

State of Florida
Department of Financial Services
Request for Proposal#
DFS AD RFP 10/11-02
Recovery Auditing Services

SECTION 1: INTRODUCTORY SECTION

SECTION 2: TECHNICAL SPECIFICATIONS/STATEMENT OF WORK

SECTION 3: SPECIAL CONDITIONS

3.1 Proposal Contents

3.2 Submission Instructions

3.3 Evaluation Process

3.4 Additional Contract Terms

ATTACHMENT A- Price Proposal

ATTACHMENT B - Identical Tie Response Certification

ATTACHMENT C – Specifications/ Scope of Work

ATTACHMENT D - Form of Contract

ATTACHMENT E- Client References

ATTACHMENT F- Conflict Of Interest Certification

ATTACHMENT G- Affidavit as to Compliance with Preferred Pricing Clause

SECTION 1: INTRODUCTORY SECTION

1.1 Purpose

The Department of Financial Services (“Department”) is interested in obtaining competitive sealed bids from qualified vendors (“Proposer”) using the authority given it under Section 17.04, Florida Statutes. It issues this Request for Proposals (“RFP”) to firms to provide audit services of payments made to its vendors for the recovery of inadvertent overpayments and identification of recommended process improvements.

The Department invites qualified firms to submit proposals in accordance with this RFP. It is expected that one award will be made from this RFP; however, the Department reserves the right, in its sole discretion, to make more than one contract award (“Contract”) as the result of the issuance of this RFP. The Contract activities are anticipated to begin on or about October 18, 2010, or as soon thereafter as practical. The initial term of the Contract is expected to be one year.

The requested Services include the analysis of Department provided documentation, detection, confirmation, and recovery requests for inadvertent overpayments made by the Department to vendors resulting from (i) duplicate payments, (ii) invoice errors, (iii) pricing errors, (iv) failure of the vendor to apply discounts, rebates, or other allowances, (v) failure of the vendor to comply with a purchasing agreement, or (vi) any other errors

resulting in overpayments that the Department believes would create an economic benefit for the State if recovered. Compensation for Services is contingent upon vendors remitting these overpayments to the Treasury during the contract term.

The Proposer awarded this Contract (“the Contractor”), as an independent contractor, shall provide Services under the Contract at both the Department’s and the Contractor’s own facilities and using the Contractor’s personnel.

The period of audit services of payments made by the Department to its vendors is for the three fiscal years period just ended, and the current term of the contract awarded. The Department made payments to vendors in the prior fiscal year periods to be examined as follows:

Fiscal Period	Total Amount of Payments	Total Number of Payments
2007-2008	\$ 168,817,781.86	22,544
2008-2009	120,227,927.73	22,070
2009-2010	79,547,393.98	19,242

There are Twelve (12) Divisions that will be subject to the recovery audits that are part of the Services requested by this RFP. The Twelve Divisions are:

- | | |
|--|-----------------------|
| Accounting and Auditing | Insurance Fraud |
| Administration | Legal Services |
| Consumer Services | Risk Management |
| Funeral, Cemetery, & Consumer Services | Treasury |
| Information Systems | State Fire Marshal |
| Insurance Agent and Agency Services | Workers' Compensation |

1.2 Purchasing Agent

The Purchasing Agent is the sole point of contact from the date of release of this RFP until selection of a successful Proposer. All procedural questions and requests for clarification of this solicitation shall be submitted in writing to:

Department of Financial Services
 Attn: Gloriann McInnis, Purchasing Services
 200 E. Gaines Street, Larson Building
 Tallahassee, FL 32399-0317
 Email: Gloriann.Mcinnis@myfloridacfo.com
 Fax: 850-413-2612

Between the release of the solicitation and the end of the 72-hour period following the agency posting of the notice of intended award, excluding Saturdays, Sundays, and state holidays, Proposers to this solicitation or persons acting on their behalf **shall** not contact any employee or officer of the executive or legislative branch concerning any aspect of

this solicitation, except in writing to the Purchasing Agent as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a Proposal.

The Department can not accept telephone calls from any vendor regarding a pending solicitation. Please note that questions will NOT be answered via telephone. Responses to questions will be posted on the Vendor Bid System (“VBS”) website, at http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu (modifies PUR 1001 ¶5).

1.3 Purchasing Instructions and General Conditions

PUR Form 1001, General Instructions to Respondents, and PUR Form 1000, General Conditions, which, except as modified by these Special Conditions, are incorporated and are attached or available online at http://dms.myflorida.com/business_operations/state_purchasing/documents_forms_references_resources/purchasing_forms.

1.4 Timetable

The following schedule will be strictly adhered to in all actions for this solicitation:

<u>Date/Time</u>	<u>Action</u>
September 9, 2010	Release of solicitation
September 16, 2010, by 2:00 P.M., ET	Last day for written inquiries.
September 20, 2010 on or about	Written responses to inquiries posted.
September 27, 2010, by 3:00 P.M., ET	Proposal Submissions due.
October 11, 2010 on or about	Estimated Posting of Intent to Award.

The Department reserves the right to make adjustments to this schedule and will notify participants in the solicitation. Adjustments to the schedule will be announced to all Proposers who have expressed interest by participating in the events listed in the table above.

1.5 Proposer’s Conference.

There will not be a Proposer’s conference.

1.6 Definitions

Solicitation Definitions:

1.6.1 “Business days” include only Monday through Friday, inclusive, except for holidays declared and observed by the state government of Florida.

1.6.2 “Business hours” means 8AM to 5 PM on all business days. “Day” means business day (defined as the Department’s normal working hours) unless otherwise described.

1.6.3 “Calendar days” means all days, including weekends and holidays, except that if the last day counted falls on a weekend or holiday, the due date shall be the next business day thereafter.

1.6.4 “Contract,” unless indicated otherwise, refers to the contract that will be awarded to successful Proposers under this RFP.

1.6.5 “Contractor,” unless indicated otherwise, refers to a business entity to which a contract has been awarded by the Department in accordance with a proposal submitted by that entity in response to this RFP. This may also be referred to as “Provider”.

1.6.6 “Department” means the Department of Financial Services, or Chief Financial Officer. Terms may be used interchangeably. This may also be referred to as Buyer, Customer or “DFS”.

1.6.7 “Desirable Conditions” designated by the use of the words "should" or "may" in this solicitation, indicate desirable attributes or conditions, but are permissive in nature. Deviation from, or omission of, such a desirable feature, will not in itself cause rejection of a proposal.

1.6.8 “Mandatory Requirements” means that the Department has established certain requirements with respect to proposals to be submitted by Proposers. The use of “shall”, “will” (except to indicate simple futurity) or “must” in this solicitation indicates that compliance is mandatory. Failure to meet mandatory requirements will cause rejection of the proposal or termination of a contract.

1.6.9 “Minor Irregularity,” used in the context of this solicitation and contract, indicates a variation from the proposal terms and conditions which does not affect the price of the Proposal or give the proposer an advantage or benefit not enjoyed by other proposers, or does not adversely impact the interests of the Department.

1.6.10 "Proposer" means the entity that submits materials to the Department in accordance with these Instructions, or other entity responding to this solicitation. This may also be referred to as Respondent, or Vendor. The solicitation response may be referred to as Bid, Proposal, or Response.

1.6.11 "RFP" refers to this Request for Proposals and includes attachments to this Request for Proposals unless stated otherwise.

1.6.12 “Vendor Bid System” and “VBS” refers to the State of Florida internet-based vendor information system at http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu.

Technical Definitions:

1.6.13 “Project” means all work papers, work products, materials, approaches, designs, specifications, systems, software, programs, source code, documentation methodologies, concepts, intellectual property or other property developed, produced or generated in connection with the services to be provided by the Contractor.

1.6.14 “Project Plan” means the work plan submitted by a Proposer as a required part of its response to this solicitation.

1.6.15 “Work” means the productive effort resulting from the Contract.

1.7 Solicitation Terms and Conditions.

The provisions of this solicitation, including the RFP and all its attachments, shall be read as a whole. In case of conflict between provisions, provisions shall have the order of precedence listed below, where the top listed item has the highest precedence:

- The Contract (Attachment D to the RFP)
- Statement or Scope of Work sections of the RFP (Attachment C to this RFP)

- Remaining RFP Sections
- Other Attachments to the RFP
- Instructions to Respondents (PUR 1001)
- General Conditions (PUR 1000)

If there are any perceived inconsistencies among any of the provisions of the RFP and its attachments, Proposers shall bring these inconsistencies to the attention of the Department prior to the submission of the Proposal. To report inconsistencies, Proposers must submit a formal question prior to the submission of a Proposal. The Contract, Attachment D, after execution by the parties, will take precedence over the RFP document.

The Department objects to and shall not consider any terms or conditions submitted by a Proposer, including any appearing in documents attached as part of a Proposer's Proposal, which are inconsistent with or contrary to the requirements, terms, or conditions of this RFP. In submitting its Proposal, a Proposer agrees that any such inconsistent or contrary terms or conditions, whether submitted intentionally or inadvertently, shall have no force or effect, and that the Department shall not be held to have acquiesced to such term or condition. Failure to comply with terms and conditions of the RFP, including those specifying information that must be submitted with a Proposal, shall be grounds for rejecting a Proposal. [Modifies PUR 1001 ¶4]

1.8 Contract Term

The effective date of the contract will be no earlier than the October 1, 2010, or the date the agreement is signed by both parties, whichever is later. Upon mutual agreement, the contract may be renewed for a period of twelve months.

SECTION 2: TECHNICAL SPECIFICATIONS AND SCOPE OF WORK

2.1 SCOPE

Technical Specifications are included as Attachment C.

The Chief Financial Officer has the responsibility, pursuant to Section 17.04, Florida Statutes, to settle accounts of persons who may be indebted or accountable to the state, and require them to pay such moneys to the state treasury. The Department seeks to have this function performed for the payments issued by the Chief Financial Officer in the course of settling accounts, claims, and demands against the Department of Financial Services only. The Office of Financial Regulation (OFR) and the Office of Insurance Regulation (OIR) are not subject to the RFP or resulting Contract.

The first objective of this project is to perform audit and recovery services of accounts payable for Department vendor payments for goods and services during fiscal years 2008 – 2011. (July 1, 2007 to June 30, 2011) Payments made in the current fiscal year become eligible for audit services more than two months after payment. The scope of

audit services for identifying overpayments shall be limited to the use of appropriation categories listed in the following table.

DFS Payments to Vendors by Fiscal Year		Fiscal Year Ending June 30					
		2008		2009		2010	
Category	CAT	Amount	Count	Amount	Count	Amount	Count
SALARIES	010000	0	0	0	0	1,479.08	1
OPS	030000	7,697,291.01	1,352	555,787.62	133	30.00	1
EXPENSE	040000	15,990,656.84	16,956	13,982,510.64	15,967	13,533,393.13	13,878
OCO	060000	2,149,731.66	50	2,133,866.15	134	2,296,787.01	148
ASPIRE-HARDWARE/SOFTWARE	100016	157,616.32	31	5,795.16	3	0	0
ACQUISITION OF MOTOR VEHICLES	100021	881,816.20	49	1,213,090.27	72	135,873.80	8
REGISTRY ATTORNEYS	100650	1,277,334.59	129	1,059,456.16	98	1,372,305.39	112
CONTRACTED SERVICES	100777	13,475,450.35	3,280	17,640,713.18	4,937	17,213,565.01	4,697
HOLOCAUST VICTIMS ASST ADM	101085	24,500.00	1	160,481.12	8	484,000.01	30
EXCESS INSUR. & CLAIM SER	101221	6,192,464.00	7	7,623,925.44	15	7,768,542.55	12
STATE OPERATIONS-ARRA 2009	109910	0	0	0	0	95,297.42	5
DFS/CF/HUR MITIG PROGRAM	130600	67,532,405.78	456	29,667,775.31	370	395,443.22	7
PAYMENT OF LOSSES-RM	310217	53,438,515.11	362	46,184,526.68	333	36,250,677.36	343
	TOTAL	168,817,781.86	22,544	120,227,927.73	22,070	79,547,393.98	19,242

The second objective of this project is to identify and report the systemic root causes and sources of overpayment errors and to recommend improvements to the Department's internal control systems to improve operations and safeguarding of assets. The vendor shall document these findings in a formal written report, which is due upon completion of the audit.

2.1.1 Project Goals

- 2.1.1.1 Conduct an audit of all payments referred to above and related documentation provided by the Department.
- 2.1.1.2 Identify, verify and document inadvertent overpayments made to vendors, receiving written confirmation from the Department and the vendor.
- 2.1.1.3 Recover funds from vendors where documented overpayments have occurred.
- 2.1.1.4 Identify and report the systemic root causes and sources of overpayment errors and recommend improvements and cost savings.

2.1.2 Project Deliverables

- 2.1.2.1 Audit reports and related documentation to support inadvertent overpayments made to vendors. Supporting documentation shall include, at a minimum, a paper copy of the appropriate bill and written confirmation from the Department and the vendor that the overpayment occurred.

- 2.1.2.2 Recovered funds from vendors where documented overpayments occurred.
- 2.1.2.3 Reports identifying the systemic root causes and sources of overpayment errors, as well as recommended improvements and cost savings.
- 2.1.2.4 Post-audit reports identifying and analyzing vendor transactions and related overpayment audit findings by type.

The following functionality will serve as the high level deliverables:

2.1.3 Recovered Funds

The Contractor's major deliverable is the detection, confirmation, and request for recovery of overpayments made by the Department to vendors resulting from (i) duplicate payments (ii) invoice errors (iii) pricing errors (iv) failure of the vendor to apply discounts, rebates, or other allowances, (v) failure of the vendor to comply with a purchasing agreement or (vi) any other errors resulting in overpayments that the Department believes would create an economic benefit for the State if recovered. Documentation of acknowledged overpayments will be submitted to the Project Liaison. Vendors will remit these acknowledged overpayments to the Department for deposit into the Treasury. The Department will submit monthly reports of recovered deposits to the contractor. The contractor will only be paid from funds recovered and received during the term of the contract.

2.1.4 Reporting

- 2.1.4.1 Written communication formats must be sufficiently detailed to fulfill the information requirements specified.
- 2.1.4.2 The successful Proposer must create ad-hoc reports by an independent system or software and provide access to this system by which Departmental financial support services representatives can monitor the project and have the ability to filter, select fields, sort, group and summarize system standard reports. These designated representatives must be able to save the report format for future use.
- 2.1.4.3 The successful Proposer must provide all reports in format(s) that can be viewed, printed, and electronically exported (e.g., Microsoft Excel).
- 2.1.4.4 The successful Proposer must provide a written report as requested identifying all claims outstanding and must include invoice, organization and reference documentation for each claim.

2.2 Performance of Services

The Contractor shall perform all Services reasonably related to such Services. The Contractor shall provide all the Services in compliance with all requirements of this RFP and the Contract. The Contractor shall perform the Services consistent with the Department's Guidelines, directives, and rules, which may be passed and as amended in

the future. The Contractor shall comply with such current guidelines and rules and any such amended guidelines and rules throughout the term of the Contract.

2.3 No Right of Ownership

The Contractor and the Contractor's employees will have no rights in or ownership of the Work and any and all documentation or other products and results of the services or any other property of the Department.

2.4 Requests for Contractor's Documentation

In addition to compliance with the right to audit provisions of the Contract, the Contractor must deliver to the Department, without further request at the end of the contract term, or no later than the twenty-four (24) hours after receipt of the Department's written request for same; all completed or partially completed Work and any and all documentation or other products and results of the Services under such Contract. The Contractor's failure to timely deliver such Work or any and all documentation or other products and results of the services will be considered a material breach of the Contract. With the prior written approval of the Department, this twenty-four (24) hour period may be extended for delivery of certain completed or partially completed Work or other such information, if such extension is in the best interests of the State of Florida and the Department.

The Contractor shall not make or retain any copies of the Work or any and all documentation or other products and results of the services provided under such Contract without the prior written consent of the Department, except as required by law.

2.5 Questions

All questions concerning this RFP must be in writing and submitted by e-mail to Gloriann McInnis at Gloriann.Mcinnis@myfloridacfo.com no later than 2:00 P.M. ET, on Monday, September 20, 2010. Responses to questions will be posted as an addendum on the Vendor Bid System (VBS) website, at http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu (modifies PUR 1001 ¶5).

Late filed questions will not be considered under any circumstances.

SECTION 3: SPECIAL CONDITIONS

3.1 PROPOSAL CONTENTS

Vendor proposals must be straightforward, clear, well organized, easy to understand, and concise. Proposals must contain the following eight (8) tabbed sections. No other sections may be submitted. Proposals must be submitted in three-ring notebooks or binders with tabs delineating each of the sections. The minimum font size is 12 on 8.5 x 11 paper, the maximum number of pages for each section is given below, and the total

number of pages must not exceed 28 (front only). Double spacing of type is the minimum allowed spacing for major contents (inserts of charts, matrices, tables, graphs, etc. may have smaller type and spacing, but must be readable and clear). The 28 page limit does not apply to official and/or legal pages or documents that must be submitted with the vendor's proposal.

3.1.1 Technical Bid/Proposal Content – Proposal Section 1

Section 1 Tab 1 Executive Summary

- A brief statement of the Proposer's understanding of the work to be done;
- The names, titles, addresses (including e-mail), and telephone numbers of the individuals who are authorized to make representations on behalf of the Proposer;
- Signature of person(s) authorized to legally bind the Proposer;
- Letter of Certification, signed by the Proposer, stating that the firm has operated a business providing recovery audit services for a minimum of five (5) consecutive years. If the Proposer is the local resident manager/representative for a nationwide company, this fact should be indicated in the certification. The local business address from which the firm operates, business telephone/cell phone number(s), and the name of a local contact person must also be included in the Proposal. Include Proposer's certification as to the accuracy of the Proposal; and a statement that Proposer agrees to not seek indemnification from the Department for any costs or services.

Section 1 Tab 2 Management Summary

The Proposer must provide a management plan that describes administration, management, experience, personnel, qualifications, company history, and financial information.

- a. Administration and Management
Proposer must include a description of the organizational structure established and the methodology to be used to provide service reliability, and maintain schedules; as well as the means of coordination and communication between the organization and the Department.
- b. Experience and References
 - (1) Experience
This part shall include information determined by the proposer on the proposer's corporate organization (history, size, financial soundness, etc.), experience and skills regarding the vendor's track record, reputation and past performance that indicate the capabilities for the successful completion of this work. List the clients or the industries you have worked with in the past three (3) years and the size of the organizations or governments, and describe in detail the major results accomplished for these clients, including dollar amounts recovered and percentage of recovery.

(2) All respondents must answer the following questions regarding respondents' background and processes:

- a. How long has respondent company been performing overpayment review and recovery services?
- b. How many reviewers does respondent firm currently employ? What is the average experience of reviewers performing similar Services, in years?
- c. What types of payments did respondent investigate during past payment review and recovery services engagements?
- d. Describe how respondent will verify the overpayments and what resources and documentation will be required of Divisions to verify that the overpayments exist.
- e. What experience does respondent's staff have in writing audit reports? Please describe in detail.
- f. Describe respondent's experience working with mainframe and client server extracted data.
- g. Describe respondent's experience working with non-ERP governmental accounting systems.
- h. Describe respondent's ability to accept different types of data formats and list preferred data formats.
- i. Describe respondent's ability to accept a high volume of data.
- j. Describe the system/software you will use to perform overpayment detection reviews and provide details of its functionality.
- k. Describe in detail the information/data fields required from the Department's accounting systems.

(3) References

The Proposal shall describe a minimum of three references of similar projects or other projects indicating the successful proposers past performance, experiences and capabilities to do this work must be provided with project description (accompanied by an explanation of how it relates to this project), cost, and other pertinent information. Contact person(s), with telephone numbers and e-mail addresses must be provided

for each reference. A current project is acceptable as long as the engagement is ongoing. For each project, include:

1. Project title, client organization, and project reference, with phone and email address;
2. Period of performance (initial and final). Explain any delay in project completion;
3. Contract value;
4. The degree to which the project was successful with respect to Department acceptance, success in meeting organizational goals, on-time completion of project, and on-budget delivery of project;
5. Describe the project similarity to this RFP.

The Proposer shall complete the Client Reference Survey form, Attachment E and include it with the Proposal. Failure to comply will not be considered a minor irregularity and Proposals that fail to meet these mandatory minimum requirements will be rejected and considered no further in the evaluation process.

c. Identification of Project Personnel

Proposer must provide the name and title of each individual who will be engaged in this project. Include a description of the functions, experience, qualifications, and responsibilities of each person relative to the task to be performed. Highlight the following expertise and experience by proposed staffing member:

- Audit
- Analysis and Documentation
- Recovery
- IT Functionality/Application Software
- Project Administration and Management

All of Proposer's personnel assigned to this project will be subject to State approval. As part of the Minimum Qualifications, the Proposer will designate specific members of the project team considered to be essential to the services to be provided as key personnel. Key personnel will be those assigned to agreed-upon key roles. Key roles should be defined within the proposed organizational structure and fulfill the Minimum Requirement of a designated support team for the Services. The State requires that the Proposer's Contract Manager is on the designated key personnel list.

d. Staff Information

List all staff assigned to this project, including any subcontractors. The following information must be provided for each:

- Name;
 - Title;
 - Specific work or role to be performed and/or services to be provided.
- All personnel named for key roles shall be clearly designated as such;

- Description of qualifications and relevant experience that makes proposed individual suitable for designated role on this project;
- Percentage of time to be dedicated to this project if the Proposer is selected, and the number of other projects currently assigned;
- Any additional information that indicates the individual's ability to aid the Proposer in successfully performing the work involved in this solicitation; and
- Résumé.

Subcontractors may be used. However, the vendor will be responsible to meeting the timeframes provided regardless of delays caused by a subcontractor.

- e. Location of work. Provide a summary of the Proposer's locations and staffing in Florida. All staff assigned by Contractor to work on the Project will perform their duties primarily at designated Project facilities in Florida, unless otherwise authorized by the Department. Without limiting the generality of the foregoing, Key Personnel will primarily work on-site at the project facilities described in the Project Plan (as defined in Sec. 1.6) in the form accepted by the Department. Selected Contractor personnel may be assigned office space to be shared with Department personnel.

Section 1 Tab 3 Identical Tie Response Preference (Optional)

Whenever identical solicitation responses are received, preference shall be given to the Proposal certifying in accordance with Section 60A-1.011, Florida Administrative Code and Florida Statutes. It is optional to include an attached Identical Tie Response Form attached as **Attachment B**, if applicable to the Proposer.

Section 1 Tab 4 Provide Proposer(s) Financial Statements

Include independent evidence of sufficient financial resources and stability for Proposer(s) to provide the services sought, such as audited financial statements that includes balance sheets and income statements for the past two fiscal years. *Note: If Proposer does not have the materials requested under this Tab, or does not have all of them in the format requested, Proposer may substitute other material which Proposer believes provides as much of the same information with the same degree of reliability as possible.*

3.1.2 Technical Approach and Qualifications Requirements-- Proposal Section 2

Section 2 Tab 5

Provide a concise summarization of the products and services offered to meet the State's needs, the Proposer's approach to providing the services, the benefits that the State will derive from completing the project, and documentation demonstrating the Proposer's

qualifications to perform this engagement. Identify each by number associated with each product or service identified in **Attachment C, Scope of Work & Technical Specifications**.

Section 2 Tab 6

Provide a work plan (Work Plan) that indicates the timeline and deliverables for such an audit, consistent with RFP Technical Specifications and Scope of Work, Sec. 2.1.

The work plan must specify all necessary major tasks to be performed, any tasks, which are dependent upon the completion of other tasks, and completion dates for all major tasks identified in the work plan. The work plan must also specify accountable parties for each major task. The work plan must also specify the approximate number of hours to be spent on this project, by each level of personnel, and the nature of work to be performed by such personnel.

Section 2 Tab 7

Data Protection: The Proposer shall provide the methods to be used to preclude the inadvertent release or disclosure of information exempt from inspection and copying pursuant to Chapter 119, F.S., Public Records. The most likely type of exempt information to be encountered are vendor identification numbers that are also social security numbers.

Describe the Proposer's methods for ensuring data protection to include:

- (a) technical staff support procedures;
- (b) data security, communications security, data protection including physical and electronic security precautions.

3.1.3. Pricing/Cost Proposal Tab 8 (THIS INFORMATION SHALL BE SUBMITTED SEPARATELY FROM ALL OTHER PROPOSAL SUBMISSION DOCUMENTS.)

The proposal must contain a signed, separately sealed, **Price Proposal (Attachment A)**, The Proposer shall provide complete pricing information as required by Attachment A.

The Contractor's sole compensation for all Services will be based on the actual amount recovered from the audit and recovery services and the Contractor will be paid a percentage rate of the amount recovered. The percentage rate that the Contractor deems reasonable shall be included as part of the proposal.

No amount will be considered recovered until the Department receives the payments from its vendors through the Contractor's efforts in the recovery process. It is the Contractor's responsibility to work with the Department's vendors to secure the payments that are owed by the vendors as a result of the review conducted by the Contractor. The Contractor will not be paid by the Department until the Contractor secures the payment (i.e. Deposit into the Treasury) from the vendors and any vendor

disputes or protests are resolved.

Proposers shall include the percentage rate for each year (12 month term) of any contemplated renewals in their Proposals.

3.1.4 MANDATORY DOCUMENTS AND REQUIREMENTS

All Proposals received will be screened for compliance with these minimum qualifications. Any Proposal that does not demonstrate satisfaction of the minimum qualifications will not receive any further consideration. The mandatory minimum qualifications are:

1. The Proposal must be delivered timely.
2. The Proposal must include at least **two** originals and **four** copies of the Technical Proposal and the Fee Schedule Proposal and one digital copy (compact disk) of each proposal. {modifies PUR 1001 ¶ 3}
3. The Technical Proposal must include all Mandatory Requirements listed in the RFP, and respond to all technical requirements in Attachment C, Scope of Work, and must include all mandatory forms and attachments.
4. The Technical Proposal must include evidence of Proposer's qualifications.
5. The separately sealed Fee Schedule Proposal must include only the completed Attachment A.

Proposers are further reminded that conditions and specifications, which are considered mandatory requirements are expressed with the word "shall" or "must" in the description of the requirement. RFP Proposals that fail to demonstrate both willingness and ability to comply with such a condition or specification will be considered non-responsive and will be disqualified.

3.1.5 The Proposal must state that the proposal is valid for 60 days from the proposal submission to the Department due date. Any proposal containing a term of less than 60 days for acceptance from the proposal submission due date will be rejected as non-responsive. The transmittal letter must also state acceptance of contract terms; exceptions, if any, must be specifically stated.

3.2 SUBMISSION INSTRUCTIONS

3.2.1 Costs

Proposals shall be prepared simply and economically. The Department is not liable for any cost incurred by a Proposer in responding to this solicitation. The Proposer is required to examine carefully the contents of the solicitation and be thoroughly informed regarding all of its requirements.

3.2.2 Format and Copies

- In responding to the requirements in each section, structure your Proposal to match the order of any sub-headings in the section as presented in the RFP, to facilitate the comparison of your offer to the agency's requirements.
- Sealed Proposals must be received in:
Department of Financial Services
Purchasing Office, Purchasing Services
Attention: Gloriann McInnis
200 East Gaines Street, Larson Building
Tallahassee, Florida 32399-0317

by the deadline listed in the Timeline in Section 1.4. For all Proposals received by the deadline, the Technical Proposals will be opened in the Purchasing Office at that time. Mark the Proposal package (box of binders as described below) clearly on the outside of the package with: PROPOSAL NUMBER, DATE AND TIME OF PROPOSAL OPENING. Mark each binder in the package as noted below. (This submission requirement replaces the electronic submission instructions in PUR 1001 ¶ 3.)

- The "original" Proposal will contain the originals of any documents required to be signed as part of the proposal submission (e.g., cover letter). The original Proposal as submitted should bear the following printed information on both its outside front cover, and on its spine:
 - [Proposer's exact legal name, in which name the contract would be awarded]
 - Proposal regarding RFP # ____
 - ORIGINAL, Binder __ of __
- Include with the copies of the proposal photocopies of signed documents. Bind each copy in a 3-ring binder(s) just as the original, with a complete and exact duplicate of the original. For each copy, all sections may be contained in one binder clearly labeled at each section and tab. Each copy of the proposal should bear the following printed information on both its outside front cover, and on its spine:
 - [Proposer's name in which the contract would be awarded]
 - Proposal regarding RFP # ____
 - Copy # ____, Binder __ of __

3.2.3 Communications.

Notice required by statute: Proposers to this solicitation or persons acting on their behalf may not contact, between the release of the solicitation and the end of the 72-hour period following the agency posting the notice of intended award, excluding Saturdays,

Sundays, and state holidays, any employee or officer of the executive or legislative branch concerning any aspect of this solicitation, except in writing to the procurement officer or as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a Proposal.

No decisions or actions shall be initiated or executed by the Proposer as a result of any discussions with any Department employees. Only communications which are in writing from the Department may be considered as duly authorized communications on behalf of the Department. During selection, the Proposer, its agents and employees will not engage in any written or verbal communication with any Department employees whether or not such individual is assisting in the selection, regarding the merits of the Proposer or whether the Department should retain or select the Proposer. The Proposer will not engage in any lobbying efforts or other attempts to influence the Department or the evaluation team, in an effort to be selected. The selection period shall begin according to the Timetable in Section 1.4.

3.3 EVALUATION PROCESS

Proposals shall be opened on the date and at the location indicated on the Timeline. Proposers may, but are not required to, attend. Fee Schedules **will not be opened at the RFP Opening**.

3.3.1 Evaluation Team

An evaluation team consisting of at least three members, appointed in writing by the Department, will evaluate the Proposals.

3.3.2 Determination of Conformance

Proposals must satisfy certain mandatory minimum requirements in order to proceed into the detailed evaluation phase. All Proposals will be reviewed for compliance with these mandatory minimum requirements. Evaluators will verify that all mandatory technical requirements are met and addressed. Proposals that meet these requirements will be accepted into a detailed evaluation phase. **WARNING:** Proposals that fail to meet these mandatory minimum requirements will be rejected and not considered any further in the evaluation process.

3.3.3 Technical Bid portion of the Proposal

Each evaluation team member will evaluate their copy of the Proposal independent of the others and provide a score on each section of the Technical Proposal, based on the evaluation criteria.

The Department may request oral presentations or discussion from any or all of the Proposers. However, proposers are cautioned that the evaluators are not required to request clarification; therefore, all proposals should be complete and reflect the most

favorable terms available from the proposer. The Purchasing Office will coordinate and conduct the presentations.

3.3.4 Price/Cost Proposal

After the Technical Proposals deemed responsive have been evaluated, scored, and tallied, the Purchasing Officer will open the Fee Schedule Proposals for the evaluated proposals and they will be evaluated separately. The fee schedules will be evaluated for compliance with the minimum requirements. The Price/Cost proposal will be scored according to the evaluation criteria formula. The Department reserves the right to accept or reject any and all bids if the Department determines that doing so will serve the State’s best interest.

3.3.5 Evaluation Criteria

TECHNICAL PROPOSAL

- A. Experience, qualifications, financial strength of the company, and performance history (Does Proposer’s corporate structure, references, proposed staffing, etc., reveal that experience, financial strength and qualifications have been met?) [15 points]
- B. Technical approach, description of work, including objectives, approach, deliverables, organizational structure, schedule/timetable [30 points]
- C. Quality of services, system and processing services, staffing qualifications, references, past and current projects..... [30 points]

COST PROPOSAL

- D. Fee Schedule Rate Proposal
Rate for each year for which the contract may be renewed
Fee Schedule for services..... [25 points]

This section will be scored using the following formula:

$$\begin{aligned} \text{Score} = & \\ & (\text{Lowest Responsive fee rate} / \text{Evaluated fee rate}) \\ & \times (\text{If evaluated rate is lowest rate then } 1, \text{ else } 0.9) \\ & \times 25 \text{ points} \end{aligned}$$

3.3.6 Reservations

The Department reserves the right to reject any and/or all Proposals, or to waive minor discrepancies if it is in the Department’s best interest to do so. The Department may, by written notice, revise and amend the solicitation before the due date for the Proposal.

3.3.7 Contract

The contract shall be awarded by written notice to the responsible and responsive vendor, whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and other criteria set forth in the Request for Proposals. The Department will coordinate a contract for signature, substantially in the form attached as Attachment D, between the Department and successful Proposer, who will be the Contractor, that incorporates this solicitation and the Proposer's Proposal as soon as possible after the posting of the notice of award on the Vendor Bid System (VBS) website, at http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu.

After selection of the Contractor, the Request for Proposals (including addenda thereto, if any), the Proposal of the Contractor, and the executed Contract will constitute the entire agreement of the parties and will supersede any prior representations, commitments, conditions, or agreements between the parties. In the event of conflict among the terms and conditions of the various documents, the Contract shall prevail over the Request for Proposals and the Request for Proposals shall prevail over the terms of the Proposal. The term "Proposal" includes both the Technical and Price Proposals submitted in response hereto.

The Contract shall be substantially in the form attached as Attachment D to the RFP, with only such non-substantive changes therein as shall be necessary to the orderly administration of the Project.

Modifications as noted in response to the Proposers' questions and any other Addenda to the RFP are incorporated into the RFP. The Department reserves the right to amend this Request for Proposals by an addendum prior to the date for Proposal submission. If there are any perceived inconsistencies among any of the provisions of the RFP and its attachments, Proposers shall bring these inconsistencies to the attention of the Department prior to the submission of the Proposal.

3.4 ADDITIONAL CONTRACT TERMS

3.4.1. Entire Contract; Order of Precedence.

The Contract document (substantially in the form attached to the RFP as Attachment D), the Department's solicitation including attachments and addenda, and Proposer's Proposal and in that order, state all of the rights and responsibilities of, and supersede all prior oral and written communications between the parties. The Department objects to and shall not consider any terms or conditions submitted by a Proposer, including any appearing in documents attached as part of a Proposer's Proposal, which are inconsistent with or contrary to the requirements, terms, or conditions of the RFP. In submitting its Proposal, a Proposer agrees that any such inconsistent or contrary terms or conditions, whether submitted intentionally or inadvertently, shall have no force or effect. [*See F.A.C. Rule 60A-1.002 (7)(b)*]

3.4.2. Renewal and Termination

By mutual agreement of the parties, and pursuant to section 287.057(13), Florida Statutes, **the Department may renew** the Contract once for a one (_1_) year period. The renewal shall be contingent upon availability of funds and satisfactory performance by the Contractor. The renewal Fee Schedule rate is set forth in Attachment _A_. No other costs for the renewal may be charged. Any renewal is subject to the same terms and conditions as the original contract.

The Department shall have the right to terminate or suspend the Contract, by providing the Contractor thirty (30) calendar days written notice. The Contractor shall not perform any Services after it receives the notice of termination, except as necessary to complete the transition or continued portion of the Contract, if any. If the Contract is terminated early, then the Contractor may invoice the Department and be paid for any vendor remitted overpayments received by the Department for up to 90 calendar days following termination.

3.4.3. Acceptance. (Contract Sec. 5 modifies PUR 1000 ¶13)

The Department will accept each Deliverable when it meets the performance measures and requirements of the Contract. The Department shall have a maximum period of twenty (20) business days after delivery of a deliverable to verify that the deliverable meets the Contract requirements. The acceptance review will identify any nonconformity which the Department will provide in writing to the Contractor. Contractor shall correct nonconformities within five (5) business days or proceed on another mutually acceptable basis as set forth in writing. The Department shall then have five business days upon redelivery of the Deliverable to confirm the nonconformity has been corrected and report any continuing nonconformity. The Statement of Work contains the financial consequences for nonperformance of a deliverable.

Dispute Resolution. [See Contract, Exhibit C Sec. 14(b)]

Insurance. [see Contract Sec. 7.]

3.4.4. Public Records.

Notwithstanding any provisions to the contrary, public records shall be made available pursuant to the provisions of the Public Records Act. Trade secrets are not solicited or desired as submissions with Proposals. Section 812.082, Florida Statutes, defines trade secrets. If the Proposer submits a Proposal containing trade secrets, the Proposer shall submit a statement titled "Notice of Trade Secrets." This Notice shall clearly identify specific sections of the Proposal that are trade secrets and identify the reason for each designation. If the Department receives a public records request related to the Proposal, the Proposers who have filed Notices of Trade Secrets shall be notified of the request. The Proposer shall be solely responsible for taking whatever action it deems appropriate to legally protect its claim of exemption from the public records law. Such protection shall be accomplished within 15 business days of the notification of the public records

request by the Department. Failure to protect the trade secret shall constitute a waiver of any claim of confidentiality and the Department shall release the requested document. Any prospective Proposer acknowledges that the protection afforded by section 815.045, Florida Statutes, is incomplete, and it is hereby agreed that that no right or remedy for damages arises from any disclosure. (modifies PUR 1000 ¶33 and PUR 1001, ¶19). The successful Proposer shall retain such records for the longer of (3) three years after the expiration of the awarded Contract or the period required by the General Records Schedules maintained by the Florida Department of State (available at: http://dhis.dos.state.fl.us/recordsmgmt/gen_records_schedules.cfm).

3.4.5. Modification of Terms.

Any terms and conditions that the Proposer provides with or before or after delivery that attempt to modify the Contract or add additional restrictions of usage, license conditions, or requirements have no effect and are not enforceable under the Contract. (modifies PUR 1000 ¶42) Any proposed agreement submitted in the Proposal shall not contain any provisions, unless such provisions are expressly negated in the Proposal, which:

- (1) are inconsistent with Florida law,
- (2) exclude, prohibit, or negate other contract documents,
- (3) subject the State of Florida to the jurisdiction of another state, or
- (4) provide that the State will indemnify the Proposer or any other person.

All work materials developed or provided by Contractor under this Contract and any prior agreement between the parties shall be deemed to be work made for hire and owned exclusively by the State of Florida, Department of Financial Services.

3.4.6. MyFloridaMarketPlace.

Unless exempted under Rule 60A-1.030-.032, each Contractor doing business with the State of Florida shall submit reports and be assessed a Transaction Fee of one percent (1.0%) on its payments under a Contract, which must be remitted within 40 calendar days after receipt of payment for which such fees are due or the Contractor shall pay interest at the rate established under section 55.03(1), Florida Statutes, on the unpaid balance from the expiration of the 40-day period until the fees are remitted. (see PUR 1000 ¶14).

3.4.7. Electronic Accessibility.

If applicable, Section 508 compliance information on the supplies and services in this Contract are available on a website indicated by the Proposer in the Proposal or resulting Contract. The Electronic and Information Technology standard can be found at: <http://www.section508.gov/>.

Limitation of Liability. See contract Sec. 10(b)
Security and Confidentiality. See contract Sec. 6

Part II. SUPPLEMENTAL SPECIAL CONDITIONS

3.4.8. Holdback. The Department shall pay Contractor \$_____ for Services provided by Contractor and shall submit invoices for each monthly payment in accordance with Attachment A (“Fee Schedule Proposal”), with sufficient detail to perform a proper pre audit and post audit. All payments shall be made in accordance with section 215.422, Florida Statutes. The payments are set forth in Attachment A (Price Proposal). Further, specific Deliverables are to be completed as a prerequisite to Contractor completing its Services as shown in Attachment C (“Scope of Work & Technical Specifications”). Therefore, the parties agree that five (5%) percent of the payment otherwise due, up to a balance of \$6,000 shall be withheld by the Department until all Deliverables have been accepted by the Department. At such time as all Deliverables are completed, the Department shall pay to Contractor the amount previously withheld for all Deliverables listed in Attachment C (Deliverables and due dates). These amounts shall be known as “Holdback Amounts”.

3.4.9. Data Protection

No Department data or information will be transferred or stored offshore or out of the United States of America.

Access to Department data shall only be available to approved and authorized staff who have a legitimate business need. If that need changes, then access shall be removed promptly. Contractor shall encrypt all data transmissions. Remote data access must be provided via a trusted method such as SSL, TLS, SSH, VPN, IPsec or a comparable protocol approved by the Department.

Contractor agrees to protect, indemnify, defend and hold harmless the Department from and against any and all costs, claims, demands, damages, losses and liabilities arising from or in any way related to Contractor’s breach of data security or the negligent acts or omissions of Contractor related to this subsection.

All employees, subcontractors, or agents performing work under the Contract must comply with all security and administrative requirements of the Department. The Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing Contract work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or the Department.

3.4.10. No Advertising or Endorsements.

The Contractor's services to the Department may be generally stated and described in the Contractor's professional resume. The Contractor may not give the impression in any event or manner, that the Department recommends or endorses the Contractor.

3.4.11. Export Control.

Contractor certifies that by entering into this contract, it is, and during the term will ensure it remains, in compliance with the U.S. export control laws.

3.4.12. Conflict of Interest.

During the term of the Contract, Contractor shall not knowingly employ, subcontract with, or sub-grant to any person (including any non-governmental entity in which such person has an employment or other material interest as defined by section 112.312 (15), Florida Statutes) who is employed by the State or who has participated in the performance or procurement of the Contract, except as provided in section 112.3185, Florida Statutes.

3.4.13. Background check (applicable where the work requires security)

Background checks are to be obtained by the Contractor online from FDLE at <http://www.fdle.state.fl.us/CriminalHistory>. A copy of the background check is to be provided upon Contract Manager's request before the designated staff may work under the Contract. The Department reserves the right to reject proposed personnel based on background check information.

ATTACHMENT A
Fee Schedule Proposal

The successful Proposer will be compensated only from funds recovered as a result of the audit services. The amount of compensation shall be a single percentage, invoiced to the Department no less than monthly, based on the amounts actually recovered (i.e. Deposited in the Treasury) and reported by the Contract Liaison.

Deliverable	Initial Term Rate %	Renewal Year 1 Rate %
Proposer Fee, stated as percentage of funds recovered		
Final Recovery Audit Reports	From 5% retainage, up to \$6,000	

I certify that this Proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies or equipment, or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this Proposal and certify that I am authorized to sign this Proposal for the Proposer and that the Proposer is in compliance with all requirements of the RFP, including but not limited to, certification requirements.

PROPOSER NAME: _____
 (Company)

PROPOSER ADDRESS: _____
 (City/State/Zip)

PROPOSER PHONE: _____

PROPOSER E-MAIL CONTACT: _____

AUTHORIZED REPRESENTATIVE:
 (Printed) _____

AUTHORIZED SIGNATURE: _____

DATE: _____

(Submit in a separately sealed envelope. See section 3.1.3)

ATTACHMENT B
Identical Tie Response Certification

In the event of identical tie Proposals, preference shall be given to the Proposer who (check the applicable block) certifies one or more of the following:

- ____ A. The response is from a certified minority-owned firm or company;
- ____ B. The response is from a Florida-domiciled entity
- ____ C . The commodities are manufactured, grown, or produced within this state;
- ____ D. Foreign manufacturer with a factory in the State employing over 200 employees working in the State.
- ____ E. Businesses with drug-free workplace programs. Whenever two (2) or more solicitation Responses which are equal with respect to price, quality and service are received by the State or by any political subdivision for the procurement of commodities or contractual services, a solicitation Response received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie solicitation Responses will be followed if none of the tied Proposers have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business’s policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services that are under solicitation a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees, as a condition of working on the commodities or contractual services that are under contract, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any State, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee’s community by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

I certify that this firm complies fully with the above-selected requirements. (If item E above is selected, subsections “1” through “6” have been met.)

Contractor’s Name: _____
Authorized Signature: _____

ATTACHMENT C

SCOPE OF WORK & TECHNICAL SPECIFICATIONS

The specifications included in this section are intended to inform Proposers of the minimum expectations of the Department. Proposers may expand on the minimum requirements as specified:

1. DELIVERABLES

1.1 Recovered Funds

The Contractor's major deliverable is the detection, confirmation, and request for recovery of overpayments made by the Department to vendors resulting from (i) duplicate payments (ii) invoice errors (iii) pricing errors (iv) failure of the vendor to apply discounts, rebates, or other allowances, (v) failure of the vendor to comply with a purchasing agreement or (vi) any other errors resulting in overpayments that the Department believes would create an economic benefit for the State if recovered. Documentation of acknowledged overpayments will be submitted to the Project Liaison. Vendors will remit these acknowledged overpayments to the Department for deposit into the Treasury. The Department will submit monthly reports of recovered deposits to the contractor. The contractor will only be paid from funds recovered and received during the term of the contract.

1.2 Monthly Recovery Audit Status Report

This report must be provided by the Contractor monthly until the audit ends summarizing the work performed during the month. The report shall contain the status as of the close of business of the last day of each calendar month and is due to the Department no later than the 7th day of the month. The first monthly report is due one month after the audit assignment begins. For each Division reviewed, the report must include a summary page for the report detailing the following:

- Payment Period Covered
- Number of payments reviewed
- Amount of payments reviewed
- Overpayments identified
- Original Payment Appropriation
- Cause(s) of overpayments identified
- Targeted recovery dates
- Actual amounts recovered to-date
- Summary of non-recoverable amounts and reasons for non-recovery
- Payments disputed by the Department
- Payments disputed by the vendor
- Cumulative totals for the entire audit through the current reporting period

1.3 Interim Report

Bi-Monthly – These reports shall be submitted with the Monthly Recovery Audit Status Report, beginning the fourth month after the audit assignment begins.

(1) Summary of Errors Detected- one page summary, in chart format, representing the fund source of payments by the total count and amount of payments in the base population, the total count and amount of payments in the reviewed population, the total count and amount of overpayments detected, the total count and amount of overpayments returned (ie. Deposited in the Treasury), and the total count and amount of identified overpayments yet to be received.

(2) Schedules of Errors Detected- one schedule identifying each overpayment showing type of overpayment error, cause, payment number reference, vendor, amount paid, amount overpaid, amount to be recovered, the amount recovered, and the fund source of the payment.

1.4 Final Recovery Audit Overpayment Report

Due no later than 10 days after conclusion of the Contract term, the Contractor at a minimum is required to submit the following information in a final audit report to the Department.

- Executive summary in letter format addressed to the Department summarizing overall findings, audit population period, population base, overpaid total, and recovered total by Division. May not exceed two pages.
- Detailed findings organized by type of overpayment and must include the following: volume of payments relative to the population, complete description of the cause of the overpayment, and a recommendation to remedy the cause.
- Appendix cover page and appendices which include:
 - (1) Summary of Errors Detected- one page summary, in chart format, representing the fund source of payments by the total count and amount of payments in the base population, the total count and amount of payments in the reviewed population, the total count and amount of overpayments detected, the total count and amount of overpayments returned (Deposited in the Treasury), and the total count and amount of identified overpayments yet to be received. Last, the summary must contain acknowledgement from the Department's Financial Support Services's signifying the agreement with the entire contents of the summary of errors.
 - (2) Schedules of Errors Detected- one schedule identifying each overpayment showing type of overpayment error, cause, payment number reference, vendor, amount paid, amount overpaid, amount to be recovered, the amount recovered, and the fund source of the payment.

The formats developed for the Recovery Audit Status Report should be consistent with the formats used for the Final Recovery Audit Overpayment Report.

c. **Other Reporting Requirements:**

Each report must be delivered to the Department electronically via email, with a time stamp not to exceed the due date. All reports are to comply with the following requirements:

- Written communication formats must be sufficiently detailed to fulfill the information requirements specified.
- The successful Proposer must create ad-hoc reports by an independent system or software and provide access to this system by which Departmental financial support services representatives can monitor the project and have the ability to filter, select fields, sort, group and summarize system standard reports. These designated representatives must be able to save the report format for future use.
- The successful Proposer must provide all reports in format(s) that can be viewed, printed, and electronically exported (e.g., Microsoft Excel).
- The successful Proposer must provide a written report as requested identifying all claims outstanding and must include invoice, organization and reference documentation for each claim.
- Electronic versions of audit reports must be accessible using software that the Department's office uses (MS Office 2003). Electronic versions of audit reports must be prepared and transmitted in a way that will adhere to any requirements issued by the Department for electronic reporting.

1.5 Comprehensive Report

No later than 10 days after the conclusion of the accounts payable recovery audit Contract term, the Contractor shall deliver a comprehensive report assessing the manner in which the Department is performing their proper fiduciary responsibilities to the state of Florida. The report should provide recommendations for the Department to enhance the accounts payable process to improve operations and safeguard assets that are current and specific.

1.6 Exit Interview

No later than 20 days after the conclusion of the Contract term, the Contractor shall conduct an exit interview with Department representatives to review the audit reports, discuss recommendations, and discuss how any future accounts payable recovery audit processes might be improved.

1.7 Project Schedule

The following schedule reflects the deadlines for completion of the services detailed in this solicitation.

- Audit field work to gather the necessary payment data must be completed as quickly as practicable at the Department's offices. The length of time that the Proposer determines will be necessary must be addressed in their proposal and incorporated into their Work Plan.
- Monthly Recovery Audit Status Reports ("Monthly Report") should be received by the Department no later than the 7th day of each month during the contract period.
- Interim Bi-Monthly Report is due with the Monthly Report beginning the fourth month after audit assignment begins.
- The Final Recovery Audit Overpayment Report ("Final Report") is due no later than 10 days after conclusion of the Contract term.
- No later than 10 days after conclusion of the Contract term, the Contractor shall deliver a comprehensive assessment report.
- No later than 20 days after the conclusion of the Contract period, the Contractor shall schedule an exit interview with Department representatives.

1.8 Acceptance Criteria/ Performance Measures

The Department will use the following criteria to determine when each deliverable will be considered acceptable and financial consequences that the agency will apply if the contractor fails to perform, per deliverable:

Deliverable 1:

Acceptance criteria: Vendor overpayments are deposited in Treasury. Confirmations of receipt of recovered funds will indicate approval for the Contractor to invoice the Department for the Contractor's percentage of the funds received under the Contract.

For non-performance: No payment is due.

Deliverable 2:

Acceptance criteria: Complete periodic reports are provided timely. The Project Liaison shall examine the reports and indicate approval by signing the Summary Page of each report. Upon receiving such approval, the Monthly Report shall be deemed acceptable.

For non-performance: Current Invoice for payment deemed unapprovable.

Deliverable 3:

Acceptance criteria: Final Reports describe overpayments in detail, and identify and describe causes for overpayments, provide recommendations to improve payment processes and upgrade internal control systems related to accounts payables and safeguarding assets. The Project Liaison shall examine the reports, reconciling the amounts reported and received, review recommendations for appropriateness, and indicate approval by signing the Executive Summary of the reports. Upon receiving such approval, the Final Reports shall be deemed acceptable

For non-performance: Withheld funds are not released to Contractor.

Deliverable 4:

Acceptance criteria: No later than 20 days after the conclusion of the Contract period, the Contractor shall conduct an exit interview with Department liaison and representatives to review the audit reports, discuss recommendations, and discuss how any future accounts payable recovery audit processes might be improved. At this time, the aforementioned comprehensive audit will be reviewed and approval granted by a representative of the Department if the work is found to be satisfactory.

For non-performance: Withheld funds are not released to Contractor.

2. TECHNICAL SPECIFICATIONS

The specifications included in this section are intended to inform Proposers of the minimum expectations of the Department. Proposers may expand on the minimum requirements as specified:

2.1 Requirements

2.1.1. The Contractor must be proficient in performing payment error risk assessments, detecting overpayment errors, utilizing efficient methods for overpayment error detection, handling large volumes of data, understanding control systems and weaknesses, understanding document driven procurement and payment processes, automated purchasing, payables, and accounting systems, audit report writing, overpayment recovery, and project administration and management.

2.1.2. The Contractor shall perform an efficient review of accounts payable and purchasing records for each Division designated by the Department with the goal of identifying any vendor overpayment or unused credits which exist. The review shall include verification of invoice terms and conditions, discounts, and compliance with contracts in order to identify overpayments on behalf of the Department. This review will include an examination of purchasing and payment documentation that is stored on media such as

electronic files, data files, imaged records, paper records, and other related records.

2.1.3. During the review, the Contactor must examine all payments made of \$100.00 or greater; smaller payments may be examined at the Contractor's discretion.

2.1.4. The Contractor's review must identify vendor overpayments made by the Department. The Contractor's review shall identify payment errors including, but not limited to: overpayments, duplicate payments, pricing errors, invoicing errors, missed rebates or discounts, and other recoveries that the Department determines create an economic benefit for the State. Payments not eligible for inclusion in the Department's population are: Department employee payroll and any other areas identified by the Department as ineligible during the Contract negotiations. The audit population will only include eligible payments from the three fiscal years (July 1, 2007 – June 30, 2010) and the current fiscal year (July 1, 2010 – June 30, 2011). Eligible payments include use of appropriation categories used in the schedule presented in RFP section 2.1. This schedule excluded payments made with vendor numbers beginning with E – Employees or C – Clients. Vendors include inter-agency journals for goods and services provided and used.

2.1.5. The Contractor shall identify overpayments only during the Department-defined audit period.

2.1.6. The Contractor shall begin assigned work within 30 days of entering into the Contract. Once an examination or audit is assigned, the Contractor has not more than 6 months from the date of assignment to complete audit fieldwork including identification of overpayments, causes, and recommendations. It is the responsibility of the Contractor to issue any collection letters or perform collection activities. If the Contractor's efforts result in funds being recovered after the contract term ends, those funds will not be considered as being recovered under the Contract.

2.2. System Requirements

None identified.

2.3. Business Requirements

2.3.1. The Contractor must acquire the Department's approval of the Contractor's written or oral communications with its vendors prior to any collection activities occurring.

2.3.2. The Contractor has the sole responsibility for collection of overpayments. The Contractor shall work with the vendors to secure payments that are owed to the Department as a result of the review conducted by the Contractor. Recovered payments will be payable only to the Department. The Contractor shall not accept any recovery payments directly or indirectly from the vendors. The Contractor shall not attempt to solicit a concession or negotiate any amount due to the Department.

2.3.3. The Contractor must solicit the Department's opinion about whether a detected overpayment should be recovered. The Department shall use its discretion when determining whether a payment should be recovered.

2.3.4. The Contractor shall not seek legal representation or pursue any judicial action surrounding the overpayment recovery and collection process.

2.4. Technical Requirements

2.4.1. The Contractor shall provide the Department's Project Liaison or other designated personnel with read-only access to the Contractor's on-line system so that the progress of the audit can be easily tracked using real-time information by Department personnel.

2.4.2. The Contractor shall supply the Department with an extract of the Contractor data that corresponds to the contractor's list of identified overpayments upon the Department's request.

2.4.3. Electronic versions of audit reports must be accessible using software that the Department's office uses. Electronic versions of audit reports must be prepared and transmitted in a way that will adhere to any requirements issued by the Department for electronic reporting.

2.5. Project Management Requirements

2.5.1. Prior to the start of the audit, the Contractor shall conduct a meeting with designated Department staff to discuss goals and expectations to ensure a smooth audit.

2.5.2. The Contractor shall work directly with Department staff as needed when performing the Services. The Contractor must minimize the administrative burden on such staff to the extent practicable.

2.5 Training Requirements

None identified.

2.6 Implementation Requirements

None identified.

2.7 Operations and Support Requirements

2.7.1 The Department will provide workspace(s) to the Contractor for their use during the on-site records review, local telephone service, and limited access to Internet upon the Contractor's request. A required Departmental e-mail address will also be made available for use by the Contractor. No other equipment, supplies or materials will be provided.

2.8 Special Department Requirements or Constraints

2.8.1 The Department shall not provide any communication materials or services for the Contractor. The Department shall not supply postage or long distance phone service to the Contractor for Services.

2.8.2 The Department shall not pay for any other related incidental expenses or costs associated with the review process or collections processes.

2.9 Standards and Specifications

2.9.1 The Contractor, when performing auditing and accounting tasks, shall utilize generally accepted accounting practices during the course of each audit to ensure due diligence in its efforts to identify funds legitimately owed to the Department.

2.9.2 The methods the Contractor uses to collect the overpayments shall be in accordance with all related laws, statutes, rules and any contract terms.

3. RESPONSIBILITIES AND STAFFING

3.1 Contractor Responsibilities

3.1.1 Any document retrieval needed during the review is the responsibility of the Contractor.

3.1.2 The Contractor shall furnish all material, labor, equipment, and supplies necessary to perform the Services required. The Contractor shall not remove any original records from the site of their locations. When travel is necessary to conduct the Services, the Contractor shall be responsible for all travel expenses incurred.

3.1.3 The Contractor shall identify any overpayments made by Department by communicating this information to the Department. The Department must concur that an overpayment exists, and that no attempt to recover the

payment has been made prior to beginning collection on the identified overpayments. The Contractor must show the Department's designated representative proof of each overpayment so that the Department does not have to review the payment's history in order to determine its agreement with the overpayment finding. At a minimum, the proof must include the cause of the overpayment and the source of funding for the overpayment. The Contractor must provide any information that the Department requests for proof of the overpayment when the information is available to the Contractor.

- 3.1.4** It is the Contractor's responsibility to submit recovery documentation to the Project Liaison for deposit into the Treasury. Should the Contractor receive any funds recovered from a vendor, the Contractor shall promptly forward these moneys to the Project Liaison for deposit to the Treasury.

3.2 DIS Responsibilities

None identified.

3.3 Business Area Responsibilities

3.3.1 The Department will provide the Contractor access to data files of purchase order and payment transactions for purposes of conducting the audit.

3.3.2 The Department will give the contractor access to its paper files and imaging systems for purposes of conducting the audit. The Contractor will not be permitted to remove any original documentation from Department offices.

3.3.3 The Contractor shall provide the Department's Project Liaison or other designated personnel with read-only access to the Contractor's on-line system so that the progress of the audit can be easily tracked using real-time information by Department personnel.

3.4 Project Roles

Purchasing Contact (DFS) – Gloriann McInnis
Project Liaison (DFS) – Mike Alexander

ATTACHMENT D

THIS CONTRACT ("Contract") is entered into by and between the State of Florida, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-0317 ("Department") or its successor, and _____ ("Contractor"), effective as of the last date signed below.

WHEREAS, the Department has determined that it is in need of certain services as described herein Recovery Auditing Services; and

WHEREAS, the Contractor, as an independent contractor of the Department, has the expertise and ability to faithfully perform such services.

WHEREAS, the Department's authority given it under Section 17.04, Florida Statutes, to contract with firm(s) to provide audit services of payments made to its vendors for the recovery of inadvertent overpayments and identification of recommended process improvements.

NOW THEREFORE, in consideration of the services to be performed and payments to be made, together with the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Services and Deliverables. The Contractor agrees to render the services or other units of deliverables as set forth in the Contractor's accepted proposal responding to the Department's Request for Proposals (RFP) for services, DFS AD RFP 10/11-02 and its Attachments. The Contractor's performance shall be subject to all the terms, conditions, and understandings set forth in said RFP and the attachments to the RFP and PUR 1000 and 1001 incorporated by reference into the RFP, copies of which are attached hereto.

2. Delivery Schedule. The services or other units of deliverables specified in Paragraph 1 above shall be delivered or otherwise rendered on behalf of the Department in accordance with the schedule in the Contractor's accepted proposal and consistent with the RFP. The Contractor's performance shall be subject to all the terms, conditions, and understandings set forth in said RFP and the attachments to the RFP.

3. Term of Contract: The term of the Contract is one year and is subject to one renewal. By mutual agreement of the parties, and pursuant to section 287.057(13), Florida Statutes, the Department may renew the Contract for once for up to twelve months. The renewal shall be contingent upon availability of funds and satisfactory performance by the Contractor. The renewal price is set forth in Attachment A. No other costs for the renewal may be charged. Any renewal is subject to the same terms and conditions as the original contract. The Department shall have the right to unilaterally terminate or suspend the Contract, by providing the Contractor thirty (30) calendar days written notice. (see PUR 1000 ¶ 27).

4. Payment.

(a) Subject to the terms and conditions established by this Contract and the billing procedures established by the Department, the Department agrees to pay the Contractor for services rendered.

Further, specific Deliverables are to be completed as a prerequisite to Contractor completing its Services as shown in Attachment C. Therefore, the parties agree that five (5%) percent of the payment otherwise due, up to a balance of \$6,000 shall be withheld by the Department until all Deliverables have been accepted by the Department. At such time as all Deliverables are completed, the Department shall pay to Contractor the amount previously withheld for all Deliverables listed in Attachment C (Deliverables and due dates). These amounts shall be known as "Holdback Amounts".

(b) Vendor Rights. Contractors providing goods and services to an agency should be aware of the following time frames. Upon receipt, an agency has five (5) business days to inspect and approve the goods and services, unless the Proposal specifications, purchase orders or Contract specifies otherwise. An agency has 20 calendar days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 calendar days are measured from the date the invoice is received after the goods or services are received, inspected and approved. The Department is to approve the invoice in the state financial system within 20 calendar days.

If a payment is not available within 40 calendar days, a separate interest penalty, computed at the rate determined by the State of Florida Chief Financial Officer pursuant to section 215.422, Florida Statutes, will be due and payable, in addition to the invoice amount, to the Contractor. To obtain the applicable interest rate, please refer to <http://www.myfloridacfo.com/aadir/interest.htm>. Invoices returned to a Contractor due to preparation errors will result in a payment delay. Invoice payment requirements do not start until a properly completed invoice is provided to the State agency with the proper tax payer identification information documentation to be submitted before the prompt payment standards are to be applied. Interest penalties of less than one (1) dollar will not be enforced unless the Contractor requests payment.

A Vendor Ombudsman has been established with the Department of Financial Services. The duties of this individual include acting as an advocate for Contractors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be reached at (850) 413-5516.

(c) Taxes. The Department is exempted from payment of Florida state sales and use taxes and Federal Excise Tax. The Contractor, however, shall not be exempted from paying Florida state sales and use taxes to the appropriate governmental agencies or for payment by the Contractor to suppliers for taxes on materials used to fulfill its contractual obligations with the Department. The Contractor shall not use the Department's exemption number in securing such materials. The Contractor shall be responsible and liable for the payment of all its FICA/Social Security and other taxes

resulting from this Contract. The Contractor shall provide the Department its taxpayer identification number upon request.

(d) Expenses. The Contract is a fixed rate contract with invoicing after approval of deliverables, and no separate expenses or travel will be paid.

(e) Payment Processing. All charges for services rendered authorized by the Department in accordance with Paragraphs 3 and 4 shall be submitted to the Department in sufficient detail for a proper pre-audit and post-audit to be performed. All payments for professional services will be paid to the Contractor only upon the timely and satisfactory completion of all services and other units of deliverable such as reports, findings and drafts, which are required by Paragraphs 1 and 2 above and upon the written acceptance of said services and units of deliverables such as reports, findings and drafts by the Department's designated contract manager. Interim payments may be made by the Department at its discretion under extenuating circumstances if the completion of services and other units of deliverables to date have first been accepted in writing by the Department's contract manager.

(f) Contingency. If the terms of this Contract extend beyond the current fiscal year, the State of Florida's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Legislature.

5. Acceptance

All of Contractor's Deliverables related to these commodities or services shall be submitted to the Department's contract manager for review and approval. The Department's approval and inspection of Contractor's services shall require no longer than five (5) business days from date of delivery of services, and fifteen (15) business days for delivery of documentary deliverables such as reports and procedures. The Department reserves the right to reject deliverables as outlined in the Scope of Work as incomplete, inadequate or unacceptable due in whole or in part to Contractor's lack of satisfactory performance under the terms of this Contract. The Department, at its option, may allow additional time within which Contractor may remedy the objections noted by the Department and the Department may, after having given Contractor a reasonable opportunity to complete, make adequate or acceptable said deliverables, including but not limited to reports, declare this Contract to be in default. All status reports must be submitted timely showing tasks or activities worked on, attesting to the level of services provided, hours spent on each task/activity, and upcoming major tasks or activities. Failure to use the appropriate technical requirements as identified in the Scope of Work will result in automatic task rejection and may not be invoiced or paid until correction of the task. Failure to complete the required duties as outlined in the Scope of Work may result in the rejection of the invoice. Notwithstanding any provisions to the contrary, written acceptance of a particular deliverable does not foreclose the Department's remedies in the event those performance standards that cannot be readily measured at the time of delivery are not met.

6. Information and Data Security and Confidentiality.

(a) Contractor, its employees, subcontractors and agents shall comply with all security procedures of the Department in performance of this Contract. The Contractor shall provide immediate notice to the Department in the event it becomes aware of any security breach and any unauthorized transmission of State data or of any allegation or suspected violation of security procedures of the Department. Except as required by law or legal process and after notice to the Department, Contractor shall not divulge to third parties any confidential information obtained by Contractor or its employees, subcontractors or agents in the course of performing the services. Contractor shall not be required to keep confidential information that is publicly available through no fault of Contractor, material that Contractor developed independently without relying on the State's confidential information, or information that is otherwise obtainable under state law as a public record.

(b) Loss of Data. In the event of loss of any State data or record where such loss is due to the negligence of Contractor or any of its subcontractors or agents, Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the Department at Contractor's sole expense, in addition to any other damages the Department may be entitled to by law or the Contract.

(c) Data Protection. No DFS data or information will be transferred or stored offshore or out of the United States of America.

Access to DFS data shall only be available to approved and authorized staff. If that need changes, then access shall be removed promptly. Contractor shall encrypt all data transmissions. Remote data access must be provided via a trusted method such as SSL, TLS, SSH, VPN, IPsec or a comparable protocol approved by the Department.

Contractor agrees to protect, indemnify, defend and hold harmless the Department from and against any and all costs, claims, demands, damages, losses and liabilities arising from or in any way related to Contractor's breach of data security or the negligent acts or omissions of Contractor related to this subsection.

All employees, subcontractors, or agents performing work under the Contract must comply with all security and administrative requirements of the Department. The Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing Contract work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or the Department.

7. Insurance.

During the Contract term, the Contractor at its sole expense shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, this includes the following types of insurance for anyone directly or indirectly employed by Contractor and the amount of

such Insurance shall be the minimum limits as follows, unless otherwise approved by the Contract Managers:

- a) Commercial general liability coverage, bodily injury, property damage: \$1,000,000 per occurrence/\$2,000,000 aggregate.
- b) Automobile liability coverage, bodily injury, property damage: \$1,000,000 Combined Single Limits.
- c) Insuring clause for both bodily injury and property damage shall be amended to provide coverage on an occurrence basis.
- d) Workers' compensation and employer's liability insurance covering all employees engaged in any Contract work, in accordance with Chapter 440 of the Florida Statutes.

Such coverage may be reduced with the consent of the Contract Manager since certain subcontractors have potentially less exposure in liability than other subcontractors. Except as agreed in a separate writing, no self-insurance coverage shall be acceptable unless Contractor is licensed or authorized to self-insure for a particular coverage listed above in the State of Florida, or is an insured member of a self-insurance group that is licensed to self-insure in the State of Florida.

8. Termination.

- (a) The Department may, in its sole discretion, terminate the Contract at any time by giving thirty (30) days written notice to the Contractor.
- (b) All services performed by the Contractor prior to the termination date of this Contract shall be professionally serviced to conclusion in accordance with the requirements of the Contract. Should the Contractor fail to perform all services under the Contract, the Contractor shall be liable to the Department for any fees or expenses that the Department may incur in securing a substitute provider to assume completion of those services.
- (c) As provided in section 287.058, Florida Statutes, the Department may terminate the Contract immediately in the event that the Department requests in writing that the Contractor allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, which are made or received by the Contractor in conjunction with the Contract, and the Contractor refuses to allow such access. However, nothing herein is intended to expand the scope or applicability of Chapter 119, Florida Statutes, to the Contractor. The Contractor shall not be required to disclose to the public any proprietary copyrighted trade secrets or other materials protected by law as pursuant to section 119.07, Florida Statutes.
- (d) If at any time the Contract is canceled, terminated, or expires, and a contract is subsequently executed with a firm other than the Contractor, the Contractor has the affirmative obligation to assist in the smooth transition of Contract services to the subsequent contractor. The Contractor agrees to provide, for up to six (6) months after termination or until the subsequent provider is fully operational, whichever occurs first, all reasonable termination assistance requested by the Department to facilitate the orderly transfer of such services to the Department or its designees. Such termination assistance

shall be at no additional charge to the Department if the termination is due to Contractor default and otherwise shall not exceed software maintenance rates.

(e) If the Contractor defaults in the performance of any covenant or obligation contained in the Contract, including without limitation the minimum requirements contained in the Scope of Work, or in the event of any material breach of any provision of the Contract by the Contractor, the Department may, in its sole discretion, provide notice and an opportunity to cure the default rather than exercise the remedy of termination. If the default or breach is not cured within fifteen (15) calendar days after written notice is given to the Contractor specifying the nature of the alleged default or breach, then the Department, upon giving written notice to the Contractor, shall have the right to terminate the Contract effective as of the date of receipt of the default notice.

9. Events of Default. Provided such failure is not the fault of the Department or outside the reasonable control of the Contractor, the following events, acts, or omissions, shall include but are not limited to, events of default:

(a) Failure to pay any and all entities, individuals, and the like furnishing labor or materials, or failure to make payment to any other entities as required herein in connection with the Contract;

(b) Failure to complete and maintain, within the timeframes specified between the Department and the Contractor, the applicable system installation, ongoing performance, maintenance, and provision of Services;

(c) The commitment of any material breach of this Contract by the Contractor, failure to timely deliver a material deliverable, discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, or abandonment of the Contract;

(d) Employment of an unauthorized alien in the performance of the work;

(e) One or more of the following circumstances, uncorrected for more than fifteen (15) calendar days unless within the specified fifteen (15) day period, the Contractor (including its receiver or trustee in bankruptcy) provides to the Department adequate assurances, reasonably acceptable to the Department, of its continuing ability and willingness to fulfill its obligations under the Contract:

(1) Entry of an order for relief under Title 11 of the United States Code;

(2) The making by the Contractor of a general assignment for the benefit of creditors;

(3) The appointment of a general receiver or trustee in bankruptcy of the Contractor's business or property;

(4) An action by the Contractor under any state insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation;

(5) Entry of an order revoking the certificate of authority granted to the Contractor by the State or other licensing authority;

(f) The Contractor makes or has made an intentional material misrepresentation or omission in any materials provided to the Department or fails to maintain the required insurance.

10. Liability and Indemnification

(a) In addition to the provisions in PUR 1000 regarding liability, the following provisions apply: no provision in this Contract shall require the Department to hold harmless or indemnify the Contractor, insure or assume liability for the Contractor's negligence, waive the Department's sovereign immunity under the laws of Florida, or otherwise impose liability on the Department for which it would not otherwise be responsible. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this contract.

(b) The Department's maximum liability for any damages, regardless of form of action, shall in no event exceed the fees paid to Contractor for the relevant products or services giving rise to the liability, prorated over a three year term from the installation of products or the date of performance of the applicable services.

11. Damages for Delay. Contractor acknowledges that its failure to meet an agreed upon deadline for delivery of services will damage the Department but that by their nature such damages are impossible to ascertain presently and will be difficult to ascertain in the future. Accordingly, the parties agree upon a reasonable amount of liquidated damages which are not intended to be a penalty and are solely intended to compensate for unknown and unascertainable damages. Accordingly liquidated damages shall be assessed on the Contractor for \$250.00 per calendar day for each day the Contractor fails to complete agreed upon work beginning seven days after expiration of the time allowed by the Contract, subject to the force majeure provisions of the Contract. Allowing completion after the time allowed shall not act as a waiver of liquidated damages.

Nothing in this section shall be construed to make the Contractor liable for delays that are beyond its reasonable control. Nothing in this section shall limit the Department's right to pursue its remedies for other types of damages.

12. State property. Title to all property furnished by the Department under this Contract shall remain in the Department, and Contractor shall surrender to the Department all property of the Department prior to settlement upon completion, termination, or cancellation. All deliverables shall become and remain the Department's property upon receipt and acceptance. All work materials developed or provided by Contractor under this Contract and any prior agreement between the parties shall be deemed to be work made for hire and owned exclusively by the State of Florida, Department of Financial Services. At the end of term the Contractor will provide all data

in a standard industry format or format to be designated by the Department as part of the Deliverable entitled Transition Plan.

13. Contract Modification. This Contract may be amended only by a written agreement between both parties subject to the provisions of Chapter 287, Florida Statutes.

14. Nonexclusive Contract. This procurement will not result in an exclusive license to provide the services described in the RFP or the resulting contract. The Department may, without limitation and without recourse by the Contractor, contract with other Vendors to provide the same or similar services.

15. Statutory Notices. The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. Such violation shall be cause for unilateral cancellation of this Contract. An entity or affiliate who has been placed on the public entity crimes list or the discriminatory vendor list may not submit a Proposal on a contract to provide any goods or services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity pursuant to limitations under Chapter 287, Florida Statutes.

16. Compliance with Federal, State and Local Laws. Contractor and all its agents shall comply with all federal, state and local regulations, including, but not limited to, nondiscrimination, wages, social security, worker's compensation, licenses and registration requirements.

17. Miscellaneous.

(a) This Contract, and any referenced or attached addendum embodies the entire agreement of the parties. There are no other provisions, terms, conditions, or obligations. This Contract supersedes all previous oral or written communications, representations or agreements on this subject. In any conflict between this Contract and any referenced or attached addendum, the terms and conditions of this Contract shall take precedence and govern. Acceptance of service or processing of documentation on forms furnished by the Contractor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions.

(b) Any dispute concerning performance of the Contract shall be decided by the Department's designated Contract Manager, who shall reduce the decision to writing and send a copy to the Contractor at a previously provided address. In the event a party is dissatisfied with the dispute resolution decision, jurisdiction for any dispute arising under the terms of the Contract will be in the courts of the State of Florida, and venue will be in the Second Judicial Circuit, in and for Leon County. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this Contract.

(c) The laws of the State of Florida and the Department's rules govern this Contract.

(d) The Contractor agrees that no funds received by it under this Contract will be expended for the purpose of lobbying the Legislature or a state agency pursuant to section 216.347, Florida Statutes, except that pursuant to the requirements of section 287.058(6), Florida Statutes, during the term of any executed contract between the Contractor and the state, the Contractor may lobby the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding that contract.

(e) The Contractor is an independent contractor, and is not an employee or agent of the Department.

(f) All services contracted for are to be performed solely by the Contractor and may not be subcontracted or assigned without the prior **written** consent of the Department. The Department may refuse access to or require replacement of any Contractor employee, subcontractor or agent for cause, including but not limited to technical or training qualifications, quality of work, change in security status, or non-compliance with a Department policy or other requirement. Such action shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract.

(g) The respective obligations of the parties, which by their nature would continue beyond the termination or expiration of this Contract, including without limitation, the obligations regarding confidentiality, proprietary interests, and limitations of liability, shall survive termination, cancellation or expiration of this Contract.

(h) The Contractor hereby agrees to protect, indemnify, defend and hold harmless the Department from and against any and all costs, claims, demands, damages, losses and liabilities arising from or in any way related to the Contractor's breach of this contract or the negligent acts or omissions of the Contractor.

(i) The Department shall not be deemed to assume any liability for the acts, omissions to act or negligence of the Contractor, its agents, servants, and employees, nor shall the Contractor disclaim its own negligence to the Department or any third party.

(j) If a court of competent jurisdiction deems any term or condition herein void or unenforceable, the other provisions are severable to that void provision, and shall remain in full force and effect.

18. Execution in Counterparts and Authority to Sign. This Contract may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument. Each person signing this Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.

19. Contract Administration.

(a) The Department's Contract Manager is Mike Alexander located at 200 East Gaines Street, Tallahassee, Florida 32399-0315. Send invoices to 200 East Gaines Street, Tallahassee, Florida 32399-0315.

(b) The Contractor's Contract Manager is _____ located at _____.

(c) All written and verbal approvals referenced in this Contract must be obtained from the parties' Contract Managers designated in this Section or designees. Notices required to be in writing must be delivered or sent to the intended recipient by hand delivery, certified mail or receipted courier and shall be deemed received on the date received or the date of the certification of receipt.

IN WITNESS WHEREOF, the Department of Financial Services and _____, by their duly authorized representatives, have signed this Contract.

Contractor Representative:
Title:

Department of Financial Services
Chief of Staff or Designee

Date: _____

Date: _____

ATTACHMENT E
CLIENT REFERENCES

The Proposer must list four (4) separate and verifiable clients of the Proposer's firm. The clients shall be listed on this form. Any information not submitted on this form shall not be considered. The clients listed shall be for services similar in nature to that described in this solicitation. Information on each client must be provided on this page:

1. _____

Name

Address

City State Zip Code

Phone Number Extension

Contact Person Title

2. _____

Name

Address

City State Zip Code

Phone Number Extension

Contact Person Title

3. _____

Name

Address

City State Zip Code

Phone Number Extension

Contact Person Title

4. _____

Name

Address

City State Zip Code

Phone Number Extension

Contact Person Title

I authorize the Department to contact these references.

Proposer Signature _____

**ATTACHMENT F
CONFLICT OF INTEREST CERTIFICATION**

Company or Entity Name _____

For the purpose of participating in the Request for Proposals process and complying with the provisions of Chapter 112, Florida Statutes, and section 287.075 Florida Statutes (F.S.) the undersigned corporate officer states as follows:

Proposer (check the applicable block) certifies one or more of the following:

_____A. The persons listed below are current State employees who own an interest of five percent (5%) or more in the company/entity named above:

_____	_____
_____	_____
_____	_____

_____B. To the best of its knowledge, the Proposer or its employees, agents, or subcontractors, have not knowingly participated, through decision, approval, disapproval, or preparation of any part of a purchase request, investigation, or audit, in the procurement of commodities or contractual services by a state agency from an entity in which the contractor, or its employees, agents, or subcontractors, has a material interest, in accordance with section 287.075, F.S. According to section 112.312 (15), F.S., material interest means “more than 5 percent of the total assets”. Agent means any other entity or person acting on behalf of a Proposer.

The above information is true and correct to the best of my knowledge. Signed on this day of

_____, 20__.

Signature

Print Name and Title

ATTACHMENT G
Affidavit as to Compliance with Preferred Pricing Clause

This Certification is made by _____(Contractor) to the Florida Department of Financial Services.

The Contractor attests that the contract is in compliance with the preferred-pricing clause and will submit an affidavit to this effect annually during the term of this contract.

The signatory of this certification hereby swears and attests that the foregoing is true and correct, and that said signatory is duly authorized by Contractor to make the foregoing certification.

By Contractor: _____ Date: _____
(Signature)

(Please Print Name)

Address: _____

Email Address: _____