

# Request for Proposal 08-X-39175

## For: Administration of Tax Delinquency Accounts, Taxation

Event	Date	Time
<b>Bidder's Electronic Question Due Date</b> (Refer to <a href="#">RFP Section 1.3.1</a> for more information.)	May 18, 2007	5:00 PM
<b>Mandatory Pre-bid Conference</b>	Not Applicable	
<b>Mandatory Site Visit</b>	Not Applicable	
<b>Bid Submission Due Date</b> (Refer to <a href="#">RFP Section 1.3.2</a> for more information.)	June 1, 2007	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

<p><b>Small Business Set-Aside</b> (Refer to <a href="#">RFP Section 4.4.2.2</a> for more information.)</p>	<p><b>Status</b></p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Entire Contract</p> <p><input type="checkbox"/> Partial Contract</p> <p><input type="checkbox"/> Subcontracting Only</p>	<p><b>Category</b></p> <p><input type="checkbox"/> I</p> <p><input type="checkbox"/> II</p> <p><input type="checkbox"/> III</p>
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RFP Issued By

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey  
Department of the Treasury  
Division of Taxation  
Trenton, New Jersey 08695

Date: May 10, 2007

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## **1.0 INFORMATION FOR BIDDERS**

### **1.1 PURPOSE AND INTENT**

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Division of Taxation (Taxation). The purpose of this RFP is to solicit bid proposals to engage a contractor to perform delinquent tax debt administration and resolution services.

The intent of this RFP is to award a contract to that responsible bidder whose bid proposal, conforming to this RFP is most advantageous to the State, price and other factors considered. However, the State reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State's best interest.

The NJ Standard Terms & Conditions version 05 09 06 will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

### **1.2 BACKGROUND**

This is a reprocurement of the **Delinquent Tax Debt Collection Services** term contract, presently due to expire on **July 31, 2007**. Bidders who are interested in the current contract specifications and pricing information may review the current contract (Enter T #1426) at <http://www.state.nj.us/treasury/purchase/contracts.htm>.

New Jersey State government levies a variety of taxes, the collection of which is largely dependent upon voluntary compliance by citizens and businesses. Principal responsibility for collection of State taxes is with Taxation.

The State presumes that a number of persons and firms with legitimate tax obligations do not file required tax returns and do not remit taxes owed. As a consequence, significant revenues are lost to the State.

In general, the uncollected tax liabilities may be categorized as follows:

Audit Assessments – additions to tax, penalty or interest imposed by Taxation as a result of information developed through examinations of the taxpayer's books and records, tax returns, or information obtained from a variety of other sources.

Deficiency – amount owed to the State as reported by the taxpayer on a previously filed but underpaid return. Penalties and interest and other fees are added as appropriate.

Delinquency – the absence of a filed return when information from Taxation's records, from the taxpayer, or from other sources, indicates that a return is due. A delinquent return, when filed, may not actually result in a tax liability to the taxpayer. A delinquency might also be satisfied with satisfactory proof that the taxpayer was not liable to file a tax return.

The contractor shall primarily concentrate its efforts on delinquent returns involving Gross Income Tax (Employer Withholding), Sales & Use Tax and Corporation Business Tax. The Director of Taxation may also identify tax delinquencies for some of the smaller miscellaneous taxes or fees administered by Taxation for assignment under this contract. A list of taxes is available for review at the following website: [www.state.nj.us/treasury/taxation/pdf/req3.pdf](http://www.state.nj.us/treasury/taxation/pdf/req3.pdf).

Within its delinquent tax collection efforts, the contractor must also generate a number of documents that require mailing through U.S. Postal Service First-Class or Certified-Mail. Based on experience, the contractor should anticipate approximately 30,000 U.S. Postal Service First-Class mailings and 10,000 U.S. Postal Service Certified-Mail (return receipt) mailings each year.

In addition to securing delinquent tax returns and monies due, the contractor is responsible for a number of other tasks necessary to resolve the tax liability for a taxpayer. Some cases assigned to the contractor may contain incorrect delinquencies for a variety of reasons. The delinquent taxpayer or a representative providing an executed Appointment of Taxpayer Representative or Power of Attorney form may submit sufficient documentation so that the contractor can correct a taxpayer account. In addition, with proper documentation and approval, the contractor may be required to perform various account maintenance functions such as line item adjustments, master cash transfers, credit transfers, applied date changes, and abatements. The contractor shall also be expected to perform on-line updates to the Taxpayer Profile information within the TAXNET System. For example, updates or corrections may be required for the taxpayer name, address, or tax eligibility record. In all instances, the contractor is required to perform appropriate and approved non-collection account maintenance tasks in addition to providing high level collection services.

Taxation shall provide appropriate levels of training for contractor personnel in the applicable tax laws, regulations, Taxation policy and procedures, guidelines and data systems necessary to perform the duties required under this contract. The contractor will have the necessary on-line access to tax information to perform the requirements of this RFP. Taxation will provide a State Contract Manager and other manager staff to coordinate and facilitate contact between the contractor and Taxation. In addition, a contract management liaison group (Taxation Liaison Group) will work directly with the contractor on a day-to-day basis.

Throughout all of its operations to meet the requirements of this RFP, the contractor must comply with taxpayer confidentiality policies promulgated by Taxation. The contractor shall be required to sign a confidentiality agreement with Taxation. A sample document is included as Attachment 1. Should the contractor or one of its officers or employees make an unauthorized disclosure of confidential tax information, the contractor may be considered to be in breach of this contract in addition to being subject to criminal prosecution.

### 1.3 KEY EVENTS

#### 1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Purchase Bureau will accept questions and inquiries from all potential bidders electronically via web form. To submit a question, please go to Current Bid Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>

Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders are not to contact the Using Agency directly, in person, by telephone or by email, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date (see Section 1.4.1. of this RFP for further information.)

### 1.3.2 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME IS INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

BID RECEIVING ROOM - 9TH FLOOR  
PURCHASE BUREAU  
DIVISION OF PURCHASE AND PROPERTY  
DEPARTMENT OF THE TREASURY  
33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NJ 08625-0230

**Directions to the Purchase Bureau can be found at the following web address:**  
<http://www.state.nj.us/treasury/purchase/directions.htm>.

Note: Bidders using USPS Regular or Express mail services should allow additional time since USPS mail deliveries are not delivered directly to the Purchase Bureau.

Procedural inquiries on this RFP may be directed to [rfp.procedure@treas.state.nj.us](mailto:rfp.procedure@treas.state.nj.us). The Purchase Bureau will not respond to substantive questions related to the RFP or any contract.

To submit an RFP or contract related question, go to the Current Bidding Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>.

### 1.3.3 DOCUMENT REVIEW

Bidders are urged to visit the Taxation website and review publications and forms available via the links it provides to other sites at: [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation)

The following are documents that bidders may need to review in order to prepare and submit accurate and comprehensive bid proposals:

- New Jersey Taxpayer's Bill of Rights  
[www.state.nj.us/treasury/taxation/pdf/pubs/sales/anj1.pdf](http://www.state.nj.us/treasury/taxation/pdf/pubs/sales/anj1.pdf)
- Taxes of the State of New Jersey [www.state.nj.us/treasury/taxation/pdf/req3.pdf](http://www.state.nj.us/treasury/taxation/pdf/req3.pdf)
- Form M-5008-R Appointment of Taxpayer Representative  
[www.state.nj.us/treasury/taxation/pdf/other\\_forms/misc/m5008r.pdf](http://www.state.nj.us/treasury/taxation/pdf/other_forms/misc/m5008r.pdf)
- Fair Debt Collection Practices Act [www.ftc.gov/os/statutes/fdcpa/fdcpact.htm](http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm)

## 1.4 ADDITIONAL INFORMATION

### 1.4.1 ADDENDA: REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, SELECT THE BID NUMBER ON THE BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

<http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml>.

There are no designated dates for release of addenda. Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

#### 1.4.2 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

#### 1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

#### 1.4.4 CONTENTS OF BID PROPOSAL

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, bid proposals will not be made public until the Letter of Intent to Award is issued.

A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.**

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

#### 1.4.5 BID OPENING

On the date and time bid proposals are due under the RFP, only the names of the bidders submitting bid proposals will be publicly announced. The contents of the bid proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.



#### 1.4.6 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

#### 1.4.7 BID ERRORS

In accordance with N.J.A.C. 17:12-1.22, "Bid Errors," a bidder may withdraw its bid as follows:

A bidder may request that its bid be withdrawn prior to bid opening. Such request must be made, in writing, to the Supervisor of the Business Unit. If the request is granted, the bidder may submit a revised bid as long as the bid is received prior to the announced date and time for bid opening and at the place specified.

If, after bid opening but before contract award, a bidder discovers an error in its proposal, the bidder may make written request to the Supervisor of the Business Unit for authorization to withdraw its proposal from consideration for award. Evidence of the bidder's good faith in making this request shall be used in making the determination. Some of the factors that may be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. Note: a PB-36 complaint form may be filed and forwarded to the Division's Contract Compliance and Administration Unit (CCAU) for handling. A record of the complaint will also be maintained in the Division's vendor performance file for evaluation of future bids submitted.

All bid withdrawal requests must include the bid identification number and the final bid opening date and sent to the following address:

Department of the Treasury  
Purchase Bureau, PO Box 230  
33 West State Street – 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0230  
Attention: Supervisor, Business Unit

If during a bid evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the bidder. The bidder will have five days after receipt of the notice to confirm its pricing. If the vendor fails to respond, its bid shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and extended price and the bidder's intention is not readily discernible from other parts of the bid proposal, the Director may seek clarification from the bidder to ascertain the true intent of the bid.

#### 1.4.8 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action

Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

## **2.0 DEFINITIONS**

### **2.1 GENERAL DEFINITIONS**

The following definitions will be part of any contract awarded or order placed as result of this RFP.

**Addendum** – Written clarification or revision to this RFP issued by the Purchase Bureau.

**All-Inclusive Hourly Rate** – An hourly rate comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

**Amendment** – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

**Bidder** – An individual or business entity submitting a bid proposal in response to this RFP.

**Contract** – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

**Contractor** – The bidder awarded a contract resulting from this RFP. Also referred to as the Implementation Contractor.

**Director** – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

**Division** – The Division of Purchase and Property

**Evaluation Committee** – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

**Firm Fixed Price** – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**Joint Venture** – A business undertaking by two or more entities to share risk and responsibility for a specific project.

**May** – Denotes that which is permissible, not mandatory.

**Project** – The undertaking or services that are the subject of this RFP.

**Request for Proposal (RFP)** – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

**Should** – Denotes that which is recommended, not mandatory.

**State Contract Manager** – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Sections 8.1, 8.1.1 and 8.1.2.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**State** – State of New Jersey.

**Subcontractor** – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Task** – A discrete unit of work to be performed.

**Using Agency[ies]** – The entity[ies] for which the Division has issued this RFP and will enter into a contract.

## 2.2 CONTRACT SPECIFIC DEFINITIONS

**Appointment of Taxpayer Representative** – Taxation’s version of a Power of Attorney (POA.). Form M-5008-R available for review at the following website:  
[www.state.nj.us/treasury/taxation/pdf/other\\_forms/misc/m5008r.pdf](http://www.state.nj.us/treasury/taxation/pdf/other_forms/misc/m5008r.pdf)

**Contract Effective Date** – Date of award of contract to successful bidder.

**Contract Operational Date** – A date approximately 120 days after the Contract Effective Date when the contractor is expected to have fully implemented its transition plan and the contract program is fully operational.

**Cost of Collection** – A 5% fee added to the taxpayer’s liability to help defray the costs of placing a Certificate of Debt against the taxpayer.

**Certificate of Debt (COD)** – An administrative judgment recorded in the NJ Superior Court that has the same force and effect as a court ordered judgment.

**CRAS** – Cash Receipts Accounting System check processing and accounting system maintained primarily by the Division of Revenue. All tax payments received by Taxation and / or the contractor are processed through Division of Revenue processing systems.

**Director of Taxation** - Director of the Division of Taxation, Department of the Treasury.

**GENTS** - Taxation’s generic tax database system used to maintain all taxpayer filing and payment information covering all taxes.

**Holidays** – New Year’s Day, Washington’s Birthday (President’s Day), Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day

**Master Cash Transfer** - On-line account correction. Payment posted to a specific taxpayer account is transferred to another period or tax year within the same account OR to an entirely different taxpayer account in order to correct the account(s).

**Referral Cost Recovery Fee** – A 10% fee added to the taxpayer’s liability to help defray the costs Taxation incurs having a private contractor in the collection workflow.

**Schedule of Liabilities** – The document generated from TULIPS that is a detailed summary of all the taxes that are deficient or delinquent for the specific taxpayer referenced on the document. The document also has the balances due for tax, penalty, interest, fees and costs.

**Taxation** – Division of Taxation, Department of Treasury.

**Taxation Liaison Group** - Division of Taxation, Compliance Services Branch management and staff assigned to assist with the day to day oversight of the contract. The Group is responsible for problem resolution, analysis of assigned and unassigned workloads, implementation of new policies and guidelines and the periodic quality control review of contractor work in addition to maintaining a regular presence at the contractor’s worksite.

**TAXNET** – Combination of primary Taxation computer systems including TULIPS, GENTS, CRAS and TAX REG that are accessible by computer conversations with specific functions.

**TAXREG** - The Division of Revenue’s primary taxpayer profile database, used by Taxation, containing identification numbers, names, addresses, and other pertinent taxpayer information.

**TULIPS** – Taxpayer Un-remitted Liability Inventory Plotting System. Taxation computer based case management / case tracking system. TULIPS cases compose the work electronically sent to the contractor's work location for assignment. TULIPS case items within each case are the actual delinquent tax items due for specific delinquent tax periods.

### 3.0 SCOPE OF WORK

#### 3.1 DUTIES AND OBLIGATIONS -TAXATION

##### 3.1.1 ACCESS TO TAXNET AND TULIPS AND TAX INFORMATION

Taxation shall provide the contractor with access to the TAXNET and TULIPS systems and to confidential taxpayer information. All changes to the contractor equipment specified in Section 3.2.3 or changes to other information technology specifications and requirements by Taxation shall be provided to the contractor by the State Contract Manager.

##### 3.1.2 TRAINING

Taxation shall provide contractor personnel with training on the TAXNET and TULIPS systems. Training dates shall be provided to the contractor upon contract award. Training shall be performed at the contractor's office where the contractor shall ensure space and equipment necessary for a combination of on-line, instructor-led and lecture training. Taxation shall also provide contractor personnel with training that covers, but is not limited to the following:

- a) Taxation collection procedures;
- b) collection timeframes;
- c) Taxpayer Bill of Rights notice and appeal requirements; and
- d) additional Taxation policies and procedures upon request by the State Contract Manager.

Taxation shall provide training to initial contractor staff. All subsequent training shall be performed by contractor staff for contractor staff. The contractor shall use all course materials provided by Taxation as a reference and develop its own training materials and curriculum subject to approval by the State Contract Manager.

##### 3.1.3 CASE ASSIGNMENT

Taxation shall provide the contractor with case assignments of existing cases of tax delinquency and provide subsequent case assignments on an ongoing basis. Taxation estimates that the contractor will be receiving approximately 50,000 case assignments upon contract operational date. An additional 10,000 case assignments will be provided quarterly.

#### 3.2 CONTRACTOR –TRANSITION PERIOD

The contract resulting from this RFP shall have a transition period of up to **one hundred, twenty (120)** days for the contractor to work with Taxation to ensure that it has a facility fully equipped to assume operations, required documentation, trained contractor personnel and operating procedures approved by the State Contract Manager and the contractor is ready to perform delinquent tax administration and collections by the contract operational date. The State requires that the contractor shall generate revenue beginning on the contract operational date.

##### 3.2.1 OFFICE LOCATION AND HOURS OF OPERATION

The State has determined that due to the nature of this procurement, the contractor shall maintain an office site within New Jersey and provide access to Taxation personnel. The bidder should include the location of the bidder's office where contractor personnel shall perform the tasks required by this RFP. The office location shall be located within the State of New Jersey,

specifically within a forty (40) mile radius of Taxation's main office at 50 Barrack Street, Trenton, New Jersey 08695.

The contractor shall ensure that its personnel are available to perform the requirements of this RFP six (6) days per week, from Monday through Saturday. The contractor shall ensure that its office hours of operation are from 8:00 a.m. through 9:00 p.m. Monday through Friday and from 9:00 a.m. through 5:00 p.m. on Saturdays excluding Holidays.

### **3.2.1.1 SECURITY PLAN FOR OFFICE AND CONFIDENTIAL TAXPAYER INFORMATION**

The contractor shall develop a plan for physical office and confidential information security and submit the plan for approval by the State Contract Manager. Such plan shall include, but not be limited to such topics as:

- a) building access;
- b) visitor procedures;
- c) computer access and protection;
- d) storage and protection of confidential taxpayer information;
- e) contractor policies and procedures to ensure that confidential tax information is held confidential and secure; and
- f) destruction of confidential taxpayer information in both hard copy and electronic formats.

In situations where the contractor must discuss confidential tax information with a party other than Taxation or the taxpayer, prior to any discussion, the contractor shall ensure that the taxpayer has completed an Appointment of Taxpayer Representative Form M-5008-R.

### **3.2.1.2 COURIER SERVICE**

The contractor shall ensure that it has the capability to deliver and return physical case folders, and ancillary documentation between its office and the Taxation Liaison Group office in Trenton at least twice per week.

### **3.2.1.3 ACCESS FOR TAXATION LIAISON GROUP**

The contractor shall provide at its New Jersey office site, dedicated private office space that contains office furniture, telephone lines, personal computers and printers for use by the Taxation Liaison Group while they are conducting on-site compliance reviews and performing general oversight functions.

### **3.2.2 DISASTER RECOVERY PLAN**

The contractor shall develop a Disaster Recovery Plan that details its plans for continuation of services required by this RFP in the event of a disaster. The plan shall include, but not be limited to the following:

- a) continuation of services; and
- b) restoration of software, master files and hardware backup if information systems are disabled so that delinquent tax debt collection services are not disrupted.

The Disaster Recovery Plan shall be documented for approval by the State Contract Manager and tested within four (4) weeks of Contract Effective Date.



### 3.2.3 COMPUTER AND SOFTWARE COMPATIBILITY

The contractor shall provide all computer hardware and software necessary to successfully access the TAXNET system. Such hardware and software shall include, but not be limited to the following:

- a) T1 line between the contractor's office and the State's hub;
- b) personal computers that support Attachmate Version 7.1a;
- c) network interface and switches sized for system needs;
- d) Intelligent Printer Data Stream/Advanced Function Printing printer for printing of system-generated notices and reports; and
- e) Laser line-printers for printing of certified mailing forms and for general printing use.

The contractor shall ensure that all computer hardware and software necessary to successfully access the TAXNET system are solely located within its New Jersey office.

### 3.2.4 TELEPHONE MONITORING ACCESS

The contractor shall provide for a telephone system that includes capability for on-site, real-time monitoring by Taxation personnel of conversations between the contractor and taxpayers. The contractor shall develop written protocol on how it shall convey accurate information to taxpayers. These protocols must be submitted by the contractor and approved by the State Contract Manager prior to the contract operational date.

### 3.2.5 FRAUD DETECTION

The contractor shall develop a written plan in which it details its policies and procedures for ensuring that its practices monitor for fraud. The contractor shall submit the fraud detection plan to the State Contract Manager for approval prior to the contract operational date.

### 3.3 CONTRACTOR -OPERATIONAL PERIOD

The contractor shall develop a written plan in which it details how it shall maintain compliance with the New Jersey Taxpayers Bill of Rights, the Uniform Tax Procedure Act, N.J.S.A. 54:48-1 et seq. and the Federal Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.)

The contractor shall submit the written plan for approval by the State Contract Manager.

#### 3.3.1 DETERMINATION OF APPLICABILITY

The contractor shall develop and maintain a physical case folder for each case assignment. Prior to contacting the taxpayer identified in the case assignment, the contractor shall research internal and external records to verify the taxpayer's name, address and telephone information for completeness and ascertain the existence or history of the following:

- a) skip tracing;
- b) delinquent taxpayer eligibility history;
- c) monetary account activity and filing;
- d) payment history; and
- e) any other tax liability the taxpayer may have.

The contractor shall access the Taxpayer Case List within the TAXNET/TULIPS system to determine any conflicts regarding contact with a specific delinquent taxpayer. In cases with a conflict, the contractor shall not contact the delinquent taxpayer. The contractor shall return the case with the conflict to Taxation via the Taxation Liaison Group.

### 3.3.2 ISSUANCE OF DUN NOTICE

The contractor shall generate a dun notice within the TULIPS system for delinquent taxpayers and shall mail notices to delinquent taxpayers. The TULIPS-generated dun notice includes a Schedule of Liability for the delinquent taxpayer. The contractor shall also initiate contact with delinquent taxpayers via telephone in its efforts to secure delinquent or missing tax returns and all tax, penalties, interest and fees due to Taxation.

The contractor shall maintain a file of all mail returned by the U.S. Postal Services as “undeliverable” that results from contractor-issued mailings. The contractor shall research/skip trace the addresses on these returned mailings. If the contractor locates the taxpayer at an address other than the last known address, the contractor shall verify the accuracy of the new name, address, or other contact information. The contractor shall update the address information within TAXNET. The contractor shall re-send the mailing to the updated address. The contractor shall inform the Taxation Liaison Group of all problem mailings and the Taxation Liaison Group shall determine a resolution.

The contractor shall be responsible for all costs for the rental of post office boxes, and for all mailing costs of U.S. Postal Service First Class and Certified Mail (return receipt requested). This shall also include any cost for all documents required by the U.S. Postal Service for Certified Mail (return receipt).

### 3.3.3 FOLLOW-UP OF DUN LETTERS

The contractor shall follow-up the dun letter with telephone calls to taxpayers to ensure compliance. The contractor shall maintain a telephone contact history within the case assignment folder and electronically within TULIPS. For cases unresolved after 45 calendar days of issuance of a dun letter, the contractor shall update the case within TULIPS with the estimate of tax due and add the recovery fee.

The contractor shall subsequently generate a Notice and Demand for Payment within TULIPS for the unresolved cases and mail the notice via U.S. Postal Service Certified Mail (return receipt).

When the delinquent taxpayer is anything but an individual or sole proprietorship, a companion document, Finding of Responsible Person Notice(s) shall also be generated within TULIPS and shall be issued in separate U.S. Postal Service Certified Mail (return receipt) mailings.

### 3.3.4 CERTIFICATE OF DEBT

For cases where full payment has not been received by the contractor from delinquent taxpayers within the required timeframe (105 calendar days of Notice and Demand for Payment and/or Finding of Responsible Person Notice mailings), the contractor shall file electronically within TULIPS, a Certificate of Debt with the Superior Court of New Jersey on behalf of Taxation.

### 3.3.5 WARRANTS OF SATISFACTION

Upon resolution of all delinquent and deficient case items that are covered by a Certificate of Debt, for which final payment was made with guaranteed funds, the contractor shall generate an electronic Warrant for Satisfaction that is transmitted to the Superior Court. The contractor shall use Taxation’s TAXNET systems to create and transmit in the same manner as the Certificate of Debt was filed, the electronic Warrant for Satisfaction to the Court.

### 3.3.6 CANCELLATION OF JUDGMENTS

From time to time, a Certificate of Debt may be filed in error. With proper documentation and approval, the contractor shall work with the Liaison Group to correct the error and have the cancellation of the Certificate of Debt reflected in the NJ Superior Court's public records.

### 3.3.7 POST JUDGEMENT

After filing a Certificate of Debt and notifying the delinquent taxpayer of same, the contractor shall hold the case assignment for an additional ten (10) business days. If the delinquent taxpayer does respond to the contractor, the contractor shall pursue collection.

If the delinquent taxpayer does not make contact with the contractor during the extra ten (10) day period, the contractor shall review the case for accuracy and completeness and electronically transfer the case to the appropriate Taxation Field Investigations Office.

The contractor shall return the physical case folder to the Taxation Liaison Group. Once the contractor has transferred a case, there shall be no further collection efforts by the contractor.

If payments or tax returns are received by the contractor after the case has been transferred, the contractor shall immediately notify the Taxation Liaison Group who shall then determine the proper disposition of the items.

## 3.4 DEVIATIONS TO IDENTIFICATIONS

### 3.4.1 DISPUTES

Upon receipt of a written dispute by a taxpayer, the contractor shall immediately suspend collection activity on the account. Disputes typically include, but are not limited to, taxpayers claiming that a debt was never incurred, the balance due is incorrect or the balance has already been satisfied. If the contractor cannot address the dispute within two (2) business days of receipt of the dispute, the contractor shall refer the dispute to the Taxation Liaison Group and provide the Taxation Liaison Group with its research of the dispute.

The Taxation Liaison Group shall have ten (10) business days to resolve the dispute. At the end of the ten (10) business day period, the Taxation Liaison Group shall notify the contractor of its determination of the dispute along with a recommended course of action for the contractor to follow.

### 3.4.2 HEARINGS AND APPEALS

In accordance with the NJ Taxpayer Bill of Rights when a delinquent taxpayer provides the contractor with written notice indicating they are requesting a hearing with Taxation's Conference & Appeals Branch, or provides evidence of filing an appeal directly with the Tax Court of New Jersey, the contractor shall immediately cease work and notify the Taxation Liaison Group for guidance.

### 3.4.3 BANKRUPTCY

In cases of where the delinquent taxpayer has filed bankruptcy and provided the contractor with such evidence of the bankruptcy filing, the contractor shall cease work immediately and refer the case to the Taxation Liaison Group for a determination and guidance.

### 3.5 COLLECTIONS

The contractor shall provide detailed information to the delinquent taxpayer about how to remit tax returns and payments in hard copy or in electronic format.

The contractor shall ensure that delinquent taxpayers are directed to submit check or money order payments directly to it and that the "payable to" field shall adhere to the following convention: "State of New Jersey Division of Taxation."

The contractor shall record the receipt of each check or money order using the electronic invoicing function of the Cash Receipts Accounting System (CRAS) and subsequently forward all remittances to the Division of Revenue in Trenton via overnight delivery.

The contractor shall also ensure that it possesses the ability to accept and process alternative payment methods such as E-Check and credit card payments from issuers including, at a minimum, Visa, MasterCard and Discover. The contractor shall pay all costs associated with these services.

#### 3.5.1 DEFERRED PAYMENT OPTION

In accordance with The New Jersey Taxpayer Bill of Rights, the contractor shall consider all taxpayer requests for a payment plan. The contractor shall follow Taxation guidelines available at the following website: [www.state.nj.us/treasury/taxation/pdf/dpc1.pdf](http://www.state.nj.us/treasury/taxation/pdf/dpc1.pdf)

### 3.6 CONTRACTOR PERSONNEL

#### 3.6.1 PERMISSION AND BACKGROUND INVESTIGATIONS

The contractor shall develop a plan to ensure that its personnel complete various permission forms and undergo a vetting process that includes criminal and civil background investigations and a check for compliance for State taxes. The contractor shall complete a Memorandum of Agreement (MOA) with Taxation that details the requirements of contractor personnel background investigations. A sample MOA is provided as Attachment 2 and a guideline for background investigations is provided as Attachment 3.

The contractor shall also ensure that all its personal have been vetted through this process

The contractor shall immediately notify the State Contract Manager when any theft, disclosure, abuse or other misconduct by its personnel occurs or is discovered by the contractor.

#### 3.6.2 MINIMUM QUALIFICATIONS OF PERSONNEL

The contractor shall ensure that its personnel have keyboarding and calculator skills, knowledge of arithmetic sufficient to ensure correct tax return computation and to assist taxpayers.

#### 3.6.3 LABOR CLASSIFICATIONS

The contractor shall categorize its personnel into one of the following four (4) job classifications provided by Taxation:

1. Manager/Assistant Manager –Act as liaison with the State and update operations and procedures as required by any changes in the law or practice. Implement the policies set forth by the Division of Taxation. Administer work guidelines, set and enforce productivity standards, identify and fulfill training needs, ensure that staff attains or exceeds revenue

goals, identify and recommend steps to improve collections. Oversee operations and production of Supervisors and Collectors and act to address problems in a timely manner. Perform regular, routine internal quality assurance audits. On a monthly basis, submit a report to the State including collections, adjustments, case closings, issues of concern etc. Historical data indicates that approximately 2,000 hours or 1.6 percent (%) of the approximately 125,000 annual hours shall be attributable to these functions.

2. Supervisor - Monitor closely assigned case workloads and group backlogs to guarantee that all cases are handled by Collectors within the appropriate guidelines in accordance with Taxation policies and procedures. Monitor individual and group performance. Identify problems, the need for training and coordinate with the Manager. Research complicated tax problems and consult with the Liaison Group for guidance when needed. Review all account adjustment / maintenance activity including abatement requests for compliance with Taxation policies and procedures. Review documents in hard copy format and electronically to ensure compliance with Taxation guidelines, this includes, but is not limited to: arbitrary assessments, Finding of Responsible Person(s) status, Certificates of Debt, Warrants of Satisfaction and cancellation of judgments. Monitoring of cases to ensure proper disposition for next action as relates to the specific case. Comply with all regulations and policies as detailed by Taxation. Historical data indicates that approximately 10,000 hours or 8 percent (%) of the approximately 125,000 annual hours shall be attributable to these functions.
3. Collector/Assistant Supervisor -Initiate telephone and letter contact with delinquent taxpayers. Locate delinquent taxpayers if Taxation has a bad address. Work with taxpayers, their accountants and attorneys regarding tax delinquencies and/or deficiencies to obtain delinquent tax returns and collection of all tax, penalty, interest and fees due. When necessary, negotiate terms for a plan for payment of the outstanding tax liabilities. Review incoming correspondence and tax returns and take necessary action following procedures. Perform all required account maintenance functions in accordance with Taxation policies and procedures. Electronically apply payments received to resolve tax deficiencies. Request Supervisor's approval to file Certificates of Debt and forward cases to appropriate Taxation locations for further collection action. Request Warrants for Satisfaction when appropriate. Complex matters are to be discussed with the Supervisor and Liaison Group for proper handling. Historical data indicates that approximately 102,000 hours or 81.6 percent (%) of the approximately 125,000 annual hours shall be attributable to these functions.
4. Clerical/Support -Under the direction of the Manager, perform all routine clerical tasks associated with the collection of delinquent tax debt including: directing incoming phone calls to the appropriate representative; data entry; photocopying and preparing outgoing correspondence; receive and process taxpayer correspondence and payments; distribute correspondence, checks and taxpayer information to the appropriate Collector; track office collections. May take the lead or assist in various skip tracing methods to locate delinquent taxpayers. Historical data indicates that approximately 11,000 hours or 8.8 percent (%) of the approximately 125,000 annual hours shall be attributable to these functions.

### 3.7 CONTRACTOR REPORTS

The contractor shall develop a report in hard copy and electronic formats that includes narrative on its monthly efforts along with supporting statistics. The contractor shall submit the format of the hard copy and electronic reports to the State Contract Manager for approval prior to generating any reports. The contractor shall provide the report to the State Contract Manager by the 10<sup>th</sup> of each month. For each prior calendar month, the report shall detail revenue collections by tax type and for the cost recovery fee, the number of delinquent tax returns

received, the number of tax returns electronically filed, the number of cases closed, detailed account adjustment information, accomplishments, staffing levels, problem areas with suggested solutions and any other relevant project information.

## **4.0 BID PROPOSAL PREPARATION AND SUBMISSION**

### **4.1 GENERAL**

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its bid proposal.

Note: Bid proposals shall not contain URLs (Uniform Resource Locators, i.e., the global address of documents and other resources on the world wide web) or web addresses. Inasmuch as the web contains dynamically changing content, inclusion of a URL or web address in a bid response is indicative of potentially changing information. Inclusion of a URL or web address in a bid response implies that the bid's content changes as the referenced web pages change.

### **4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION**

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP signatory page

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are in<bid#>eligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

### **4.3 NUMBER OF BID PROPOSAL COPIES**

The bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. The bidder should submit **five (5) full, complete and exact copies** of the original. The copies requested are necessary in the evaluation of the bid proposal. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

### **4.4 BID PROPOSAL CONTENT**

The bid proposal should be submitted in one volume and that volume divided into four (4) sections with tabs (separators), and the content of the material located behind each tab, as follows:

- Section 1 - Forms (Section 4.4.1 - 4.4.3.)
- Section 2 - Technical Proposal (Section 4.4.4)
- Section 3 - Organizational Support and Experience (Section 4.4.5)
- Section 4 - Cost Proposal (Section 4.4.6)

## 4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL

### 4.4.1.1 SIGNATORY PAGE

The bidder shall complete and submit the Signatory page provided on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. The Signatory page shall be signed by an authorized representative of the bidder. If the bidder is a limited partnership, the Signatory page must be signed by a general partner. If the bidder is a joint venture, the Signatory page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

### 4.4.1.2 OWNERSHIP DISCLOSURE FORM

In the event the bidder is a corporation, partnership or sole proprietorship, the bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM

All bidders shall complete the attached Notice of Intent to Subcontract Form <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml> to advise the State as to whether or not a subcontractor will be utilized to provide any goods or services under the contract. If this is a Small Business Subcontracting set-aside contract, the bidder must comply with the Procedures for Small Business Participation as Subcontractors set forth in <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 4.4.1.5 SUBCONTRACTOR UTILIZATION FORM

If the bidder intends to utilize a subcontractor, the Subcontractor Utilization Form <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml> must be completed and submitted with the bid proposal.



## 4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL

### 4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE

FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.

The bidder may go to [www.nj.gov/nibgs](http://www.nj.gov/nibgs) to register with the New Jersey Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to Section 1.1. of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS

This is a contract with set aside subcontracting goals for Small Businesses. All bidders must include in their bid proposal a completed and signed **Notice of Intent to Subcontract** form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. Bidders intending to utilize subcontractors must also include a completed and signed Subcontractor Utilization Plan form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. Failure to submit the required forms shall result in a determination that the bid is materially non-responsive. Bidders seeking eligible small businesses should contact the New Jersey Commerce, Economic Growth and Tourism Commission at (609) 292-2146.

## 4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.

### 4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION

The bidder is required to complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract. The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 4.4.3.2 AFFIRMATIVE ACTION

The bidder is required to submit a copy of Certificate of Employee Information or a copy of Federal Letter of Approval verifying that the bidder is operating under a federally approved or sanctioned Affirmative Action program. If the bidder has neither document of Affirmative Action evidence, then the bidder must complete the attached Affirmative Action Employee Information Report (AA-302). This requirement is a precondition to entering into a State contract. The Affirmative Action Employee Information Report (AA-302) is located on the Advertised Solicitation, Current Bid Opportunities webpage: <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

#### **4.4.3.3 SERVICES SOURCE DISCLOSURE FORM**

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed source disclosure form. The Services Source Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. Refer to section 7.1.2 of this RFP.

#### **4.4.4 TECHNICAL PROPOSAL**

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

##### **4.4.4.1 MANAGEMENT OVERVIEW**

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

##### **4.4.4.2 CONTRACT MANAGEMENT**

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

##### **4.4.4.3 CONTRACT SCHEDULE**

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

##### **4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN**

It is essential that the State move forward quickly to have the contract in place. Therefore, the bidder must include as part of its proposal a mobilization and implementation plan, beginning with the date of notification of contract award.

Such mobilization and implementation plan should include the following elements:

(a) A detailed timetable for the mobilization and implementation period from the Contract Effective Date to the Contract Operational Date.

This timetable should be designed to demonstrate how the bidder will have the contract up and operational from the Contract Effective Date.

(b) The bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the bidder's mobilization and implementation of the contract within the period from the contract effective date to the contract operational date.

**NOTE:** The bidder should clearly identify management, supervisory or other key staff that will be assigned only during the mobilization and implementation period.

The bidder's plan for recruitment of staff required to provide all services required by the RFP on the contract start date at the end of the mobilization and implementation period covering the time from the contract effective date to the contract operational date.

The bidder should submit a plan for the purchase and distribution of equipment, inventory, supplies, materials, etc. that will be required to fully implement the contract on the required contract operational date.

The bidder should submit a plan for the use of subcontractor(s), if any, on this contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

#### 4.4.4.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

#### 4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP.

##### 4.4.5.1 LOCATION

The bidder should include the location of the bidder's office where contractor personnel shall perform the tasks required by this RFP. The bidder should include the telephone number and name of the individual to contact. The office location shall be located within the State of New Jersey, specifically within a forty (40) mile radius of Taxation's main office at 50 Barrack Street, Trenton, New Jersey 08625.

#### **4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)**

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

#### **4.4.5.3 RESUMES**

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

Clearly identify the individual's previous experience in completing similar contracts.

Beginning and ending dates should be given for each similar contract.

A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.

With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

#### **4.4.5.4 BACKUP STAFF**

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

#### **4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM)**

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

#### **4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE**

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

#### **4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER**

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of

cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

#### 4.4.5.8 SUBCONTRACTOR(S)

**All bidders** must complete the **Notice of Intent to Subcontract Form** whether or not they intend to utilize subcontractors in connection with the work set forth in this RFP. If the bidder intends to utilize subcontractor(s), then the **Subcontractor Utilization Plan** must also be submitted with the bid.

Should the bidder propose to utilize a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s): (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.

The bidder must provide a detailed description of services to be provided by each subcontractor, referencing the applicable Section or Subsection of this RFP.

The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform.

The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal.

#### 4.4.6 PRICE SCHEDULE

The bidder must submit its pricing using the format set forth in the State supplied price sheets at the end of this RFP. Failure to submit all information required will result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

Bidders should note that a "training rate" shall apply to all new hires for the Collector title or above and shall apply for the first **two hundred, forty (240)** hours of employment for each respective new hire under the contract resulting from this RFP. During the term of the contract

resulting from this RFP, the trainee rate shall always apply to new hires under the Collector title and above, but not apply to those employees with experience under the contract who are promoted into positions above the Collector title.

## **5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

### **5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

The contract awarded as a result of this RFP shall consist of this RFP, addendum to this RFP, the contractor's bid proposal and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage:

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 05 09 06, and any Addendum to this RFP, the Addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any Addendum to this RFP, and the bidder's bid proposal, the RFP and/or the Addendum shall govern.

### **5.2 CONTRACT TERM AND EXTENSION OPTION**

The term of the contract shall be for a period of **three (3)** years and **four (4)** months. The anticipated "Contract Effective Date" is provided on the signatory page of this RFP located on the Advertised Solicitation, Current Bid Opportunities webpage,

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for **two (2)** additional periods of up to one (1) year, by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

### **5.3 CONTRACT TRANSITION**

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than **two hundred, seventy (270)** days beyond the expiration date of the contract.

### **5.4 CONTRACT AMENDMENT**

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

### **5.5 CONTRACTOR RESPONSIBILITIES**

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

#### **5.6 SUBSTITUTION OF STAFF**

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor will identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

#### **5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)**

This Subsection serves to supplement but not to supersede Section 3.11 of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

#### **5.8 OWNERSHIP OF MATERIAL**

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings,



analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

#### **5.9 DATA CONFIDENTIALITY**

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

#### **5.10 NEWS RELEASES**

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

#### **5.11 ADVERTISING**

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

#### **5.12 LICENSES AND PERMITS**

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

## 5.13 CLAIMS AND REMEDIES

### 5.13.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

### 5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

### 5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

### 5.14 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

### 5.15 RETAINAGE

Not applicable to this procurement.

### 5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

### 5.17 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## 5.18 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## 5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)

If the Prevailing Wage Act (N.J.S.A. 34:11-56 et seq.) is applicable to the contract, the contractor may apply to the Director, on the anniversary of the effective date of the contract, for a contract price increase. The contract price increase will be available only for an increase in the prevailing wages of trades and occupations covered under this contract during the prior year. The contractor must substantiate with documentation the need for the increase and submit it to the Director for review and determination of the amount, if any, of the requested increase, which shall be available for the upcoming contract year. No retroactive increases will be approved by the Director.

## 5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

## 5.21 FORM OF COMPENSATION AND PAYMENT

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

The contractor shall be paid on a monthly basis.

### 5.21.1 PERFORMANCE STANDARDS

The revenue generated from the scope of work under this contract is a critical element of the compliance efforts of Taxation that benefit the State's general revenue fund. To protect the fiscal interests of the State of New Jersey, the contractor shall guarantee the State the following minimum revenues:

At the conclusion of the first 12 months, after the Contract Operational Date, the contractor shall produce net revenue in an amount not less than \$18 million, which reflects a gross revenue collected/expenses paid ratio of 5 to 1 (5:1). If the actual net revenue collected during this period does not equal or exceed \$18 million, the contractor shall pay to the State the difference between \$18 million and the actual net revenue collected, within 180 days of the end of the period.

For the next 12-month period of operations, the contractor shall produce net revenue in an amount not less than \$27 million, which reflects a gross revenue collected/expenses paid ratio of seven point five to one (7.5:1). If the actual net revenue collected during this period does not equal or exceed \$27 million, the contractor shall pay the State the difference between \$27 million and the actual net revenue collected within 180 days of the end of the period.

For the third 12-month period of operations, the contractor shall produce net revenue in the amount of \$36 million, which reflects a gross revenue collected/expenses paid ratio of ten to one (10:1). If the actual net revenue collected during this period does not equal or exceed \$36 million, the contractor shall pay the State the difference between \$36 million and the actual net revenue collected within 180 days of the end of the period.

## 5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06

NJ Standard Terms and Conditions version 05 09 06 are located on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### 5.22.1 PATENT AND COPYRIGHT INDEMNITY

Section 2.1 of the NJ Standard Terms and Conditions version 05 09 06 is deleted and replaced with the following:

#### **2.1 Patent and Copyright Indemnity**

a. The Contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of the contract.

b. The State of New Jersey agrees: (1) to promptly notify the Contractor in writing of such claim or suit; (2) that the Contractor shall have control of the defense of settlement of such claim or suit; and (3) to cooperate with the Contractor in the defense of such claim or suit, to the extent that the interests of the Contractor and the State are consistent.

c. In the event of such claim or suit, the Contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

### 5.22.2 INDEMNIFICATION

Section 2.2 of the NJ Standard Terms and Conditions version 05 09 06, is deleted and replaced with the following:

#### **2.2 Indemnification**

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 200 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its 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 or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;

2. The contractor's breach of its obligations of confidentiality; and,

3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06.

The contractor shall not be liable for special, consequential, or incidental damages.

### 5.22.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d) Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$2,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

### 5.22.4 INSURANCE – CRIMINAL INSURANCE

This section supplements Section 3.3b of the Standard Terms and Conditions of the RFP.

A Commercial Crime Insurance Policy covering employee dishonesty with a taxpayer payment or confidential taxpayer information is required. The amount of the Commercial Crime Insurance Policy is as follows:

- Manager/Assistant Supervisor \$3,000,000 with 1% Deductible
- Supervisor \$3,000,000 with 1% Deductible
- Collector/Assistant Supervisor \$3,000,000 with 1% Deductible
- Clerical/Support \$3,000,000 with 1% Deductible

The contractor must provide the Commercial Crime Insurance Policy within thirty (30) days of the effective date of the contract award. The Commercial Crime Insurance Policy must remain in full force and effect for the term of the contract and any extension thereof. Within thirty (30) days of the anniversary of the contract effective date, the contractor shall provide proof to the Director that the Commercial Crime Insurance Policy in the required amount is in effect. Failure to provide such proof may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

### 5.23 CONTRACT ACTIVITY REPORT

Not applicable to this procurement.

## **6.0 PROPOSAL EVALUATION**

### **6.1 PROPOSAL EVALUATION COMMITTEE**

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

### **6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL**

After the submission of bid proposals, unless requested by the State as noted below, vendor contact with the State is still not permitted.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal.

The Purchase Bureau buyer will be the sole point of contact regarding any request for an oral presentation or clarification.

### **6.3 EVALUATION CRITERIA**

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

#### **6.3.1 EVALUATION CRITERIA**

- A) The bidder's general approach and plans in meeting the requirements of this RFP.
- B) The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.
- C) The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D) The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.

- E) The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.
- F) Bidder's cost proposal. For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

### **6.3.2 BID DISCREPANCIES**

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

### **6.3.3 EVALUATION OF THE BID PROPOSALS**

The Evaluation Committee will complete its evaluation and recommend to the Director for award the responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process.

### **6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)**

Following the opening of bid proposals, the State shall, pursuant to N.J.S.A. 52:34-12(f), negotiate one or more of the following contractual issues: the technical services offered, the terms and conditions and/or the price of a proposed contract award with any bidder, and/or solicit a Best and Final Offer (BAFO) from one or more bidders.

Initially, the Evaluation Committee will conduct a review of all the bids and select bidders to contact to negotiate and/or conduct a BAFO based on its evaluation and determination of the bid proposals that best satisfy the evaluation criteria and RFP requirements, and that are most advantageous to the State, price and other factors considered. The Committee may not contact all bidders to negotiate and/or to submit a BAFO.

In response to the State's request to negotiate, bidders must continue to satisfy all mandatory RFP requirements but may improve upon their original technical proposal in any revised technical proposal. However, any revised technical proposal that does not continue to satisfy all mandatory requirements will be rejected as non-responsive and the original technical proposal will be used for any further evaluation purposes in accordance with the following procedure.

In response to the State's request for a BAFO, bidders may submit a revised price proposal that is equal to or lower in price than their original submission, but must continue to satisfy all mandatory requirements. Any revised price proposal that is higher in price than the original will be rejected as non-responsive and the original bid will be used for any further evaluation purposes.



After receipt of the results of the negotiation and/or the BAFO(s), the Evaluation Committee will complete its evaluation and recommend to the Director for award that responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

All contacts, records of initial evaluations, any correspondence with bidders related to any request for negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

## **7.0 CONTRACT AWARD**

### **7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD**

#### **7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134)**

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 – 25 on March 22, 2005 (the "Legislation"), retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

##### **7.1.1.1 DEFINITIONS**

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act." P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

##### **7.1.1.2 BREACH OF TERMS OF THE LEGISLATION**

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of the Legislation; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

### 7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at

<http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State’s request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

### 7.1.1.4 STATE TREASURER REVIEW

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

### 7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271

Contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

## 7.1.2 SOURCE DISCLOSURE REQUIREMENTS

### 7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

### 7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>.

**FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.**

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

### 7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129

**A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.**

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 05 09 06 of the RFP, unless previously approved by the Director and the Treasurer.

## 7.2 FINAL CONTRACT AWARD

Contract award[s] shall be made with reasonable promptness by written notice to that responsible bidder(s), whose bid proposal(s), conforming to this RFP, is(are) most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

## 7.3 INSURANCE CERTIFICATES

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

## 7.4 PERFORMANCE BOND

This section supplements Section 3.3b of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. A performance bond is required. The amount of the performance bond is noted on the RFP signatory page located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml>. The contractor must provide the performance bond within thirty (30) days of the effective date of the contract award. The performance bond must remain in full force and effect for the term of the contract and any extension thereof. Within thirty (30) days of the anniversary of the contract effective date, the contractor shall provide proof to the Director that the performance bond in the required amount is in effect. Failure to provide such proof may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

Although the performance bond is required for the full term of the contract, the Director recognizes that the industry practice of sureties is to issue a one year performance bond for goods and services contracts. Thus, the contractor is required to submit a one year performance bond for the amount required under the contract and, on each succeeding anniversary date of the contract, provide a continuation or renewal certificate to evidence that the bond is in effect for the next year of the contract. This procedure will remain in place for each year of the contract thereafter until the termination of the contract. Failure to provide such proof on the anniversary date of the contract shall result in suspension of the contract, and possibly, termination of the contract.

For performance bonds based on a percentage of the total estimated contract price, the performance bond requirement is calculated as follows. For the first year of the contract, the performance bond percentage on the RFP signatory page is applied to the estimated total contract amount for the full term of the contract. On each anniversary of the effective date of the contract, the amount of the required performance bond, unless otherwise noted, is calculated by applying the established RFP performance bond percentage to the outstanding balance of the estimated amount of the contract price to be paid to the contractor.

In the event that the contract price is increased by amendment to the contract, the contractor may be required to provide, within thirty (30) days of the effective date of the amendment, performance bond coverage for the increase in contract price. The required increase in the performance bond amount is calculated by applying the established bond percentage set forth on RFP signatory page to the increase in contract price. Failure to provide such proof to the Director of this required coverage may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

## **8.0 CONTRACT ADMINISTRATION**

### **8.1 CONTRACT MANAGER**

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and email address.

#### **8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES**

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that Purchase Orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person that the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

#### **8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER**

Any contract user that is unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.

**PRICE SCHEDULES**

**ADMINISTRATION OF TAX DELINQUENCY ACCOUNTS, TAXATION  
Bid Number 08-X-39175**

Bidder's Name: \_\_\_\_\_

Refer to [RFP Section 2.1](#) for the definition of Labor Rate (Fully Loaded Firm Fixed Price).

**Price Schedule for Four (4) Month Transition Period**

<b>Bid Item</b>	<b>Labor Rate Title</b>	<b>Unit</b>	<b>Hourly Rate (Fully Loaded Firm Fixed Rate)</b>	<b>Estimated Budget Hours</b>	<b>Total Budget Price<sup>1</sup></b>
1.	Manager/Assistant Manager	Hour		667	\$
2.	Supervisor	Hour		3,334	\$
3.	Collector/Assistant Supervisor	Hour		34,000	\$
4.	Clerical/Support	Hour		3,667	\$
<b>TOTAL BID PRICE –TRANSITION PERIOD</b>					<b>\$</b>

	Trainee Rate (First 240 hours of employment for labor titles in Bid Items 1, 2 and 3)	Hour		N/A	N/A
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<sup>1</sup> Price used to rank bids.

**For the purpose of the Price Schedule, the bidder must price its staff using the job titles provided in Section 3.6.3 of the RFP and the Price Schedule. Changes, modifications or additions to job titles shall not be permitted.**

**ADMINISTRATION OF TAX DELINQUENCY ACCOUNTS, TAXATION  
Bid Number 08-X-39175**

Bidder's Name: \_\_\_\_\_

Refer to [RFP Section 2.1](#) for the definition of Labor Rate (Fully Loaded Firm Fixed Price).

**Price Schedule for Contract Year 1**

<b>Bid Item</b>	<b>Labor Rate Title</b>	<b>Unit</b>	<b>Hourly Rate (Fully Loaded Firm Fixed Rate)</b>	<b>Estimated Budget Hours</b>	<b>Total Budget Price<sup>1</sup></b>
5.	Manager/Assistant Manager	Hour		2,000	\$
6.	Supervisor	Hour		10,000	\$
7.	Collector/Assistant Supervisor	Hour		102,000	\$
8.	Clerical/Support	Hour		11,000	\$
<b>TOTAL BID PRICE -CONTRACT YEAR 1</b>					<b>\$</b>

	Trainee Rate (First 240 hours of employment for labor titles in Bid Items 5, 6 and 7)	Hour		N/A	N/A
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<sup>1</sup> Price used to rank bids.

**For the purpose of the Price Schedule, the bidder must price its staff using the job titles provided in Section 3.6.3 of the RFP and the Price Schedule. Changes, modifications or additions to job titles shall not be permitted.**



**ADMINISTRATION OF TAX DELINQUENCY ACCOUNTS, TAXATION  
Bid Number 08-X-39175**

Bidder's Name: \_\_\_\_\_

Refer to [RFP Section 2.1](#) for the definition of Labor Rate (Fully Loaded Firm Fixed Price).

**Price Schedule for Contract Year 2**

Bid Item	Labor Rate Title	Unit	Hourly Rate (Fully Loaded Firm Fixed Rate)	Estimated Budget Hours	Total Budget Price <sup>1</sup>
9.	Manager/Assistant Manager	Hour		2,000	\$
10.	Supervisor	Hour		10,000	\$
11.	Collector/Assistant Supervisor	Hour		102,000	\$
12.	Clerical/Support	Hour		11,000	\$
<b>TOTAL BID PRICE -CONTRACT YEAR 2</b>					<b>\$</b>

	Trainee Rate (First 240 hours of employment for labor titles in Bid Items 9, 10 and 11)	Hour		N/A	N/A
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<sup>1</sup> Price used to rank bids.

**For the purpose of the Price Schedule, the bidder must price its staff using the job titles provided in Section 3.6.3 of the RFP and the Price Schedule. Changes, modifications or additions to job titles shall not be permitted.**

**ADMINISTRATION OF TAX DELINQUENCY ACCOUNTS, TAXATION  
Bid Number 08-X-39175**

Bidder's Name: \_\_\_\_\_

Refer to [RFP Section 2.1](#) for the definition of Labor Rate (Fully Loaded Firm Fixed Price).

**Price Schedule for Contract Year 3**

<b>Bid Item</b>	<b>Labor Rate Title</b>	<b>Unit</b>	<b>Hourly Rate (Fully Loaded Firm Fixed Rate)</b>	<b>Estimated Budget Hours</b>	<b>Total Budget Price<sup>1</sup></b>
13.	Manager/Assistant Manager	Hour		2,000	\$
14.	Supervisor	Hour		10,000	\$
15.	Collector/Assistant Supervisor	Hour		102,000	\$
16.	Clerical/Support	Hour		11,000	\$
<b>TOTAL BID PRICE -CONTRACT YEAR 3</b>				<b>125,000</b>	<b>\$</b>

	Trainee Rate (First 240 hours of employment for labor titles in Bid Items 13, 14 and 15)	Hour		N/A	N/A
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<sup>1</sup> Price used to rank bids.

**For the purpose of the Price Schedule, the bidder must price its staff using the job titles provided in Section 3.6.3 of the RFP and the Price Schedule. Changes, modifications or additions to job titles shall not be permitted.**

**Total Bid Price Schedule**

<b>Total Bid Price Transition Period</b>	<b>\$</b>
<b>Total Bid Price Contract Year 1</b>	<b>\$</b>
<b>Total Bid Price Contract Year 2</b>	<b>\$</b>
<b>Total Bid Price Contract Year 3</b>	<b>\$</b>
<b>Total Bid Price (Transition Period and Contract Years 1,2 and 3)</b>	<b>\$</b>

**SAMPLE CONFIDENTIALITY AGREEMENT**

This Agreement made and entered into between the State of New Jersey, acting by and through the Director of the Division of Purchase and Property in the Department of the Treasury, for and on behalf of the Division of Taxation, hereinafter referred to as the State or **Disclosing Party**, and

\_\_\_\_\_ hereinafter referred to as the **Receiving Party**.

The State of New Jersey, Division of Taxation, as part of the contract that will result from this Request for Proposal ("RFP"), intends to disclose confidential information to persons who agree to the terms of this Confidentiality and Non-Disclosure Agreement. Any firm that enters into the contract, must agree to the terms set forth in this Confidentiality and Non-Disclosure Agreement and evidence such agreement by signing and returning this Confidentiality and Non-Disclosure Agreement to the State Contract Manager. The terms of this Confidentiality and Non-Disclosure Agreement shall continue for the duration of the Contract, and the contractor selected by the State will, thus, continue to abide by all of the terms set forth herein for this period, or such later date if the parties mutually agree.

1. Confidential Information

- a. "Confidential Information" shall mean any information or data of a confidential nature, which is not considered public record, including but not limited to: (a) personal information about individuals and entities; (b) technical, developmental, marketing, sales, operating, performance, cost, know-how, methodologies, business and process information; (c) computer programs and related documentation, including related programming know-how and techniques; and (d) all record-bearing media containing or disclosing such information, know-how and techniques disclosed to [Receiving Party] under this Agreement. Without limiting the generality of the foregoing, it is expressly acknowledged that: Pursuant to NJSA 54:50-8 (records confidential) all of the records and files of the Division of Tax are confidential.
- b. Confidential Information shall not include information that (a) is or becomes available to the public other than by disclosure by the [Receiving Party] in violation of this Agreement; (b) was demonstrably known to [Receiving Party] previously with no obligation to hold it in confidence; (c) is independently developed by either party without recourse to the Confidential Information; or (d) was rightfully obtained by either party from a third party without an obligation of confidentiality.

2. Disclosure to Third Parties

[Receiving Party] shall not disclose Confidential Information to any third party (including Receiving Party's agents, representatives, independent consultants/contractors, subcontractors, as well as any third party's agents, representatives, independent consultants/contractors and subcontractors) unless, prior to any disclosure, the [Receiving Party] has obtained [Disclosing Party's] written permission and the third party has executed a confidentiality and nondisclosure agreement provided by [Disclosing Party] which requires the third party recipient to consent to abide by the terms of this Agreement. [Receiving Party] shall not allow the Confidential Information to be accessed through a computer bulletin board or other "shareware" distribution process.

3. Protection of Confidential Information

The Confidential Information, including permitted copies, shall be deemed to be the exclusive property of the [Disclosing Party]. [Receiving Party] shall (a) only use Confidential Information as

provided by this Agreement, (b) only disclose the Confidential Information to its employees or authorized representatives who have a need to know, or are legally permitted to have access to such information, and sign this Confidentiality and Non-Disclosure Agreement, (c) treat the Confidential Information with the same degree of care that it would afford to its own confidential information of a similar nature, but no less than reasonable care, (d) have no right, title, or interest in the Confidential Information except as provided for in this Agreement, (e) notify [Disclosing Party] within two (2) business days of any loss or unauthorized disclosure or use of the Confidential Information, (f) not remove, modify or obliterate any copyright, trademark, or other proprietary rights notice from the Confidential Information, and (g) return any and all Confidential Information to [Disclosing Party] which may be in [Receiving Party's] possession immediately upon termination of this Agreement.

#### 4. Relief / Remedy

[Receiving Party] acknowledges that any disclosure or use of any Confidential Information in violation of this Agreement may cause [Disclosing Party] irreparable harm, the amount of which is difficult to estimate, making any remedy at law or in damage inadequate. Therefore, [Receiving Party] agrees that [Disclosing Party] shall have the right to obtain from any court of competent jurisdiction specific performance or other temporary or permanent injunctive relief for any breach or threatened breach of this Agreement. This right shall be in addition to any other remedies available to [Disclosing Party] in law or in equity.

#### 5. Termination

Upon termination of the purpose for which the Confidential Information was disclosed (or earlier upon the request of [Disclosing Party]), [Receiving Party] shall promptly return to the [Disclosing Party] or destroy all Confidential Information and any copies of documents, papers or other material which may contain or be derived from the Confidential Information which is in its possession. At [Disclosing Party's] request, [Receiving Party] shall provide a certificate certifying that it has satisfied its obligations under this paragraph.

#### 6. Miscellaneous

- a. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile, or overnight courier to the addresses set forth on the first page of this Agreement.
- b. This Agreement shall not be changed, modified or amended except by a writing signed by the parties. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The [Receiving Party] shall not assign this Agreement without the prior written consent of the [Disclosing Party].
- c. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any kind and every nature between them.
- d. The individual executing this Agreement on behalf of the [Receiving Party] hereby represents and warrants that he or she is duly authorized to execute this Agreement on behalf of [Receiving Party].
- e. The obligations with respect to Confidential Information created by this Agreement will survive until such time as the Confidential Information becomes publicly known.
- f. If any provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision.

g. This Agreement shall be governed in all respects by the laws of the State of New Jersey without giving effect to conflicts of laws principles. Any litigation arising out of or in connection with this Agreement shall take place in a State or Federal court of competent jurisdiction in New Jersey.

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Signature	Date
Print Name	Company Name (Print)
Title	

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**SAMPLE MEMORANDUM OF AGREEMENT**

**BETWEEN**

**NEW JERSEY DIVISION OF TAXATION**

**AND**

**CONTRACTOR**

The purpose of this Memorandum of Agreement (“MOA”) is to clarify the requirement by the State for the contractor to perform background investigations for its employees assigned to the contract resulting from this RFP.

The New Jersey Division of Taxation (“Taxation”) has an obligation to protect the confidentiality of taxpayer information and maintain the public trust. In accordance with New Jersey Administrative Code (NJAC) 18:1-1.3, “The Division of Taxation may conduct background inquiries on applicants for Division positions to ensure that only qualified individuals with good character are appointed and that information contained on taxation employment applications is accurate and complete.” Background checks may include the following:

- Appropriate checks of records of criminal convictions and pending criminal charges;
- State of New Jersey tax filing and payment record check, to assure that the applicant has complied with State tax laws;
- Credit checks, to compare an applicant’s credit history information with information provided with the application for employment, and information obtained through the New Jersey tax filing and payment records;
- Confirmation of employment and checking on the reasons for separation;
- Contacting references, as required;
- Confirmation of any education listed on a candidate’s application; and
- Other inquiries, including interviews regarding all the aforementioned.

In addition, all Division of Taxation employees are required to adhere to the New Jersey Department of Treasury Code of Ethics, including the provisions regarding outside employment and activities.

The contractor in its response to RFP 08-X-# 2006-X-39175, which resulted in the contract award that is the subject of this MOA, describes a commitment to conduct a thorough pre-screening interview and background investigation on all candidates for employment. The contractor and Taxation have a mutual interest to ensure that all individuals who are assigned to this contract meet the highest standards of character, trust and integrity.

Therefore, it is agreed that contractor employees will not have access to the confidential records and files of the Division of Taxation, nor will they be approved for assignment to this contract until

Taxation agrees the background check for the individual is satisfactory. Following are the agreed steps to reach a mutual agreement of satisfactory background:

1. Contractor shall conduct a background check that will include, but is not limited to, criminal history and reference checks.
2. Contractor shall require all employees assigned to this contract to complete and submit a signed "Authority For Release of Information" (Form M-2000-V).
3. Contractor agrees to minimally apply the same standards for a satisfactory determination as outlined in Attachment "3" - Guidelines for Background Check Determinations, Department of Treasury – Division of Taxation.
4. Contractor shall issue to each employee assigned to this contract the Department of Treasury Code of Ethics (attached), which the employee must acknowledge receipt of by signing a statement agreeing to abide by its provision, including prohibitions against certain outside employment and activities. This original signed statement will be provided to the Division of Taxation Project Manager.
5. Contractor shall require all employees assigned to this contract to complete and submit Form ADME-120, *Employee's Certificate of Outside Employment, Business, or License Held* (attached), as a means to protect the State against possible conflicts of interest. This original signed ADME-120 will be provided to the Division of Taxation Project Manager in accordance with the requirements outlined in the Code of Ethics.
6. Contractor shall educate each employee regarding the confidentiality of tax records and require each employee to sign Form M-1010, *Employee Certification and Agreement to Adhere to the Confidentiality Provisions of the State Uniform Procedure Law, the Internal Revenue Code, and the Policies of the Various Divisions of the Department of the Treasury Relating to Access to Tax Records and Files* (attached). This original signed statement will be provided to the Division of Taxation Project Manager.
7. Contractor shall require each applicant to be assigned to this contract to provide application information that includes past employment history that includes, but is not limited to, name and address of employer, description of position or title held, start and end dates for each job, reason for leaving, average hours of work per week, and beginning and ending salary and/or hourly wage. This information is required for the Division of Taxation to conduct a review of the applicant/employee tax filing history to determine if the individual is compliant with appropriate tax laws.

Taxation agrees to complete the review outline in #7 above within three (3) business days of receipt of the required information. Taxation agrees to notify the contractor promptly regarding derogatory findings that may negatively affect a satisfactory finding regarding the applicant/employee background.

This Memorandum of Agreement is in effect for the entire term of the contract.

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Signatory	Date
New Jersey Division of Taxation	

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Signatory	Date
Contractor	

**Guidelines for Background Check Determinations**  
**Department of Treasury – Division of Taxation**

All candidates for employment with the Division of Taxation and the Division of Revenue, and all employees and candidates for employment with State contract vendors having access to confidential tax information, must consent to a background investigation that includes, but is not limited to, the following:

1. Appropriate checks of records of criminal convictions and pending criminal charges;
2. Tax filing and payment record check to ensure the applicant has complied with appropriate tax laws;
3. Credit checks, to compare an applicant's credit information with the following: a) the information listed on the employment application and/or resume, and b) the information on the tax filing and payment record check;
4. Confirmation of employment and checking on the reasons for separation;
5. Contacting and interviewing references;
6. Confirmation of any education listed on the employment application and/or resume;
7. Other inquiries, including interviews that are necessary as a result of any of the above checks, or to resolve any issues regarding qualification for the position sought.

The purpose of the background investigation, as described above, is to ensure that only qualified individuals of good character are appointed and that the information provided on the employment application and/or resume is accurate and complete. It is critical that only individuals of high integrity and trust be allowed access to confidential tax information as a matter of maintaining public trust, which is an essential element in achieving a high rate of voluntary compliance.

A complete and thorough background investigation conducted by the Division of Taxation may take up to 4 to 6 weeks to complete. As a result, all possible action will be taken to ensure that candidates for employment are not offered a start date until the results of the background investigation are received and reviewed. However, as a practical matter, job offers may be made provided it is made clear to the candidate that the job offer is contingent upon a successful background investigation.

In certain cases, such as hourly hiring for critical short term needs, perspective employees may need to be given a start date prior to the expected completion of the background investigation. In these cases, procedures will be established to expedite the interview/hiring/background process to minimize the time spent on the job for any new employee subsequently determined to have an unsatisfactory background result.

As permitted by regulation, background investigations may begin upon application for employment provided the candidate is advised of this condition for possible employment and the applicant expresses continued interest. Certain background checks requiring the applicant's written authorization will be obtained as soon as possible after application.

An objective review of an applicant's background will take the entire background results into consideration. Discretion must be used in such a way that derogatory background information is measured against the necessity to maintain public trust. Background information that fails to support an acceptable level of trust and integrity must be considered as unsatisfactory. The reviewer of the background information may take verifiable mitigating circumstances into account in the final determination.

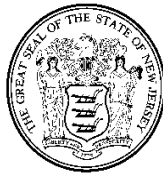


Guidelines for Background Check Determinations  
Page 2

Certain derogatory background information obtained is sufficient to sustain an unsatisfactory determination. Such derogatory results include, but are not limited to, the following:

- ◆ An applicant demonstrates an uncooperative or unresponsive attitude or behavior with the background investigation.
- ◆ Any information that demonstrates the candidate provided false or misleading information, including providing incomplete (or failing to disclose) pertinent information.
- ◆ An applicant checks the “No” block in response to the questions related to convictions of crimes or offenses on the job application, where the Criminal History check results in a contradictory finding.
- ◆ Any information that demonstrates the candidate knowingly failed to comply with appropriate tax laws, or where the candidate demonstrates an indifferent attitude towards compliance with appropriate tax laws.
- ◆ Any information that demonstrates a history of dishonesty or indifference towards any other laws including, but not limited to, motor vehicle violations, municipal ordinance violations, and criminal offenses.
- ◆ Any criminal history background that contains a conviction for an offense involving dishonesty or a crime of the third degree or above, or any conviction of an offense involving or touching on employment.

The background inquiry must be conducted and the acquired information kept confidential, in accordance with applicable laws and regulations.



# State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY  
PURCHASE BUREAU  
P.O. Box 230  
TRENTON, NEW JERSEY 08625-0230

JON S. CORZINE  
*Governor*

BRADLEY I. ABELOW  
*State Treasurer*

**To:** All Interested Bidders  
**Date:** May 11, 2007

**Re: RFP #: 07-X-39175**  
**Administration of Tax Delinquency Accounts, Taxation**  
**Bid Due Date: June 1, 2007 (2:00 p.m.)**

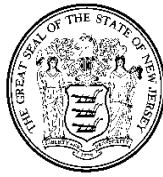
## **ADDENDUM #1**

The following constitutes Addendum #1 to the above referenced solicitation:

The **Set-Aside Category** box under the **OVERVIEW** section on the url:  
[www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml](http://www.state.nj.us/treasury/purchase/bid/summary/08x39175.shtml) currently provides the text, "SMALL BUSINESS SUBCONTRACTING". This should read, "NOT APPLICABLE".

Likewise, within the Signatory Cover Sheet Form the **SET ASIDE** line should read, "NONE"

Bidders should note that while this Solicitation does not have a subcontractor set-aside component, the bidder shall still provide the Notice of Intent to Subcontract Form required by Section 4.4.1.4 of the RFP within its bid proposal.



# State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY  
PURCHASE BUREAU  
P.O. Box 230  
TRENTON, NEW JERSEY 08625-0230

JON S. CORZINE  
*Governor*

BRADLEY I. ABELow  
*State Treasurer*

**To:** All Interested Bidders  
**Date:** May 22, 2007

**Re: RFP #: 08-X-39175**  
**Administration of Tax Delinquency Accounts, Taxation**  
Bid Due Date: June 1, 2007 (2:00 p.m.)

## **ADDENDUM #2**

The following constitutes Addendum #2 to the above referenced solicitation. This addendum is divided into the following parts:

### **Part 1: Answers to questions.**

NOTE: Several of the questions have been combined to eliminate redundancy. Other questions have been edited and/or paraphrased in the interest of readability and clarity. Each question is referenced by the appropriate RFP page number(s) and section where applicable.

### **Part 2: Additions, deletions, clarifications and modifications to the RFP**

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFP.

All other instructions, terms and conditions of the RFP shall remain the same.

**PART 1**  
**Administration of Tax Delinquency Accounts, Taxation**  
**RFP Number 08-X-39175**  
**Answers to Questions**

#	Page #	RFP Section Reference	Question	Answer
1.		General	Please provide the following information on the current contract with OSI: volume of placements (number of accounts and dollars) by year, recovery totals and rates by year and the percentage of accounts that are litigated for each debt type.	Overall case assignments for each quarter were in excess of 20,000. In Fiscal Year 2005 approximately 41,000 case assignments, with an estimated value of \$130 million (average of \$3,200 per case assignment) resulted in collections of \$37 million. In Fiscal Year 2006, approximately 85,000 case assignments, with an estimated value of \$150 million (average of \$1,700 per case assignment) resulted in collections of approximately \$47 million. In Fiscal Year 2007, July through April, approximately 104,000 case assignments with an estimated value of \$170 million (average of \$1,600 per case assignment) resulted in collections of \$37 million. No litigation for collection of delinquent taxes is required of the contractor.
2.		General	When and how will the contract award decision be announced?	Please refer to Section 7.2, Final Contract Award, of the RFP. There is no predetermined date for notification of final contract award.
3.		General	May two (2) subsidiaries of the same parent company bid on this contract, if each company is a separate entity with its own executive management?	Yes.
4.		General	Are there any rate guidelines for contractors?	The State does not understand this question as no reference to an applicable Section or page number was provided.
5.		General	Who determines that an account is uncollectible?	This shall be determined by Taxation.
6.		General	How long after the contract is terminated will paying and legal accounts remain open with the contractor?	All cases are to be returned to Taxation by the end of the contract or end of transition period.
7.		General	For each type of debt to be placed please provide the number of case assignments, dollar value of case assignments, collection rate, contractor fees paid and the estimated placement total, per agency.	Please refer to Question #1. The type of debt is composed of delinquent tax returns due to Taxation primarily for Sales Tax, Corporation Business Tax and Gross Income Tax Withholding. Contractor fees paid for: FY 2005 - \$3,474,280, FY 2006 - \$3,745,638, and FY 2007 July to April \$3,033,948.

#	Page #	RFP Section Reference	Question	Answer
8.		General	Will there be an initial one time dump?	The State presumes this question refers to an "initial dump" of case assignments. Taxation will be providing the contractor with approximately 50,000 case assignments upon the contract operational date.
9.		General	What is the estimated monthly placement volume in dollars for each vendor? How many accounts? What is the estimated delinquent amount?	Please refer to Question #1 for yearly statistics. After the "initial dump", placements are expected to be 10,000 case assignments quarterly with an average estimated value for each case assignment of \$1,700.
10.		General	How old are accounts and when are they placed?	Accounts are placed within six (6) months of computer generated notice of delinquency issued to taxpayer.
11.		General	What collection activity is performed on each debt type prior to placing with an outside vendor?	The contractor shall collect the tax debt at the earliest stage of the collection process after the computer generated notices are mailed.
12.		General	Besides the debt types listed in the RFP, are there any others that Taxation might be placing, either now or in the future? If so, please list them along with the average balance and anticipated volumes for each.	No.
13.		General	What are your historical liquidation rates on these types of accounts once placed with a vendor?	All cases are either resolved by the contractor or returned to Taxation.
14.		General	What is the retention period (the length of time a vendor would have to work the business prior to returning the account)?	Unless recalled sooner by Taxation, the retention period is about one year.
15.		General	For the time period of 2002 through 2006, what percentage (%) of delinquent taxpayers have been assessed the correct amount of tax? Please include the percentage of delinquent taxpayers who were determined to owe zero dollars (\$0) in taxes.	Estimated liabilities are generated by the State when a taxpayer fails to file a return. That amount is deemed correct based upon available information and stands until such time as an actual tax return is submitted. Taxation does not separately track statistics on those taxpayers deemed delinquent who eventually owe nothing.
16.		General	Can Taxation provide "batch reports"?	The State does not understand this question as no reference to a Section or page number was provided.
17.		General	Does the current contract contain extension options beyond the initial 3 year term? If so, why were such extension options not executed with the incumbent contractor?	Yes, please refer to Section 5.2, Contract Term and Extension Option, of the RFP.  The State determined that it would best be served by procurement of the services provided by the existing contract.

#	Page #	RFP Section Reference	Question	Answer
18.	5	1.2	To the greatest extent possible, please provide the following data: total historical dollar value of accounts by category; total historical number of accounts by category; total historical average balance of all accounts by category; total historical average age of accounts at placement (at time of award and/or on a going-forward basis) by category.	Please refer to Question #1.
19.	6	1.2	<p>Please explain the high volume of certified mailings and how the estimates account for the initial receipt of 50,000 case assignments on the contract operational date.</p> <p>Is the weight of the mailing less than one (1) ounce? What is the percentage (%) of mailings that weigh greater than one (1) ounce?</p>	<p>In accordance with the New Jersey Taxpayer Bill of Rights, certain notices shall be sent by certified mail, return receipt. A portion of the workload is expected to be resolved prior to the issuance of the notices required to be mailed certified.</p> <p>The weight of the mailing, generally 2-3 sheets of paper, should be less than one (1) ounce. Any exception is very rare.</p>
20.	6	1.2	<p>Are letters and correspondence required to physically be printed and mailed from the contractor's New Jersey facility with a New Jersey postmark?</p> <p>Would it be acceptable for contractor to generate letters and correspondence from its centralized letter processing facility outside of New Jersey?</p>	<p>Yes, all work and all equipment must be in the contractor's New Jersey location.</p> <p>No.</p>
21.	6	1.2	What is the duration of classroom and on-the-job training required of a new contractor?	Classroom instruction is two (2) weeks followed by four (4) weeks of on-the-job training supplemented by updated information as needed.
22.	6	1.3.1	<p>What is the targeted date to release the Q&amp;A?</p> <p>Would the Department consider extending the RFP deadline for two weeks past the date the Q &amp; A is released in order for bidders to properly formulate a response with the distributed information?</p>	<p>Please refer to Section 1.4.1, Addenda: Revisions to this RFP.</p> <p>No.</p>
23.	11	2.1	What are "portal to portal" expenses?	Those expenses incurred by contractor staff for traveling from its facility to Taxation.
24.	13	2.2	Is the five percent (5%) Cost of Collection Fee added to the taxpayer's account at the time of placement?	No, the five percent (5%) cost of collection is added when a Certificate of Debt is recorded with the New Jersey Superior Court.
25.	15	3.1.3	What is the average balance of accounts?	Approximately \$1,700.

#	Page #	RFP Section Reference	Question	Answer
26.	15	3.2	Would the State consider shortening the transition period if a contractor could be fully staffed and ready to assume operations in less than 120 day?	Yes, upon determination by Taxation that the contractor is ready and able to assume full operations and requirements of this RFP.
27.	15	3.2.1	Is space available at the State Taxation's main office for use by an agency?	No.
28.	15	3.2.1	If a contractor has an office within 15 miles of the main Taxation office but not located within the State of New Jersey, will the State consider removing the requirement that the contractor facility must be located within the State so long as the facility is within a 40 mile radius?	No.
29.	15	3.2.1	Must all work on this contract be performed at a New Jersey location within 40 miles of Taxation's main office or may the contractor perform some of the work off-site?	All work and all equipment must be in the contractor's New Jersey location.
30.	16	3.2.1.3	How many offices must be dedicated to the Taxation Liaison Group?	One (1) office with space and equipment for three (3) Taxation employees is required.
31.	16	3.2.2	May the contractor submit a summary of its voluminous Disaster Recovery Plan with its full plan submitted by the date of contract award?	Yes, this would meet the contractor requirements specified in this Section of the RFP. However, a bidder should include information about its disaster recovery plan within its bid proposal as evidence of its ability to successfully perform the requirements of the RFP.
32.	17	3.2.3	Please confirm that a single T-1 Line is adequate for connectivity with TAXNET given the requirements of this RFP.	A single T-1 line has been determined to be sufficient to meet the needs of the data connectivity requirements, a second T-1 line could be considered as a backup as part of a disaster recovery plan.
33.	17	3.2.4	If a contractor features a centralized remote monitoring function featuring skilled compliance analysts, a comprehensive multiple-point compliance monitoring matrix, a proven process to identify high-risk collectors and advanced technology with a wide range of reporting options and a dedicated monitoring team with excellent penetration rates and the ability to target risk categories for monitoring, would the State consider this as an acceptable approach to meeting the requirements stipulated?	All work and equipment must be in the contractor's New Jersey location. The monitoring system must be suitable for monitoring by Taxation personnel and meet the requirements stipulated in Section 3.2.4 of the RFP.
34.	17	3.3.1	What is the estimated number of physical case files that would need to be maintained for each contract year? What is the size of the physical folder?	Given the dynamic nature of the process, physical case assignment folders flow back and forth between Taxation and the contractor. At any time, approximately 6,000 legal-size physical case files of varying thickness need to be maintained by the contractor.

#	Page #	RFP Section Reference	Question	Answer
35.	17	3.3.1	Would a contractor having advanced document scanning capabilities still be required to maintain a physical case folder for each case assignment? If so, why?	Yes, in accordance with Taxation requirements, hard copy documents are required.
36.	18	3.3.5	Is direct connectivity also required to the New Jersey Superior Court for related filings or are these filings performed through other access?  Are there any associated costs with such filings that the contractor would be required to pay?	The contractor shall have connectivity with TAXNET. TAXNET provides the connection to the New Jersey Superior Court.  There are no associated costs.
37.	19	3.3.7	What is the method and required frequency for the contractor to return physical case files to Taxation? Is this to a single site?	Please refer to Section 3.2.1.2 of the RFP. At least twice a week, case files shall be transferred to Taxation headquarters at 50 Barrack Street, Trenton, NJ.
38.	20	3.5	Please confirm if the contractor will use a "merchant account" owned by Taxation, whereby Taxation pays for the fees associated with accepting payments by credit cards. If the contractor is required to pay fees, please provide information on such fees, such as number and dollar amounts for the past three (3) years.  Could the contractor charge a nominal fee to the taxpayer for use of such a service?	Taxation does not own a "merchant account". While the RFP requires the contractor to ensure its ability to accept and process alternative payment methods and pay all associated costs, the contractor may direct taxpayers to 1-800-2PAYTAX, toll-free or to <a href="http://www.officialpayments.com">www.officialpayments.com</a> . There is a convenience fee of 2.49% then paid by the taxpayer to Official Payments Corporation.  No.
39.	20	3.5	If the contractor currently accepts Visa and MasterCard, would this fulfill the credit card requirement or will it be necessary to also contract with Discover card?	No, please refer to Part 2 of this Addendum.
40.	20	3.6	Is Taxation aware of any personnel categories not listed that a contractor may need to have on staff to support a firm's operations such as human resources, Information technology, receptionists?	Yes, a bidder's Firm Fixed Price for hourly rates for the labor classifications specified in Section 3.6.3 of the RFP should account for such support. Please refer to Section 2.1, General Definitions, of the RFP.
41.	20	3.6	Please provide the actual number of hours billed, by position, from the incumbent contractor for the past three (3) years.	Please refer to the number and percentage of hours, by labor classification, provided in Section 3.6.3 of the RFP. There has been little deviation from these numbers during each previous contract year of the existing contract.



#	Page #	RFP Section Reference	Question	Answer
42.	20	3.6.3	Please provide the number of full time employees (FTE) at each of the four positions with the current contractor.	Staffing levels have ranged as follows: Manager 1 FTE Supervisors 5-6 FTE Collectors 55-60 FTE Clerical 5-6 FTE
43.	21	3.7	Can you provide the contractor reports for the past twelve (12) months?	A recent, redacted sample contractor monthly report is provided as Appendix 1 to this Addendum.
44.	27	4.4.4.4 (b)	Please clarify at what point the contractor may begin invoicing for staff hours as hiring and training will occur prior to the contract operational date.  Is training time between contract effective and contract operational dates billable?	The contractor may begin invoicing for staff hours upon commencement of training by Taxation and the approval of the State Contract Manager.  Yes, as long as the training subject matter is approved by the State Contract Manger.
45.	27 28	4.4.5 4.4.5.6	May a bidder include its experience on existing contracts with the State as reference and provide such experience as an outline on its bid proposal for this RFP?	Yes.
46.	29	4.4.5.1	Will the State consider waiving the requirement for the contractor to be located in New Jersey within the proscribed 40-mile radius even if a bidder adequately demonstrates how it will meet the scope of work?	No.
47.	29	4.4.5.1	Is the contractor required to have a collection call center or only a customer service location within the required 40 mile radius?	Yes, all work and equipment on this contract must be located in New Jersey within the required 40 mile radius.
48.	29	4.4.6	Is a training rate included in the incumbent's current pricing and, if so, what is that rate?	No.
49.	29	4.4.6	Will the State allow any exception to the 240 hours of training requirement?	Yes, if sufficient documentation is submitted to the State Contract Manager and approved, the exception may be granted for specific contractor employees.
50.	31 36	5.3 5.21.1	If the contractor generates revenue during the transition period, does this trigger the contract operational date? Would the performance standards be adjusted?	No.
51.	34	5.16 5.17	How would reduction of work scope or suspension of work impact the guaranteed minimum revenue levels?	There would be a pro-rated adjustment for that contract year minimum guarantee.


#	Page #	RFP Section Reference	Question	Answer
52.	36	5.21.1	Please describe to what extent the incumbent contractor has met or surpassed the proposed guaranteed recoveries, whether or not there were such guarantees included on the current contract, and what those guarantees were?	Please refer to Question #1. The incumbent contractor surpassed the guarantees in the existing contract as follows: Year 1 - \$18 million Year 2 - \$24 million Year 3 - \$30 million
53.	36	5.21.1	Please provide the rationale/basis for the net revenue goals.  Are these goals immutable?	The net revenue goals are derived from historical data and have been determined to be reasonable and attainable given the learning curve for a new contractor to realize maximum efficiency in its operations.  Yes.
54.	36	5.21.1	Please provide the expected placements (number of accounts and dollars), at the outset of the contract and monthly thereafter.	The initial placement should be 50,000 cases with a quarterly addition of about 10,000 cases. Please refer to Question #8.
55.	36	5.21.1	If the contract resulting from this RFP is extended, are there any minimum revenue guarantees?  If yes, at what rate and would these be pro-rated in the event the contract terminates?	Yes, the minimum revenue guarantee for any extension of the contract would be the same as Year Three.  There would be a pro-rated adjustment based on the contract year.
56.	36	5.21.1	Does the contract operational date commence the first day after the transition period or is it synchronous with the calendar year or State Fiscal Year?	Yes, the contract operational date commences after the transition period.
57.	36	5.21.1	How is actual net revenue defined and calculated?	Revenue is derived from TAXNET system reports for all cases assigned to the contractor. Expenses are based on the monthly invoices from the contractor. The difference is the net revenue.
58.	36	5.21.1	On which dates does each contract year commence? If the contract is terminated prior to completion, would the minimum revenue guarantee be pro-rated up to the termination date for each 12 month contract year?  Would the contractor be paid for hours approved by Taxation through the contract termination date?	The first contract year commences on the contract operational date and continues for twelve months. The second year is the next twelve months. The third year is the last twelve months of the three (3) year, four (4) month contract.  If the contract is terminated early, the minimum revenue guarantee would be pro-rated for that contract year and payment would be made by Taxation for approved work up to the termination date.
59.	36	5.21.1	If net revenue exceeds minimum guarantee during the contract period, do the respective ratios need to be maintained for the excess net revenue?	Yes.

#	Page #	RFP Section Reference	Question	Answer
60.	36	5.21.1	If net revenue exceeds minimum guarantee during the contract period, do the respective ratios need to be maintained for the excess net revenue?	Yes, the expense ratio matters because Taxation has a budgeted amount for this contract that is fixed for each Fiscal Year and is related to historical expenses and ratios.
61.	36	5.21.1	Will the revenue/ratio guarantees be negotiated for events such as fewer account placements than forecasted, lower average account balance than forecasted, higher percentage of delinquent returns resulting in no tax due or average tax due less than forecasted, or other events?	Historical data indicates that there will be a sufficient number of cases for the contractor to meet and/or exceed Taxation's minimum revenue guarantees. However, in the unlikely event that actual placements fall below projections, the State would investigate and take actions as appropriate.
62.	39	6.3.1	Please provide the point value, percentage value, or relative value for each evaluation criterion.	Weighting is determined by the using agency prior to the bid opening date.
63.	39	6.3.1	Please elaborate how bid proposals are scored and how the use of small business set-asides factors into the scoring assessment.	Please refer to Section 6.0 of the RFP. Bidders should note that this procurement does not have a set-aside component.
64.	47	Price Schedules	Do the hours listed, by labor title reflect the staffing levels that Taxation expects? May contractors change them?	The number of hours by labor title, reflect an approximation by Taxation based on historical performance. While the actual number of hours by labor title may fluctuate during a contractor's performance of the requirements specified in the RFP, bidders may not change the numbers provided in the Price Schedules. The numbers for "Estimated Budget Hours" are for evaluation purposes.
65.	4	Standard Terms and Conditions Section 3.5.d	What types of adjustments might a contractor's compensation be subject to?	Adjustments to contractor compensation would be due to circumstances including, but not limited to: improper billing and/or debts subject to State or federal set-off programs.

**PART 2**  
**Administration of Tax Delinquency Accounts, Taxation**  
**RFP Number 08-X-39175**

**Additions, Deletions, Clarifications and Modifications to the RFP**

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
1.	20	3.5	<p>The following paragraph has been deleted:</p> <p><i>“The contractor shall also ensure that it possesses the ability to accept and process alternative payment methods such as E-Check and credit card payments from issuers including, at a minimum, Visa, MasterCard and Discover. The contractor shall pay all costs associated with these services.”</i></p> <p>and replaced with:</p> <p><i>“The contractor shall also ensure that it possesses the ability to accept and process alternative payment methods such as E-Check and credit card payments from issuers including, at a minimum, Visa and MasterCard. The contractor shall pay all costs associated with these services.”</i></p>
2.		Price Schedules	<p>The following has been added to each Price Schedule:</p> <p><b>Estimated Budget Hours are not a guarantee of work volume. Payments to the contractor shall be made according to the actual number of hours performed as approved by the State Contract Manager.</b></p>
3.		Appendix 1	<p>The following pages have been added as Appendix 1 –Sample Monthly Contractor Report.</p>

<b>May 2007 Fiscal Report</b> <b>April 2007 Monthly Summary</b> <b>OSI COLLECTION SERVICES, INC.</b> <b>Monthly Production Summary -April 1st, 2007 - April 30th, 2007</b>	
	
Date:	May 9, 2007
To:	State of New Jersey - Division of Taxation
From:	OSI Edison OSI Edison
Reporting Period:	April 1st, 2007 - April 30th, 2007
<b>I Highlights:</b>	<u>The following performance statistics were achieved in April.</u> The Business Delinquency Unit collected \$2.8 million. 1,121 accounts were resolved 133 accounts were sent to LEVY 1,320 returns were processed during the month.
<b>II Unusual Situations:</b>	None
<b>III Matters of Significance:</b>	On April 16th OSI closed it's office due to the State of Emergency and severe flooding in the surrounding areas. The office reopened on Tuesday, April 17th.
<b>IV Problem Areas:</b>	None
<b>V Significant Changes in Revenue:</b>	None
<b>VI Legislative Contacts:</b>	None
<b>VII Meetings:</b>	None



Strategic Receivables Management

OSI COLLECTION SERVICES, INC.
MAY FISCAL REPORT/APRIL MONTHLY SUMMARY 2007- NEW JERSEY DIVISION OF TAXATION
PROJECT 2

Production Summary

Table with 3 columns: Description, # Of Payments, \$ Of Payments. Rows include Dollars Collected, Paid Direct, and Total.

Cost of Collections: \$288,906 10%

Cases Resolved or Returned

Table with 3 columns: Description, # of Adjustments, \$ Value of Adjustments. Rows include Closed Cases, Returned W/Judgment, Put into Uncollectable, Bankruptcy, Soils, and Total.

\$ Breakdown by Tax Type

Table with 3 columns: Description, # of Payments, \$ Value. Rows include S&U, GIT, CBT, Miscellaneous, COSTS, Recovery Fee, and Total.

Number of Judgments Processed

112

Number of Abatements Processed

113

\$179,314.33

Returns Submitted for Processing

Total # of Returns

Number Filed Electronically

Paper Returns Completed Manually

Collection Team 1,491 1320 171

Table with 4 columns: Staffing, New Hires, Terminations. Rows include Manager, Supervisor, Collector, Clerical, and Total.