractor; (2) materials created by Contractor or its subcontractor(s) specifically for the State under the Contract (“Deliverables”), except for any Contractor Pre-Existing Intellectual Property included therein; and (3) the license rights granted to the State, all right, title, and interest in the intellectual property embodied in the solution, including the know-how and methods by which the solution is provided and the processes that make up the solution, will belong solely and exclusively to Contractor and its licensors, and the Department will have no rights to the same except as expressly granted in this Contract. Any SaaS Software developed by Contractor during the performance of the Contract will belong solely and exclusively to Contractor and its licensors. For all Software provided by the Contractor under the Contract, Contractor hereby grants to the State a nonexclusive, irrevocable, unlimited, perpetual, non-cancelable, and non-terminable right to use and make copies of the Software and any modifications to the Software. For all Contractor Pre-Existing Intellectual Property embedded in any Deliverables, Contractor grants to the State a license to use such Contractor Pre-Existing Intellectual Property in connection with its permitted use of such Deliverable. During the period between delivery of a Deliverable by Contractor and the date of payment therefor by the State in accordance with this Contract (including throughout the duration of any payment dispute discussions), subject to the terms and conditions contained herein, Contractor grants the State a royalty-free, non-exclusive, limited license to use such Deliverable and to use any Contractor Materials contained therein in accordance with this Contract.

7.3. Subject to the terms of **Section 10**, Contractor shall defend, indemnify and hold harmless the State and its agents and employees, from and against any and all claims, costs, losses, damages, liabilities, judgments and expenses (including without limitation reasonable attorneys’ fees) arising out of or in connection with any third party claim that the Contractor-provided products/services infringe, misappropriate or otherwise violate any third party intellectual property rights. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

7.4 Without limiting Contractor’s obligations under Section 5.3, if an infringement claim occurs, or if the State or the Contractor believes such a claim is likely to occur, Contractor (after consultation with the State and at no cost to the State): (a) shall procure for the State the right to continue using the allegedly infringing component or service in accordance with its rights under this Contract; or (b) replace or modify the allegedly infringing component or service so that it becomes non-infringing and remains compliant with all applicable specifications.

7.5 Except as otherwise provided herein, Contractor shall not acquire any right, title or interest (including any intellectual property rights subsisting therein) in or to any goods, Software, technical information, specifications, drawings, records, documentation, data or any other materials (including any derivative works thereof) provided by the State to the Contractor. Notwithstanding anything to the contrary herein, the State may, in its sole and absolute discretion, grant the Contractor a license to such materials, subject to the terms of a separate writing executed by the Contractor and an authorized representative of the State as well as all required State approvals.

7.6 Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall use any Software or technology in a manner that will cause any patents, copyrights or other intellectual property which are owned or controlled by the State or any of its affiliates (or for which the State or any of its subcontractors has received license rights) to become subject to any encumbrance or terms and conditions of any third party or open source license (including, without limitation, any open source license listed on http://www.opensource.org/licenses/alphabetical) (each an “Open Source License”). These restrictions, limitations, exclusions and conditions shall apply even if the State or any of its subcontractors becomes aware of or fails to act in a manner to address any violation or failure to comply therewith. No act by the State or any of its subcontractors that is undertaken under this Contract as to any Software or technology shall be construed as intending to cause any patents, copyrights or other intellectual property that are owned or controlled by the State (or for which the State has received license rights) to become subject to any encumbrance or terms and conditions of any open source license.

7.7 The Contractor shall report to the Department , promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Deliverables delivered under this Contract.

7.8 The Contractor shall not affix (or permit any third party to affix), without the Department’s consent, any restrictive markings upon any Deliverables that are owned by the State, and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

8. Confidential or Proprietary Information and Documentation

8.1 Subject to the Maryland Public Information Act and any other applicable laws including, without limitation, HIPAA, the HI-TECH Act, and the Maryland Medical Records Act and regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor’s computer systems or cloud infrastructure, if applicable) shall be held in confidence by the other party. Each party shall, however, be permitted to disclose, as provided by and consistent with applicable law, relevant confidential information to its officers, agents, and Contractor Personnel to the extent that such disclosure is necessary for the performance of their duties under this Contract. Each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by Contractor provided that each officer, agent, and Contractor Personnel to whom any of the State’s confidential information is to be disclosed shall be advised by Contractor of the obligations hereunder, and bound by, confidentiality at least as restrictive as those of set forth in this Contract..

8.2 The provisions of this section shall not apply to information that: (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already rightfully in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

9. Loss of Data

9.1 In the event of loss of any State data or records where such loss is due to the act or omission of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for restoring or recreating, as applicable, such lost data in the manner and on the schedule set by the Contract Monitor. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. At no time shall any Contractor actions (or any failures to act when Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms, and applications with which the Contractor is working hereunder.

9.2 In accordance with prevailing federal or state law or regulations, the Contractor shall report the loss of non-public data as directed in **RFP** **Section 3.7**.

9.3 Protection of data and personal privacy (as further described and defined in RFP Section 3.8) shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Contractor shall safeguard the confidentiality, integrity and availability of State information and comply with the conditions identified in **RFP** **Section 3.7**.

10. Indemnification and Notification of Legal Requests

10.1. At its sole cost and expense, Contractor shall (i) indemnify and hold the State, its employees and agents harmless from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to attorneys’ fees and costs), whether or not involving a third party claim, which arise out of or relate to the Contractor’s, or any of its subcontractors’, performance of this Contract and (ii) cooperate, assist, and consult with the State in the defense or investigation of any such claim, demand, action or suit. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the State or that adversely affects the State’s rights or interests, without the State’s prior written consent.

10.2. The State has no obligation: (i) to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought against the Contractor or its subcontractors as a result of or relating to the Contractor’s obligations or performance under this Contract, or (ii) to pay any judgment or settlement of any such suit, claim or action. Notwithstanding the foregoing, the Contractor shall promptly notify the Procurement Officer of any such claims, demands, actions, or suits.

10.3. Notification of Legal Requests. In the event the Contractor receives a subpoena or other validly issued administrative or judicial process, or any discovery request in connection with any litigation, requesting State Pre-Existing Intellectual Property, of other information considered to be the property of the State, including but not limited to State data stored with or otherwise accessible by the Contractor, the Contractor shall not respond to such subpoena, process or other legal request without first notifying the State, unless prohibited by law from providing such notice The Contractor shall promptly notify the State of such receipt providing the State with a reasonable opportunity to intervene in the proceeding before the time that Contractor is required to comply with such subpoena, other process or discovery request. .

11. Non-Hiring of Employees

No official or employee of the State, as defined under Md. Code Ann., General Provisions Article, § 5-101, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall, during the pendency and term of this Contract and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

12. Disputes

This Contract shall be subject to the provisions of Md. Code Ann., State Finance and Procurement Article, Title 15, Subtitle 2, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer’s decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within thirty (30) days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty (30) days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

13. Maryland Law Prevails

13.1 This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

13.2 The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract or any purchase order, task order, or Notice to Proceed issued thereunder, or any software, or any software license acquired hereunder.

13.3 Any and all references to the Maryland Code, annotated and contained in this Contract shall be construed to refer to such Code sections as are from time to time amended.

14. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual’s refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

15. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor to solicit or secure the Contract, and that the Contractor has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this Contract.

16. Non-Availability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State’s or the Contractor’s rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

17. Termination for Default

If the Contractor fails to fulfill its obligations under this Contract properly and on time, fails to provide any required annual and renewable bond 30 days prior to expiration of the current bond then in effect, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State’s option, become the State’s property. The State shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor’s breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

18. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A (2).

19. Delays and Extensions of Time

19.1 The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

19.2 Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

20. Suspension of Work

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

21. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

22. Financial Disclosure

The Contractor shall comply with the provisions of Section13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate, $200,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches $200,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

23. Political Contribution Disclosure

The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of $200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of $500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Elections website: <http://www.elections.state.md.us/campaign_finance/index.html>.

24. Retention of Records

The Contractor and subcontractors shall retain and maintain all records and documents in any way relating to this Contract for (i) three (3) years after final payment by the State hereunder, or (ii) any applicable federal or State retention requirements (such as HIPAA) or condition of award, , whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, as designated by the Procurement Officer, at all reasonable times. The Contractor shall provide copies of all documents requested by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. All records related in any way to the Contract are to be retained for the entire time provided under this section.

25. Right to Audit

25.1 The State reserves the right, at its sole discretion and at any time, to perform an audit of the Contractor’s performance under this Contract. An audit is defined as a planned and documented independent activity performed by qualified personnel, including but not limited to State and federal auditors, to determine by investigation, examination, or evaluation of objective evidence from data, statements, records, operations and performance practices (financial or otherwise) the Contractor’s compliance with the Contract, including but not limited to adequacy and compliance with established procedures and internal controls over the services performed pursuant to the Contract.

25.2 Upon three (3) Business Days’ notice, the State shall be provided reasonable access to Contractor’s records to perform any such audits. The Department may conduct these audits with any or all of its own internal resources or by securing the services of a third party accounting or audit firm, solely at the Department’s election. The Department may copy any record related to the services performed pursuant to the Contract. The Contractor agrees to fully cooperate and assist in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance.

25.3 The right to audit shall include any of the Contractor’s subcontractors including but not limited to any lower tier subcontractor(s). The Contractor shall ensure the Department has the right to audit such subcontractor(s).

26. Compliance with Laws

The Contractor hereby represents and warrants that:

1. It is qualified to do business in the State and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
2. It is not in arrears with respect to the payment of any monies due and owing the State, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Term.
3. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

27. Cost and Price Certification

27.1 The Contractor, by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as of the date of its Proposal.

27.2 The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date of its Proposal, was inaccurate, incomplete, or not current.

28. Subcontracting; Assignment

The Contractor may not subcontract any of its obligations under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the Procurement Officer, each at the State’s sole and absolute discretion; provided, however, that a Contractor may assign monies receivable under a contract after written notice to the State. Any subcontracts shall include such language as may be required in various clauses contained within this Contract, exhibits, and attachments. The Contract shall not be assigned until all approvals, documents, and affidavits are completed and properly registered. The State shall not be responsible for fulfillment of the Contractor’s obligations to its subcontractors.

29. Limitations of Liability

29.1 Contractor shall be liable for any loss or damage to the State occasioned by the acts or omissions of Contractor, its subcontractors, agents or employees as follows:

(a) For infringement of patents, trademarks, trade secrets and copyrights as provided in **Section 7 “Patents, Copyrights, Intellectual Property”** of this Contract;

(b) Without limitation for damages for bodily injury (including death) and damage to real property and tangible personal property; and

(c) For all other claims, damages, loss, costs, expenses, suits or actions in any way related to this Contract and regardless of the basis on which the claim is made, Contractor’s liability shall not exceed <<two (2) >>times the total value of the Contract or $1,000,000, whichever is greater. The above limitation of liability is per incident.

29.2 Contractor’s indemnification obligations for Third party claims arising under Section 10 (“Indemnification”) of this Contract are included in this limitation of liability only if the State is immune from liability. Contractor’s indemnification liability for third party claims arising under Section 10 of this Contract shall be unlimited if the State is not immune from liability for claims arising under Section 10.

29.3. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Contract, Contractor agrees that it is responsible for performance of the services and compliance with the relevant obligations hereunder by its subcontractors.

30. Commercial Nondiscrimination

30.1 As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State’s Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry, national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual’s refusal to submit to a genetic test or make available the results of a genetic test or on the basis of disability, or otherwise unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

30.3 As a condition of entering into this Contract, upon the request of the Commission on Civil Rights, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past four (4) years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

30.4 The Contractor shall include the language from 30.1, or similar clause approved in writing by the Department in all subcontracts.

31. Prompt Pay Requirements

31.1 If the Contractor withholds payment of an undisputed amount to its subcontractor, the Department, at its option and in its sole discretion, may take one or more of the following actions:

(a) Not process further payments to the Contractor until payment to the subcontractor is verified;

(b) Suspend all or some of the Contract work without affecting the completion date(s) for the Contract work;

(c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due to the Contractor;

(d) Place a payment for an undisputed amount in an interest-bearing escrow account; or

(e) Take other or further actions as appropriate to resolve the withheld payment.

31.2 An “undisputed amount” means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such “undisputed amounts” include, without limitation: (a) retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor; and (b) an amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.

31.3 An act, failure to act, or decision of a Procurement Officer or a representative of the Department concerning a withheld payment between the Contractor and a subcontractor under this **section 31**, may not:

(a) Affect the rights of the contracting parties under any other provision of law;

(b) Be used as evidence on the merits of a dispute between the Department and the Contractor in any other proceeding; or

(c) Result in liability against or prejudice the rights of the Department.

31.4 The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the MBE program.

31.5 To ensure compliance with certified MBE subcontract participation goals, the Department may, consistent with COMAR 21.11.03.13, take the following measures:

(a) Verify that the certified MBEs listed in the MBE participation schedule actually are performing work and receiving compensation as set forth in the MBE participation schedule. This verification may include, as appropriate:

i. Inspecting any relevant records of the Contractor;

ii. Inspecting the jobsite; and

iii. Interviewing subcontractors and workers.

Verification shall include a review of:

i. The Contractor’s monthly report listing unpaid invoices over thirty (30) days old from certified MBE subcontractors and the reason for nonpayment; and

ii. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding thirty (30) days and invoices for which the subcontractor has not been paid.

(b) If the Department determines that the Contractor is not in compliance with certified MBE participation goals, then the Department will notify the Contractor in writing of its findings, and will require the Contractor to take appropriate corrective action. Corrective action may include, but is not limited to, requiring the Contractor to compensate the MBE for work performed as set forth in the MBE participation schedule.

(c) If the Department determines that the Contractor is in material noncompliance with MBE Contract provisions and refuses or fails to take the corrective action that the Department requires, then the Department may:

i. Terminate the Contract;

ii. Refer the matter to the Office of the Attorney General for appropriate action; or

iii. Initiate any other specific remedy identified by the Contract, including the contractual remedies required by any applicable laws, regulations, and directives regarding the payment of undisputed amounts.

(d) Upon completion of the Contract, but before final payment or release of retainage or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from, MBE subcontractors.

32. Living Wage

If a Contractor subject to the Living Wage law fails to submit all records required under COMAR 21.11.10.05 to the Commissioner of Labor and Industry at the Department of Labor, Licensing and Regulation, the Department may withhold payment of any invoice or retainage. The Department may require certification from the Commissioner on a quarterly basis that such records were properly submitted.

33. Use of Estimated Quantities

Unless specifically indicated otherwise in the State’s solicitation or other controlling documents related to the Scope of Work, any sample amounts provided are estimates only and the Department does not guarantee a minimum or maximum number of units or usage in the performance of this Contract.

34. Risk of Loss; Transfer of Title

Risk of loss for conforming supplies, equipment, materials and Deliverables furnished to the State hereunder shall remain with the Contractor until such supplies, equipment, materials and Deliverables are received and accepted by the State, following which, title shall pass to the State.

35. Effect of Contractor Bankruptcy

All rights and licenses granted by the Contractor under this Contract are and shall be deemed to be rights and licenses to “intellectual property,” and the subject matter of this Contract, including services, is and shall be deemed to be “embodiments of intellectual property” for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code (“Code”) (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the State’s rights of election, all rights and licenses granted to the State under this Contract shall continue subject to the respective terms and conditions of this Contract; and (b) the State shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the State’s possession, shall be promptly delivered to the State, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

36. Miscellaneous

36.1 Any provision of this Contract which contemplates performance or observance subsequent to any termination or expiration of this Contract shall survive termination or expiration of this Contract and continue in full force and effect.

36.2 If any term contained in this Contract is held or finally determined to be invalid, illegal, or unenforceable in any respect, in whole or in part, such term shall be severed from this Contract, and the remaining terms contained herein shall continue in full force and effect, and shall in no way be affected, prejudiced, or disturbed thereby.

36.3 The headings of the sections contained in this Contract are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Contract.

36.4 This Contract may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures provided by facsimile or other electronic means, e,g, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

37. Contract Monitor and Procurement Officer

37.1 The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.

37.2 The Procurement Officer has responsibilities as detailed in the Contract, and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.

38. Notices

All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to the State:

Laticia Muse

311 W. Saratoga Street

Baltimore, MD 21201

Phone Number: 410-767-2179

E-Mail: Laticia.muse@maryland.gov

With a copy to:

Samuel Eduful

Department of Human Services

311 W. Saratoga Street

Baltimore, MD 21201

Phone Number: 410-767-7068

E-Mail: Samuel.Eduful@maryland.gov

If to the Contractor:

(Contractor’s Name)

(Contractor’s primary address)

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[[Delete the following if a parent company guarantee is inapplicable:]]

Parent Company Guarantor

Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

39. Liquidated Damages for MBE

39.1 The Contract requires the Contractor to comply in good faith with the MBE Program and Contract provisions. The State and the Contractor acknowledge and agree that the State will incur damages, including but not limited to loss of goodwill, detrimental impact on economic development, and diversion of internal staff resources, if the Contractor does not comply in good faith with the requirements of the MBE Program and MBE Contract provisions. The parties further acknowledge and agree that the damages the State might reasonably be anticipated to accrue as a result of such lack of compliance are difficult to ascertain with precision.

39.2 Therefore, upon issuance of a written determination by the State that the Contractor failed to comply in good faith with one or more of the specified MBE Program requirements or MBE Contract provisions, the Contractor shall pay liquidated damages to the State at the rates set forth below. The Contractor expressly agrees that the State may withhold payment on any invoices as a set-off against liquidated damages owed. The Contractor further agrees that for each specified violation, the agreed upon liquidated damages are reasonably proximate to the loss the State is anticipated to incur as a result of such violation.

(a) Failure to submit each monthly payment report in full compliance with COMAR 21.11.03.13B (3): $25.75 per day until the monthly report is submitted as required.

(b) Failure to include in its agreements with MBE subcontractors a provision requiring submission of payment reports in full compliance with COMAR 21.11.03.13B (4): $95.03 per MBE subcontractor.

(c) Failure to comply with COMAR 21.11.03.12 in terminating, canceling, or changing the scope of work/value of a contract with an MBE subcontractor and amendment of the MBE participation schedule: the difference between the dollar value of the MBE participation commitment on the MBE participation schedule for that specific MBE firm and the dollar value of the work performed by that MBE firm for the Contract.

(d) Failure to meet the Contractor’s total MBE participation goal and sub goal commitments: the difference between the dollar value of the total MBE participation commitment on the MBE participation schedule and the MBE participation actually achieved.

(e) Failure to promptly pay all undisputed amounts to an MBE subcontractor in full compliance with the prompt payment provisions of the Contract: $92.91 following calculation instructions from GOSBA>> per day until the undisputed amount due to the MBE subcontractor is paid.

39.2 Notwithstanding the assessment or availability of liquidated damages, the State reserves the right to terminate the Contract and exercise any and all other rights or remedies which may be available under the Contract or Law.

40. Parent Company Guarantee (If applicable)

If a Contractor intends to rely on its Parent Company in some manner while performing on the State Contract, the following clause should be included and completed for the Contractor’s Parent Company to guarantee performance of the Contractor. The guarantor/Contractor’s Parent Company should be named as a party and signatory to the Contract and should be in good standing with SDAT.

(Corporate name of Contractor’s Parent Company) hereby guarantees absolutely the full, prompt, and complete performance by (Contractor) of all the terms, conditions and obligations contained in this Contract, as it may be amended from time to time, including any and all exhibits that are now or may become incorporated hereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with this Contract, including any and all financial commitments, obligations, and liabilities. (Corporate name of Contractor’s Parent Company) may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval the State may grant, withhold, or qualify in its sole and absolute subjective discretion. (Corporate name of Contractor’s Parent Company) further agrees that if the State brings any claim, action, lawsuit or proceeding against (Contractor), (Corporate name of Contractor’s Parent Company) may be named as a party, in its capacity as Absolute Guarantor.

41. Federal Department of Health and Human Services (DHHS) Exclusion Requirements

The Contractor agrees that it will comply with federal provisions (pursuant to §§ 1128 and 1156 of the Social Security Act and 42 C.F.R. 1001) that prohibit payments under certain federal health care programs to any individual or entity that is on the List of Excluded Individuals/Entities maintained by DHHS. By executing this Contract, the Contractor affirmatively declares that neither it nor any employee is, to the best of its knowledge, subject to exclusion. The Contractor agrees, further, during the term of this Contract, to check the List of Excluded Individuals/Entities prior to hiring or assigning individuals to work on this Contract, and to notify the Department immediately of any identification of the Contractor or an individual employee as excluded, and of any DHHS action or proposed action to exclude the Contractor or any Contractor employee.

42. Compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and State Confidentiality Law

HIPAA clauses do not apply to this Contract.

43. Hiring Agreement

43.1 The Contractor agrees to execute and comply with the enclosed Maryland Department of Human Services (DHS) Hiring Agreement (Attachment O). The Hiring Agreement is to be executed by the Offeror and delivered to the Procurement Officer within ten (10) Business Days following receipt of notice by the Offeror that it is being recommended for Contract award. The Hiring Agreement will become effective concurrently with the award of the Contract.

43.2 The Hiring Agreement provides that the Contractor and DHS will work cooperatively to promote hiring by the Contractor of qualified individuals for job openings resulting from this procurement, in accordance with Md. Code Ann., State Finance and Procurement Article §13-224.

44. Limited English Proficiency

The Contractor shall provide equal access to public services to individuals with limited English proficiency in compliance with Md. Code Ann., State Government Article, §§ 10-1101 et seq., and Policy Guidance issued by the Office of Civil Rights, Department of Health and Human Services, and MDH Policy 02.06.07.

45. Maryland’s Green Purchasing Reporting Requirements

The State of Maryland reserves the right to request from the Contractor quarterly sales data over the life of this contract. This information must include details about the recycled content, third-party sustainability certifications, and other environmental attributes of products and services sold on this price agreement per the contract specifications.

This information will enable Maryland State agencies to comply with Article §14–405 of the Annotated Code of Maryland and COMAR 21.13.01.14, effective October 1, 2014, which requires Maryland state agencies to report to the Department of General Services on their procurement of environmentally preferable products and services.

To facilitate consistent reporting on targeted contracts, the Contractor will be provided with a VENDOR GREEN SALES REPORT template by the Maryland Department of General Services.

SIGNATURES ON NEXT PAGE

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

|  |  |
| --- | --- |
| Contractor | State of Maryland  MARYLAND DEPARTMENT OF HUMAN SERVICES (DHS) |
|  |  |
| By: | By: Rafael Lopez, Secretary |
|  |  |
| Date |  |
|  |  |
| PARENT COMPANY (GUARANTOR) (if applicable) | By: |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| By: | Date |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| Date |
| Approved for form and legal sufficiency  this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Assistant Attorney General |  |
| APPROVED BY BPW: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_  (Date) (BPW Item #) | |
|  | |

1. Contract Affidavit

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-N-ContractAffidavit.pdf>.

1. DHS Hiring Agreement

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Attachment-O-DHSHiringAgreement.pdf>.

1. Criminal Background Check Affidavit

AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of affiant), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Title) and the duly authorized representative of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of Contractor) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

I hereby affirm that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Contractor) has complied with Section 3.8.2 Criminal Background Check requirements of the Department of Human Services’ Maryland State Directory of New Hires Request for Proposals.

I hereby affirm that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of Contractor) has provided \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of Agency) with a summary of the security clearance results for all of the candidates that will be working on Contract Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, entitled Maryland State Directory of New Hires (title of Solicitation) and all of these candidates have successfully passed all of the background checks required under Section 3.8.2 of the Contract. The Contractor hereby agrees to provide security clearance results for any additional candidates at least seven (7) days prior to the date the candidate commences work on this Contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of Contractor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name of Affiant

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

Appendix 1. – Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below: Acceptable Use Policy (AUP) - A written policy documenting constraints and practices that a user must agree to in order to access a private network or the Internet.

1. Access – The ability or the means necessary to read, write, modify, or communicate data/information or otherwise use any information system resource.
2. Americans with Disabilities Act (ADA)

The Americans with Disabilities Act of 1990 (ADA) is a law that was enacted by the

U.S. Congress in 1990. It was later amended with changes effective January 1, 2009.

The ADA is a civil rights law that prohibits, under certain circumstances,

discrimination based on disability. It affords similar protections against discrimination

to Americans with disabilities as the Civil Rights Act of 1964, which made discrimination based on race, religion, sex, national origin, and other characteristics illegal. Disability is defined by the ADA as "a physical or mental impairment that substantially limits a major life activity." The determination of whether any particular condition is considered a disability is made on a case by case basis. Certain specific conditions are excluded as disabilities.

1. Application Program Interface (API) – Code that allows two software programs to communicate with each other.
2. Arrearage

The amount of past due, unpaid child support owed by the non-custodial parent

(NCP). If the parent has arrearages, s/he is said to be “in arrears.”

1. Automated Clearing House (ACH) system

An electronic network for financial transactions.

Award **-** The transmission by the procurement agency, after all required approvals have been obtained: of (a) the executed contract; or (b) written notice of award to the successful Offeror. COMAR 21.01.02.01.B(8).

Board of Public Works (BPW) - A three-member body consisting of the Governor, Comptroller, and Treasurer of the State of Maryland. It oversees many aspects of the State's finances. The board possesses the final say in spending through loans approved by the Maryland General Assembly and in capital improvements. In addition, the board has the authority to borrow money and provide supplemental funding for State agencies. All State land purchases are carried out by the board and all contracts for office space and leases are approved by the board. While the State legislature is not in session, the board takes up many of its fiscal responsibilities in ensuring the operation of the State government.

1. Business Day(s) – The official working days of the week to include Monday through Friday. Official working days excluding State Holidays (see definition of “Normal State Business Hours” below).
2. Case - A child support matter, which is given a unique case identification number (Case ID) and includes information such as Custodial Parent (CP), or, a dependent(s), and a NCP and/or putative father, CP and NCP wage data, court order details and NCP payment history.
3. Case Record - Hard copy and computer files generated and maintained related to any aspect of a Case.
4. Cash Concentration and Disbursement “Plus” (CCD+) – A standardized format used for electronic funds transfer (EFT) of child support withholdings from an employee’s wages.
5. Central Depository Account (CDA) – The main CSA account at the Depository Bank used for deposits and disbursements for the SDU.
6. Central Registry - The Central Registry is a centralized unit that is responsible for receiving, distributing, and responding to inquiries on intergovernmental cases.
7. Check Recoupment (CR) Account - The CSMS case level account which represents a returned check recoupment.
8. Child Support - Financial support paid by a parent to help support a child(ren) that may be voluntary or court ordered.
9. Child Support Administration (CSA) - The unit of DHS that administers the child support program as set forth in Title IV-D of the Social Security Act and State Regulations at COMAR Title 07. CSEA locates parents or putative fathers, establishes, enforces and modifies child support and collects and distributes child support payments.
10. Child Support System (CSMS) - Maryland Case Management database system for the Child Support Administration.
11. Child Support Enforcement Network (CSENet) - A State-to-State telecommunications network, which transfers case specific information between States’, automated child support enforcement systems.
12. Code of Federal Regulations (CFR) - A codification of the general and permanent rules published in the Federal Registry by the Executive departments and agencies of the federal government.
13. COMAR – Code of Maryland Regulations available on-line at <http://www.dsd.state.md.us/COMAR/ComarHome.html>.
14. Continuity of Operations - A plan on how to continue operations under emergency or adverse conditions that may include building fires, theft, and vandalism, earthquakes, floods, and national incidents like pandemic illnesses, that could impact the day-to-day operations, such as supply chain interruption, loss of or damage to critical infrastructure.
15. Contract – The Contract awarded to the successful Offeror pursuant to this RFP. The Contract will be in the form of Attachment M.
16. Contract Monitor – The State representative for this Contract who is primarily responsible for Contract administration functions, including issuing written direction, invoice approval, monitoring this Contract to ensure compliance with the terms and conditions of the Contract, monitoring MBE and VSBE compliance, and achieving completion of the Contract on budget, on time, and within scope. The Contract Monitor may authorize in writing one or more State representatives to act on behalf of the Contract Monitor in the performance of the Contract Monitor’s responsibilities. The Department may change the Contract Monitor at any time by written notice to the Contractor.
17. Contractor – The selected Offeror that is awarded a Contract by the State.
18. Contractor Personnel – Employees and agents and subcontractor employees and agents performing work at the direction of the Contractor under the terms of the Contract awarded from this RFP.
19. Cooperative Reimbursement Agreement (CRA) - Written agreements entered into between the Maryland CSA and appropriate court and law enforcement officials for the purpose of assisting the State in establishing, enforcing and modifying child support and medical support obligations. In addition, these agreements provide for reimbursing the court and law enforcement officials for their services.
20. Corporate Trade Exchange (CTX) – Standardized format used for electronic funds transfer (EFT) of child support withholding from employee’s wages. This method is preferable when processing large volumes of transactions and Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) requires State automated child support systems to be capable of using this format as well as the CCD+ format. The CTX payment format combines payment information and a variable length record (called an addendum record) with related information.
21. Corrective Action Plan (CAP) - A corrective action plan is adetailed document that records exactly what should be done and what was actually done to rectify any non-conformance**.** It should be S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, Timebound) and includes timeframes, costs, and signatories.
22. Court Order - Legally binding edict issued by a court of law. Issued by a magistrate, judge, or properly empowered administrative officer. A court order related to child support can dictate how often, how much, what kind of support a NCP is to pay, how long he or she is to pay it and whether an employer must withhold support from their wages.
23. Data Breach – The unauthorized acquisition, use, modification or disclosure of State data, or other Sensitive Data.
24. Demilitarized Zone (DMZ) - A computer or small sub-network that sits between a trusted internal network, such as a corporate private LAN, and an un-trusted external network, such as the public Internet. Typically, the DMZ contains devices accessible to Internet traffic, such as Web (HTTP) servers, FTP servers, SMTP (e-mail) servers and DNS servers.
25. Department of Budget and Management (DBM) - The State’s central Personnel agency and the principal procurement agency over the Department. DBM’s major responsibilities also include budget development, supervision of budget execution, and revenue estimating.
26. Department of Human Services (DHS or the Department) - DHS is Maryland’s fourth largest State agency. The DHS was established to administer the State’s Public Assistance, Social Services, and Child Support programs.
27. Department of Information Technology (DoIT) - The Maryland State Agency responsible for information technology matters across State government.
28. Direct-Access Storage Device (DASD) Management - A direct-access storage device (DASD) is a [secondary storage](https://en.wikipedia.org/wiki/Secondary_storage) device in which "each physical record has a discrete location and a unique address”. IBM coined the term DASD as a shorthand describing [hard disk drives](https://en.wikipedia.org/wiki/Hard_disk_drive), [magnetic drums](https://en.wikipedia.org/wiki/Drum_memory), and [data cells](https://en.wikipedia.org/wiki/IBM_2321_Data_Cell). Later, [optical disc drives](https://en.wikipedia.org/wiki/Optical_disc_drive) and [flash memory](https://en.wikipedia.org/wiki/Flash_memory) units are also classified as DASD. The term DASD contrasts with sequential storage media such as [magnetic tape](https://en.wikipedia.org/wiki/Magnetic_tape), and [unit record equipment](https://en.wikipedia.org/wiki/Unit_record_equipment) such as [card](https://en.wikipedia.org/wiki/Punched_card) devices like card readers and punches. [Access methods](https://en.wikipedia.org/wiki/Access_method) for DASD include sequential, indexed, and direct. [Direct access](https://en.wikipedia.org/wiki/Direct_access_(computing)) contrasts with the [sequential access](https://en.wikipedia.org/wiki/Sequential_access) method used in [tape drives](https://en.wikipedia.org/wiki/Tape_drive). A record on a DASD can be accessed without having to read through intervening records from the current location, whereas reading anything other than the "next" record on tape requires skipping over intervening records, and requires a proportionally long time. The DASD storage class includes both fixed and removable media.
29. Depository Bank - The financial institution designated by the State to issue EPCs and provide certain other banking services to CSA under a separate contract with the State.
30. Disaster Recovery Plan (DRP) - Is the process, policies and procedures related to preparing for recovery or continuation of technology infrastructure critical to an organization after a natural or human-induced disaster. Disaster recovery is a subset of business continuity. While business continuity involves planning for keeping all aspects of a business functioning in the midst of disruptive events, disaster recovery focuses on the IT or technology systems that support business functions.
31. Disbursement - For purposes of this solicitation, disbursement is the paying out of collected child support funds.
32. Distribution - The allocation of child support collected to the various types of debt within a child support case, as specified in 45 CFR Part 302.51, (e.g., monthly support obligations, arrears, ordered arrears, etc.).
33. Eastern Standard Time (E.S.T.) - Referenced times are Eastern Standard Time.
34. Electronic Data Interchange (EDI) - Process by which information regarding an EFT transaction is transmitted electronically along with the EFT funds transfer.
35. Electronic Funds Transfer (EFT) – The process by which money is transferred electronically from one bank to another.
36. Electronic Payment Card (EPC) - A re-loadable bank card issued by the Depository Bank for child support payments which allows the user to: avoid the expense of check cashing fees; access to check balances 24 hours a day, 7 days a week; use of the card everywhere Visa® debit cards are accepted; retrieve cash from ATMs, bank tellers, or credit unions that accept Visa; and get cash back with purchases at many grocery and convenience stores.
37. eMMA – eMaryland Marketplace Advantage (see RFP **Section 4.2**).
38. Enterprise License Agreement (ELA) – An agreement to license the entire population of an entity (employees, on-site contractors, off-site contractors) accessing a software or service for a specified period of time for a specified value.
39. Exception Reports - Reports that are automatically generated in CSMS to identify payments that cannot be distributed to a case or payments distributed to a case but that cannot be disbursed. Exception reports include check extract, unprocessed and funds held in escrow.
40. Federal Information Processing Standards (FIPS) Code - A unique five-digit code that identifies the child support jurisdiction, (i.e., States, counties, central State registries).
41. Financial Institution Data Match (FIDM) - A process created by the PRWORA by which delinquent child support obligors are matched with accounts held in financial institutions for the purpose of garnishing accounts for past due child support.
42. Foster Care (FC) - Continuous 24-hour care and supportive services provided for a child placed in an approved family home by the Department.
43. Fully-Loaded - The billing rate of a fixed unit price that includes all profit, direct and indirect costs.

Fully-Loaded Fixed Hourly Labor Category Rates - The billing rate of a fixed hourly labor category rate takes into consideration the profit, direct and indirect costs, annual salary and fringe benefits.

1. Generally Accepted Accounting Principles (GAAP) - Principles that have substantial authoritative support concerning the economic resources and obligations of an enterprise that should be recorded as assets and liabilities, which changes in them should be recorded, when these changes should be recorded, how the recorded assets and liabilities and changes in them should be measured, what information should be reported and how it should be disclosed, and which financial statements should be prepared.
2. Generally Accepted Auditing Standards (GAAS) - Guidelines promulgated by the American Institute of Certified Public Accountants’ (AICPA) *Auditing Standards Board*. Certified Public Accountants (CPAs) employ GAAS in preparing for and performing audits of a client's financial statements. The guidelines include references to the auditor's qualifications (general standards), audit field work (statements of field work), and reporting the audit results (standards of reporting). The broad standards are backed by detailed interpretative literature. An auditor unable to express an opinion on the financial statements must give reasons. A CPA who does not conduct an examination in accordance with GAAS can be held in violation of the AICPA's Code of Professional Ethics and face legal action by affected parties.
3. Genetic Test - An analysis of inherited factors used to determine paternity.
4. “Go Live Date” - After the Transition-In period, the actual date the Contractor solely begins providing SDU services under the Contract.
5. Hot Call - Certain types of calls should only be handled by Local or State Administration employees. These calls are designated as “Hot Calls” and should be transferred as a warm hand-off to the correct entity:

Elected Officials or their designated staff

Members of the media e.g., Television, Radio, Newspapers, etc.

Attorneys

Genetic Testing Laboratories

Misdirected personal calls for local staff

Threats of violence against the agency or any employee of the agency

Child Support Agencies from other states

Representatives from other government agencies

The Case Action Logs specifically direct the CSR to transfer the caller.

Military Personnel stationed outside of the State of Maryland or who are on active-duty sites (boot camp, etc.).

1. Income - As defined by PRWORA, income is any periodic form of payment to an individual, regardless of source, including wages, salaries, commissions, bonuses, worker’s compensation, disability, pension, or retirement program payments and interest. Income may be subject to income withholding for child support, pursuant to a child support order, but is protected by Consumer Credit Protection Act limits.
2. Income Withholding - Procedure by which automatic deductions are made from wages or income, as defined in PRWORA, to pay an obligation such as child support. Income withholding often is incorporated into the child support order and may be voluntary or involuntary. The provision dictates that an employer must withhold support from a NCP’s wages and transfer that withholding to the State Disbursement Unit. Income Withholding is sometimes referred to as wage withholding.
3. Information System – A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.
4. Information Technology (IT) – All electronic information-processing hardware and software, including: (a) maintenance; (b) telecommunications; and (c) associated consulting services.
5. Interactive Voice Response (IVR) System - Allows customers to interact with CSES via a telephone keypad, after which they can service their own inquiries by following the IVR dialogue. IVR can respond with prerecorded or dynamically generated audio to further direct users on how to proceed. IVR applications can be used to control almost any function where the interface can be broken down into a series of simple interactions.
6. Intercept - A method of securing child support by taking a portion of non-wage payments made to a non-custodial parent (NCP). Non-wage payments subject to interception include federal tax refunds, Treasury Offsets, State tax refunds, State Vendor Payments, abandoned property, unemployment benefits, disability benefits, Workman’s Compensation, Casino winnings, Maryland State Lottery winnings and assets deposited with Financial Institutions.
7. Internetworking Operating System (IOS) - Cisco IOS (originally Internetwork Operating System) is the software used on the vast majority of Cisco Systems routers and current Cisco network switches. *(Earlier switches ran* [*CatOS*](http://en.wikipedia.org/wiki/CatOS)*.)* IOS is a package of routing, switching, internetworking and telecommunications functions tightly integrated with a multitasking operating system.
8. Interstate Cases - Cases in which the dependent child and NCP live in different States, or where two or more States are involved in some case activity, such as enforcement.
9. IV-A Case - A child support case where the CP is receiving public assistance benefits and the case is automatically referred to the State Child Support (CSA) Agency so the State can recoup the cost of the benefits from the NCP or defray future costs.
10. IV-D Case - A child support case where at least one of the parties, the CP or the NCP has requested or received IV-D services from the State’s Child Support agency. An IV-D case is composed of a CP, NCP or putative father and dependents.
11. IV-E Case - A child support case in which the State is providing benefits or services under Title IV-E of the Social Security Act to a person, family, or institution that is raising a child or children that are not their own. Cases are referred to their State Child Support agency in order to identify and locate the NCP, establish paternity, and/or a child support order(s), and/or obtain child support payments. This allows the State to recoup or defray some of its public assistance expenditures with funds from the NCP.
12. Jurisdiction - The legal authority which a court or administrative agency has over particular persons and over certain types of cases, usually in a defined geographical area.
13. Key Personnel – All Contractor Personnel identified in the solicitation as such that are essential to the work being performed under the Contract. See RFP **Sections 3.10**.
14. Local Department of Social Services (LDSS) - The department of social services in the 24 jurisdictions or counties in Maryland (including Baltimore City and Montgomery County Department of Health & Human Services) through which the Department administers all major social services programs.
15. Local Time – Time in the Eastern Time Zone as observed by the State of Maryland. Unless otherwise specified, all stated times shall be Local Time, even if not expressly designated as such.
16. Local Transaction Request (LTR) - Cottage application used to request case or receipt adjustments from the local child support/LDSS office to the SDU.
17. Locking Mechanism - A physical Mechanism that meets the Physical Security Minimum Protection Standards found in the IRS Publication 1075.
18. Medical Support - Form of child support where medical expenses or medical or dental insurance coverage is paid by either parent. Depending on the court order, medical support can be a NCP’s sole financial obligation or it can be one of several obligations, with child and/or spousal support being the others.
19. Minority Business Enterprise (MBE) – Any legal entity certified as defined at COMAR 21.01.02.01B (54) which is certified by the Maryland Department of Transportation under COMAR 21.11.03.
20. Misapplied Payments - Payments distributed to the wrong account and disbursed to the wrong payee. Recoupment procedures are employed to recover such payments.
21. Misapplied Recoupment (MR) Account - The CSMS case level account which represents an overpayment recoupment.
22. National Automated Clearing House Association (NACHA) - NACHA is an association that establishes the standards, rules, and procedures pursuant to which member financial institutions exchange payments electronically on a national basis through the ACH network.
23. Non-custodial Parent (NCP) - The parent who does not have primary care, custody, or control of the child, and has an obligation to pay child support.
24. Non IV-D Case - A case in which CSA is only providing collection and disbursement services; often entered into during divorce proceedings.
25. Non-Sufficient Funds (NSF) - A term used in the banking industry to indicate that a demand for payment (a check) cannot be honored because insufficient funds are available in the account on which the instrument was drawn.
26. Normal State Business Hours - Normal State business hours are 8:00 a.m. – 5:00 p.m. Monday through Friday except State Holidays, which can be found at: www.dbm.maryland.gov – keyword: State Holidays.
27. Notice to Proceed (NTP) – A written notice from the Procurement Officer that work under the Contract, project, Task Order or Work Order (as applicable) is to begin as of a specified date. The NTP Date is the start date of work under the Contract, project, Task Order or Work Order. Additional NTPs may be issued by either the Procurement Officer or the Contract Monitor regarding the start date for any service included within this solicitation with a delayed or non-specified implementation date.
28. NTP Date – The date specified in a NTP for work on Contract, project, Task Order or Work Order to begin.
29. Obligation -An amount of money to be paid as support by a NCP. An obligation can take the form of financial support for the child, medical support, or spousal support. An obligation is recurring and ongoing, not a onetime debt such as an assessment.
30. Obligee - The person, State Agency, or other institution to which child support is owed (also referred to as CP when the money is owed to the person with primary custody of the child).
31. Obligor – The person who is obliged to pay child support (also referred to as the non-custodial parent or NCP).
32. Offeror – An entity that submits a Proposal in response to this RFP.
33. Office of Child Support Enforcement (OCSE) - Works with states, tribes, local offices, employers, nonprofit groups, other federal offices, and other governments to secure financial support for children. The role of OCSE is to: Help state and tribal child support programs follow federal law
34. Office of Technology for Human Services (OTHS) - OTHS directs the management information systems of the Department of Human Resources. The Office is responsible for design, development and implementation and enhancements of computer programs used to maintain and track DHR customer data; computer applications and systems, computer and communication equipment, computer peripheral equipment, telephone systems and equipment, ancillary facility and support equipment.
35. Overnight Batch Process - Activity that the mainframe system automatically performs to update data files with information input by users. Such activity occurs overnight when the system is not available for user input.
36. Payee - A person or agency to whom money is paid or due
37. Payer/Payor - One named responsible for paying an obligation.

91. Payment Processing (PP) - Refers to processing of incoming payments and transmission of processed payment information to the state-wide Child Support Enforcement System.

92. Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) - Legislation that provides a number of requirements for employers, public licensing agencies, financial institutions, as well as State and federal child support agencies, to assist in the location of NCP and the establishment, enforcement and collection of child support. The legislation created the New Hire Registry and the State and Federal Case Registries, otherwise known as Welfare Reform.

1. Personally Identifiable Information (PII) – Any information about an individual maintained by the State, including (1) any information that can be used to distinguish or trace an individual identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.
2. Prenote - A prenote (preauthorization) is a zero-dollar transaction created and sent through the ACH network to test the validity of payor’s /payee’s bank account information that was provided at the time of enrollment or if subsequently changed.
3. Procurement Officer – Prior to the award of any Contract, the sole point of contact in the State for purposes of this solicitation. After Contract award, the Procurement Officer has responsibilities as detailed in the Contract (**Attachment M**) and is the only State representative who can authorize changes to the Contract. The Department may change the Procurement Officer at any time by written notice to the Contractor.
4. Proposal – As appropriate, either or both Offeror’s Technical or Financial Proposal.
5. Protected Health Information (PHI) – Information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and (i) that identifies the individual; or (ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
6. Recommendation of Contract Award - A recommendation of Contract award is a notice from the procurement officer to the selected Offeror of the intent by the procuring agency to award the Contract pending obtaining all required approvals.
7. Recoupment - Procedures employed to recover erroneous payments that result from non-sufficient funds checks, misapplied payments or tax refund injured spouse claims.
8. Request for Proposals (RFP) – This Request for Proposals issued by the Department of Human Services (Department or DHS), with the Solicitation Number and date of issuance indicated in the Key Information Summary Sheet, including any amendments thereto.
9. Returned Checks - Payments returned centrally by the post office or by a payee due to damage.
10. Security Incident – A violation or imminent threat of violation of computer security policies, Security Measures, acceptable use policies, or standard security practices. “Imminent threat of violation” is a situation in which the organization has a factual basis for believing that a specific incident is about to occur.
11. Security or Security Measures – The technology, policy and procedures that a) protects and b) controls access to networks, systems, and data.
12. Sensitive Data - Means PII;PHI; other proprietary or confidential data as defined by the State, including but not limited to “personal information” under Md. Code Ann., Commercial Law § 14-3501(e) and Md. Code Ann., St. Govt. § 10-1301(c) and information not subject to disclosure under the Public Information Act, Title 4 of the General Provisions Article; and information about an individual that (1) can be used to distinguish or trace an individual‘s identity, such as name, social security number, date and place of birth, mother‘s maiden name, or biometric records; or (2) is linked or linkable to an individual, such as medical, educational, financial, and employment information.
13. Service Level Agreement (SLA) - Commitment by the Contractor to the Department that defines the performance standards the Contractor is obligated to meet.
14. Service Organization Control **(SOC) 2** Type II (2) - A SOC 2 reports on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality and Privacy: Many entities outsource tasks or entire functions to service organizations that operate, collect, process, transmit, store, organize, maintain and dispose of information for user entities.
15. SLA Activation Date - The date on which SLA charges commence under this Contract, which may include, but to, the date of (a) completion of Transition in, (b) a delivery, or (c) releases of work.
16. Software - The object code version of computer programs licensed pursuant to this Contract. Embedded code, firmware, internal code, microcode, and any other term referring to software that is necessary for proper operation is included in this definition of Software. Software includes all prior, current, and future versions of the Software and all maintenance updates and error corrections. Software also includes any upgrades, updates, bug fixes or modified versions or backup copies of the Software licensed to the State by Contractor or an authorized distributor.
17. Software as a Service (SaaS) - A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. For the purposes of this RFP, the terms SaaS and PaaS are considered synonymous and the term SaaS will be used throughout this document.
18. Solution - All Software, deliverables, services and activities necessary to fully provide and support the RFP scope of work. This definition of Solution includes all System Documentation developed as a result of this Contract. Also included are all Upgrades, patches, break/fix activities, enhancements and general maintenance and support of the Solution and its infrastructure.
19. Stale-Dated Check - A check presented to the paying bank ninety one (91) or more calendar days after the original issue date. Banks are not required by the Uniform Commercial Code to honor stale-dated checks and can return them to the issuing bank unpaid.
20. State – The State of Maryland.
21. State Fiscal Year (SFY) - July 1st to June 30th each year.
22. State-of-Art or State of the Art - The highest level of development, as of a device, technique, or scientific field, achieved at a particular time. It also refers to the level of development (as of a device, procedure, process, technique, or science) reached at any particular time as a result of the latest methodologies employed.

112.Source Code – Executable instructions for Software in its high level, human readable form which are

in turn interpreted, parsed and/or compiled to be executed as part of a computing system.

1. System Availability – The period of time the Solution works as required excluding non-operational periods associated with planned maintenance.
2. System Development Life Cycle (SDLC) - A ten-phase methodology intended to reduce the risk of project failure through the application of a proven and incremental project development process.
3. System Documentation – Those materials necessary to wholly reproduce and fully operate the most current deployed version of the Solution in a manner equivalent to the original Solution including, but not limited to:
   1. Source Code: This includes source code created by the Contractor or subcontractor(s) and source code that is leveraged or extended by the Contractor for use in the Contract;
   2. All associated rules, reports, forms, templates, scripts, data dictionaries and database functionality;
   3. All associated configuration file details needed to duplicate the run time environment as deployed in the current deployed version of the system;
   4. All associated design details, flow charts, algorithms, processes, formulas, pseudo-code, procedures, instructions, help files, programmer’s notes and other documentation;
   5. A complete list of Third Party, open source, or commercial software components and detailed configuration notes for each component necessary to reproduce the system (e.g., operating system, relational database, and rules engine software);
   6. All associated user instructions and/or training materials for business users and technical staff, including maintenance manuals, administrative guides and user how-to guides; and
   7. Operating procedures.
4. Task Order– A subset of work authorized by the Contract Monitor performed under the general scope of this RFP, which is defined in advance of Contractor fulfillment, and which may not require a Contract Modification. Except as otherwise provided, any reference to the Contract shall be deemed to include reference to a Task Order.
5. Tax Recoupment (TR) Account - The CSMS case level account which represents a tax intercept recoupment.
6. Technical Safeguards – The technology and the policy and procedures for its use that protect State Data and control access to it.
7. Temporary Assistance for Needy Families (TANF) - One of the federal assistance programs. It began on July 1, 1997, and succeeded the Aid to Families with Dependent Children (AFDC) program. Maryland’s program is called Temporary Cash Assistance (TCA).
8. Temporary Cash Assistance (TCA) - Maryland equivalent for TANF.
9. Temporary Cash Assistance-Medical Assistance (TCA-MA) - TCA clients who also receive medical assistance benefits through the state of Maryland.
10. Third Party Software – Software and supporting documentation that:
    1. are owned by a third party, not by the State, the Contractor, or a subcontractor;
    2. are included in, or necessary or helpful to the operation, maintenance, support or modification of the Solution; and
    3. are specifically identified and listed as Third Party Software in the Proposal.
11. Total Proposal Price - The Offeror’s total price for goods and services in response to this solicitation, included in Financial Proposal **Attachment B** – Financial Proposal Form.
12. Treasury Offset Program - The Treasury Offset Program is a centralized offset program, administered by the Financial Management Service's (FMS) Debt Management Services, to collect delinquent debts owed to federal agencies and states (including past-due child support), in accordance with 26 U.S.C. § 6402(d). The following federal payments may be eligible for offset: wages, including military pay; retirement, including military retirement pay; contractor/vendor payments; travel advances and reimbursements; certain federal benefit payments, including Social Security benefits (other than Supplemental Security Income); Railroad Retirement benefits (other than tier 2); and Black Lung (part B benefits) and other federal payments that are not exempt by law or by action of the Secretary of the Treasury.
13. Undistributed Collections (UDC) - Collections which cannot be processed due to case maintenance issues.
14. Unidentified - Payments which cannot be identified due to lack of information.
15. Upgrade - A new release of any component of the Solution containing major new features, functionality and/or performance improvements.
16. Veteran-owned Small Business Enterprise (VSBE) – A business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

Wage Withholding - Wage Withholding is a procedure by which scheduled deductions are

automatically made from wages or income to pay a debt, such as child support. Wage

withholding is often incorporated into the child support order and may be voluntary or

involuntary. The provision dictates that an employer must withhold support from an obligor’s

wages and transfer that withholding to the SDU. Wage withholding is also known as income

withholding.

Appendix 2. – Offeror Information Sheet

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/04/Appendix2-Bidder_OfferorInformationSheet.pdf>.

**Appendix 3.** **– Performance Bond**

See link at <http://procurement.maryland.gov/wp-content/uploads/sites/12/2018/05/Appendix-z-Performance-Bond.dotx>)

# Exhibit 1



# Exhibit 2

|  |  |
| --- | --- |
| **State Refund Request** | Maryland State Disbursement Unit |

|  |  |
| --- | --- |
| **1 – Payment Information** | |
| Payee Name: | |
| Original Check Number: | Original Check Amount: |
| Work Item Date: | Work Item Sequence: |
| Debit Key: | Refund Amount: |

|  |
| --- |
| Refund Reason: |

|  |  |  |
| --- | --- | --- |
| **2 – Refund Address** | | |
| Name: | | |
| Street Address 1: | | |
| Street Address 2: | | |
| City: | State: | Zip: |

|  |
| --- |
| **3 – Telephone Contact Notes** |
| Date and Time Contacted: |
| Organization: |
| Contact Name: |
| Phone: |

|  |  |
| --- | --- |
| **4 –Systems & Methods** | |
| Prepared Date: | Reviewed Date: |
| Prepared By: | Reviewed By: |

|  |
| --- |
| **5 – Maryland CSA** |
| Date Approved: |
| Approved By: |



**Maryland Child Support Administration**

[DATE]

[REFUND ADDRESS]

[REFUND ADDRESS]

[REFUND ADDRESS]

Dear [CONTACT PERSON]

Enclosed please find a check in the amount of $\_\_\_\_\_\_\_\_. This check represents a refund from a payment received at our office; check #\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of \_\_\_\_\_\_\_\_\_.

Money is being refunded to you for the following reason:



If you should have any questions concerning this check please call 855.853.8289 for assistance.

Thank you.

Sincerely,

Maryland State Disbursement Unit

Maryland Child Support Administration, Department of Human Services

# Exhibit 3a

**See separate PDF Maryland Unclaimed Property Report.**

# Exhibit 3b

**See separate PDF Maryland Unclaimed Property Report (Form COD/CD 919).**

# Exhibit 4

**See separate Excel State Refund Daily Summary Form.**

# Exhibit 5

**See separate Excel Daily Bank Reconciliation Form.**

# Exhibit 6

**The State of Maryland**

**Information Technology Non-Visual Access Standards**

1. All following standards should be incorporated to the fullest extent possible for Information Technology. The Non-visual Access Clause noted in COMAR 21.05.08.05 and referenced in this solicitation is the basis for the following standards that have been incorporated into the regulations.
2. The purpose of the standards is to: (1) Establish definitions, scope, and construction common to the Department of Budget and Management Statewide management of information technology in nonexempt units of the Executive Branch of State government; and (2) Set forth uniform standards for the procurement of non-visually accessible information technologies and the provision of non-visually accessible information technology services.
3. **Comparison to Federal Standards**
4. As noted in the published regulations, there is a corresponding federal standard(s) to the action, but the actions noted herein are not more restrictive or stringent.
5. **17.06.02 Information Technology Non-Visual Access Standards**

*Authority: State Finance and Procurement Article Section §§3-410(d) and 3-413, Annotated Code of Maryland*

**.01 Purpose.**

A. The purpose of this chapter is to implement State Finance and Procurement Article, §3A-303(5), Annotated Code of Maryland.

B. This chapter sets forth uniform non-visual access standards to be used in the procurement of information technology and the provision of information technology services by or on behalf of agencies.

**.02 Scope**

**A.** Pursuant to State Finance and Procurement Article, §3A-311(b), a unit is permitted to purchase information technology and provide information technology services that are not non-visually accessible if (i) the information technology is not available with non-visual access because the essential elements of the information technology are visual and non-visual equivalence cannot be developed; or (ii) the cost of modifying the information technology for compatibility with software and hardware for non-visual access would increase the price of the procurement by more than 5 percent. However, information technology and information technology services shall be obtained, whenever possible, without modification for compatibility with software and hardware for non-visual access. (\*see Note, below) Pursuant to [**COMAR 21.05.08.05B**](http://www.dsd.state.md.us/comar/comarhtml/21/21.05.08.05.htm), the procurement officer must make a determination if the non-visual access clause is not required.  
  
The Department of Information Technology recommends that a solicitation obtain two prices from each bidder/offeror in the procurement of information technology or the provision of information technology services if the information technologies being procured are not compliant with the standards adopted in COMAR 14.33.02. The first price would provide the base costs without modification for compatibility with software and hardware for non-visual access, and the second price would include the costs for modifying the information technologies for compatibility with software and hardware for non-visual access.  
  
Further, the Department of Information Technology recommends that in instances where the procurement officer determines that an exception condition exists, agencies obtain a written statement from the fulfilling vendor, and retain the statement, that either:

1. The information technology is not available with non-visual access because the essential elements of the information technology are visual and non-visual equivalence cannot be developed; or
2. The cost of modifying the information technology for compatibility with software and hardware for non-visual access would increase the price of the procurement by more than 5 percent.

\*Note: Md. Ann. Code, State Fin. & Proc. §3A-311(b)(2), providing that subsection (a)(4) is excepted from the circumstances when the non-visual access clause is not required.  
  
**(b) and (c) Incidental to a Contract**  
As an example, a firm that produces a report for a State agency under a contract would not have to procure accessible computers and word processing software even if they were used exclusively for the contract. However, compliance would be required if such IT products become State property as contract deliverables where the State agency purchased an IT product to be used by the contractor as part of the project. All IT deliverables must be non-visually accessible unless an exception applies.  
  
**(d) Installation at State Employee’s Workstation**  
COMAR 14.33.02 should not be understood to require agencies to install accessibility-related software or an assistive technology device at a State employee’s workstation if the

State employee is not an individual with a disability. However, such a condition may arise under application of other law not addressed within the scope of COMAR 14.33.02.  
  
**(e) and (f) Access to the Public**  
Agencies that provide access to public documents through an existing Internet site or portal may continue to use the existing Internet site and procedures for access if the Internet site is non-visually accessible. COMAR 14.33.02 should not be understood to:

1. Require agencies to purchase non-visually accessible information technologies for access or use by individuals with disabilities at places other than where the information technologies are usually provided to the public;
2. Provide non-visually accessible information technologies to the public at places other than where the information technologies are usually provided to the public; or
3. Waive an obligation of a State agency to provide information or data under other requirements of the law.

**.03 Application**

**(a) General Applicability**  
This regulation sets forth the general application of the non-visual access standards. Except for information technologies incidental to a contract, all information technologies, including services that are procured, used, maintained, developed or provided by or on behalf of non-exempt units of the Executive Branch of State government will be non-visually accessible.  
  
**(b) Applied to IT Procured or Developed**  
The regulation clarifies the procurement conditions under which compliance with the non-visual access standards is required. That is, agencies within the scope of these regulations procure information technologies, including services, that are compliant with COMAR 14.33.02 when the technologies are either available in the commercial marketplace or are developed in response to State government solicitation.  
  
**(c) Procure Products that Best Meet the Standards**  
In general, most information technology products will not meet compliance with all of COMAR 14.33.02. That said, agencies should procure products that best meet the standards. It is recommended that the agency procurement officer make a selection decision upon consultation with agency information technology subject matter experts or end-users as needed. However, if a commercially available technology (that is not otherwise accessible) can be made non-visually accessible through modification or the use of assistive or adaptive products without increasing the price of the procurement by more than 5 percent, an Agency must use such modifications or assistive or adaptive products.  
  
**(d) Alternative Designs or Technologies**  
Programmers designing agency information technologies are not limited to the standards promulgated in COMAR 14.33.02, but may select alternative designs or technologies so long as the end result would be State information technologies substantially equivalent or providing even greater access for people with visual disabilities. An Agency may not use an alternate method if the end result is information technologies or services that are less accessible than the technologies or services would be if the standards of COMAR 14.33.02 were followed. These regulations are not designed to foreclose other means of providing non-visual access but to encourage equivalent access. Agencies or others are encouraged to suggest to the Department of Information Technology other standards that will provide equivalent access for review and possible inclusion in future revisions of this subtitle.  
  
**.04 Software Applications and Operating Systems in General**

'CFR' means the Code of Federal Regulations.

Software applications and operating systems shall be considered non-visually accessible if the products meet the requirements of 36 CFR **§**1194.22**,** which is incorporated by reference herein.

**.05 Web-based Intranet and Internet Information and Applications**

Web-based intranet and internet information and applications shall be considered non-visually accessible if the products meet the requirements of 36 CFR **§**1194.22**,** which is incorporated by reference herein.

**.06 Telecommunications and Interconnected Network Equipment and Services**

**(a) Integrated for Visual Information by Non-visual Means**  
"Telecommunications" means the transmission of information, images, pictures, voice or data by radio, video or other electronic or impulse means. "Interconnected network services" means the support of direct or indirect facilities for telecommunication and computer connections such that telecommunications operate in a reliable and secure manner.  
  
The intent of the regulation is to ensure that State telecommunications and networks used by individuals who are not blind or visually impaired are compatible with, and capable of receiving, recovering and distributing graphics, forms and other visual information by means specified in, non-visual accessibility features of State information technologies.  
  
**(b) PDAs and Mobile Phone Systems**  
"Mobile phone systems" means analog or digital telephonic transmission hardware and software. The intent of the regulation is to ensure that mobile telecommunications devices and systems deliver text to end-user devices and that the end-user devices convert the delivered text to good quality synthesized speech. Good quality synthesized speech, utilizing either concatenative synthesis or parameterized modeling, includes:

* Accurate spectral voice properties;
* Reasonable dynamic range;
* Constant volume;
* Filtered side-effects of speech (such as pops); and
* Accurate segmentation and voice definition.

**(c) Information Delivery**  
This provision prohibits products from stripping out non-visual accessibility information or requires the information to be restored at the end point. The provision was written broadly enough to ensure that it will apply to evolving technologies.  
<http://www.access-board.gov/sec508/guide/1194.23.htm>  
  
**(d) Mechanically Operated Controls or Keys**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. [http://www.access-board.gov/sec508/guide/1194.23.htm#(j)](http://www.access-board.gov/sec508/guide/1194.23.htm#(j). Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**What products are generally covered under this provision?**  
This provision only applies to products that have mechanically operated controls or keys, such as standard telephone keypads and computer keyboards. It is not intended to apply to touch-screens.  
  
**What is meant by 'tactilely discernible'?**  
Individual keys must be identifiable and distinguishable from adjacent keys by touch. Compliance with this provision can be accomplished by using various shapes, spacing, or tactile markings. The normal desktop computer keyboard, for example, would meet this provision because the tactile marks on the "j" and "f" keys permit a user to locate all other keys tactilely. Many phones also have a raised dot on the number 5 button, enabling them to orient their fingers around the 12 keys. In addition, the physical spacing of the function, "numpad" and cursor keys make them easy to locate by touch.  
  
Because touch is necessary to discern tactile features, this provision requires keyboards to enable touch that does not automatically activate a function based on mere contact. Fortunately most keyboards require some pressure on individual keys in order to enable a keystroke.  
  
However, "capacitance" keyboards would not meet this provision because they react as soon as they are touched and have no raised marks or actual keys. A "membrane" keypad with keys that must be pressed can be made tactilely discernible by separating keys with raised ridges so that individual keys can be distinguished by touch.  
  
**What is meant by "status of controls" and why do people need that information?**  
This provision requires the status of toggle controls, such as the "caps lock" or "scroll lock" keys to be identifiable by either touch or sound, in addition to visual means. For example, adding audio patterns, such as ascending and descending pitch tones that indicate when a control is turned on or off, would alleviate the problem of a person who is blind inadvertently pressing the locking or toggle controls. Also, buttons which remain depressed when activated and switched with distinct positions may meet this provision.

**.07 Video and Multimedia Products**

**(a) Audio Described Training and Informational Media**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.24.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**What is a multimedia production?**  
The term "multimedia productions" refers to productions that present information in more than one sensory mode, e.g., both audibly and visually. For instance, streaming video with a soundtrack is a multimedia production. A show broadcast through a radio station is audio only and therefore not covered by this captioning requirement. However, the procurement of information technology necessary to operate the radio station would be covered under the standard.  
  
**What does it mean for a video or multimedia production to "support the agency’s mission?"**  
Video and multimedia products that "support the agency’s mission" are generally required to be captioned and audio-described. For instance, a training film regarding how agency personnel should determine an applicant’s eligibility for benefits, is a training production that supports the agency’s mission. A video of a retirement celebration, on the other hand, would not be "in support of an agency's mission" and is not covered by these provisions.  
  
Raw videotaped footage recorded by a field investigator to document a safety violation could be considered a film "in support of an agency’s mission". However, it is not a "production" and therefore does not need to be captioned or audio described. On the other hand, if such footage were subsequently incorporated into agency training or an informational presentation, it would have to be captioned and audio described.  
  
**When are captioning and audio descriptions required?**  
Captioning and audio descriptions are only required to be provided when important to understand the audio or visual components of a video or multimedia production. That is, even if a production "supports the agency’s mission," only those audio portions that are necessary for the comprehension of the production’s content need to be captioned.  
  
Ex: A videotaped lecture would need to capture the lecturer’s words in captions if it is intended to be used for future training, but the captions need not also relate that students’ chairs were squeaking or that the door at the back of the room was closing loudly as people exited.  
  
Similarly, only those visual portions that are necessary for the comprehension of the production’s content need to be audio described.  
  
Ex: A videotaped lecture would need to include an audio description of graphics the lecturer draws on a chalkboard to illustrate a point, but would not need to include an audio description of the strictly verbal portion of the lecture.  
  
**(b) Audio Descriptions**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.24.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.

**Does this provision apply differently to audio description than it does to captioning?**  
Audio description on VHS format videos is permanently encoded and is always "on." CD-ROMs, DVDs, and other digital forms of multimedia can support alternate audio channels for audio description. Using SMIL (Synchronized Multimedia Integration Language) or other emerging technologies, audio description will likely be more easily integrated into digital multimedia presentations in the near future.  
  
Another point bundled in this provision relates to difficulty users have reported with independently enabling audio description. The means of choosing alternate tracks for audio description varies by the medium, but usually involves selection from an on-screen menu. Therefore those menus must be made audible or otherwise readily selectable so that people with visual disabilities can independently gain access to audio descriptions.  
  
**.08 Self Contained, Closed Products**

**(a) Accessible Without Attachments**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**What are self contained, closed products?**  
Self contained closed products generally have embedded software and are commonly designed in such a fashion that a user cannot easily attach or install assistive technology. For example, one could attach a screen reader to a computer to meet the standard but one would not be expected to attach a screen reader to a copier machine. A copier machine is an example of a self-contained, closed product. Other examples include, calculators, fax machines, information transaction machines, and information kiosks. Unlike other provisions which allow a product to meet the standards by being compatible with assistive technology, this provision requires self contained, closed products to contain built-in accessibility.

**(b) Touch Screens or Contact-Sensitive Controls**  
Note: The referenced COMAR is:

1. Controls and keys are tactilely discernable without activating the controls or keys; and
2. The status of all locking or toggle controls or keys is discernible either through touch or sound in addition to being visually discernable.

This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**(c) Non-Ocular Biometric Identifiers**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**What is an ocular form of user identification or control?**  
Ocular identification is a biometric control activated only if a particular biological eye feature of the user exists and matches specific criteria. An example includes retinal scans that may become common practice for allowing an individual to gain access to personal data from an information transaction type of machine. Biometric controls provide a high level of security. However, when a system needs to be accessed by a person with a visual disability, a non-biometric alternative should be provided that does not compromise security.  
  
**(d) Auditory Output**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.

**Does this provision apply to "beeps and tones" or to voice signals only?**  
This provision applies only to voice output. For example, it could apply to a device that is providing voice output for a person who is unable to see a visual display.  
  
**What is meant by a standard connector?**  
People who regularly use information transaction kiosks may plan to carry a portable headset (or other listening coupler) with them. Examples of common plugs on headsets include those that fit 2.5 mm jacks (such as those in most cellular phones) and 3.5 mm plugs (such as those in most portable stereos). There have been problems in the past when manufacturers made proprietary plugs that were flat with multiple pins and were compatible only with their own products.  
  
**(e) Volume Controls**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**How was the level of 65 dB determined?**  
According to the Occupational Safety and Health Administration, and the American Speech, Language, and Hearing Association, 65 dB is the volume level for normal speech. This provision requires that audio output from a kiosk type product have a minimum level of 65 dB. A feature has been required to automatically reset the volume to the default level after every use.  
  
**(f) Color Coding in Self Contained, Closed Products**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**How can color coding create accessibility difficulties?**  
A software program that requires a user to distinguish between otherwise identical red and blue squares for different functions (e.g., printing a document versus saving a file) would pose problems for anyone who is visually disabled and would generally be very difficult to run with assistive technology. Screen reading software can announce color changes. However, this is an "on/off" feature. This means that if a user had to identify a specific color, they would have to have all colors announce which would greatly reduce the usability of the software for that person.  
  
**Does the provision prohibit the use of colors?**  
No. This provision does not prohibit the use of color to enhance identification of important features. It does, however, require that some other method of identification, such as text labels, be combined with the use of color.  
  
**(g) Color Contrast Levels in Self Contained, Closed Products**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.25.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**Do all products have to provide color selections?**  
No. This provision is applied to those products that already allow a user to adjust screen colors.  
  
**What is the desired outcome of this requirement?**  
This provision requires more than just providing color choices. The available choices must also allow for different levels of contrast. Many people experience a high degree of sensitivity to bright displays. People with this condition cannot focus on a bright screen for long because they will soon be unable to distinguish individual letters. An overly bright background causes a visual "white-out". To alleviate this problem, the user must be able to select a softer background and appropriate foreground colors. On the other hand, many people with low vision can work most efficiently when the screen is set with very sharp contrast settings. Because there is such a variance in individual needs it is necessary for a program to have a variety of color and contrast settings.  
  
**(h) Screen Flicker Frequency in Self Contained, Closed Products**  
  
**Why are flashing or blinking displays limited by this provision?** The 2 Hz limit was chosen to be consistent with proposed revisions to the ADA Accessibility Guidelines which, in turn, are being harmonized with the International Code Council (ICC)/ANSI A117 standard, "Accessible and Usable Buildings and Facilities", ICC/ANSI A117.1-1998 which references a 2 Hz limit. An upper limit was identified at 55 Hz.

**.09 Desktop and Portable Computers**

**(a) PC Controls and Keys**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.26.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
Note: The referenced COMAR is:

1. Controls and keys are tactilely discernable without activating the controls or keys; and
2. The status of all locking or toggle controls or keys is discernible either through touch or sound in addition to being visually discernable.

**(b) PC Touch Screens or Touch-Operated Controls**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.26.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
Note: The referenced COMAR is:

1. Controls and keys are tactilely discernable without activating the controls or keys; and
2. The status of all locking or toggle controls or keys is discernible either through touch or sound in addition to being visually discernable.

**(c) PC Biometric Identifiers**  
This guidance has been excerpted from federal implementation guidelines for Section 508 Standards. <http://www.access-board.gov/sec508/guide/1194.26.htm>. Minor changes to the federal guidelines may have been made in order to comply with Maryland regulations.  
  
**What is an ocular form of user identification or control?**  
Ocular identification is a biometric control activated only if a particular biological eye feature of the user exists and matches specific criteria. An example includes retinal scans that may become common practice for allowing an individual to gain access to personal data from an information transaction type of machine. Biometric controls provide a high level of security. However, when a system needs to be accessed by a person with a visual disability, a non-biometric alternative should be provided that does not compromise security.  
  
**.10 Functional Performance Criteria**

**(a) Alternative Operational Support**  
The intent of the regulation is to ensure non-visual accessibility of State information technologies and information technology services to end-users of the technologies. Adherence to the regulation is accomplished through compliance with technical standards found in COMAR 14.33.02.04 - .09.  
  
An information technology must provide at least one mode of operation and information retrieval that does not require the use of sight. If the information technology does not provide at least one mode of operation and information retrieval that does not require the use of sight, then the agency must provide to the visually disabled the means to access or acquire assistive technology for State-related activities.  
  
**(b) Alternative Functional Support**  
The intent of the regulation is to ensure accessibility of State information technologies and information technology services to visually impaired end-users of the technologies. Adherence to the regulation is accomplished through compliance with technical standards found in COMAR 14.33.02.04 - .09.  
  
An information technology must provide at least one mode of operation and information retrieval via audio or enlarged print output that does not require visual capabilities more than a tested 20/70 acuity. If the information technology does not provide at least one mode of operation and information retrieval via audio or enlarged print output that does not require the use of visual acuity of a tested 20/70 result, then the agency must provide to the visually impaired the means to access or acquire assistive technology for State-related activities.

**.11 Information, Documentation, and Support**

**(a) Product Support Documents in Non-visually Accessible Format**  
The intent of the regulation is to ensure that if an end-user requests information technology product support documentation, such as a user instruction paper or manual, a State agency will provide one copy of the documentation in a non-visually accessible alternate format at no charge to the requestor.  
  
**Documentation guidance**  
Users with visual disabilities require access to information in text formats. PDF (Portable Document Format) is a graphical representation of a document that may be made accessible.

* 1. Check that there is documentation on the accessibility features.
* 2. Ensure that documentation is available in a readily accessible format (text or
* HTML) or, if in PDF, can be made non-visually accessible.

**(b) Product Features in Non-visually Accessible Format**  
The intent of the regulation is to ensure that if an end-user requests a description of an information technology’s accessibility and compatibility features, a State agency will provide one copy of the descriptions in a non-visually accessible alternate format or alternate method at no charge to the requestor. An example of an alternate method is a verbal communication of the description to the requestor.  
  
**(c) Product Support Services**  
The intent of the regulation is to ensure that end-users with disabilities have access to support services, for information technology products within the scope of the regulation, that meet their interaction and data transmission requirements. Support services for such products include State help desk and vendor repair and instruction services.  
  
**.12 Compliance Certification**

Each Executive Branch agency is required to submit an information technology plan to the Department of Information Technology. [State Fin. & Proc. §3A-305(a)(2)](http://mlis.state.md.us/asp/statutes_respond.asp?article=gsf&section=3a-305&Extension=HTML) The Department distributes to State agencies the guidelines and instructions for preparing and submitting the plan (Agency Information Technology Master Plan) annually.  
  
Following adoption of the regulation, the Agency Information Technology Master Plan Guidelines and Instructions manual will include a compliance certification to satisfy the requirement of the regulation. In instances where the procurement of information technologies or the provision of information technology services by or on behalf of the State government unit has been proposed in the Agency Information Technology Master Plan and a corresponding annual budget request, but funding has not yet been approved and the technologies have not yet been procured or provided, a unit of State government is not required to certify that the information technologies are non-visually accessible.  
  
Pursuant to State Fin. & Proc. §3A-307, the Secretary of Information Technology may review any information technology project for consistency with the statewide master information technology plan; any information technology project selected for review may not be implemented without the approval of the Secretary of Information Technology.  
  
Agency Heads may want to ensure that compliance with policy, standards and procedures for information technologies is reported to them periodically. It is recommended that agencies prepare an Executive Summary: IT Policy Matrix on a semi-annual basis for internal use. Note: The Department of Information Technology does not oversee this agency-level internal reporting.

**.13 IRS Publication 1075**

IRS Publication 1075 provides guidance to ensure the policies, practices, controls, and safeguards employed by recipient agencies, agents, or contractors adequately protect the confidentiality of FTI (Federal Tax Information). https://www.irs.gov/pub/irs-pdf/p1075.pdf

# Exhibit 7



# Exhibit 8





# Exhibit 9

**See separate Excel Expenditure Report Invoice Form.**