

**STATE OF NEW JERSEY
MOTOR VEHICLE COMMISSION**

ADVERTISEMENT FOR A BUSINESS OPPORTUNITY

DEALER SERVICES PROGRAM



Date Issued: May 15, 2012



1. PURPOSE

The New Jersey Motor Vehicle Commission (“MVC”) is advertising a business opportunity to expand participation under the MVC’s existing Dealer Services Program (sometime herein referred to as “DSP”). The MVC’s DSP currently limits participation to franchised new vehicle dealerships (“NCD”) in the State of New Jersey. In addition, the MVC intends through this Advertisement to increase the number of Program Providers participating in the DSP businesses that are deemed qualified to provide dealer services as outlined in the Scope of Work Section herein. The primary focus of expanding participation in the DSP is to expand the services provided under the program to Used Car Dealers (“UCD”) with a dedicated program to remit customer registration and title transactions to be completed in an efficient and expeditious manner.

This DSP Advertisement seeks to solicit proposals from qualified participants to provide DSP services as outlined in the Scope of Work Section. The objective of this Advertisement is to identify qualified applicants whose proposals meet the requirements for providing services under the DSP, and to award a five year agreement (sometimes herein referred to as a “DSP Agreement”) to successful applicants. Successful applicants with whom the MVC enters into a DSP Agreement will be known as “Program Providers” within the DSP.

This Dealer Services Program Advertisement constitutes a non-exclusive business opportunity for qualified and approved Program Providers throughout the State.

Program Providers shall receive no compensation from the MVC for processing transactions authorized within the Dealer Services Program and conducted in accordance with the terms of the Dealer Services Program Agreement. The Program Provider shall be entitled to charge program participants reasonable fees for Dealer Services Program services.

2. BACKGROUND

On April 9, 2007, the MVC issued an initial Dealer Services Program Advertisement seeking to enroll qualified participants to provide services to new car and truck dealers. The MVC’s original 2007 advertisement was purposely limited to enrolling participants for new car and truck transactions to allow the MVC the opportunity to evaluate the effectiveness of such services before expanding the level of services to include used car and truck transactions. The MVC now deems the processes and procedures supporting the Dealer Services Program to be suitable for accommodating the expansion of services to include used car and truck transactions.

Similar to currently enrolled Program Providers who are actively providing services to new car and truck dealers, additional qualified Program Providers who respond and are approved pursuant to this Advertisement will serve as a “processing center” for motor vehicle transactions remitted by subscribing and approved program participants. The Dealer Services Program will address the need for timely pickup, tracking, processing and delivery of motor vehicle transactions and documents for licensed and approved dealers who subscribe for such dealer services through an approved Program Provider. Program Providers will be responsible for transporting motor vehicle transactions and transaction-related inventory to and from licensed

used car and truck dealer locations. Program Providers will not be required to process a minimum number of transactions during the term of a Dealer Services Program Agreement.

MVC records indicate that at the beginning of 2012 approximately 4,000 dealers were licensed to sell automobiles and trucks in New Jersey. Currently, only the approximately 700 licensed NCDs have the option of conducting used car or truck related transactions through the Dealer Services Program or a Program Provider. UCDs are limited to visiting or delivering transactions to one of the MVC agencies where they are completed by MVC personnel.

3. SCOPE OF WORK

MVC is seeking to enroll qualified participants that demonstrate an approach/solution for processing used car and truck transactions that will effectively reduce the turn-around time for completing customer transactions initiated by participating dealers, while improving the overall efficiency of direct-to-customer motor vehicle related services.

A Program Provider will be authorized to conduct at a minimum the following types of transactions: issue registrations, titles, and license plates; process foreign titles; issue car and truck inspection decals/inserts; and collect surrendered license plates. The MVC may expand the types of transactions and/or discontinue transaction types available within the DSP. Program Providers will also be responsible for collecting applicable fees and taxes, and submitting deposits electronically in accordance with the instructions of the MVC.

A Program Provider shall perform all services covered by the Dealer Services Program Agreement in accordance with applicable provisions within Title 39 of the New Jersey Statutes and any other laws and regulations of the State of New Jersey, while adhering to the policies and procedures governing vehicle-related transactions as set forth by the MVC. Additionally, in performing services under the Dealer Services Program, Program Providers must comply with the requirements of both the Federal and New Jersey Drivers' Privacy Protection Act ("DPPA"), 18 U.S.C. § 2721 et seq. and N.J.S.A. 39:2-3.3 et seq., and any other laws or regulations governing the privacy of personal information collected for conducting motor vehicle related business.

In addition, a Program Provider will be expected to agree to meet the following operational requirements:

- (a) Program Providers shall provide services to and enter into legal agreements with licensed and approved dealers seeking the services available within the Dealer Services Program. The Program Provider shall service all participating dealers equally in terms of availability of service.
- (b) Program Providers must maintain subscribing dealer files, including, as applicable, a copy of each subscribing dealer's license, leasing company Power of Attorney (POA) forms and courier authorization letters.
- (c) Program Providers shall ensure the efficient, secure and accurate delivery of documents and MVC inventory at a minimum of twice a week from subscribing dealerships. If a courier service is retained for this purpose, the service must be able to

electronically track documents to determine the status of the deliveries at any point in time.

(d) Program Providers will be responsible for the professional quality, accuracy, security and timely completion of all services performed under the Dealer Services Program and Dealer Services Program Agreement. The Program Provider must achieve a three (3) business day turnaround time for processing transactions submitted by subscribing used car and truck dealers. The Program Provider may not utilize any of the MVC agency locations to process dealer transactions.

(e) All monies collected by Program Providers for providing and administering services in the Dealer Services Program must be electronically transferred to the MVC's designated bank account before the end of the next business day.

(f) Program Providers will be responsible for payment of salaries and benefits for its employees, workers' compensation, liability insurance, bonding, necessary office supplies and equipment, and other day-to-day expenses connected with the providing services in the Dealers Services Program.

(g) Program Provider will be required to use PCs, scanners, printers, bar code scanners, firewall appliances, servers, software, routers, switches, circuit connection, etc. as supplied by the MVC. The Program Provider will be required to reimburse the MVC for time and materials to cover the cost of all hardware and software as well as the cost of installation and the establishment of a network connection (currently estimated to total approximately \$50,000 for an environment supporting 10 workstations). The Program Provider will also be required to reimburse the MVC for annual support of the hardware, software as well as network fees (currently estimated to total approximately \$25,000 for an environment supporting 10 workstations). Hardware, software and network connection may take approximately 3-4 months from approval of application to install.

(h) Program Providers may be required to accept upgraded/additional hardware and software. The Program Provider would be required to reimburse the MVC for the cost of any upgrade/addition (currently estimated to total approximately \$20,000 for an environment supporting 10 workstations). Annual support costs may change with the implementation of any upgrade.

(i) Program Providers will also be expected to refresh this hardware in approximately five (5) years, or as determined by the refresh cycle of any specific equipment/hardware or software.

(j) Program Providers will be responsible for the safeguarding and accounting of all MVC control-numbered documents and inventory, and transactions and funds associated with the delivery of services in the Dealer Services Program.

(k) Program Providers will be expected to be open for business a minimum of 40 hours per week between the hours of 9 a.m. and 5 p.m., Monday through Friday. Hours of operation shall be prominently posted on the doors to the Program Provider's facility.

(l) Program Providers will be expected to respond to transaction-related inquiries received from subscribing used car and truck dealerships on a daily basis.

(m) Program Providers shall conduct training seminars on motor vehicle transaction processing for employees of all subscribing dealerships. The Program Provider will be expected to inform used car and truck dealers of any changes in MVC policies and procedures affecting the Dealer Services Program.

(n) Program Providers will be expected to conduct self-assessments of all dealer transaction processors to monitor performance and accuracy of completed transactions.

(o) The Program Provider will provide the following services/transactions to licensed dealerships for a New Jersey title and/or registration (allowable services/transactions can be changed at the discretion of the MVC) :

- Process the title issuance and registration issuance/renewal transactions for new and used motor vehicles as well as motorcycles, trailers, all terrain vehicles (ATVs), boats, recreational vehicles (RVs), and low speed vehicles (LSVs).
- Process registration renewal transactions for taxis, limousines, farm trucks, farm use vehicles and omnibus vehicles.
- Process registration and title change transactions to add spouse names.
- Process initial registration transactions for vehicles that have already been titled.
- Process registration transfer transactions for vehicles that have already been titled.
- Process dedicated plate issuance and renewal transactions.
- Accept surrendered license plates.
- Issue to the dealer the license plates and registration cards generated by the above registration transactions.

(p) The Program Provider will provide the following services/transactions only to dealerships licensed by the State of New Jersey (allowable services/transactions can be changed at the discretion of the MVC):

- Supply Dealer Reassignment forms.
- Supply general registration D plates.
- Accept surrendered general registration D plates.

(q) The Program Provider will be responsible for scanning and subsequent destruction of all supporting documentation related to the above transactions in a manner to be defined by the MVC.

Minimum Program Provider Staff Requirements

Program Providers shall maintain sufficient staff capable of providing prompt, efficient, courteous and professional service to subscribing used car and truck dealers. Personnel hired by the Program Provider for the Dealer Services Program shall perform only those services required or permitted under the Dealer Services Program Agreement. The Program Provider must maintain sufficient staff to achieve a three (3) business day turnaround time for the completion of transactions submitted for processing by subscribing used car and truck dealers. All employees will be required to undergo fingerprint and background checks prior to beginning employment with the Program Provider, the cost for which shall be paid by the Program Provider.

Program Providers will be expected to employ a full-time manager, who must control and supervise all daily activities performed as part of the Dealer Services Program. The manager shall be present and performing his/her duties on a full-time basis (except for vacation and sick time) for a minimum of 40 hours a week during normal business hours.

Program Provider shall suspend the employment of any person charged with any crime specified in N.J.S.A. 2C:51-2, pending disposition of said criminal charge, and shall not employ any person who has either been dismissed by the MVC for cause, or who would be disqualified from holding employment with the State or the MVC.

Facilities and Location

Program Providers must obtain and utilize a facility for office space in the State of New Jersey that shall be suitable for performing all services required under the Dealer Services Program and Dealer Services Program Agreement. Such facility shall consist of a building that is separate and secure, including a security system with cameras and a secure computer room. The facility must also have a separate secure location for storing MVC inventory. The facility must comply with all State and municipal building codes. All costs incurred by a Program Provider in purchasing, leasing or renting the required premises shall be borne solely by the Program Provider. If the premises is/are shared by another business(es), the Dealer Services Program operations shall be physically segregated from the areas associated with the other business(es). A Program Provider shall not move its established location without the advance written approval of the MVC.

4. MVC RESPONSIBILITIES

The MVC shall be responsible for the following:

- (a) The MVC shall be responsible for integrating all system-related components (hardware and software) at the Program Provider's facility. Complete integration includes, but is not necessarily limited to, connectivity for personal computers, printers, Escala Agency system, racks, circuits, and switches/routers (and user software licenses where applicable).

(b) The MVC will provide initial training on the use of the MVC system supporting the Dealer Services Program. Training will be conducted either onsite at the Program Provider's facility or at a site designated by the MVC. Such training will include the necessary information for Program Provider employees to operate and manage the system.

(c) The MVC will supply and deliver all necessary MVC required forms/applications and control-numbered inventory to the Program Provider.

(d) The MVC shall designate a Contract Administrator who will be responsible for oversight of the Dealer Services Program Agreement.

(e) The MVC will provide support to the Program Provider via the MVC Agency Helpline, Database Corrections and Agency Operation Units.

5. PROPOSAL PREPARATION AND SUBMISSION

General

Applicants are advised to thoroughly read and follow all instructions contained in this Advertisement.

Submitting applicants assume sole responsibility for the complete effort required by this Advertisement. The MVC assumes no responsibility and bears no liability for costs incurred by applicants in the preparation and submittal of proposals in response to this Advertisement. Applicants represent that they can meet the general requirements of the Dealer Services Program as set forth in this Advertisement. Applicants further agree to accept all duties in accordance with applicable provisions of Title 39 of the New Jersey Statutes, and all other applicable rules, regulations, instructions and performance standards. If any submitting applicant constitutes a joint venture, the agreement between the responding joint parties must be submitted. Submitting applicants are advised and acknowledge that all proposals are public record and are available for public inspection, excluding any details which may be exempt from disclosure under the New Jersey Open Public Records Act.

Questions and Inquiries

The MVC will accept written questions and inquiries from all potential applicants receiving this Advertisement. Short procedural inquiries may be accepted by telephone. Written questions may be mailed or e-mailed to:

The Division of Procurement
New Jersey Motor Vehicle Commission
Attention: Donna Winkler
225 E. State Street, PO Box 135
Trenton, NJ 08625-0135

Donna.Winkler@dot.state.nj.us

Phone: (609) 292-0920

Fax: (609) 984-1309

Document Review Room

If necessary based upon applicant interest and requests, the MVC will establish a document review room to provide applicants with the opportunity to review MVC transaction-related documents, screen layouts and procedures manuals. If established, the document review room shall be located at the New Jersey Motor Vehicle Commission, 225 East State Street, Trenton, New Jersey. Applicants must first contact Donna Winkler at the above phone number to schedule an appointment. No cameras will be permitted to be used in the document review room. Any costs associated with copying documents will be at the applicant's expense.

Proposal Content and Submission

All interested parties must submit an original and five (5) copies of their proposal to the MVC at the above address. Certain required information and/or materials identified below have been determined to be essential in the selection and approval process. Insufficient detail may result in a determination that the proposal is materially non-responsive. Any requirements which the applicant cannot satisfy must be identified in the applicant's proposal.

All proposals must include the following:

a. Cover Letter

A cover letter that must be signed by a duly authorized officer or executive of the applicant and which must contain the following information:

- (1) Identification of the applicant;
 - (2) Confirmation that the proposal is submitted in response to this Advertisement;
 - (3) Identification of the various parts of the proposal;
 - (4) Identification of the name, mailing address, fax number, and telephone number of a representative who is authorized to accept notices and other communications and respond to inquiries from the MVC and its representatives concerning the proposal;
 - (5) Such other introductory information as the applicant wishes to provide, with the provision that such information must be brief and will not be subject to evaluation except for a review of its responsiveness to the requirements of the Advertisement;
- and

b. Forms

Each applicant must submit completed ownership disclosure and affirmative action forms signed by a duly authorized officer or executive of the applicant.

c. Executive Summary

Each applicant shall set forth its overall approach and plans to meet the requirements of this Advertisement in a narrative format. This narrative should demonstrate to the MVC that the applicant understands the objectives of the Dealer Services Program and the level of effort necessary to successfully fulfill the requirements as generally set forth in this Advertisement.

The proposal should be designed to convince the MVC that the applicant's detailed plans and approach intended to complete the Scope of Work are realistic, attainable, and appropriate, and that the applicant's proposal will lead to successful implementation and operations.

d. Experience and Expertise

This section should describe how the applicant's previous background and business experience would assist the applicant as a Program Provider. Applicants must present evidence of the necessary experience and abilities required to perform as a Program Provider for the Dealer Services Program, as demonstrated by the successful completion of similar agreements, engagements, commitments or contracts, any of which can be confirmed through verifiable references. Applicants will be evaluated on range of experience and on the quality of any references received.

e. Business Plan

Applicants shall include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers. The applicant shall also include an organizational chart, with names showing management, supervisory and other key personnel. The organizational chart shall, at a minimum, include the title of each such individual.

An applicant's overall Business Plan shall also include, but not necessarily be limited to, the following:

(1) A description of the business. This section should include a detailed and thorough explanation of the applicant's business, including detailed business days/hours; a facility layout; number of staff; a description of the unique aspects of the applicant's business and how the applicant will appeal to potential subscribing dealerships; goals and objectives to identify why the applicant seeks to be a Program Provider; and the benefits of the applicant's service. The applicant must provide its proposed schedule of delivery service to and from used car and truck dealerships, which must be no less than twice a week, and a description of the professional delivery and electronic tracking service that will be used. In addition, an inventory security plan must also be provided.

(2) A marketing plan and pricing strategy. This section should include how the applicant will advertise and promote the Dealer Services Program and provide supporting detail for the applicant's proposed pricing strategy.

(3) Management plan. Resumes must be submitted for all management, supervisory and key personnel to be assigned to oversee the services to be provided by the applicant as a Program Provider. Resumes should be structured to emphasize relevant qualifications and experience of these individuals related to successfully fulfilling obligations for

providing services of a similar size and scope as those required by the Dealer Services Program.

(4) Location of applicant's New Jersey office. To the extent practicable, proposed locations should be strategically sited for servicing all used car and truck dealers throughout the State.

(5) Financial Capability. Applicants shall provide proof of financial capacity and capabilities to undertake and successfully be a Program Provider. A certified financial statement for the most recent fiscal year and current bank reference(s) are acceptable. The primary applicant must submit separate financial statements for each of its subcontracting companies (if applicable). These statements must contain the same required information as the applicant's statements. The subcontractor's financial statements must follow immediately behind the primary applicant's financial information in the proposal package.

6. AGREEMENT TERMS AND CONDITIONS

Service Fee

Each Dealer Services Program Agreement shall assess a service fee of \$3,050 per month payable to the MVC to offset the cost of providing support and connectivity. The MVC reserves the right to increase this fee annually upon 30-days written notice to a Program Provider

Correction Fee

The MVC reserves the right to assess a correction fee if it determines that any transactions processed by a Program Provider under this Advertisement are unacceptable due to errors, omissions, or failures to comply with the policies and procedures established in accordance with or by the applicable provisions of Title 39 of the New Jersey Statutes, or any other related rule, regulation or procedure. A correction fee charged will be determined, to the extent practicable, based upon the actual cost incurred by the MVC to review and correct a transaction.

Performance Bond

Program Providers shall maintain, at their own expense throughout the term of the Dealer Services Program Agreement, a bond that will indemnify the MVC for any loss it incurs as a result of unfaithful performance by a Program Provider, a subscribing dealer, or any agents or employees of either. Such bond shall be in the amount of \$200,000 and shall be issued by a company licensed to issue surety bonds in the State of New Jersey. The bond shall be subject to the approval of the MVC and shall provide for thirty (30) days written notice to the MVC prior to cancellation. A copy of the bond and each renewal or amendment thereto shall be provided to the MVC's contact person within five (5) business days of issuance. Program Providers shall reimburse the MVC for any losses incurred by the MVC in excess of bond coverage within thirty (30) days of receipt of a written demand from the MVC.

Worker's Compensation Insurance

Program Providers will be expected to procure and maintain workers' compensation insurance as required by the Workers' Compensation Laws of the State of New Jersey. Endorsements and references thereto on all certificates of insurance and employer's liability shall be in an amount not less than \$500,000 or an amount as otherwise required by law.

General Liability Insurance

Program Providers shall procure and maintain commercial general liability insurance in a per occurrence amount of not less than \$1,000,000 for bodily and personal injury, and for property damage. The State of New Jersey, the MVC, and its officers and employees shall be named as "additional insureds" in all such policies. Such insurance shall provide for a 30-day written notice to the MVC prior to cancellation. Proof of such insurance, and each renewal or amendment thereto, shall be provided to the MVC within five (5) business days of issuance.

Indemnification

Program Providers will be obligated to indemnify the State of New Jersey and/or the MVC, and its officers or employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work done by, or the materials supplied to, a Program Provider under the Dealer Service Program Agreement, which is caused by negligence or willful misconduct of a Program Provider, or by a breach of a Program Provider's obligation of confidentiality.

Agreement Term and Extension/Amendment Option

The term of a Dealer Services Agreement entered into the MVC shall be for a period of three (3) years from execution, but shall contain a provision for two (2) additional one-year (1) extension options (five years in total). The Dealer Services Program Agreement may only be extended by mutual written consent of the Program Provider and the MVC.

Any changes or modifications to the terms of the Agreement shall only be validly performed through a writing that is executed by the Program Provider and the MVC.

MVC reserves the right to clarify or revise the Dealer Services Program. Any clarification or revision will be by addendum. Any addendum to the Dealer Services Program shall become part of any Agreement executed in accordance with this Advertisement.

This Advertisement for Program Providers to render services within the Dealer Services Program shall not be construed so as to limit the authority of the MVC Chief Administrator or the MVC to reorganize its operations in any way authorized by Title 39, any amendments thereto, or otherwise by law.

Contract Transition

In the event a Program Provider's services end by either a Dealer Services Program Agreement expiration or termination, it shall be incumbent upon the Program Provider to continue services, if requested by the MVC, until new services can be completely operational. Program Providers acknowledge their responsibility to cooperate fully with the MVC to ensure a smooth and timely

transition. Such transitional period shall not extend more than ninety (90) days beyond the expiration date of the Dealer Services Program Agreement, or any extension thereof.

Subcontractor Requirements

If it becomes necessary for a Program Provider to substitute and/or add a subcontractor, the Program Provider must identify the proposed new subcontractor and the work to be performed. The Program Provider shall have sole responsibility for all payments to any subcontractor(s), if applicable. The Program Provider must secure the written consent of the MVC prior to entering into any subcontract. The written consent for subcontracting of any services from the MVC in no way relieves a Program Provider of its full obligations. The Program Provider shall be responsible for all services performed by the subcontractor.

Ownership of Material & Data Confidentiality

All data, materials gathered, originated, developed, prepared, used or obtained in the performance of any Dealer Services Program Agreement executed in accordance with this Advertisement shall be and remain the property of the MVC. A Program Provider is required to use reasonable care to protect the confidentiality of such data.

News Releases & Advertising

Program Providers will not be permitted to issue news releases pertaining to any aspect of the services being provided under a Dealer Services Program Agreement without the prior written consent of the MVC. The Program Provider shall not solicit participation in the Dealer Services Program at Motor Vehicle Commission Agencies or any other MVC facility.

Claims and Remedies

Final decisions concerning all disputes relating to Dealer Services Program Agreement rescission, interpretation, Program Provider performance and/or Agreement reduction, suspension or termination are to be made in a manner consistent with N.J.A.C. 17:12-1.1, et seq. The MVC Chief Administrator's final decision in such matters shall be deemed a final agency action reviewable by the Superior Court of New Jersey, Appellate Division.

MVC's Option to Issue Stop Order

The MVC reserves the right to suspend work or to discontinue a Program Provider's participation in the Dealer Services Program.

Additional Services/Special Projects

Program Providers shall obtain the written approval of the MVC before selling or otherwise making available for a fee any item or service to subscribing dealers through the Dealer Services Program.

In addition, Program Providers must submit a written proposal for special projects and must obtain written approval from the MVC prior to their implementation.

7. PROPOSAL EVALUATION

Evaluation Criteria

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate proposals received in response to this Advertisement. Applicants may be required to give an oral presentation to the Selection Committee concerning its proposal.

- The applicant's description of how its previous background and business experience would be of benefit to the Dealer Services Program and the MVC.
- The applicant's demonstrated ability, experience, and record of accomplishment in successfully delivering services under similar agreements, engagements, commitments or contracts involving transactions in a secure environment. The qualifications and experience of the applicant's management, supervisory or other key personnel assigned to the Dealer Services Program will be critical.
- The applicant's proposed solution for producing secure transactions, safeguarding information and inventory, and processing transactions at the most reasonable cost to subscribing dealers.
- The applicant's approach/solutions for improving customer service, reducing turnaround time and improving overall efficiency of dealer initiated transactions, while meeting the requirements of the Scope of Work outlined in Section 3 of this Advertisement.
- The applicant's plan for accelerating the implementation process without compromising quality of product and service.
- The applicant's financial stability to provide the required level of service during the life of an executed Dealer Services Program Agreement.

Selection Committee

Proposals will be evaluated by a Selection Committee composed of five staff members of the Motor Vehicle Commission.

Approval

A Dealer Services Program Agreement shall be delivered with reasonable promptness by written notice to those responsible applicants whose proposal, conforming to the requirements of this Advertisement, are deemed most advantageous to the MVC. Any or all proposals may be rejected by the MVC when the Chief Administrator determines that it is in the public interest to do so.