



RFP No: 3738

INVITATION: Sealed proposals, subject to the attached conditions, will be received at this office until December 10, 2013 @ 3:00 p.m. Central Time for the acquisition of the products/services described below for Mississippi Department of Human Services.

Central Receiving and Disbursement Unit

MANDATORY VENDOR CONFERENCE: November 5, 2013

NOTE: THIS RFP CONTAINS MANDATORY REQUIREMENTS TO WHICH NO EXCEPTION MAY BE TAKEN. SEE SECTION VII, ITEM 2, FOR DETAILS.

The Vendor must submit proposals and direct inquiries to:

Tangela Harrion
Technology Consultant
Information Technology Services
3771 Eastwood Drive
Jackson, MS 39211
(601) 432-8112
Tangela.Harrion@its.ms.gov

To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. The following must be clearly typed on a label affixed to the package in a clearly visible location:

PROPOSAL, SUBMITTED IN RESPONSE TO
RFP NO. 3738
due December 10, 2013 @ 3:00 p.m.,
ATTENTION: Tangela Harrion

Craig P. Orgeron, Ph.D.
Executive Director, ITS

ITS RFP Response Checklist

RFP Response Checklist: These items should be included in your response to RFP No. 3738.

- _____ 1) One clearly marked original response and eleven (11) identical copies and two (2) electronic copies on CD/DVD or USB media of the complete proposal. Label the front and spine of the three-ring loose-leaf binder with the Vendor name and RFP number. Include the items listed below inside the binder. Please DO NOT include a copy of the RFP in the binder.
- _____ 2) *Submission Cover Sheet*, signed and dated. (Section I)
- _____ 3) *Proposal Bond*, if applicable (Section I)
- _____ 4) *Proposal Exception Summary*, if applicable (Section V)
- _____ 5) Vendor response to *RFP Questionnaire* (Section VI)
- _____ 6) Point-by-point response to *Technical Specifications* (Section VII)
- _____ 7) Vendor response to *Cost Information Submission* (Section VIII)
- _____ 8) *References* (Section IX)
- _____ 9) Attachment A, Functional/Technical Requirements

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**SECTION I
SUBMISSION COVER SHEET & CONFIGURATION SUMMARY**

Provide the following information regarding the person responsible for the completion of your proposal. This person should also be the person the Mississippi Department of Information Technology Services, (ITS), should contact for questions and/or clarifications.

Name _____ Phone # _____
Address _____ Fax # _____
_____ E-mail _____

Subject to acceptance by ITS, the Vendor acknowledges that by submitting a proposal AND signing in the space indicated below, the Vendor is contractually obligated to comply with all items in this Request for Proposal (RFP), including the Standard Contract in Exhibit A if included herein, except those listed as exceptions on the Proposal Exception Summary Form. If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions. This acknowledgement also contractually obligates any and all subcontractors that may be proposed. Vendors who sign below may not later take exception to any point during contract negotiations. The Vendor further certifies that the company represented here is an authorized dealer in good standing of the products/services included in this proposal.

_____/_____
Original signature of Officer in Bind of Company/Date

Name (typed or printed) _____
Title _____
Company name _____
Physical address _____
State of Incorporation _____

CONFIGURATION SUMMARY

The Vendor must provide a summary of the main components of products/services offered in this proposal using 100 words or less.

PROPOSAL BONDS

Please attach the required Proposal Bond here.

SECTION II PROPOSAL SUBMISSION REQUIREMENTS

The objective of the Proposal Submission Requirements section is to provide Vendors with the information required to submit a response to this Request for Proposal (RFP). A Vendor who has responded to previous RFPs issued by **ITS** should not assume that the requirements are the same, as changes may have been made.

1. Failure to follow any instruction within this RFP may, at the State's sole discretion, result in the disqualification of the Vendor's proposal.
2. The State has no obligation to locate or acknowledge any information in the Vendor's proposal that is not presented under the appropriate outline according to these instructions and in the proper location.
3. The Vendor's proposal must be received, in writing, by the office of **ITS** by the date and time specified. **ITS** is not responsible for any delays in delivery or expenses for the development or delivery of proposals. Any proposal received after proposal opening time will be returned unopened. Any proposal received with insufficient postage will be returned unopened.
4. Proposals or alterations by fax, e-mail, or phone will not be accepted.
5. Original signatures are required on one copy of the Submission Cover Sheet and Configuration Summary, and the Vendor's original submission must be clearly identified as the original. The Vendor's original proposal must include the Proposal Bond, (if explicitly required in Section IV).
6. **ITS** reserves the right to reject any proposals, including those with exceptions, prior to and at any time during negotiations.
7. **ITS** reserves the right to waive any defect or irregularity in any proposal procedure.
8. The Vendor may intersperse their response following each RFP specification but must not otherwise alter or rekey any of the original text of this RFP. If the State determines that the Vendor has altered any language in the original RFP, the State may, in its sole discretion, disqualify the Vendor from further consideration. The RFP issued by **ITS** is the official version and will supersede any conflicting RFP language submitted by the Vendor.
9. The Vendor must conform to the following standards in the preparation of the Vendor's proposal:
 - 9.1 The Vendor is required to submit one clearly marked original response and eleven (11) identical copies of the complete proposal, including all sections and exhibits in three-ring binders and two (2) electronic copies on CD/DVD or USB media of the complete proposal.
 - 9.2 To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. A label containing the information on the

- RFP cover page must be clearly typed and affixed to the package in a clearly visible location.
- 9.3 Number each page of the proposal.
 - 9.4 Respond to the sections and exhibits in the same order as this RFP.
 - 9.5 Label and tab the responses to each section and exhibit, using the corresponding headings from the RFP.
 - 9.6 If the Vendor does not agree with any item in any section, then the Vendor must list the item on the *Proposal Exception Summary Form*. (See Section V for additional instructions regarding Vendor exceptions.)
 - 9.7 Occasionally, an outline point in an attachment requests information which is not applicable to the products/services proposed. If the Vendor is certain the point does not apply to the given RFP, the Vendor should respond with "NOT APPLICABLE."
 - 9.8 Where an outline point asks a question or requests information, the Vendor must respond with the specific answer or information requested.
 - 9.9 When an outline point/attachment is a statement provided for the Vendor's information only, the Vendor need only read that point. The Vendor acknowledges having read and accepting, or taking exception to, all sections by signing the *Submission Cover Sheet* and providing a *Proposal Exception Summary Form*.
 - 9.10 Where a minimum requirement has been identified, respond by stating the item (e.g., device name/model number, guaranteed response time) proposed and how it will meet the specifications.
 - 9.11 The Vendor must fully respond to each requirement within the *Technical Specifications* by fully describing the manner and degree by which the proposal meets or exceeds said requirements.
10. It is the responsibility of the Vendor to clearly identify all costs associated with any item or series of items in this RFP. The Vendor must include and complete all parts of the cost proposal in a clear and accurate manner. **Omissions, errors, misrepresentations, or inadequate details in the Vendor's cost proposal may be grounds for rejection of the Vendor's proposal. Costs that are not clearly identified will be borne by the Vendor.** The Vendor must complete the *Cost Information Submission* in this RFP, which outlines the minimum requirements for providing cost information. The Vendor should supply supporting details as described in the *Cost Information Submission*.
 11. **ITS** reserves the right to request additional information or clarification of a Vendor's proposal. The Vendor's cooperation during the evaluation process in providing **ITS** staff with adequate responses to requests for clarification will be considered a factor in the evaluation of the Vendor's overall responsiveness. Lack of such cooperation or failure to

provide the information in the manner required may, at the State's discretion, result in the disqualification of the Vendor's proposal.

12. Unsolicited clarifications and updates submitted after the deadline for proposals will be accepted or rejected at the sole discretion of **ITS**.
13. Unsolicited clarifications in the evaluation and selection of lowest and best proposal will be considered only if all the following conditions are met:
 - 13.1 A clarification to a proposal that includes a newly announced product line or service with equal or additional capability to be provided at or less than the proposed price will be considered.
 - 13.2 Information provided must be in effect nationally and have been formally and publicly announced through a news medium that the Vendor normally uses to convey customer information.
 - 13.3 Clarifications must be received early enough in the evaluation process to allow adequate time for re-evaluation.
 - 13.4 The Vendor must follow procedures outlined herein for submitting updates and clarifications.
 - 13.5 The Vendor must submit a statement outlining the circumstances for the clarification.
 - 13.6 The Vendor must submit one clearly marked original and eleven (11) copies of the clarification.
 - 13.7 The Vendor must be specific about which part of the original proposal is being changed by the clarification (i.e., must include exact RFP reference to section and outline point).
14. **Communications with State**

From the issue date of this RFP until a Vendor is selected and the selection is announced, responding Vendors or their representatives may not communicate, either orally or in writing regarding this RFP with any statewide elected official, state officer or employee, member of the legislature or legislative employee except as noted herein. To ensure equal treatment for each responding Vendor, all questions regarding this RFP must be submitted in writing to the State's contact person for the selection process, and not later than the last date for accepting responding Vendor questions provided in this RFP. All such questions will be answered officially by the State in writing. All such questions and answers will become addenda to this RFP, and they will be posted to the ITS web site. Vendors failing to comply with this requirement will be subject to disqualification.

 - 14.1 The State's contact person for the selection process is: Tangela Harrion, Technology Consultant, 3771 Eastwood Drive, Jackson, MS 39211, 601-432-8112, Tangela.Harrion@its.ms.gov.

- 14.2 Vendor may consult with State representatives as designated by the State's contact person identified in 14.1 above in response to State-initiated inquiries. Vendor may consult with State representatives during scheduled oral presentations and demonstrations excluding site visits.

SECTION III VENDOR INFORMATION

The objective of the Vendor Information section of this RFP is to provide Vendors with information required to respond to the RFP successfully.

1. **Interchangeable Designations**

The terms "Vendor" and "Contractor" are referenced throughout this RFP. Generally, references to the "Vendor" are used in conjunction with the proposing organization and procurement process leading up to the final RFP selection and award. The term "Contractor" denotes the role assumed, post-award, by the winning Vendor. Additionally, the terms "State of Mississippi," "State" or "ITS" may be used interchangeably throughout this RFP to denote the political entity issuing the RFP and requesting responses from Vendors throughout these specifications. References to a specific agency, institution or other political entity represent the client or customer on whose behalf ITS is issuing the RFP.

2. **Vendor's Responsibility to Examine RFP**

Vendors must examine all documents, forms, specifications, standard provisions, and instructions.

3. **Proposal as Property of State**

All written proposal material becomes the property of the State of Mississippi.

4. **Written Amendment to RFP**

Any interpretation of an **ITS** RFP will be made by written amendment only. The State will not be responsible for any other explanation of this RFP. A copy of any amendment will be posted on the **ITS** website, together with the associated RFP specification. Vendors are required to check the **ITS** website periodically for RFP amendments before the proposal opening date at:

http://www.its.ms.gov/Procurement/Pages/RFPS_Awaiting.aspx

Any and all amendments will be posted no later than noon, seven days prior to the proposal opening date listed on the cover page of this RFP. If you are unable to access the **ITS** website, you may contact the **ITS** technology consultant listed on page one of this RFP and request a copy.

5. **Oral Communications Not Binding**

Only transactions which are in writing from **ITS** may be considered official. No negotiations, decisions, or actions shall be executed by any Vendor as a result of any discussions with any State employee.

6. **Vendor's Responsibility for Delivery**

Vendors must ensure, through reasonable and sufficient follow-up, proper compliance with, and fulfillment of all schedules and deliverables specified within the body of this RFP. The State will not be responsible for the failure of any delivery medium for submission of information to or from the Vendor, including but not limited to, public and private carriers, U.S. mail, Internet Service Providers, facsimile, or e-mail.

7. **Evaluation Criteria**

The State's intent in issuing this RFP is to award a contract to the lowest and best responsive Vendor who meets specifications, considering price and other factors. The Vendor's past performance, cooperation, and ability to provide service and training are general factors that will be weighed in the selection process. More specific information concerning evaluation criteria is presented in *Technical Specifications*.

8. **Multiple Awards**

ITS reserves the right to make multiple awards.

9. **Right to Award in Whole or Part**

ITS reserves the right to approve an award by individual items or in total, whichever is deemed to be in the best interest of the State of Mississippi.

10. **Right to Use Proposals in Future Projects**

The State reserves the right to evaluate the awarded proposal from this RFP, including all products and services proposed therein, along with the resulting contractual terms, for possible use in future projects if (a) it is deemed to be in the best interest of the State to do so; and (b) the Vendor is willing to extend a cost less than or equal to that specified in the awarded proposal and resulting contract. A decision concerning the utilization of a Vendor's proposal for future projects is solely at the discretion of the State and requires the agreement of the proposing Vendor. The State's decision to reuse an awarded proposal will be based upon such criteria as: (1) the customer's business requirements; (2) elapsed time since the award of the original project; and/or (3) research on changes in the Vendor, market, and technical environments since the initial award.

11. **Price Changes During Award or Renewal Period**

A price increase will not be accepted during the award period or the renewal period, unless stipulated in the contract. However, the State will always take advantage of price decreases.

12. **Right to Request Information**

The State reserves the right to request information relative to a Vendor's references and financial status and to visit a Vendor's facilities during normal working hours. The State also reserves the right to request a current financial statement, prepared and certified by an independent auditing firm, and reserves the right to require that Vendors document their financial ability to provide the products and services proposed up to the total dollar amount of the Vendor's cost proposal. The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, even if that customer is not included in the Vendor's list of references.

13. **Vendor Personnel**

For RFPs including professional services specifications, the Vendor will be required to provide and/or certify the following for each individual included in the Vendor's proposal:

- 13.1 A direct telephone number at which the individual may be contacted for a telephone interview. The State will pay toll charges in the continental United States. The Vendor must arrange a toll-free number for all other calls.

- 13.2 That, if onsite interviews are required, the individual can be at the specified location in Mississippi within the timeframe specified. All costs associated with onsite interviews will be the responsibility of the Vendor.
- 13.3 That the individual is proficient in spoken and written English;
- 13.4 That the individual is a U.S. citizen or that the individual meets and will maintain employment eligibility requirements in compliance with all INS regulations. The Vendor must provide evidence of identification and employment eligibility prior to the award of a contract that includes any personnel who are not U. S. citizens.
- 13.5 That the personnel assigned to a project will remain a part of the project throughout the duration of the contract as long as the personnel are employed by the Vendor, unless replaced by the Vendor at the request of the State. This requirement includes the responsibility for ensuring all non-citizens maintain current INS eligibility throughout the duration of the contract.

14. **Vendor Imposed Constraints**

The Vendor must specifically document what limitations, if any, exist in working with any other Contractor acting in the capacity of the State's business partner, subcontractor or agent who may be managing any present or future projects; performing quality assurance; integrating the Vendor's software; and/or providing web-hosting, hardware, networking or other processing services on the State's behalf. The project relationship may be based on roles as either equal peers; supervisory – subordinate; or subordinate – supervisory, as determined by the State. The State recognizes that the Vendor may have trade secrets, intellectual property and/or business relationships that may be subject to its corporate policies or agreements. The State must understand these issues in order to decide to what degree they may impact the State's ability to conduct business for this project. These considerations will be incorporated accordingly into the proposal evaluation and selection process. The understanding reached between the Vendor and the State with regard to this business relationship precludes the Vendor from imposing any subsequent limitations of this type in future project undertakings by the State.

15. **Best and Final Offer**

The State reserves the right to solicit Best and Final Offers (BAFOs) from Vendors, principally in situations in which proposal costs eclipse available funding or the State believes none of the competing proposals presents a Best Value (lowest and best proposal) opportunity. Because of the time and expense incurred by both the Vendor community and the State, BAFOs are not routinely conducted. Vendors should offer their best pricing with the initial solicitation. Situations warranting solicitation of a BAFO will be considered an exceptional practice for any procurement. Vendors that remain in a competitive range within an evaluation may be requested to tender Best and Final Offers, at the sole discretion of the State. All such Vendors will be provided an equal opportunity to respond with a Best and Final Offer under a procedure to be defined by the State that encompasses the specific, refined needs of a project, as part of the BAFO solicitation. The State may re-evaluate and amend the original project specifications should it be deemed necessary in order to improve the opportunity for

attaining Best Value scenarios from among the remaining competing Vendors. All BAFO proceedings will be uniformly conducted, in writing and subject to solicitation by the State and receipt from the Vendors under a precise schedule.

16. **Restriction on Advertising**

The Vendor must receive written approval from the State before advertising or referencing the award of the contract or the services being provided. The Vendor must agree not to refer to awards in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed or preferred by the State of Mississippi.

17. **Rights Reserved to Use Existing Product Contracts**

The State reserves the right on turnkey projects to secure certain products from other existing **ITS** contracts if it is in its best interest to do so. If this option is exercised, then the awarded Vendor must be willing to integrate the acquisition and implementation of such products within the schedule and system under contract.

18. **Additional Information to be Included**

In addition to answering each specification within this RFP, the Vendor must include complete product/service information, including product pictorials and technical/descriptive literature relative to any product/service offered with the proposal. Information submitted must be sufficiently detailed to substantiate that the products/services offered meet or exceed specifications.

19. **Valid Contract Required to Begin Work**

The successful Vendor should not commence any billable work until a valid contract has been executed. Any work done by the successful Vendor prior to the execution of the contract is done at the Vendor's sole risk. The State is under no obligation to pay for work done prior to the execution of a contract.

SECTION IV LEGAL AND CONTRACTUAL INFORMATION

The objective of the *Legal and Contractual Information* section is to provide Vendors with information required to complete a contract or agreement with **ITS** successfully.

1. **Acknowledgment Precludes Later Exception**

By signing the *Submission Cover Sheet*, the Vendor is contractually obligated to comply with all items in this RFP, including the *Standard Contract* in Exhibit A if included herein, except those specifically listed as exceptions on the *Proposal Exception Summary Form*. If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions. Vendors who respond to this RFP by signing the *Submission Cover Sheet* may not later take exception to any item in the RFP during contract negotiations. This acknowledgement also contractually obligates any and all subcontractors that may be proposed. No exceptions by subcontractors or separate terms and conditions will be entertained after the fact.

2. **Failure to Respond as Prescribed**

Failure to respond as described in Section II: *Proposal Submission Requirements* to any item in the sections and exhibits of this RFP, including the *Standard Contract* attached as Exhibit A, if applicable, shall contractually obligate the Vendor to comply with that item.

3. **Contract Documents**

ITS will be responsible for all document creation and editorial control over all contractual documentation related to each procurement project. The following documents will normally be included in all contracts between **ITS** and the Vendor:

3.1 The Proposal Exception Summary Form as accepted by **ITS**;

3.2 Contracts which have been signed by the Vendor and **ITS**;

3.3 **ITS'** Request for Proposal, including all addenda;

3.4 Official written correspondence from **ITS** to the Vendor;

3.5 Official written correspondence from the Vendor to **ITS** when clarifying the Vendor's proposal; and

3.6 The Vendor's proposal response to the **ITS** RFP.

4. **Order of Precedence**

When a conflict arises regarding contract intent due to conflicting statements in documents included in the contract, the order of precedence of each document is as listed above unless modification of order is negotiated and agreed upon by both **ITS** and the winning Vendor.

5. **Additional Contract Provisions**

The contract will also include such additional provisions, which are not inconsistent or incompatible with the material terms of this RFP, as may be agreed upon by the parties. All of the foregoing shall be in such form and substance as prescribed by the State.

6. Contracting Agent by Law

The Executive Director of **ITS** is, by law, the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of computer and telecommunications equipment, systems, software, and services (Section 25-53-1, et seq., of the Mississippi Code Annotated). **ITS** is issuing this RFP on behalf of the procuring agency or institution. **ITS** and the procuring agency or institution are sometimes collectively referred to within this RFP as "State."

7. Mandatory Legal Provisions

- 7.1 The State of Mississippi is self-insured; all requirements for the purchase of casualty or liability insurance are deleted.
- 7.2 Any provisions disclaiming implied warranties shall be null and void. See Mississippi Code Annotated Sections 11-7-18 and 75-2-719(4). The Vendor shall not disclaim the implied warranties of merchantability and fitness for a particular purpose.
- 7.3 The Vendor shall have no limitation on liability for claims related to the following items:
 - 7.3.1 Infringement issues;
 - 7.3.2 Bodily injury;
 - 7.3.3 Death;
 - 7.3.4 Physical damage to tangible personal and/or real property; and/or
 - 7.3.5 The intentional and willful misconduct or negligent acts of the Vendor and/or Vendor's employees or subcontractors.
- 7.4 All requirements that the State pay interest (other than in connection with lease-purchase contracts not exceeding five years) are deleted.
- 7.5 Any contract negotiated under this RFP will be governed by and construed according to the laws of the State of Mississippi. Venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi.
- 7.6 Any contract negotiated under this RFP is cancelable in the event the funding authority does not appropriate funds. Notice requirements to Vendor cannot exceed sixty (60) days.
- 7.7 The State of Mississippi does not waive its sovereign immunities or defenses as provided by law by entering into this contract with the Vendor, Vendor agents, subcontractors, or assignees.

- 7.8 The State will deliver payments to the Vendor within forty-five (45) days after receipt of invoice and receipt, inspection, and approval of Vendor's products/services. No late charges will exceed 1.5% per month on any unpaid balance from the expiration of said period until payment is delivered. See Section 31-7-305 of the Mississippi Code Annotated. Seller understands and agrees that Purchaser is exempt from the payment of taxes.
- 7.9 The State shall not pay any attorney's fees, prejudgment interest or the cost of legal action to or for the Vendor.

8. **Approved Contract**

- 8.1 Award of Contract - A contract is considered to be awarded to a proposer once the proposer's offering has been approved as lowest and best proposal through:
- 8.1.1 Written notification made to proposers on **ITS** letterhead, or
 - 8.1.2 Notification posted to the **ITS** website for the project, or
 - 8.1.3 CP-1 authorization executed for the project, or
 - 8.1.4 The **ITS** Board's approval of same during an open session of the Board.
- 8.2 **ITS** statute specifies whether **ITS** Director approval or **ITS** Board approval is applicable for a given project, depending on the total lifecycle cost of the contract.
- 8.3 A contract is not deemed final until five (5) working days after either the award of contract or post procurement review, as stipulated in the **ITS** Protest Procedure and Policy. In the event of a valid protest, the State may, at its sole discretion, continue the procurement or stay the procurement in accordance with the **ITS** Protest Procedure and Policy. If the procurement is stayed, the contract is not deemed final until the protest is resolved.

9. **Contract Validity**

All contracts are valid only if signed by the Executive Director of **ITS**.

10. **Order of Contract Execution**

Vendors will be required to sign contracts and to initial all contract changes before the Executive Director of **ITS** signs.

11. **Availability of Funds**

All contracts are subject to availability of funds of the acquiring State entity and are contingent upon receipt by the winning Vendor of a purchase order from the acquiring State entity.

12. **CP-1 Requirement**

All purchase orders issued for goods and services acquired from the awarded Vendor under this RFP must be encoded by the Customer agency with a CP-1 approval number assigned by **ITS**. This requirement does not apply to acquisitions that by policy have been delegated to State entities.

13. Requirement for Electronic Payment and Invoicing

13.1 Payments to the awarded Vendor for all goods and services acquired under this RFP by state agencies that make payments through the Statewide Automated Accounting System (“SAAS”) will be made electronically, via deposit to the bank account of the Vendor’s choice. The awarded Vendor must enroll and be activated in PayMode™, the State’s current vehicle for sending and receiving electronic payments, prior to receiving any payments from state agencies. There is no charge for a Vendor to enroll or receive payments via PayMode. For additional information on PayMode, including registration instructions, Vendors should visit the following website: <http://portal.paymode.com/ms/>. Vendors may also request assistance from the Mississippi Management and Reporting System (MMRS) Call Center regarding PayMode registration by contacting mash@dfa.state.ms.us.

13.2 For state agencies that make payments through SAAS, the awarded Vendor is required to submit electronically all invoices for goods and services acquired under this RFP, along with appropriate supporting documentation, as directed by the State. Should the requirement for electronic invoicing be implemented during the term of the project contract, the State will work with the Vendor to determine a reasonable timeframe for initiating electronic invoicing.

13.3 Items 13.1 and 13.2 only apply to state agencies that make payments through SAAS. Payments and invoices for all other entities will conform to their standard methods of payment to contractors.

14. Time For Negotiations

14.1 All contractual issues must be successfully negotiated within fifteen (15) working days from the Vendor’s initial receipt of the project contract from **ITS**, unless **ITS** consents to extend the period. Failure to complete negotiations within the stated time period constitutes grounds for rejection of the Vendor’s response to this RFP. **ITS** may withdraw the proposal award and begin negotiations with the next ranked Vendor immediately or pursue any other option.

14.2 Negotiations shall be limited to items to which the Vendor has noted as exceptions on their Proposal Exception Summary Form, as well as any new items that the State may require. All contract changes requested by the Vendor related to such exceptions noted in Vendor’s proposal shall be submitted three (3) working days prior to scheduled negotiations, unless **ITS** consents to a different period.

15. Prime Contractor

The selected Vendor will be designated the prime contractor in the proposal, and as such, shall be solely responsible for all products/services offered in the proposal and for the fulfillment of the contract with the State.

16. Sole Point of Contact

ITS will consider the selected Vendor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

16.1 The Vendor must acknowledge and agree that in matters of proposals, clarifications, negotiations, contracts and resolution of issues and/or disputes, the Vendor represents all contractors, third parties and/or subcontractors the Vendor has assembled for this project. The Vendor's commitments are binding on all such parties and consequently the State is only required to negotiate with the Vendor.

16.2 Furthermore, the Vendor acknowledges and agrees to pass all rights and/or services related to all general consulting, services leasing, software licensing, warranties, hardware maintenance and/or software support to the State from any contractor, third party or subcontractor without the State having to negotiate separately or individually with any such parties for these terms or conditions.

16.3 Should a proposing Vendor wish to assign payment of any or all charges resulting from this contract to a third party, Vendor must disclose that fact in his/her proposal, along with the third party's name, address, nature of business, and relationship to the proposing Vendor, the reason for and purpose of the assignment, and all conditions of the assignment, including but not limited to a copy of an assignment document to be executed by the State, the Vendor, and the third party. Such assignments will be accepted or rejected at the sole discretion of the State. Vendor must clearly and definitively state in his/her proposal whether the proposal is contingent upon the requested assignment of payments. Whenever any assignment of payment is requested, the proposal, contract, and assignment document must include language specifically guaranteeing that the proposing Vendor is solely and fully liable and responsible for the performance of its obligations under the subject contract. No assignment of payment will be considered at the time of purchase unless such assignment was fully disclosed in the Vendor's proposal and subsequently accepted by the State.

17. ITS Approval of Subcontractor Required

Unless provided in the contract, the Vendor shall not contract with any other party for furnishing any of the contracted work or services without the consent, guidance, and written approval of the State. **ITS** reserves the right of refusal and the right to request replacement of a subcontractor due to unacceptable work or conduct. This provision should not be interpreted as requiring the approval of individual contracts of employment between the Vendor and personnel assigned for services under the contract.

18. Inclusion of Subcontract Agreements

Copies of any agreements to be executed between the Vendor and any subcontractors must be included in the Vendor's proposal.

19. **Negotiations with Subcontractor**

In order to protect the State's interest, **ITS** reserves the right to attempt to resolve the contractual disagreements that may arise between the Vendor and its subcontractor after award of the contract.

20. **References to Vendor to Include Subcontractor**

All references in the RFP to "Vendor" shall be construed to encompass both the Vendor and its subcontractors.

21. **Outstanding Vendor Obligations**

21.1 Any Vendor who presently owes the State of Mississippi money pursuant to any contract for which **ITS** is the contracting agent and who has received written notification from **ITS** regarding the monies owed, must submit, with the proposal, a certified check in the amount due and owing in order for the proposal in response to this RFP to be considered. For a Vendor currently in bankruptcy as of the RFP submission date, this requirement is met, if and only if, **ITS** has an active petition before the appropriate bankruptcy court for recovery of the full dollar amount presently owed to the State of Mississippi by that Vendor. If the Vendor has emerged from bankruptcy by the RFP submission date, the Vendor must pay in full any amount due and owing to the State, as directed in the court-approved reorganization plan, prior to any proposal being considered.

21.2 Any Vendor who is presently in default on existing contracts for which **ITS** is the contracting agent, or who otherwise is delinquent in the performance of any such contracted obligations, is in the sole judgment of the State required to make arrangement for fulfilling outstanding obligations to the satisfaction of the State in order for the proposal to be considered.

21.3 The State, at its sole discretion, may reject the proposal of a Vendor with any significant outstanding financial or other obligations to the State or who is in bankruptcy at the time of proposal submission.

22. **Equipment Condition**

For all RFPs requiring equipment, the Vendor must furnish only new equipment in response to **ITS** specifications, unless an explicit requirement for used equipment is otherwise specified.

23. **Delivery Intervals**

The Vendor's proposal must specify, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, delivery and installation intervals after receipt of order.

24. **Pricing Guarantee**

The Vendor must explicitly state, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, how long the proposal will

remain valid. Unless stated to the contrary in the *Technical Specifications*, pricing must be guaranteed for a minimum of ninety (90) days.

25. **Shipping Charges**

For all RFPs requiring shipment of any product or component, all products must be delivered FOB destination to any location within the geographic boundaries of the State with all transportation charges prepaid and included in the RFP proposal or LOC quotation. Destination is the point of use.

26. **Amortization Schedule**

For all RFPs requiring equipment, contracts involving the payment of interest must include an amortization schedule clearly documenting the amount of interest payable over the term of the contract.

27. **Americans with Disabilities Act Compliance for Web Development and Portal Related Services**

All Web and Portal development work must be designed and implemented in compliance with the Electronic and Information Technology Accessibility Standards associated with Section 508 of the Rehabilitation Act and with the Web Accessibility Initiative (WAI) of the W3C.

28. **Ownership of Developed Software**

28.1 When specifications require the Vendor to develop software for the State, the Vendor must acknowledge and agree that the State is the sole owner of such developed software with exclusive rights to use, alter, or distribute the software without restriction. This requirement applies to source code, object code, and documentation.

28.2 The State may be willing to grant the Vendor a nonexclusive license to use the State's software subject to devising acceptable terms and license fees. This requirement is a matter of State Law, and not negotiable.

29. **Ownership of Custom Tailored Software**

In installations where the Vendor's intellectual property is modified and custom-tailored to meet the needs of the State, the Vendor must offer the State an application license entitling the State to use, and/or alter the software without restriction. These requirements apply to source code, object code and documentation.

30. **Terms of Software License**

The Vendor acknowledges and agrees that the term of all software licenses provided to the State shall be perpetual unless stated otherwise in the Vendor's proposal.

31. **The State is Licensee of Record**

The Vendor must not bypass the software contracting phase of a project by licensing project software intended for State use in its company name. Upon award of a project, the Vendor must ensure that the State is properly licensed for all software that is proposed for use in a project.

32. **Compliance with Enterprise Security Policy**

Any solution proposed in response to this RFP must be in compliance with the State of Mississippi's Enterprise Security Policy. The Enterprise Security Policy is based on industry standard best practices, policy, and guidelines and covers the following topics: web servers, email, virus prevention, firewalls, data encryption, remote access, passwords, servers, physical access, traffic restrictions, wireless, laptop and mobile devices, disposal of hardware/media, and application assessment/certification. Given that information security is an evolving technology practice, the State reserves the right to introduce new policy during the term of the contract resulting from this RFP and require the Vendor to comply with same in the event the industry introduces more secure, robust solutions or practices that facilitate a more secure posture for the State of Mississippi.

The Enterprise Security Policy is available to third parties on a need-to-know basis. The Vendor may request individual sections of the Enterprise Security Policy or request the entire document.

Vendor must provide contact information (name, email address, phone number) to the State's contact person identified in Section II, Item 14.1 who will coordinate the secure delivery of the requested information.

33. **Negotiating with Next-Ranked Vendor**

Should the State cease doing business with any Vendor selected via this RFP process, for any reason, the State reserves the right to initiate negotiations with the next ranked Vendor.

34. **Disclosure of Proposal Information**

Vendors should be aware that any information in a proposal may be subject to disclosure or reproduction under the Mississippi Public Records Act of 1983, defined in Section 25-61-1 et seq. of the Mississippi Code Annotated. All disclosures of proposal information will be made in compliance with the **ITS** Public Records Procedures established in accordance with the Mississippi Public Records Act. The **ITS** Public Records Procedures are available in Section 019-010 of the **ITS** Procurement Handbook, on the **ITS** Internet site at:

<http://dsitspe01.its.ms.gov/its/procman.nsf/f4ad43bd44ad9d8c86256daa0063e1f0/bb780b5a8360c3138625765d004e4aff?OpenDocument> or from **ITS** upon request.

As outlined in the Third Party Information section of the **ITS** Public Records Procedures, **ITS** will give written notice to any affected Vendor of a request to view or reproduce the Vendor's proposal or portion thereof. **ITS** will not, however, give such notice with respect to summary information prepared in connection with the State's review or evaluation of a Vendor's proposal, including, but not limited to, written presentations to the **ITS** Board or other approving bodies, and/or similar written documentation prepared for the project file. In addition, **ITS** will not provide third-party notice for requests for any contract executed as a result of this RFP, with the exception of information contained in contract exhibits identified and labeled as confidential during the contract negotiation process. **ITS** will provide third-party notice of requests for any such confidential exhibits

to allow Vendor the opportunity to protect the information by court order as outlined in the **ITS** Public Records Procedures.

Summary information and contract terms, as defined above, become the property of **ITS**, who has the right to reproduce or distribute this information without notification.

Vendors should further be aware that requests for disclosure of proposal and contract information are sometimes received by **ITS** significantly after the proposal opening date. **ITS** will notify the signatory "Officer in Bind of Company" provided in Section I of this RFP for Notification of Public Records Requests in the event information is requested that your company might wish to consider protecting as a trade secret or as confidential commercial or financial information. If the "Officer in Bind of Company" should not be used for notification of public records requests, Vendor should provide the alternative contact information in response to this RFP item.

35. **Risk Factors to be Assessed**

The State will assess risk factors that may initially exist within a given procurement and that may develop over the course of a procurement process as facts become known. The State, at its sole discretion, may employ the following mechanisms in mitigating these risks: proposal bonding, performance bonding, progress payment plan with retainage, inclusion of liquidated damages, and withholding payment for all portions of the products/services acquired until final acceptance. The Vendor must agree to incorporate any or all of the above terms and conditions into the customer agreement.

36. **Proposal Bond**

The Vendor must include a proposal bond in the amount of \$7,500.00 with its RFP proposal. Vendor is specifically disallowed from taking exception to the proposal bond requirement. Proposals without proposal bonds will be rejected.

The security must be in the form of a bond, irrevocable letter of credit, certified check, or cashier's check (hereinafter, "security") payable to the **Mississippi Department of Human Services**, to be held by their contracting agent, the Mississippi Department of Information Technology Services, and must be placed in the front of the Vendor's proposal. The submission of an acceptable security is a condition precedent to a valid proposal, and the amount of the security is not negotiable or contestable. Any proposal received without the security will be rejected and returned to the Vendor without further consideration.

The security binds the Vendor to the commitments made in writing in the Vendor's proposal. The security will be forfeited in the event the awarded Vendor, at any time during the contract negotiation process, refuses to honor commitments made in its proposal, reneges on pricing, takes exception to any term or condition that was not addressed in the Vendor's written proposal, or fails to execute a contract as anticipated in the RFP and the Vendor's proposal, including documented exceptions, within fifteen (15) working days after the Vendor's initial receipt of the project contract from **ITS**, unless an extension is agreed to by **ITS**.

As stated in the RFP, the Vendor may take exception to any point without incurring any liability to provide items to which an exception has been taken. Likewise, the State has no obligation to accept any proposed exception. Should the State decide, at its sole

discretion and at any point in the process, that an exception is NOT acceptable, **ITS** will reject the Vendor's proposal and return the Vendor's security.

The Vendor's security will be returned promptly after **ITS** and the successful Vendor have executed a contract or within ninety (90) days after opening the proposals if no letter of intent to award a contract has been sent. In the event that the successful Vendor fails to accept and sign the mutually negotiated contract, that Vendor shall be disqualified and **ITS** shall initiate negotiations with the next ranked Vendor until a contract is successfully negotiated, or **ITS** elects to cancel the procurement. The securities of all remaining Vendors will be returned when a contract has been successfully negotiated and executed, or when the procurement is canceled.

37. **Performance Bond/Irrevocable Bank Letter of Credit**

The Vendor must include the price of a performance bond or irrevocable bank letter of credit with its RFP proposal. The cost of the bond or letter of credit must be shown as a separate line item in the *Cost Information Submission*. The performance bond or letter of credit must be procured at the Vendor's expense prior to the execution of the contract and may be invoiced to **Mississippi Department of Human Services** after contract initiation only if itemized in the *Cost Information Submission* and in the executed contract. **The final decision as to the requirement for a Performance Bond or Irrevocable Bank Letter of Credit will be made upon contract award and is at the State's sole discretion.**

If a Performance Bond /Irrevocable Bank Letter of Credit is required, the Vendor must procure and submit to **ITS**, on behalf of **Mississippi Department of Human Services**, with the executed contract, (a) a performance bond from a reliable surety company authorized to do business in the State of Mississippi or (b) an irrevocable bank letter of credit that is acceptable to the State. The Performance Bond or the Irrevocable Letter of Credit shall be for the total amount of the contract or an amount mutually agreed upon by the State and the successful Vendor and shall be payable to **Mississippi Department of Human Services**, to be held by their contracting agent, the Mississippi Department of Information Technology Services. No contract resulting from this RFP will be valid until the required Performance Bond or Irrevocable Bank Letter of Credit has been received and found to be in proper form and amount. The Vendor agrees that the State has the right to request payment for a partial amount or the full amount of the Irrevocable Letter of Credit/Performance bond should the products/services being procured hereunder not be provided in a manner consistent with this RFP and the Vendor's proposal by the delivery dates agreed upon by the parties. The State may demand payment by contacting the bank issuing the letter of credit or the bonding company issuing the performance bond and making a written request for full or partial payment. The issuing bank/bonding company is required to honor any demand for payment from the State within fifteen (15) days of notification. The letter of credit/performance bond shall cover the entire contract period, with the exception of post-warranty maintenance and support, and shall not be released until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Vendor's performance and performance of the products/services delivered and determine that the letter of

credit/performance bond may be reduced or released prior to expiration of the full warranty period.

38. **Responsibility for Behavior of Vendor Employees/Subcontractors**

The Vendor will be responsible for the behavior of all its employees and subcontractors while on the premises of any State agency or institution. Any Vendor employee or subcontractor acting in a manner determined by the administration of any State agency or institution to be detrimental, abusive, or offensive to any of the staff or student body of any State agency or institution will be asked to leave the premises and can be suspended from further work on the premises.

39. **Protests**

The Executive Director of **ITS** and/or the Board Members of **ITS** or their designees shall have the authority to resolve Vendor protests in connection with the selection for award of a contract. Copies of the protest procedures are available on the **ITS** Internet site - **ITS** Protest Procedure and Policy, Section 019-020, **ITS** Procurement Handbook at:

<http://dsitspe01.its.ms.gov/its/procman.nsf/f4ad43bd44ad9d8c86256daa0063e1f0/f227957c9c49a38a8625767900790c4e?OpenDocument> or from **ITS** upon request.

40. **Protest Bond**

Potential Vendors may protest any of the specifications of this RFP on the belief that the specification is unlawful, unduly restrictive, or unjustifiably restraining to competition. Any such protest must be in writing and submitted to the **ITS** Executive Director along with the appropriate protest bond within five (5) working days of the Official Release of the RFP, as defined in the **ITS** Protest Procedure and Policy. The outside of the envelope must be marked "Protest" and must specify RFP number **3738**.

As a condition precedent to filing any protest related to this procurement, the Vendor must procure, submit to the **ITS** Executive Director with its written protest, and maintain in effect at all times during the course of the protest or appeal thereof, a protest bond in the full amount of the total estimated project lifecycle cost or **\$1,000,000.00**, whichever is less. The total estimated project lifecycle cost will be the amount used by **ITS** in the computation of cost points, as the low cost in the denominator of the cost evaluation formula. The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the protest bond and shall identify a contact person to be notified in the event that the State is required to take action against the bond. The protest bond shall not be released to the protesting Vendor until the protest is finally resolved and the time for appealing said protest has expired. The protest bond shall be procured at the protesting Vendor's expense and be payable to the Mississippi Department of Information Technology Services. Prior to approval of the protest bond, **ITS** reserves the right to review the protest bond and require the protesting Vendor to substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by the protesting Vendor. The State may claim against the protest bond as specified in Section 25-53-5 (n) of the Mississippi Code of 1972, as amended during the 1998 Mississippi legislative session, in addition to all other rights and remedies the State may have at law or in equity.

Should the written protest submitted by the Vendor fail to comply with the content requirements of **ITS'** protest procedure and policy, fail to be submitted within the prescribed time limits, or fail to have the appropriate protest bond accompany it, the protest will be summarily dismissed by the **ITS** Executive Director.

41. **Mississippi Employment Protection Act**

Effective July 1, 2008, Vendor acknowledges that if awarded, it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Vendor will agree to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State.

Vendor acknowledges and certifies that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi.

Vendor acknowledges that violating the E-Verify Program (or successor thereto) requirements subjects Vendor to the following: (a) cancellation of any state or public contract and ineligibility for any state or public contract for up to three (3) years, with notice of such cancellation being made public, or (b) the loss of any license, permit, certification or other document granted to Vendor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. Vendor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

SECTION V PROPOSAL EXCEPTIONS

Please return the *Proposal Exception Summary Form* at the end of this section with all exceptions to items in any Section of this RFP listed and clearly explained or state "No Exceptions Taken." If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions to any item in this RFP document.

1. Unless specifically disallowed on any specification herein, the Vendor may take exception to any point within this RFP, including a specification denoted with "shall" or "must," as long as the following are true:
 - 1.1 The specification is not a matter of State law;
 - 1.2 The proposal still meets the intent of the RFP;
 - 1.3 A *Proposal Exception Summary Form* is included with Vendor's proposal; and
 - 1.4 The exception is clearly explained, along with any alternative or substitution the Vendor proposes to address the intent of the specification, on the *Proposal Exception Summary Form*.
2. The Vendor has no liability to provide items to which an exception has been taken. **ITS** has no obligation to accept any exception. During the proposal evaluation and/or contract negotiation process, the Vendor and **ITS** will discuss each exception and take one of the following actions:
 - 2.1 The Vendor will withdraw the exception and meet the specification in the manner prescribed;
 - 2.2 **ITS** will determine that the exception neither poses significant risk to the project nor undermines the intent of the RFP and will accept the exception;
 - 2.3 **ITS** and the Vendor will agree on compromise language dealing with the exception and will insert same into the contract; or
 - 2.4 None of the above actions is possible, and **ITS** either disqualifies the Vendor's proposal or withdraws the award and proceeds to the next ranked Vendor.
3. Should **ITS** and the Vendor reach a successful agreement, **ITS** will sign adjacent to each exception which is being accepted or submit a formal written response to the *Proposal Exception Summary* responding to each of the Vendor's exceptions. The *Proposal Exception Summary*, with those exceptions approved by **ITS**, will become a part of any contract on acquisitions made under this RFP.
4. An exception will be accepted or rejected at the sole discretion of the State.
5. The State desires to award this RFP to a Vendor or Vendors with whom there is a high probability of establishing a mutually agreeable contract, substantially within the

standard terms and conditions of the State's RFP, including the *Standard Contract* in Exhibit A, if included herein. As such, Vendors whose proposals, in the sole opinion of the State, reflect a substantial number of material exceptions to this RFP, may place themselves at a comparative disadvantage in the evaluation process or risk disqualification of their proposals.

6. For Vendors who have successfully negotiated a contract with **ITS** in the past, **ITS** requests that, prior to taking any exceptions to this RFP, the individual(s) preparing this proposal first confer with other individuals who have previously submitted proposals to **ITS** or participated in contract negotiations with **ITS** on behalf of their company, to ensure the Vendor is consistent in the items to which it takes exception.

PROPOSAL EXCEPTION SUMMARY FORM

List and clearly explain any exceptions, for all RFP Sections and Exhibits, in the table below.

ITS RFP Reference	Vendor Proposal Reference	Brief Explanation of Exception	ITS Acceptance (sign here only if accepted)
(Reference specific outline point to which exception is taken)	(Page, section, items in Vendor's proposal where exception is explained)	(Short description of exception being made)	
1.			
2.			
3.			
4.			
5.			
6.			
7.			

SECTION VI RFP QUESTIONNAIRE

Please answer each question or provide the information as requested in this section.

1. **Statewide Automated Accounting System (SAAS) Information for State of Mississippi Vendor File**

1.1 **SAAS Vendor Code:** Any Vendor who has not previously done business with the State and has not been assigned a SAAS Vendor code should furnish a signed copy of an IRS W-9 form with the proposal. A copy of the W-9 Form can be obtained at the following link on the **ITS** website:

<http://www.its.ms.gov/Procurement/Pages/Vendor.aspx>

Vendors who have previously done business with the State should furnish **ITS** with their SAAS Vendor code.

SAAS Vendor Code: _____ OR Signed W-9 Form Attached: _____

1.2 **Vendor Self-Certification Form:** The State of Mississippi, in an effort to capture participation by minority Vendors, asks that each Vendor review the State of Mississippi Minority Vendor Self Certification Form. This information is for tracking/reporting purposes only, and will not be used in determining which Vendor will be chosen for the project. Any Vendor who can claim status as a Minority Business Enterprise or a Woman Business Enterprise in accordance with the definitions on this form and who has not previously submitted a form to the State of Mississippi should submit the completed form with the proposal. A copy of the Minority Vendor Self-Certification Form can be obtained at: http://www.mississippi.org/assets/docs/minority/minority_vendor_selfcertform.pdf. Please direct any questions about minority certification in Mississippi to the Minority Business Enterprise Division of the Mississippi Development Authority by telephone at (601) 359-3448 or via email at minority@mississippi.org.

Minority Vendor Self-Certification Form Included: _____
Minority Vendor Self-Certification Form Previously Submitted: _____
Not claiming Minority/Women Business Enterprise Status: _____

2. **Certification of Authority to Sell**

The Vendor must certify Vendor is a seller in good standing, authorized to sell and able to deliver all items and related services proposed in the State of Mississippi in the time frame specified. Does the Vendor make these certifications? (A yes or no answer is required.)

3. **Certification of No Conflict of Interest**

Mississippi law clearly forbids a direct or indirect conflict of interest of a company or its employees in selling to the State. The Vendor must answer and/or provide the following:

- 3.1 Does there exist any possible conflict of interest in the sale of items to any institution within **ITS** jurisdiction or to any governing authority? (A yes or no answer is required.)
- 3.2 If the possibility of a conflict does exist, provide a list of those institutions and the nature of the conflict on a separate page and include it in your proposal. The Vendor may be precluded from selling to those institutions where a conflict of interest may exist.

4. **Pending Legal Actions**

- 4.1 Are there any lawsuits or other legal proceedings against the Vendor that pertain to any of the software, hardware, or other materials and/or services which are a part of the Vendor's proposal? (A yes or no answer is required.)
- 4.2 If so, provide a copy of same and state with specificity the current status of the proceedings.

5. **Non-Disclosure of Social Security Numbers**

Does the Vendor acknowledge that any information system proposed, developed, or modified under this RFP that disseminates, in any form or manner, information or material that contains the Social Security Number of an individual, has mechanisms in place to prevent the inadvertent disclosure of the individual's Social Security Number to members of the general public or to persons other than those persons who, in the performance of their duties and responsibilities, have a lawful and legitimate need to know the individual's Social Security Number? This acknowledgement is required by Section 25-1-111 of the Mississippi Code Annotated.

6. **Order and Remit Address**

The Vendor must specify both an order and a remit address:

Order Address:

Remit Address (if different):

7. **Web Amendments**

As stated in Section III, **ITS** will use the **ITS** website to post amendments regarding RFPs before the proposal opening at:

http://www.its.ms.gov/Procurement/Pages/RFPS_Awaiting.aspx

ITS may post clarifications until noon seven days prior to the proposal opening date listed on the cover page of this RFP or the posted extension date, if applicable.

Vendors may list any questions or items needing clarification discovered in the week prior to the proposal opening in a written format at the beginning of the proposal binder or in the comment section for the individual offering.

Does the Vendor certify that they have reviewed a copy of the **ITS** amendments for RFPs as above stated? (A yes or no answer is required.)

SECTION VII TECHNICAL SPECIFICATIONS

1. How to Respond to this Section

- 1.1 Beginning with Item 2.1 of this section, label and respond to each outline point in this section as it is labeled in the RFP.
- 1.2 The Vendor must respond with “ACKNOWLEDGED,” “WILL COMPLY” or “AGREED” to each point in this section. In addition, many items in this RFP require detailed and specific responses to provide the requested information. Failure to provide the information requested will result in the Vendor receiving a lower score for that item, or, at the State’s sole discretion, being subject to disqualification.
- 1.3 “ACKNOWLEDGED” should be used when no vendor response or vendor compliance is required. “ACKNOWLEDGED” simply means the vendor is confirming to the State that he read the statement. This is commonly used in the RFP sections where the agency’s current operating environment is described or where general information is being given about the project.
- 1.4 “WILL COMPLY” or “AGREED” are used interchangeably to indicate that the vendor will adhere to the requirement. These terms are used to respond to statements that specify that a vendor or vendor’s proposed solution must comply with a specific item or must perform a certain task.
- 1.5 If the Vendor cannot respond with “ACKNOWLEDGED,” “WILL COMPLY,” or “AGREED,” then the Vendor must respond with “EXCEPTION.” (See Section V, for additional instructions regarding Vendor exceptions.)
- 1.6 Where an outline point asks a question or requests information, the Vendor must respond with the specific answer or information requested.
- 1.7 In addition to the above, Vendor must provide explicit details as to the manner and degree to which the proposal meets or exceeds each specification.

2. Mandatory Provisions in Technical Requirements for this RFP

- 2.1 Certain items in the technical specifications of this RFP are MANDATORY. Vendors are specifically disallowed from taking exception to these mandatory requirements, and proposals that do not meet all mandatory requirements are subject to immediate disqualification.
- 2.2 Vendors proposed location for a CRDU must be located in the Jackson, Mississippi metropolitan area. Vendor must state the address of the proposed site.

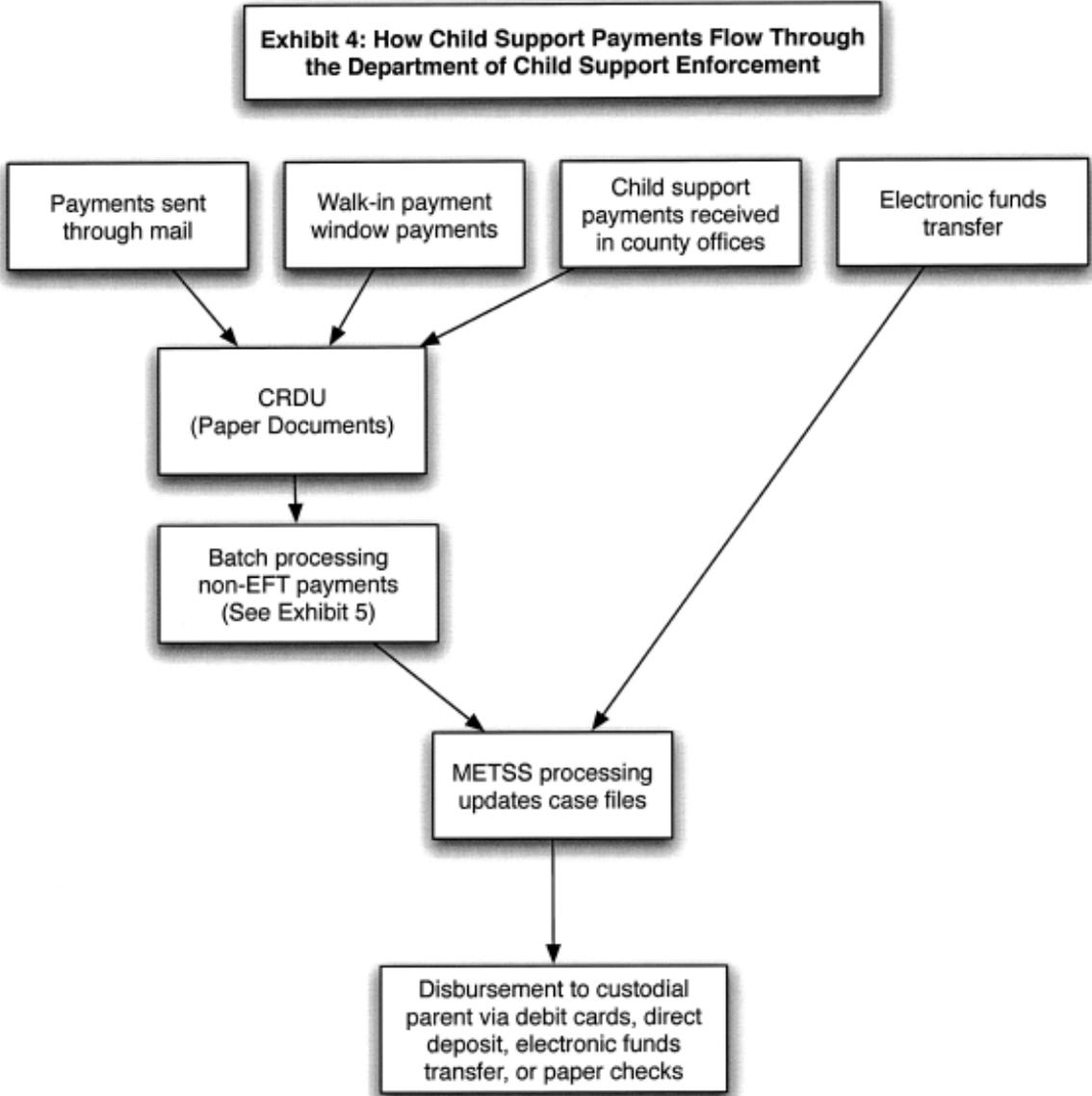
- 2.2.1 If proposing more than one site, Vendor must also list the address of the site(s).
- 2.2.2 The State reserves the right to select the site.
- 2.3 Attachment A, Items 7.10.8 and 7.10.9 are both mandatory requirements.
- 2.4 The Vendor shall, in good faith offer all 12 CRDU staff employed by MDHS, a right of first refusal of employment, and the Contractor shall not offer employment under this Contract to any person prior to having complied with this obligation. The Contractor shall make an express offer of employment to each employee and shall state the time within which each employee must accept such offer, but in no case shall the period within which the employee must accept the offer of employment be less than 10 days.
- 2.5 Vendor must describe in detail their plans for hiring/staffing and how they have accomplished this in other states. Vendor is required to list specific state contacts as references for the evaluation team to contact.
- 2.6 A mandatory Vendor Conference will be held on Tuesday, November 5, 2013, at 2:00 p.m. Central Time. Vendors may attend either in person or via the web. Attendance is mandatory for any Vendor who intends to submit an RFP response. To attend in person, the conference will be held at ITS located at 3771 Eastwood Drive, Jackson, Mississippi 39211.
 - 2.6.1 To attend via web, contact Tangela Harrion at 601-432-8112 or via email at Tangela.Harrion@its.ms.gov to obtain the dial in information by 4:00 p.m. Central Time on November 4, 2013.
 - 2.6.2 No exceptions will be granted to this requirement. Any proposal received from a Vendor who did not have an authorized representative at the Vendor Conference will be rejected.

3. **General Overview and Background**

- 3.1 The Mississippi Department of Human Services (MDHS), Division of Field Operations (DFO), operates the child support unit for the State of Mississippi. MISS CODE ANN. §43-19-31 et seq. (1972) authorizes DFO to operate a State Disbursement Unit (SDU) fulfilling the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The Central Receiving and Disbursement Unit (CRDU) is the SDU for the State of Mississippi.
- 3.2 The mission of the CRDU is to provide the ability for non-custodial parents (NCP) to contribute to the support of their children by making regularly scheduled support payments, allowing the custodial parent (CP) to better provide for the needs of their children through regular, uninterrupted support.

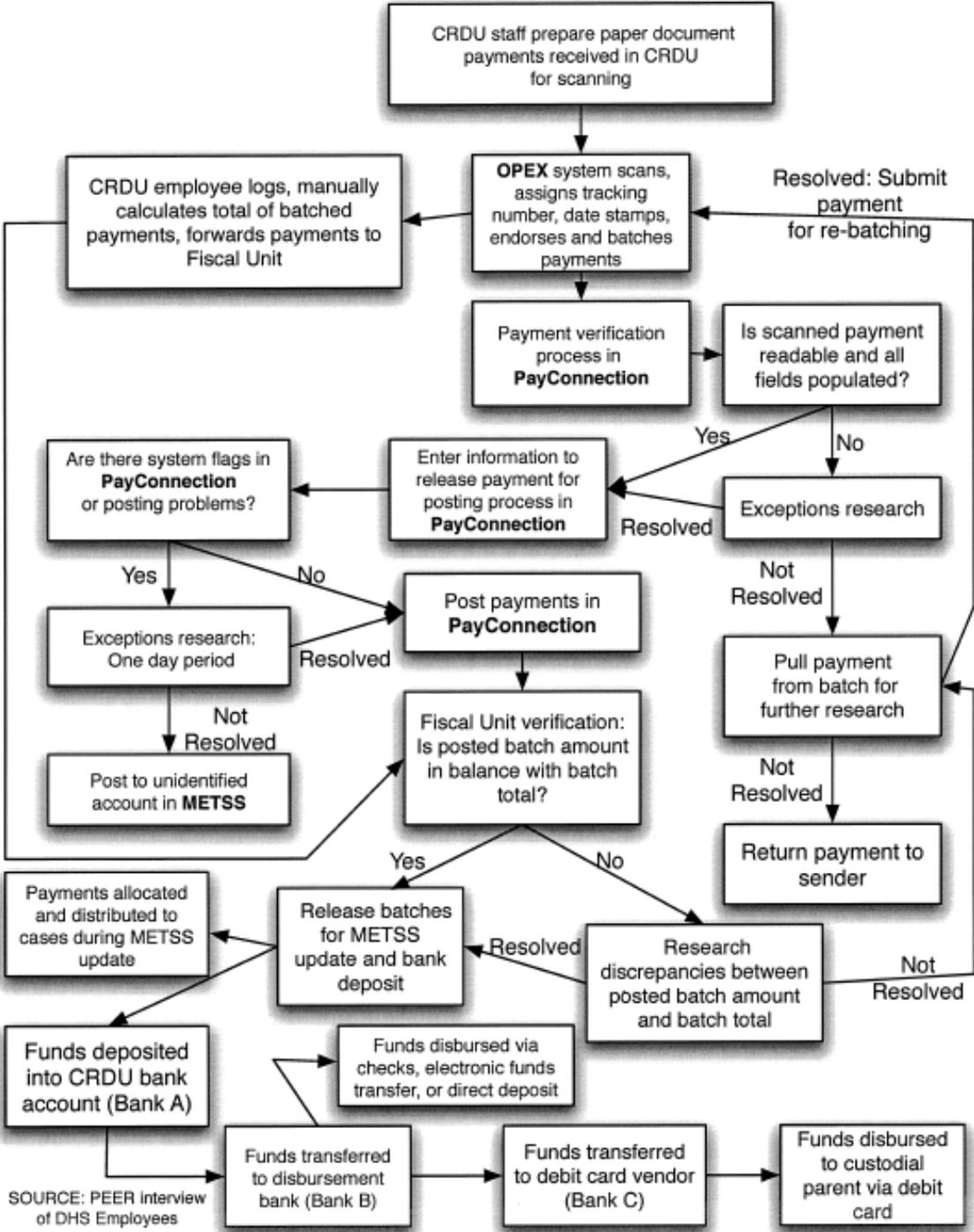
Current Child Support Overview

- 3.3 The MDHS's responsibilities are carried out in six key service areas: establishment of paternity, establishment of support orders, collections, receipting and disbursement of child support payments, enforcement of orders, and customer service. The MDHS has its central office in Jackson and eighty-four local offices, one in each county except for Bolivar and Chickasaw which each have two offices.
- 3.4 The CRDU is responsible for processing all Title IV-D and Non IV-D child support payments. Payments that the division receives through electronic funds transfer (EFT) are handled directly by the Mississippi Enforcement Tracking of Support System (METSS). METSS is running on an IBM mainframe with the z/OS and was developed in Natural 4.2.2 and ADABAS 7.4.4.
- 3.5 Noncustodial parents may also submit child support payments to the CRDU via cash, check, money order or automatic withholding from his/her employer. These payments are accepted by the CRDU through the U.S. Postal Service, county offices, or on-site through a payment window at the State office in Jackson. Federal regulations require that all child support payments must be disbursed within two days of their receipt.
- 3.6 Child support cases for FY 2012 totaled 392,009 and FY 2013 totaled 369,408. The CRDU receipts, processes and disburses in excess of 6 million child support payments annually. The total amount collected through the CRDU in FY 2012 was \$184,320,186.47 and for FY 2013 was \$184,312,424.91.
- 3.7 The CRDU utilizes the OPEX and PayConnection systems to collect, scan, and post child support payments. These payments are processed, allocated and distributed to cases in METSS, and submitted to the debit card company that handles distribution of funds to custodial parents receiving child support payments by debit cards. 98% of disbursements to custodial parents are through debit card however, custodial parents can also receive payments through direct deposit or by check.
- 3.8 The Table below demonstrates how the child support payments flows through the Department of Child Support Enforcement.



- 3.9 When payments are sent through the mail to the CRDU, designated staff picks up and deliver the payments from the post office. Payments are also remitted from the county offices to the CRDU for processing as well as individuals may make payments at the payment window. The CRDU is located in a restrictive environment within the Department of Human Services monitored by cameras with limited access to only authorized personnel through a security keypad. The CRDU staff opens the mail in a designated area within the CRDU and prepares it for scanning by the OPEX operator.
- 3.10 The OPEX scanning system subsequently scans the payment instrument and remittance form. The OPEX system date stamps, assigns a tracking number, and endorses each check and batches the child support payments into groups, usually of twenty-five. For each batch, the CRDU staff creates a uniquely numbered batch slip that remains with the grouped payments throughout the process that includes the date and time the payments were scanned and the name of the person who was running the OPEX machine.
- 3.11 Immediately after scanning, a different CRDU employee logs and totals the checks in the batch and attaches the adding machine tape to the grouped payments. The payments, remittance forms and the adding machine tape are sent to the Fiscal Unit within the CRDU for custody and preparation for deposit.
- 3.12 The table below demonstrates how the CRDU processes child support payments made by paper document.

Exhibit 5: CRDU's Processing of Child Support Payments Made by Paper Document



SOURCE: PEER interview of DHS Employees

- 3.13 After payments are scanned and batches are totaled, the batched payments are viewable in the PayConnection system, where CRDU staff verifies payments for accuracy, posts them to cases, and deposits the collections into the bank.
- 3.14 The verification process in PayConnection involves a worker (i. e., a verifier) verifying that the scanned information is readable on the screen and that all fields are populated with information read from the payment instrument. The verifier enters any omitted information in fields that did not populate and also enters basic information from the payment into the system to release or submit the batched payments for the payment posting process.
- 3.15 If all information is not readable or all fields have not populated, further research may be required. If the problem is not readily resolved, the payment has to be pulled from the batch for further research so that the rest of the batch may be processed. After problems with the payment have been resolved, it must be rescanned and re-batched. If the problem cannot be resolved, the payment must be returned to the sender to be reissued.
- 3.16 The posting process in PayConnection involves a worker receipting all payments from individual checks within each batch to cases in METSS. Income withholding order payments from businesses may have hundreds of noncustodial parent payors and each payor may have numerous payments that must be posted to separate subcases. The process involves matching the non-custodial parent's social security number to each of his or her cases in METSS and receipting individual payments to each of those cases. Each check remittance total must balance to the total posted amount for the check.
- 3.17 Posting problems may result from predetermined PayConnection system flags, payments lacking sufficient identifying information to be posted to a child support case, or other problems that make posting with certainty to a specific case difficult. As a matter of quality assurance, the poster must have certainty that the correct payor or case has been identified before a receipt may be posted to it. If not readily resolved, one day of exception research within the CRDU is allowed to resolve the problem. Payments that cannot be posted to cases after one day of research within the CRDU must be posted to the unidentified suspense account.
- 3.18 Once the staff posts the payments to cases and completes a batch of payments, the CRDU's Fiscal Unit verifies that the posted child support payments are balanced against the adding machine tape total referenced above to determine whether the tape total balances to the batch total amount posted to cases. Discrepancies are reconciled by running another adding machine tape to verify the batch total and individual check amounts. Discrepancies that cannot be corrected result in pulling the payment from the batch so that the deposit may be prepared without the payment. Next, the CRDU's Fiscal Unit releases the balanced batch for deposit and prepares a deposit ticket for the bank. Data from METSS is interfaced with the CRDU system nightly to be used for appropriate edit checking during payment

processing the next day. The interfacing of this data will still need to occur. The CRDU manager will initiate the upload of the batches and receipts to METSS.

- 3.19 After processing by MDHS, payments are ultimately forwarded to the financial institution that provides the debit cards used by custodial parents to access the funds. In this process, the payments are first deposited to a financial institution, for example Bank A. Payments remain in Bank A for two days so that nonsufficient funds or discrepancies may be identified. During the two-day period, METSS posts child support payments to the appropriate cases, adjusts case balances accordingly, and notifies the debit card vendor of which accounts have received funds. Also during the two-day period, MDHS receives notification from the debit card company of the accounts scheduled to receive funds based on the transmitted METSS report and MDHS reconciles this notification to the METSS report transmitted.
- 3.20 After the two-day period, child support payments are transferred from Bank A to Bank B, referred to as “the child support payment disbursement account.” On the same day funds are transferred from Bank A to Bank B, funds that are to be accessed through a debit card are wired from Bank B to Bank C, which is the debit card’s vendor bank. Custodial parents gain access to payments through debit cards issued by Bank C or by checks, electronic funds transfers, or direct deposits through Bank B.

4. Procurement Project Schedule

Task	Date
First Advertisement Date for RFP	10/08/13
Second Advertisement Date for RFP	10/15/13
Publish RFP to the Web	10/29/13
Mandatory Vendor Conference*	2:00 p.m. Central Time on 11/05/13
Deadline for Vendor’s Written Questions	3:00 p.m. Central Time on 11/13/13
Deadline for Questions Answered and Posted to ITS Web Site	11/27/13
Open Proposals	3:00 p.m. Central Time on 12/10/13
Begin Evaluation of Proposals	12/11/13
Presentations/On-site Tours	12/13/13 & 12/16/13
ITS Board Presentation	12/19/13
Begin Contract Negotiations	12/23/13
Initial Project Implementation Date	01/21/14

*Onsite attendance optional, web conference is available.

5. Statement of Understanding

- 5.1 Vendors may request additional information or clarifications to this RFP using the following procedure:
 - 5.1.1 Vendors must clearly identify the specified paragraph(s) in the RFP that is in question.
 - 5.1.2 Vendor must deliver a written document to Tangela Harrion at ITS by Wednesday, November 13, 2013 at 3:00 p.m. Central Time. This document may be delivered by hand, mail, email, or fax. Address information is given on page one of this RFP. The fax number is (601) 713-6380. **ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF QUESTION DOCUMENTS.** It is solely the responsibility of the vendor that the clarification document reaches **ITS** on time. Vendors may contact Tangela Harrion to verify the receipt of their document. Documents received after the deadline will be rejected.
- 5.2 All questions will be compiled and answered, and a written document containing all questions submitted and corresponding answers will be posted on the **ITS** web site by close of business on Wednesday, November 27, 2013.
- 5.3 MDHS anticipates the initial implementation to be January 21, 2014 with a phased approach for full implementation as negotiated between MDHS and the awarded Vendor.

6. Vendor Qualifications

- 6.1 The Vendor must provide a description of his organization with sufficient information to substantiate proven expertise in the products and services being requested in the RFP. Information to be specified includes but is not limited to:
 - 6.2 The location of its principal office and the number of executive and professional personnel employed at this office.
 - 6.3 The organization's size (e.g., employees, offices, locations) and structure (e.g., state, national, or international organization);
 - 6.4 Whether the Vendor is based locally, regionally, nationally, or internationally as well as its relationship to any parent firms, sister firms, or subsidiaries;
 - 6.5 If incorporated, the Vendor must provide the name and the state of incorporation
 - 6.6 The Vendor proposal must contain an organizational chart identifying personnel proposed for the project and the chain of command inside the Vendor's organization for that designated staff.

- 6.7 Vendor must describe the issue resolution and escalation process that will be used within the Vendor's organization to resolve any problems or issues that may arise during the course of this project.
- 6.8 Vendor must provide names, addresses, and telephone numbers of three (3) agencies and/or business contacts including key individuals within those organizations who have utilized the applicant's services for providing the same or similar services requested in this RFP.
- 6.8.1 These contacts should have taken place no longer than twenty-four (24) months prior to the submission of your proposal in response to this RFP.
- 6.9 If a non-profit organization, show documentation which proves that it meets the requirements of Section 501(c)3 of the Internal Revenue Code.
- 6.10 Vendor's Financials
- 6.10.1 Vendor must attach a copy of the last two (2) years audited financial statements complete with the notes and opinion letter from applicant's auditor and/or other proof, acceptable to MDHS, of financial responsibility.
- 6.10.2 In order to assure financial responsibility in performing the requirements of this RFP, MDHS reserves the right to require a current financial statement prepared and certified by an independent auditing firm.
- 6.10.3 Vendors, including the parent corporation of any subsidiary corporation submitting a response, must include in their proposal evidence of financial responsibility and stability for the performance of the contract resulting from this RFP.
- 6.10.4 The state reserves the right to request any additional information to assure itself of Vendor's financial status.
- 6.10.5 In the event that a Vendor is either substantially or wholly owned by another corporate entity, the proposal must also include the most recent detailed financial report of the parent organization, and a written guarantee by the parent organization that it will unconditionally guarantee performance by the Vendor of each and every term, covenant, and condition of such contract as may be executed by the parties.
- 6.10.6 Disclose if and when it has filed for bankruptcy within the last seven years under its name or the sole proprietor's name in a related business. For Vendors that are partnerships or corporations, Vendor must disclose whether any of its principals, partners or officers have filed bankruptcy within the last seven years in a related business.

- 6.10.7 Disclosure of any company restructurings, mergers, and acquisitions over the past 3 years that have impacted any products or services the Vendor has included in this proposal.

7. CRDU Functional/Technical Requirements

- 7.1 Additional requirements for this project are incorporated into a table included in this RFP as Attachment A, Functional/Technical Requirements.
- 7.2 Vendor must refer to that Attachment and provide their responses to that portion of their proposal as instructed in Section VII Technical Specifications beginning with Item 1 on Page 32 of this RFP.

8. Cost Requirements

- 8.1 Vendors must propose a firm fixed price for a full three (3) year term plus one 2-year optional renewal in Section VIII, *Cost Information Submission* form.
- 8.2 The firm fixed price for each year must cover all Vendor costs including the following items:
 - 8.2.1 Ongoing operational costs to operate the Central Receipting and Disbursement Unit
 - 8.2.2 Implementation and/or upgrade of hardware and software that will be required for startup and ongoing operations, and
 - 8.2.3 System maintenance/programming /testing.
- 8.3 Vendors must propose and include their program budget in Section VIII *Cost Information Submission* showing ability to perform the services requested within the limits of the funds available; including, but not limited to, salaries, benefits, operating and travel costs.

9. Liquidated Damages Requirements

- 9.1 Vendor shall indemnify MDHS for any federal damages imposed due to CRDU performance or nonperformance.
- 9.2 Damages will be imposed by MDHS for performance failures and may be imposed immediately upon Vendor's failure to perform or after provision of and failure to comply with a corrective action plan or notice of deficiency as set out below.
- 9.3 Excluding absences for regularly allowed sick leave or vacation leave, absences of the Vendor's project director or key management and technical personnel without suitable backup and without the prior approval of the Customer's IV-D Director or designee may, in MDHS' sole discretion, result in Vendor being assessed liquidated damages in the amount of \$100.00 per day

per person for the first five (5) business days and shall increase to \$500.00 per day per person thereafter.

- 9.4 Batch delay, (which is the nightly interface of data required for proper editing) due to Vendor performance or non-performance, for more than two (2) consecutive calendar days, will result in Vendor being assessed liquidated damages in the amount of \$1,000.00 per consecutive day.
- 9.5 Liquidated damages will not be assessed for Vendor's failure to produce reports during the first month the CRDU is in operation. Thereafter, liquidated damages for Vendor's failure to produce a daily report on the business day it is due will result in Vendor being assessed liquidated damages in the amount of \$1,000.00 per day per daily report. The liquidated damages for Vendor's failure to produce a weekly report on the business day it is due is \$2,000.00 per week per weekly report. For reports due on a monthly, or less frequent basis, the liquidated damages for Vendor's failure to produce such a report on the business day it is due will be \$10,000.00 per report per occurrence except for payment history reports, in which case the liquidated damages shall be \$1,000.00 per report per occurrence.
- 9.6 Liquidated damages for Vendor's failure to receipt any payment on the business day it is received is ten percent (10%) of the un-receipted amount or \$1,000.00, whichever is more, for the first instance in any given calendar month. The second failure within a calendar month to receipt any payment on the business day it is received is subject to liquidated damages in the amount of \$2,000.00 or twelve percent (12%) of the un-receipted amount, whichever is more; the third failure within a calendar month to receipt any payment on the business day it is received is subject to liquidated damages in the amount of \$3,000.00 or fourteen percent (14%) of the un-receipted amount, whichever is more; and similar escalation continues. The liquidated damages structure recycles on a monthly basis.
- 9.7 Liquidated damages for Vendor's failure to transfer payment data to MDHS by 5:00 P.M. (Central Time) on the date the payment is posted is \$1,000.00 or ten percent (10%) of the amount not transferred, whichever is more. A second failure within a calendar month to transfer payment data to MDHS by 4:00 P.M. (Central Time) on the date the payment is posted is subject to liquidated damages in the amount of \$2,000.00 or twelve percent (12%) of the amount not transferred, whichever is more; the third failure within a calendar month to transfer payment data to MDHS by 4:00 P.M. (Central Time) on the date the payment is posted is subject to liquidated damages in the amount of \$3,000.00 or fourteen percent (14%) of the amount not transferred, whichever is more; and similar escalation continues thereafter. The liquidated damages structure recycles on a monthly basis.
- 9.8 Vendor's failure to correct any negative audit findings made by either the CRDU Vendor's independent auditors or by State auditors, will result in liquidated damages of \$50,000.00 per uncorrected finding if not corrected within sixty (60) calendar days of the audit finding, or a longer period if approved by MDHS.

- 9.9 Liquidated damages of \$1,000.00 per calendar day will be imposed for each transition plan milestone Vendor misses.
- 9.10 Liquidated damages for disbursement delays beyond the federal timeliness standard, caused by batch or file problems due to Vendor or subcontractor performance or failure to perform, is ten percent (10%) of the un-disbursed amount or \$1,000.00, whichever is more. The second such failure within a calendar month will result in liquidated damages of \$2,000.00 or twelve percent (12%) of the un-disbursed amount, whichever is more, being assessed; the third such failure within a calendar month will result in liquidated damages of \$3,000.00 or fourteen percent (14%) of the un-disbursed amount, whichever is more, being assessed; and similar escalation continues. The damages structure recycles on a monthly basis.
- 9.11 Vendor's failure to provide a monthly CRDU balance sheet for the Collection Account which accurately lists all assets and liabilities, based upon supporting documentation in the CRDU, and showing that any unreconciled items have been resolved within seven (7) calendar days of the CRDU balance sheet due date, will result in Vendor being assessed liquidated damages of \$10,000.00 per calendar day until reconciliation is achieved.
- 9.12 A written Notice of deficiency will be delivered to Vendor by MDHS staff regarding performance deficiencies or failure to perform to contract requirements. The notice will include a brief description of the deficiency, the expected outcome that is not being met and the allowed time frame after delivery of the notice, for correction of the deficiency. Upon failure to rectify the deficiency within the allowed time frame, damages will be imposed in the amount of \$1,000.00 per day. If the Vendor presents MDHS staff with an explanation of its failure to rectify, along with a request for an extension of time in which to comply, that request may be approved by MDHS staff for good cause shown. Vendor may bring to the MDHS IV-D Director a written challenge as to the nature or extent of any noted deficiency or as to the reasonableness of the time frame allowed for correction of the deficiency. The decision of the MDHS IV-D Director is final.

10. **Corrective Action**

- 10.1 MDHS will monitor Vendor performance. MDHS retains authority for interpreting performance under the terms of this Agreement. MDHS may request a Corrective Action Plan to address any deficiency or deficiencies discovered.
- 10.2 MDHS may issue a letter delineating the deficiency or deficiencies, setting a corrective action time period, and may require submission of a written corrective action plan within fifteen (15) calendar days.
- 10.3 If a corrective action plan is required, MDHS shall impose liquidated damages for Vendor's failure to submit a corrective action plan as directed in the deficiency letter. The imposition of such liquidated damages does not

preclude MDHS' right to terminate the Agreement during the assessment of the liquidated damages.

- 10.4 The liquidated damages shall initially be assessed by withholding ten percent (10%) of the next monthly payment due the Vendor. Said liquidated damages shall continue for each subsequent month of failure to submit a corrective action plan. Any such money withheld is forfeited by the Vendor and retained by MDHS.
- 10.5 MDHS will notify the Vendor within fifteen (15) calendar days of the receipt of a Corrective Action Plan of the acceptability of the plan, and allow five (5) calendar days for the Vendor to submit a clarification or revision if the Plan is deemed to be unacceptable to MDHS.
- 10.6 Acceptance of the Plan by MDHS does not guarantee that the implementation of the Plan will result in elimination of the deficiencies for which future damages for non-performance may be applied by MDHS.
- 10.7 MDHS will impose liquidated damages for Vendor's failure to correct the cited deficiencies within the corrective action period. To the extent such failure is beyond the control of the Vendor, as determined by MDHS, liquidated damages shall not be imposed. The liquidated damages shall initially be assessed by withholding ten percent (10%) of the monthly payment due for each of the next three (3) months. Thereafter, on a quarterly basis, the liquidated damages will be increased by an additional five percent (5%) of each monthly payment due in each subsequent quarter in which there is a continued failure to meet the standard. Imposition of such liquidated damages shall not preclude contract termination.
- 10.8 If MDHS imposes any such liquidated damages, MDHS staff will monitor and evaluate Vendor progress during the damages period. Any such money withheld is forfeited by the Vendor and retained by MDHS.
- 10.9 Any failure to meet the performance standards required in the corrective action plan shall not result in the imposition of liquidated damages under this subsection until three (3) months after the Effective Date of this Agreement.
- 10.10 Liquidate damages imposed will be collected by withholding the damages amount from any amount due to the Vendor. If payment to the Contractor is insufficient to satisfy the damages owed, payment of liquidated damages amounts imposed shall be due from the Vendor within thirty (30) calendar days of MDHS' written demand for payment. Such demand shall not preclude MDHS from further offsets.
- 10.11 Liquidated damages may be waived by MDHS if delays are caused by a natural disaster or other cause beyond the control of the Vendor as determined by MDHS.

10.12 MDHS reserves the right to waive certain damages at its discretion; waiver by MDHS of any particular damages shall not constitute the future waiver of such damages, nor will it constitute a modification of the Agreement.

11. Additional Requirements

11.1 ITS acknowledges that the specifications within this RFP are not exhaustive. Rather, they reflect the known requirements that must be met by the proposed system. Vendors must specify, here, what additional components may be needed and are proposed in order to complete each configuration.

12. Scoring Methodology

12.1 An Evaluation Team composed of MDHS and **ITS** staff will review and evaluate all proposals. All information provided by the Vendors, as well as any other information available to evaluation team, will be used to evaluate the proposals.

12.1.1 Each category included in the scoring mechanism is assigned a weight between one and 100.

12.1.2 The sum of all categories, other than Value-Add, equals 100 possible points.

12.1.3 Value-Add is defined as product(s) or service(s), exclusive of the stated functional and technical requirements and provided to the State at no additional charge, which, in the sole judgment of the State, provide both benefit and value to the State significant enough to distinguish the proposal and merit the award of additional points. A Value-Add rating between 0 and 5 may be assigned based on the assessment of the evaluation team. These points will be added to the total score.

12.1.4 For the evaluation of this RFP, the Evaluation Team will use the following categories and possible points:

Category	Possible Points
Non-Cost Categories:	
Vendor Qualifications/ Experience	20
CRDU Functional/Technical Requirements	50
Total Non-Cost Points	70
Cost	30
Total Base Points	100
Value Add	5
Maximum Possible Points	105

12.2 The evaluation will be conducted in four stages as follows:

12.2.1 Stage 1 – Selection of Responsive/Valid Proposals – Each proposal will be reviewed to determine if it is sufficiently responsive to the RFP requirements to permit a complete evaluation. A responsive proposal must comply with the instructions stated in this RFP with regard to content, organization/format, Vendor experience, number of copies, bond requirement, timely delivery, and must be responsive to all mandatory requirements. No evaluation points will be awarded in this stage. Failure to submit a complete proposal may result in rejection of the proposal.

12.2.2 Stage 2 – Non-cost Evaluation (all requirements excluding cost)

12.2.2.1 Non-cost categories and possible point values are as follows:

Non-Cost Categories	Possible Points
Vendor Qualifications/Experience	20
CRDU Functional/Technical Requirements	50
Maximum Possible Points	70

12.2.2.2 Proposals meeting fewer than 80% of the requirements in the non-cost categories may be eliminated from further consideration.

12.2.2.3 ITS scores the non-cost categories on a 10-point scale, with 9 points for meeting the requirement. The ‘Meets Specs’ score for each category is 90% of the total points allocated for that category. For example, the ‘CRDU Functional/Technical Requirements’ category was allocated 50 points; a proposal that fully met all requirements in that section would have scored 45 points. The additional 10% is used for a proposal that exceeds the requirement for an item in a way that provides additional benefits to the state.

12.3 Stage 3 – Cost Evaluation

12.3.1 Points will be assigned using the following formula:

$$(1 - ((B - A) / A))^n$$

Where:

A = Total lifecycle cost of lowest valid proposal

B = Total lifecycle cost of proposal being scored
n = Maximum number of points allocated to cost for acquisition

12.3.2 Cost categories and maximum point values are as follows:

Cost Category	Possible Points
Lifecycle Cost	30
Maximum Possible Points	30

12.4 Stage 4 – Selection of the successful Vendor

12.4.1 On-site Demonstrations and Interviews

12.4.1.1 At the discretion of the State, evaluators may request interviews, on-site presentations, demonstrations or discussions with any and all Vendors for the purpose of system overview and/or clarification or amplification of information presented in any part of the proposal.

12.4.1.2 If requested, Vendors must be prepared to make on-site demonstrations of system functionality and/or proposal clarifications to the evaluation team and its affiliates within seven calendar days of notification. Each presentation must be made by the project manager being proposed by the Vendor to oversee implementation of this project.

12.4.1.3 Proposed key team members must be present at the on-site demonstration. The evaluation team reserves the right to interview the proposed key team members during this onsite visit.

12.4.1.4 Although on-site demonstrations may be requested, the demonstration will not be allowed in lieu of a written proposal.

12.4.2 Site Visits

12.4.2.1 At the State’s option, Vendors that remain within a competitive range must be prepared to provide a reference site within seven calendar days of notification. If possible, the reference site should be in the Southeastern region of the United States. Vendor must list potential reference sites in the proposal.

12.5 Final Quantitative Evaluation - Following any requested presentations, demonstrations, and/or site visits, the Evaluation Team will re-evaluate any

technical/functional scores as necessary. The technical/functional and cost scores will then be combined to determine the Vendor's final score.

**SECTION VIII
 COST INFORMATION SUBMISSION**

Vendors must propose a summary of all applicable project costs in the matrix that follows. The matrix must be supplemented by a cost itemization fully detailing the basis of each cost category. The level of detail must address the following elements as applicable: item, description, quantity, retail, discount, extension, and deliverable. Any cost not listed in this section may result in the Vendor providing those products or services at no charge to the State or face disqualification. Vendors may add rows, if needed.

YEAR 1 COSTS	
DESCRIPTION	COST
Implementation of hardware and software required for startup	
Ongoing operational CRDU Costs	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 1 COSTS:	

YEAR 2 COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs	
Upgrading hardware and software for ongoing operations	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 2 COSTS:	

YEAR 3 COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs	
Upgrading hardware and software for ongoing operations	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 3 COSTS:	

Cost of Performance Bond (Per Section VI, Item 37)	\$
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SECTION IX REFERENCES

Please return the following Reference Forms, and if applicable, Subcontractor Reference Forms.

1. References

- 1.1 The Vendor must provide at least **three (3)** references consisting of Vendor accounts that the State may contact. Required information includes customer contact name, address, telephone number, email address, and engagement starting and ending dates. Forms for providing reference information are included later in this RFP section. The Vendor must make arrangements in advance with the account references so that they may be contacted at the Project team's convenience without further clearance or Vendor intercession.
- 1.2 Any of the following may subject the Vendor's proposal to being rated unfavorably relative to these criteria or removed from further consideration, at the State's sole discretion:
 - 1.2.1 Failure to provide reference information in the manner described;
 - 1.2.2 Inability of the State to substantiate minimum experience or other requirements from the references provided;
 - 1.2.3 Non-responsiveness of references to the State's attempts to contact them; or
 - 1.2.4 Unfavorable references that raise serious concerns about material risks to the State in contracting with the Vendor for the proposed products or services.
- 1.3 References should be based on the following profiles and be able to substantiate the following information from both management and technical viewpoints:
 - 1.3.1 The reference installation must be for a project similar in scope and size to the project for which this RFP is issued;
 - 1.3.2 The reference installation must have been operational for at least six (6) months.
- 1.4 The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, including the procuring agency and/or other agencies or institutions of the State, even if that customer is not included in the Vendor's list of references, and to utilize such information in the evaluation of the Vendor's proposal.
- 1.5 Unless otherwise indicated in the Scoring Methodology in Section VII, reference information available to the State will be used as follows:

- 1.5.1 As documentation supporting mandatory experience requirements for companies, products, and/or individuals, as required in this RFP;
- 1.5.2 To confirm the capabilities and quality of a Vendor, product, or individual for the proposal deemed lowest and best, prior to finalizing the award.
- 1.6 The State reserves the right to forego reference checking when, at the State's sole discretion, the evaluation team determines that the capabilities of the recommended Vendor are known to the State.

2. **Subcontractors**

The Vendor's proposal must identify any subcontractor that will be used and include the name of the company, telephone number, contact person, type of work subcontractor will perform, number of certified employees to perform said work, and three (3) references for whom the subcontractor has performed work that the State may contact. Forms for providing subcontractor information and references are included at the end of this section.

Unless otherwise noted, the requirements found in the References section may be met through a combination of Vendor and subcontractor references and experience. Vendor's proposal should clearly indicate any mandatory experience requirements met by subcontractors. NOTE: The State reserves the right to eliminate from further consideration proposals in which the prime Vendor does not, in the State's sole opinion, provide substantive value or investment in the total solution proposed. (i.e. the State does not typically accept proposals in which the prime Vendor is only a brokering agent.)

REFERENCE FORM

Complete three (3) Reference Forms.

Contact Name:

Company Name:

Address:

Phone #:

E-Mail:

Project Start Date:

Project End Date:

Description of product/services/project, including start and end dates:

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SUBCONTRACTOR REFERENCE FORM

Complete a separate form for each subcontractor proposed.

Contact Name:
Company name:
Address:
Phone #:
E-Mail:

Scope of services/products to be provided by subcontractor:

Complete three (3) Reference Forms for each Subcontractor.

Contact Name:
Company name:
Address:
Phone #:
E-Mail:

Description of product/services/project, including start and end dates:

**EXHIBIT A
STANDARD CONTRACT**

A properly executed contract is a requirement of this RFP. After an award has been made, it will be necessary for the winning Vendor to execute a contract with **ITS**. The inclusion of this contract does not preclude **ITS** from, at its sole discretion, negotiating additional terms and conditions with the selected Vendor(s) specific to the projects covered by this RFP.

If Vendor cannot comply with any term or condition of this Standard Contract, Vendor must list and explain each specific exception on the *Proposal Exception Summary Form* included in Section V.

**PROJECT NUMBER 40839
CENTRAL RECEIPTING & DISBURSEMENT UNIT SERVICES AGREEMENT
BETWEEN
INSERT VENDOR NAME
AND
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES
AS CONTRACTING AGENT FOR THE
MISSISSIPPI DEPARTMENT OF HUMAN SERVICES**

This Central Receipting & Disbursement Unit Services Agreement (hereinafter referred to as "Agreement") is entered into by and between **INSERT VENDOR NAME**, a **INSERT STATE OF INCORPORATION** corporation having its principal place of business at **INSERT VENDOR STREET ADDRESS** (hereinafter referred to as "Contractor"), and Mississippi Department of Information Technology Services having its principal place of business at 3771 Eastwood Drive, Jackson, Mississippi 39211 (hereinafter referred to as "ITS"), as contracting agent for the Mississippi Department of Human Services located at 750 N. State Street, Jackson, Mississippi 39202 (hereinafter referred to as "Customer" and/or "MDHS"). ITS and Customer are sometimes collectively referred to herein as "State".

WHEREAS, Customer, pursuant to Request for Proposals ("RFP") No. 3738 requested proposals for the acquisition of a contractor to provide Central Receipting and Disbursement Unit ("CRDU") services on behalf of MDHS, and

WHEREAS, Contractor was the successful proposer in an open, fair and competitive procurement process to provide the services described herein;

NOW THEREFORE, in consideration of the mutual understandings, promises and agreements set forth, the parties hereto agree as follows:

ARTICLE 1 PERIOD OF PERFORMANCE

1.1 Unless this Agreement is extended by mutual agreement or terminated as prescribed elsewhere herein, this Agreement shall begin on the date it is signed by all parties ("Effective Date") and shall continue in effect for three (3) years thereafter (hereinafter referred to as "Initial Term"). At the end of the Initial Term, this Agreement may, upon the written agreement of the parties, be renewed for two (2) additional one-year terms. Six (6) months prior to the expiration of the Initial Term or any renewal term of this Agreement, Contractor shall notify Customer and

ITS of the impending expiration and Customer shall have thirty (30) days in which to notify Contractor of its intention to either renew or cancel the Agreement.

1.2 This Agreement will become a binding obligation on the State only upon the issuance of a valid purchase order by the Customer following contract execution and the issuance by ITS of the CP-1 Acquisition Approval Document.

ARTICLE 2 SCOPE OF SERVICES

Contractor shall perform all of the Central Receipting and Disbursement Unit services specified in RFP No. 3738 and the Contractor's Proposal, as accepted by MDHS, in response thereto. Both the RFP No. 3738 and the Contractor's Proposal, as accepted by MDHS, in response thereto, are incorporated herein by reference.

ARTICLE 3 CONSIDERATION AND METHOD OF PAYMENT

3.1 The total compensation to be paid to the Contractor by Customer for all products, services, travel, performances and expenses under this Agreement shall not exceed the fixed cost of \$**INSERT AMOUNT**, and shall be payable as set forth in the attached Exhibit A. It is understood and agreed that the pricing is firm for the duration of the Agreement (Initial Term and any renewal terms) and is not subject to escalation for any reason.

3.2 Contractor shall submit an invoice monthly in arrears with the appropriate documentation to Customer for any month in which services are rendered. Upon the expiration of this Agreement, Contractor shall submit the final invoice with appropriate documentation to Customer for payment for the services performed during the final month of this Agreement. Contractor shall submit invoices and supporting documentation to Customer electronically during the term of this Agreement using the processes and procedures identified by the State. Customer agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies", Section 31-7-301, et seq. of the 1972 Mississippi Code Annotated, as amended, which generally provides for payment of undisputed amounts by Customer within forty-five (45) days of receipt of the invoice. Contractor understands and agrees that Customer is exempt from the payment of taxes. All payments shall be in United States currency. Payments by state agencies using the Statewide Automated Accounting System ("SAAS") shall be made and remittance information provided electronically as directed by the State. These payments by SAAS agencies shall be deposited into the bank account of the Contractor's choice.

3.3 Acceptance by the Contractor of the last payment from the Customer shall operate as a release of all claims against the State by the Contractor and any subcontractors or other persons supplying labor or materials used in the performance of the work under this Agreement.

ARTICLE 4 WARRANTIES

4.1 The Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services.

4.2 If applicable under the given circumstances, Contractor represents and warrants that it

will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Contractor further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor understands and agrees that any breach of these warranties may subject Contractor to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

4.3 Contractor represents and warrants that no official or employee of Customer or of ITS, and no other public official of the State of Mississippi who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project shall, prior to the completion of said project, voluntarily acquire any personal interest, direct or indirect, in this Agreement. The Contractor warrants that it has removed any material conflict of interest prior to the signing of this Agreement, and that it shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its responsibilities under this Agreement. The Contractor also warrants that in the performance of this Agreement no person having any such known interests shall be employed.

4.4 The Contractor represents and warrants that no elected or appointed officer or other employee of the State of Mississippi, nor any member of or delegate to Congress has or shall benefit financially or materially from this Agreement. No individual employed by the State of Mississippi shall be admitted to any share or part of the Agreement or to any benefit that may arise therefrom. The State of Mississippi may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this Agreement if it is found, after notice and hearing by the ITS Executive Director or his/her designee, that gratuities in the form of entertainment, gifts, jobs, or otherwise were offered or given by the Contractor to any officer or employee of the State of Mississippi with a view toward securing this Agreement or securing favorable treatment with respect to the award, or amending or making of any determinations with respect to the performing of such contract, provided that the existence of the facts upon which the ITS Executive Director makes such findings shall be in issue and may be reviewed in any competent court. In the event this Agreement is terminated under this article, the State of Mississippi shall be entitled to pursue the same remedies against the Contractor as it would pursue in the event of a breach of contract by the Contractor, including punitive damages, in addition to any other damages to which it may be entitled at law or in equity.

4.5 Contractor represents and warrants that it will comply with the state's data breach notification laws codified at Section 75-24-29 of the Mississippi Code Annotated (Supp 2012). Further, to the extent applicable, Contractor represents and warrants that it will comply with the

applicable provisions of the HIPAA Privacy Rule and Security Regulations (45 CFR Parts 160, 162 and 164) ("Privacy Rule" and "Security Regulations", individually; or "Privacy and Security Regulations", collectively); and the provisions of the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (the "HITECH Act").

4.6 Contractor represents and warrants that it will comply with all of the requirements defined in IRS Publication 1075 and the provisions as set forth in Exhibit B which is attached hereto and incorporated herein by reference.

4.7 Contractor represents and warrants that as federal and state regulations/laws are changed, the CRDU services being provided by Contractor will be modified by Contractor to comply with the new requirements, with said modifications being done at no cost to MDHS.

ARTICLE 5 EMPLOYMENT STATUS

5.1 Contractor shall, during the entire term of this Agreement, be construed to be an independent contractor. Nothing in this Agreement is intended to nor shall be construed to create an employer-employee relationship, or a joint venture relationship.

5.2 Contractor represents that it is qualified to perform the duties to be performed under this Agreement and that it has, or will secure, if needed, at its own expense, applicable personnel who shall be qualified to perform the duties required under this Agreement. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of Customer.

5.3 Any person assigned by Contractor to perform the services hereunder shall be the employee of Contractor, who shall have the sole right to hire and discharge its employee. Customer may, however, direct Contractor to replace any of its employees under this Agreement.

5.4 Contractor shall pay when due, all salaries and wages of its employees and it accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation and any other withholdings that may be required. Neither Contractor nor employees of Contractor are entitled to state retirement or leave benefits.

5.5 It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performances hereunder, and that any sum due and payable to Contractor shall be paid as a gross sum with no withholdings or deductions being made by Customer for any purpose from said contract sum, except as permitted herein in the article titled "Termination".

ARTICLE 6 BEHAVIOR OF EMPLOYEES/SUBCONTRACTORS

Contractor will be responsible for the behavior of all its employees and subcontractors while on the premises of any Customer location. Any employee or subcontractor acting in a manner determined by the administration of that location to be detrimental, abusive or offensive to any of the staff will be asked to leave the premises and may be suspended from further work on the premises. All Contractor employees and subcontractors who will be working at such locations shall be covered by Contractor's comprehensive general liability insurance policy.

ARTICLE 7 MODIFICATION OR RENEGOTIATION

This Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect. The parties agree to renegotiate the Agreement if federal and/or state revisions of any applicable laws or regulations make changes in this Agreement necessary.

ARTICLE 8 AUTHORITY, ASSIGNMENT AND SUBCONTRACTS

8.1 In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that Contractor represents all contractors, third parties, and/or subcontractors Contractor has assembled for this project. The Customer is required to negotiate only with Contractor, as Contractor's commitments are binding on all proposed contractors, third parties, and subcontractors.

8.2 Neither party may assign or otherwise transfer this Agreement or its obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of its obligations without such consent shall be null and void. This Agreement shall be binding upon the parties' respective successors and assigns.

8.3 Contractor shall obtain the written approval of Customer before subcontracting any portion of this Agreement. No such approval by Customer of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of Customer in addition to the total fixed price agreed upon in this Agreement. All subcontracts shall incorporate the terms of this Agreement and shall be subject to the terms and conditions of this Agreement and to any conditions of approval that Customer may deem necessary.

8.4 Contractor represents and warrants that any subcontract agreement Contractor enters into shall contain a provision advising the subcontractor that the subcontractor shall have no lien and no legal right to assert control over any funds held by the Customer, and that the subcontractor acknowledges that no privity of contract exists between the Customer and the subcontractor and that the Contractor is solely liable for any and all payments which may be due to the subcontractor pursuant to its subcontract agreement with the Contractor. The Contractor shall indemnify and hold harmless the State from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever arising as a result of Contractor's failure to pay any and all amounts due by Contractor to any subcontractor, materialman, laborer or the like.

8.5 All subcontractors shall be bound by any negotiation, arbitration, appeal, adjudication or settlement of any dispute between the Contractor and the Customer, where such dispute affects the subcontract.

ARTICLE 9 AVAILABILITY OF FUNDS

It is expressly understood and agreed that the obligation of Customer to proceed under this Agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds for the performances required under this Agreement. If the funds anticipated for the fulfillment of this Agreement are not forthcoming, or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds, or if there is a discontinuance or material alteration of the program under which funds were available to Customer for the payments or performance due under this Agreement, Customer shall have the right to immediately terminate this Agreement, without damage, penalty, cost or expense to Customer of any kind whatsoever. The

effective date of termination shall be as specified in the notice of termination. Customer shall have the sole right to determine whether funds are available for the payments or performances due under this Agreement.

ARTICLE 10 TERMINATION

10.1 Notwithstanding any other provision of this Agreement to the contrary, this Agreement may be terminated, in whole or in part, as follows: (a) upon the mutual, written agreement of the parties; (b) due to unavailability of funds as set forth in the "Availability of Funds" article herein; (c) If either party fails to comply with the terms of this Agreement, the non-defaulting party may terminate the Agreement upon the giving of thirty (30) days written notice unless the breach is cured within said thirty (30) day period; (d) Customer may terminate the Agreement in whole or in part without the assessment of any penalties upon thirty (30) days written notice to Contractor if Contractor becomes the subject of bankruptcy, reorganization, liquidation or receivership proceedings, whether voluntary or involuntary, or (e) Customer may terminate the Agreement for any reason without the assessment of any penalties after giving thirty (30) days written notice specifying the effective date thereof to Contractor. The provisions of this Article do not limit either party's right to pursue any other remedy available at law or in equity.

10.2 In the event Customer terminates this Agreement, Contractor shall be paid for satisfactory work completed by Contractor and accepted by Customer prior to the termination. Such compensation shall be based upon the amounts set forth in the Article herein on "Consideration and Method of Payment", but in no case shall said compensation exceed the total fixed price of this Agreement.

10.3 Notwithstanding the above, Contractor shall not be relieved of liability to Customer for damages sustained by Customer by virtue of any breach of this Agreement by Contractor, and Customer may withhold any payments to Contractor for the purpose of set off until such time as the exact amount of damages due Customer from Contractor are determined.

ARTICLE 11 GOVERNING LAW

This Agreement shall be construed and governed in accordance with the laws of the State of Mississippi and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. Contractor expressly agrees that under no circumstances shall Customer be obligated to pay an attorney's fee, prejudgment interest or the cost of legal action to Contractor. Further, nothing in this Agreement shall affect any statutory rights Customer may have that cannot be waived or limited by contract.

ARTICLE 12 WAIVER

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Agreement. A waiver by the State, to be effective, must be in writing, must set out the specifics of what is being waived, and must be signed by an authorized representative of the State.

ARTICLE 13 SEVERABILITY

If any term or provision of this Agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law provided that the State's

purpose for entering into this Agreement can be fully achieved by the remaining portions of the Agreement that have not been severed.

ARTICLE 14 CAPTIONS

The captions or headings in this Agreement are for convenience only, and in no way define, limit or describe the scope or intent of any provision or Article in this Agreement.

ARTICLE 15 HOLD HARMLESS

To the fullest extent allowed by law, Contractor shall indemnify, defend, save and hold harmless, protect and exonerate Customer, ITS and the State, its Board Members, officers, employees, agents and representatives from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever, including without limitation, court costs, investigative fees and expenses, attorney fees and claims for damages arising out of or caused by Contractor and/or its partners, principals, agents, employees or subcontractors in the performance of or failure to perform this Agreement.

ARTICLE 16 THIRD PARTY ACTION NOTIFICATION

Contractor shall notify Customer in writing within five (5) business days of Contractor filing bankruptcy, reorganization, liquidation or receivership proceedings or within five (5) business days of its receipt of notification of any action or suit being filed or any claim being made against Contractor or Customer by any entity that may result in litigation related in any way to this Agreement and/or which may affect the Contractor's performance under this Agreement. Failure of the Contractor to provide such written notice to Customer shall be considered a material breach of this Agreement and the Customer may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

ARTICLE 17 AUTHORITY TO CONTRACT

Contractor warrants that it is a validly organized business with valid authority to enter into this Agreement; that entry into and performance under this Agreement is not restricted or prohibited by any loan, security, financing, contractual or other agreement of any kind, and notwithstanding any other provision of this Agreement to the contrary, that there are no existing legal proceedings, or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this Agreement.

ARTICLE 18 NOTICE

Any notice required or permitted to be given under this Agreement shall be in writing and personally delivered or sent by electronic means provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom the notice should be given at their business address listed herein. ITS' address for notice is: Craig P. Orgeron, Ph.D., Executive Director, Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Customer's address for notice is: Mr. Mark Allen, CSIO, Mississippi Department of Human Services, 750 N. State Street, Jackson, Mississippi 39202. The Contractor's address for notice is: **INSERT NAME, TITLE, & ADDRESS OF VENDOR PERSON FOR NOTICE**. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

ARTICLE 19 RECORD RETENTION AND ACCESS TO RECORDS

Contractor shall establish and maintain financial records, supporting documents, statistical records and such other records as may be necessary to reflect its performance of the provisions of this Agreement. The Customer, ITS, any state or federal agency authorized to audit Customer, and/or any of their duly authorized representatives, shall have unimpeded, prompt access to this Agreement and to any of the Contractor's proposals, books, documents, papers and/or records that are pertinent to this Agreement to make audits, copies, examinations, excerpts and transcriptions at the State's or Contractor's office as applicable where such records are kept during normal business hours. All records relating to this Agreement shall be retained by the Contractor for three (3) years from the date of receipt of final payment under this Agreement. However, if any litigation or other legal action, by or for the state or federal government has begun that is not completed at the end of the three (3) year period, or if an audit finding, litigation or other legal action has not been resolved at the end of the three (3) year period, the records shall be retained until resolution.

ARTICLE 20 INSURANCE

20.1 Contractor and all subcontractors shall maintain, at their own expense, the following insurance coverages in the amounts specified, insuring the Contractor, its employees, agents, designees, subcontractors, and any indemnities as required herein:

- A.** Professional liability insurance in an amount not less than five million dollars (\$5,000,000.00) per claim, including personal injury, bodily injury (including both disease or death), property damages, and blanket contractual liability; and
- B.** Comprehensive general liability insurance in an amount not less than two million dollars (\$2,000,000.00) per occurrence, including coverage for blanket contractual liability, broad form property damage, personal injury and bodily injury (including illness, disease, and death); and
- C.** Comprehensive automobile liability insurance, including hired and non-owned vehicles, in an amount not less than one million dollars (\$1,000,000.00), covering bodily injury and property damage; and
- D.** Employee fidelity bond insurance in an amount not less than three hundred thousand dollars (\$300,000.00); and
- E.** Workers' compensation insurance in the amounts required pursuant to the laws of the State of Mississippi.

20.2 DURATION: All insurance policies required herein shall be issued by an insurance company or companies registered/qualified and licensed to do business in the State of Mississippi and acceptable to the State and shall be written on an occurrence basis. The Contractor/subcontractor shall provide coverage to the State during the term of this Agreement. The Contractor/subcontractor shall name ITS, the Customer, and the State of Mississippi as additional insured on all insurance policies and coverages, excepting only the professional liability coverage, and all such policies shall include the following endorsement: "It is hereby agreed and understood that ITS, the Customer, and the State of Mississippi are named as additional insured and that the coverage afforded to ITS, the Customer, and the State of Mississippi under this policy shall be primary insurance. If ITS, the Customer, and the State of Mississippi have other insurance which is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance."

20.3 NO CANCELLATION: No policy of insurance may be canceled, modified, or reduced during the course of this Agreement.

20.4 DEDUCTIBLES: Contractor/subcontractor shall be liable for payment of all deductibles and for any inadequacy or absence of coverage, and the Contractor/subcontractor shall have no claim or other recourse against the State for any costs or loss attributable to such deductibles or to coverage limitations, exclusions, or unavailability, all of which shall be borne solely by the Contractor/subcontractor.

20.5 CERTIFICATE OF INSURANCE: At the time of the execution of this Agreement, and at the beginning of each renewal period, the Contractor/subcontractor shall deliver to the State a Certificate or Certificates of Insurance certifying the types and the amounts of coverage, certifying that said insurance is in force before the Contractor/subcontractor starts work, certifying that said insurance applies to the Project and to all activities and liability of the Contractor/subcontractor pursuant to this Agreement, and certifying that ITS, the Customer, and the State of Mississippi are named as additional insureds on the Contractor/subcontractor's policies of insurance by endorsement as required herein. The Contractor/subcontractor shall simultaneously deliver to ITS, the Customer, and the State of Mississippi one duplicate original of each entire insurance policy.

20.6 NON-DELEGABLE: The insurance and indemnity obligations of this Agreement are non-delegable. The Contractor shall not subcontract any part of this Agreement without retaining absolute responsibility for requiring the same insurance coverage from its subcontractors.

20.7 PAYMENT OF PREMIUMS: The Contractor/subcontractor shall be responsible for payment of all premiums for insurance required by this Agreement, but the Contractor's/subcontractor's obligations shall not be limited to the purchase of insurance. The Contractor's indemnity obligations under this Agreement shall not be restricted to amounts available under insurance, whether actually obtained or which should have been obtained, but shall extend to the fullest extent, as set forth in Article 15 of this Agreement.

20.8 The Contractor's and any subcontractor's failure to maintain complete insurance shall be a material breach of this Agreement authorizing the State, at the State's sole election, either to terminate this Agreement for cause or to provide full insurance coverage at the Contractor's sole expense; however, in neither case shall the Contractor's liability be lessened.

20.9 In the event the Contractor or any subcontractors fail to obtain and maintain insurance required by this Agreement, the State shall be entitled, at its sole discretion and without waiving any rights hereunder, to purchase said insurance and deduct the premium costs from any amounts owed the Contractor; however, the State shall have no obligation to purchase said insurance, and failure to do so shall not constitute a waiver of the Contractor's and/or subcontractor's obligations with respect to insurance as set forth in this Agreement.

20.10 The State shall not be required to purchase any insurance under this Agreement.

ARTICLE 21 DISPUTES

Any dispute concerning a question of fact under this Agreement which is not disposed of by agreement of the Contractor and Customer, shall be decided by the Executive Director of ITS or his/her designee. This decision shall be reduced to writing and a copy thereof mailed or furnished to the parties. Disagreement with such decision by either party shall not constitute a breach under the terms of this Agreement. Such disagreeing party shall be entitled to seek

such other rights and remedies it may have at law or in equity.

ARTICLE 22 COMPLIANCE WITH LAWS

Contractor shall comply with, and all activities under this Agreement shall be subject to, all Customer policies and procedures, and all applicable federal, state, and local laws, regulations, policies and procedures as now existing and as may be amended or modified. Specifically, but not limited to, Contractor shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this Agreement because of race, creed, color, sex, age, national origin or disability. Further, if applicable, Contractor shall comply with the provisions of the Davis-Bacon Act including, but not limited to, the wages, recordkeeping, reporting and notice requirements set forth therein.

ARTICLE 23 CONFLICT OF INTEREST

Contractor shall notify the Customer of any potential conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to the Customer's satisfaction, the Customer reserves the right to terminate this Agreement.

ARTICLE 24 SOVEREIGN IMMUNITY

By entering into this Agreement with Contractor, the State of Mississippi does in no way waive its sovereign immunities or defenses as provided by law.

ARTICLE 25 CONFIDENTIAL INFORMATION

25.1 Contractor shall treat all data and information to which it has access by its performance under this Agreement as confidential and shall not disclose such data or information to a third party without specific written consent of Customer. In the event that Contractor receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of such information, Contractor shall promptly inform Customer and thereafter respond in conformity with such subpoena to the extent mandated by state and/or federal laws, rules and regulations. This Article shall survive the termination or completion of this Agreement and shall continue in full force and effect and shall be binding upon the Contractor and its agents, employees, successors, assigns, subcontractors or any party or entity claiming an interest in this Agreement on behalf of, or under the rights of the Contractor following any termination or completion of this Agreement.

25.2 With the exception of any attached exhibits which are labeled as "confidential", the parties understand and agree that this Agreement, including any amendments and/or change orders thereto, does not constitute confidential information, and may be reproduced and distributed by the State without notification to Contractor. ITS will provide third party notice to Contractor of any requests received by ITS for any such confidential exhibits so as to allow Contractor the opportunity to protect the information by court order as outlined in ITS Public Records Procedures.

ARTICLE 26 EFFECT OF SIGNATURE

Each person signing this Agreement represents that he or she has read the Agreement in its entirety, understands its terms, is duly authorized to execute this Agreement on behalf of the parties and agrees to be bound by the terms contained herein. Accordingly, this Agreement shall not be construed or interpreted in favor of or against the State or the Contractor on the basis of draftsmanship or preparation hereof.

ARTICLE 27 OWNERSHIP OF DOCUMENTS AND WORK PRODUCTS

All data, electronic or otherwise, collected by Contractor and all documents, notes, programs, data bases (and all applications thereof), files, reports, studies, and/or other material collected and prepared by Contractor in connection with this Agreement, whether completed or in progress, shall be the property of Customer upon completion of this Agreement or upon termination of this Agreement. Customer hereby reserves all rights to the databases and all applications thereof and to any and all information and/or materials prepared in connection with this Agreement. Contractor is prohibited from use of the above described information and/or materials without the express written approval of Customer.

ARTICLE 28 NON-SOLICITATION OF EMPLOYEES

Contractor agrees not to employ or to solicit for employment, directly or indirectly, any of the Customer's employees until at least one (1) year after the expiration/termination of this Agreement unless mutually agreed to the contrary in writing by the Customer and the Contractor and provided that such an agreement between these two entities is not a violation of the laws of the State of Mississippi or the federal government.

ARTICLE 29 ENTIRE AGREEMENT

29.1 This Contract constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating thereto. The RFP No. 3738 and Contractor's Proposal in response to RFP No. 3738 are hereby incorporated into and made a part of this Contract.

29.2 The Contract made by and between the parties hereto shall consist of, and precedence is hereby established by the order of the following:

- A.** This Agreement signed by the parties hereto;
- B.** Any exhibits attached to this Agreement;
- C.** RFP No. 3738 and written addenda, and
- D.** Contractor's Proposal, as accepted by Customer, in response to RFP No. 3738.

29.3 The intent of the above listed documents is to include all items necessary for the proper execution and completion of the services by the Contractor. The documents are complementary, and what is required by one shall be binding as if required by all. A higher order document shall supersede a lower order document to the extent necessary to resolve any conflict or inconsistency arising under the various provisions thereof; provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur by reason thereof. The documents listed above are shown in descending order of priority, that is, the highest document begins with the first listed document ("A. This Agreement") and the lowest document is listed last ("D. Contractor's Proposal").

ARTICLE 30 STATE PROPERTY AND NEWS RELEASES

30.1 Contractor shall be responsible for the proper custody of any Customer-owned property furnished for Contractor's use in connection with work performed pursuant to this Agreement. Contractor shall reimburse the Customer for any loss or damage, normal wear and tear excepted.

30.2 News releases pertaining to this project will not be made without prior written approval

from the Customer.

ARTICLE 31 SURVIVAL

Articles 4, 11, 15, 19, 24, 25, 27, 28, and all other articles which, by their express terms so survive or which should so reasonably survive, shall survive any termination or expiration of this Agreement.

ARTICLE 32 DEBARMENT AND SUSPENSION CERTIFICATION

Contractor certifies that neither it nor its principals: (a) are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency; (b) have, within a three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; (c) are presently indicted of or otherwise criminally or civilly charged by a governmental entity with the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property, and (d) have, within a three (3) year period preceding this Agreement, had one or more public transaction (federal, state or local) terminated for cause or default.

ARTICLE 33 SPECIAL TERMS AND CONDITIONS

It is understood and agreed by the parties to this Agreement that there are no special terms and conditions.

ARTICLE 34 COMPLIANCE WITH ENTERPRISE SECURITY POLICY

Contractor and Customer understand and agree that all products and services provided by Contractor under this Agreement must be and remain in compliance with the State of Mississippi's Enterprise Security Policy. The parties understand and agree that the State's Enterprise Security Policy is based on industry-standard best practices, policy, and guidelines at the time of contract execution. The State reserves the right to introduce a new policy during the term of this Agreement and require the Contractor to comply with same in the event the industry introduces more secure, robust solutions or practices that facilitate a more secure posture for the State of Mississippi.

ARTICLE 35 STATUTORY AUTHORITY

By virtue of Section 25-53-21 of the Mississippi Code Annotated, as amended, the executive director of ITS is the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of information technology equipment, software and services. The parties understand and agree that ITS as contracting agent is not responsible or liable for the performance or non-performance of any of Customer's or Contractor's contractual obligations, financial or otherwise, contained within this Agreement. The parties further acknowledge that ITS is not responsible for ensuring compliance with any guidelines, conditions, or requirements mandated by Customer's funding source.

ARTICLE 36 LIQUIDATED DAMAGES

The liquidated damages and performance standards are set forth in Exhibit C which is attached

hereto and incorporated herein by reference.

ARTICLE 37 PERFORMANCE BOND

As a condition precedent to the formation of this Agreement, the Contractor must provide a performance bond as herein described. To secure the Contractor's performance, the Contractor shall procure, submit to the State with this executed Agreement, and maintain in effect at all times during the course of this Agreement, a performance bond in the total amount of this Agreement. The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the performance bond, and shall identify a contact person to be notified in the event the State is required to take action against the bond. The term of the performance bond shall be concurrent with the term of this Agreement, with the exception of post-warranty maintenance and support, and shall not be released to Contractor until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Seller's performance and performance of the products/services delivered and determine that the Seller's performance bond may be reduced or released prior to expiration of the full warranty period. The performance bond shall be procured at Contractor's expense and be payable to the Customer. The cost of the bond may be invoiced to the Customer after project initiation only if itemized in the Contractor's cost proposal and in the attached Exhibit A. Prior to approval of the performance bond, the State reserves the right to review the bond and require Contractor to substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by Contractor. The bond must specifically refer to this Agreement and shall bind the surety to all of the terms and conditions of this Agreement. If the Agreement is terminated due to Contractor's failure to comply with the terms thereof, Customer may claim against the performance bond.

ARTICLE 38 TRANSPARENCY

In accordance with the Mississippi Accountability and Transparency Act of 2008, §27-104-151, et seq., of the Mississippi Code of 1972, as amended, the American Accountability and Transparency Act of 2009 (P.L. 111-5), where applicable, and §31-7-13 of the Mississippi Code of 1972, as amended, where applicable, a fully executed copy of this Agreement shall be posted to the State of Mississippi's accountability website at: <https://www.transparency.mississippi.gov>. Prior to Customer posting the Agreement to the website, any attached exhibits which contain trade secrets or other proprietary information and are labeled as "confidential" will be redacted by Customer.

ARTICLE 39 FORCE MAJEURE

Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its subcontractors. Such acts shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war or terrorism, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "Force Majeure Events"). When such a cause arises, the Contractor shall notify the State immediately in writing of the cause of its inability to perform, how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to Force Majeure Events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the State determines it to be in its best interest to terminate the Agreement.

ARTICLE 40 SUSPENSION OF WORK

40.1 If, at any time during the term of this Agreement, MDHS determines that the best interests of the State of Mississippi would be served by temporarily suspending the implementation of the CRDU services, MDHS may do so by providing Contractor with a written notice to that effect. Such notice shall provide the effective date of the suspension, the cause of the suspension, and the duration of the suspension. The Contractor shall, immediately upon receipt of the notice, cease all affected operations for the period specified in such notice.

40.2 If this Agreement is suspended due to a significant deficiency being discovered in the Contractor's performance, this Agreement and progress of CRDU implementation may be suspended pending a cure satisfactory to MDHS. All payments shall also be suspended pending the cure of such deficiency.

ARTICLE 41 FEDERAL CLAUSES

41.1 Recycled Paper: Pursuant to EPA Order 1000.25, dated January 24, 1990, the Contractor agrees to use recycled paper for all reports which are prepared as a part of the Agreement and delivered to Customer. This requirement applies even when the cost of recycled paper is higher than that of virgin paper.

41.2 Hotel/Motel Fire Safety Act of 1990: If, in the course of this Agreement, the Contractor conducts meetings at hotels or motels, including but not limited to, conferences, conventions, training sessions, and seminars, the Contractor shall conduct such meetings at hotels or motels that are in compliance with the Hotel and Motel Fire Safety Act of 1990 (P.L. 101-391). A list of certified hotels and motels will be provided upon the request of the Contractor. It is possible to have additional facilities added to the list if sufficient time is allowed.

41.3 Lobbying Disclosure Act of 1995: If the Contractor is an organization described in Section 501 (c) (4) of the Internal Revenue Code of 1986, then the Contractor warrants that it does not and will not, engage in lobbying activities prohibited by the Lobbying Disclosure Act of 1995. The Contractor agrees to refrain from entering into any subcontract under this Agreement with any organization described in Section 501 (c) (4) of the Internal Revenue Code of 1986, unless such organization warrants that it does not, and will not, engage in lobbying activities prohibited by the Act as a special condition of this Agreement.

41.4 Drug Free Workplace Certification: Contractor certifies, represents and warrants that it will comply with the Drug-Free Workplace Act of 1988, 42 U.S.C. 701 et seq and its implementing regulations at 45 CFR Part 76.

41.5 Copeland Anti-Kickback Certification: The Contractor certifies, represents and warrants that it will comply with the Copeland "Anti-Kickback" Act which generally prohibits federal contractors or subcontractors engaged in building construction or repair from inducing an employee to give up any part of the compensation to which he or she is entitled under his or her employment contract and requires such contractors and subcontractors to submit weekly statements of compliance.

41.6 Federal Certifications: Contractor certifies, represents and warrants that it will comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and the Environmental Protection Agency regulations (40 CFR Part 15).

Contractor further represents and warrants that it will comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

ARTICLE 42 INFORMATION SECURITY

42.1 Contractor represents and warrants that its collection, access, use, storage, disposal and disclosure of Personal Information does and will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives. As used herein, Personal Information means: (a) an individual's government-issued identification number (including social security number, driver's license number or state-issued identified number); (b) financial account number, credit card number, debit card number, credit report information, with or without any required security code, access code, personal identification number or password, that would permit access to an individual's financial account; or (c) biometric or health data.

42.2 Without limiting Contractor's obligations under Article 42.1 above, Contractor shall implement administrative, physical and technical safeguards to protect Personal Information that are no less rigorous than accepted industry practices, including but not limited to, the International Organization for Standardization's standards: ISO/IEC 27001:2005 – Information Security Management Systems – Requirements and ISO-IEC 27002:2005 – Code of Practice for International Security Management, the Information Technology Library (ITIL) standards, the Control Objectives for Information and related Technology (COBIT) standards or other applicable industry standards for information security, and shall ensure that all such safeguards, including the manner in which Personal Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Agreement.

42.3 It is understood and agreed that during the course of this Agreement, Contractor will have access to or will collect, access, use, store, process, dispose of or disclose credit, debit or other payment cardholder information, and that Contractor shall at all times remain in compliance with the Payment Card Industry Data Security Standard ("PCI DSS") requirements, including remaining aware at all times of changes to the PCI DSS and promptly implementing all procedures and practices as may be necessary to remain in compliance with the PCI DSS, in each case, at Contractor's sole cost and expense.

42.4 At a minimum, Contractor's safeguards for the protection of Personal Information shall include: (i) limiting access of Personal Information to authorized employees; (ii) securing business facilities, data centers, paper files, servers, back-up systems and computing equipment, including, but not limited to, all mobile devices and other equipment with information storage capability; (iii) implementing network, device application, database and platform security; (iv) securing information transmission, storage and disposal; (v) implementing authentication and access controls within media, applications, operating systems and equipment; (vi) encrypting Personal Information stored on any mobile media; (vii) encrypting Personal Information transmitted over public or wireless networks; (viii) strictly segregating Personal Information from information of Contractor or its other customers so that Personal Information is not commingled with any other types of information; (ix) implementing appropriate personnel security and integrity procedures and practices, including, but not limited to, conducting background checks consistent with applicable law; and (x) providing appropriate privacy and information security training to Contractor's employees.

ARTICLE 43 OVERSIGHT OF SECURITY COMPLIANCE

43.1 Upon Customer's request, to confirm Contractor's compliance with this Agreement, as well as any applicable laws, regulations and industry standards, Contractor grants Customer or, upon Customer's election, a third party on Customer's behalf, permission to perform an assessment, audit, examination or review of all controls in Contractor's physical and/or technical environment in relation to all Personal Information being handled and/or services being provided to Customer pursuant to this Agreement. Contractor shall fully cooperate with such assessment by providing access to knowledgeable personnel, physical premises, documentation, infrastructure and application software that processes, stores or transports Personal Information for Customer pursuant to this Agreement.

43.2 It is understood and agreed that at least once per year, Contractor shall conduct site audits of the information technology and information security controls for all facilities used in complying with its obligations under this Agreement, including but not limited to, obtaining a network-level vulnerability assessment performed by a recognized third-party audit firm based on the recognized industry best practices. Upon Customer's written request, Contractor shall make available to Customer for review all of the following, as applicable: Contractor's latest Payment Card Industry (PCI) Compliance Report, WebTrust, Systrust, and Statement on Standards for Attestation Engagements (SSAE) No. 16 audit reports for Reporting on Controls at a Service Organization and any reports relating to its ISO/ICE 27001 certification. Any exceptions noted on the SSAE report or other audit reports will be promptly addressed with the development and implementation of a corrective action plan by Contractor's management and resolved, at Contractor's sole expense, within thirty (30) days of the audit.

For the faithful performance of the terms of this Agreement, the parties hereto have caused this Agreement to be executed by their undersigned authorized representatives.

**State of Mississippi, Department of
Information Technology Services, on
behalf of Mississippi Department of
Human Services**

INSERT VENDOR NAME

By: _____
Authorized Signature

By: _____
Authorized Signature

Printed Name: Craig P. Orgeron, Ph.D.

Printed Name: _____

Title: Executive Director

Title: _____

Date: _____

Date: _____

Mississippi Department of Human Services

By: _____
Authorized Signature

Printed Name: Richard A. Berry

Title: Executive Director

Date: _____

EXHIBIT B CONTRACT LANGUAGE FOR GENERAL SERVICES

I. PERFORMANCE

In performance of this Agreement, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Agreement. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The Contractor certifies that the data processed during the performance of this Agreement will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) No work involving Federal tax information furnished under this Agreement will be subcontracted without prior written approval of the IRS.
- (8) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (9) The agency will have the right to void the Agreement if the Contractor fails to provide the safeguards described above.

(10) (Include any additional safeguards that may be appropriate.)

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000.00 or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000.00 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Agreement. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee (United States for Federal employees) in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.00.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for

review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION:

The IRS and the Customer shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Agreement. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

EXHIBIT C LIQUIDATED DAMAGES REQUIREMENTS

The Contractor agrees to the importance of this Agreement and the performance standards agreed to herein. For any failure by the Contractor to meet any contract requirement, performance standard, project task, project deliverable date or timeframes specified in any section of the Agreement or mutually agreed upon project work plan, damage shall be sustained by the MDHS and it may be impractical and extremely difficult to ascertain and determine the actual damages which the MDHS will sustain by reason of such failure. It is therefore agreed that the MDHS, at its sole option, may require the Contractor to pay liquidated damages in the amounts specified below.

MDHS may waive the assessment of liquidated damages on a case-by-case basis at its sole discretion.

MDHS will provide Contractor with written notices of its intent to assess liquidated damages. Liquidated damages shall not apply to the extent they are caused by MDHS or by force majeure events. The assessment of liquidated damages shall not constitute a waiver or release of any other remedy MDHS may have under this Agreement for Contractor's breach of the Agreement, including without limitation, MDHS' right to terminate the Agreement.

- 1) Contractor shall indemnify MDHS for any federal damages imposed due to CRDU performance or nonperformance.
- 2) Damages will be imposed by MDHS for performance failures and may be imposed immediately upon Contractor's failure to perform or after provision of and failure to comply with a corrective action plan or notice of deficiency as set out below.
- 3) Excluding absences for regularly allowed sick leave or vacation leave, absences of the Contractor's project director or key management and technical personnel without suitable backup and without the prior approval of the Customer's IV-D Director or designee may, in MDHS' sole discretion, result in Contractor being assessed liquidated damages in the amount of \$100.00 per day per person for the first five (5) business days and shall increase to \$500.00 per day per person thereafter.
- 4) Batch delay, (which is the nightly interface of data required for proper editing), due to Contractor performance or non-performance, for more than two (2) consecutive calendar days, will result in Contractor being assessed liquidated damages in the amount of \$1,000.00 per consecutive day.
- 5) Liquidated damages will not be assessed for Contractor's failure to produce reports during the first month the CRDU is in operation. Thereafter, liquidated damages for Contractor's failure to produce a daily report on the business day it is due will result in Contractor being assessed liquidated damages in the amount of \$1,000.00 per day per daily report. The liquidated damages for Contractor's failure to produce a weekly report on the business day it is due is \$2,000.00 per week per weekly report. For reports due on a monthly, or less frequent basis, the liquidated damages for Contractor's failure to produce such a report on the business day it is due will be \$10,000.00 per report per occurrence except for payment history reports, in which case the liquidated damages shall be \$1,000.00 per report per occurrence.

6) Liquidated damages for Contractor's failure to receipt any payment on the business day it is received is ten percent (10%) of the un-receipted amount or \$1,000.00, whichever is more, for the first instance in any given calendar month. The second failure within a calendar month to receipt any payment on the business day it is received is subject to liquidated damages in the amount of \$2,000.00 or twelve percent (12%) of the un-receipted amount, whichever is more; the third failure within a calendar month to receipt any payment on the business day it is received is subject to liquidated damages in the amount of \$3,000.00 or fourteen percent (14%) of the un-receipted amount, whichever is more; and similar escalation continues. The liquidated damages structure recycles on a monthly basis.

7) Liquidated damages for Contractor's failure to transfer payment data to MDHS by 5:00 P.M. (Central Time) on the date the payment is posted is \$1,000.00 or ten percent (10%) of the amount not transferred, whichever is more. A second failure within a calendar month to transfer payment data to MDHS by 4:00 P.M. (Central Time) on the date the payment is posted is subject to liquidated damages in the amount of \$2,000.00 or twelve percent (12%) of the amount not transferred, whichever is more; the third failure within a calendar month to transfer payment data to MDHS by 4:00 P.M. (Central Time) on the date the payment is posted is subject to liquidated damages in the amount of \$3,000.00 or fourteen percent (14%) of the amount not transferred, whichever is more; and similar escalation continues thereafter. The liquidated damages structure recycles on a monthly basis.

8) Contractor's failure to correct any negative audit findings made by either the CRDU Contractor's independent auditors or by State auditors, will result in liquidated damages of \$50,000.00 per uncorrected finding if not corrected within sixty (60) calendar days of the audit finding, or a longer period if approved by MDHS.

9) Liquidated damages of \$1,000.00 per calendar day will be imposed for each transition plan milestone Contractor misses.

10) Liquidated damages for disbursement delays beyond the federal timeliness standard, caused by batch or file problems due to Contractor or subcontractor performance or failure to perform, is ten percent (10%) of the un-disbursed amount or \$1,000.00, whichever is more. The second such failure within a calendar month will result in liquidated damages of \$2,000.00 or twelve percent (12%) of the un-disbursed amount, whichever is more, being assessed; the third such failure within a calendar month will result in liquidated damages of \$3,000.00 or fourteen percent (14%) of the un-disbursed amount, whichever is more, being assessed; and similar escalation continues. The damages structure recycles on a monthly basis.

11) Contractor's failure to provide a monthly CRDU balance sheet for the Collection Account which accurately lists all assets and liabilities, based upon supporting documentation in the CRDU, and showing that any unreconciled items have been resolved within seven (7) calendar days of the CRDU balance sheet due date, will result in Contractor being assessed liquidated damages of \$10,000.00 per calendar day until reconciliation is achieved.

12) A written Notice of deficiency will be delivered to Contractor by MDHS staff regarding performance deficiencies or failure to perform to contract requirements. The notice will include a brief description of the deficiency, the expected outcome that is not being met and the allowed time frame after delivery of the notice, for correction of the deficiency. Upon failure to rectify the

deficiency within the allowed time frame, damages will be imposed in the amount of \$1,000.00 per day. If the Contractor presents MDHS staff with an explanation of its failure to rectify, along with a request for an extension of time in which to comply, that request may be approved by MDHS staff for good cause shown. Contractor may bring to the MDHS IV-D Director a written challenge as to the nature or extent of any noted deficiency or as to the reasonableness of the time frame allowed for correction of the deficiency. The decision of the MDHS IV-D Director is final.

Corrective Action:

- 1) MDHS will monitor Contractor performance. MDHS retains authority for interpreting performance under the terms of this Agreement. MDHS may request a Corrective Action Plan to address any deficiency or deficiencies discovered.
- 2) MDHS may issue a letter delineating the deficiency or deficiencies, setting a corrective action time period, and may require submission of a written corrective action plan within fifteen (15) calendar days.
- 3) If a corrective action plan is required, MDHS shall impose liquidated damages for Contractor's failure to submit a corrective action plan as directed in the deficiency letter. The imposition of such liquidated damages does not preclude MDHS' right to terminate the Agreement during the assessment of the liquidated damages.
- 4) The liquidated damages shall initially be assessed by withholding ten percent (10%) of the next monthly payment due the Contractor. Said liquidated damages shall continue for each subsequent month of failure to submit a corrective action plan. Any such money withheld is forfeited by the Contractor and retained by MDHS.
- 5) MDHS will notify the Contractor within fifteen (15) calendar days of the receipt of a Corrective Action Plan of the acceptability of the plan, and allow five (5) calendar days for the Contractor to submit a clarification or revision if the Plan is deemed to be unacceptable to MDHS.
- 6) Acceptance of the Plan by MDHS does not guarantee that the implementation of the Plan will result in elimination of the deficiencies for which future damages for non-performance may be applied by MDHS.
- 7) MDHS will impose liquidated damages for Contractor's failure to correct the cited deficiencies within the corrective action period. To the extent such failure is beyond the control of the Contractor, as determined by MDHS, liquidated damages shall not be imposed. The liquidated damages shall initially be assessed by withholding ten percent (10%) of the monthly payment due for each of the next three (3) months. Thereafter, on a quarterly basis, the liquidated damages will be increased by an additional five percent (5%) of each monthly payment due in each subsequent quarter in which there is a continued failure to meet the standard. Imposition of such liquidated damages shall not preclude contract termination.
- 8) If MDHS imposes any such liquidated damages, MDHS staff will monitor and evaluate Contractor progress during the damages period. Any such money withheld is forfeited by the Contractor and retained by MDHS.

- 9) Any failure to meet the performance standards required in the corrective action plan shall not result in the imposition of liquidated damages under this subsection until three (3) months after the Effective Date of this Agreement.
- 10) Liquidate damages imposed will be collected by withholding the damages amount from any amount due to the Contractor. If payment to the Contractor is insufficient to satisfy the damages owed, payment of liquidated damages amounts imposed shall be due from the Contractor within thirty (30) calendar days of MDHS' written demand for payment. Such demand shall not preclude MDHS from further offsets.
- 11) Liquidated damages may be waived by MDHS if delays are caused by a natural disaster or other cause beyond the control of the Contractor as determined by MDHS.
- 12) MDHS reserves the right to waive certain damages at its discretion; waiver by MDHS of any particular damages shall not constitute the future waiver of such damages, nor will it constitute a modification of the Agreement.

EXHIBIT B MISSISSIPPI PAYMENT PROCESSING

Mississippi Interactive (MSI) will serve as the single point of entry for all e-commerce transactions. Awarded vendor will use Mississippi's official payment processor for any of the following services where payment is required.

- Web services
- IVR services
- Mobile services
- Over the counter payment processing services
- Kiosk services
- Lock Box services

The following payment methods accepted through MSI include: Visa, MasterCard, American Express, Discover, electronic check and subscription (monthly billed).

DFA Administrative Rule

The Department of Finance and Administration (DFA) established an administrative rule to be followed when agencies, in accordance with §27-104-33, Mississippi Code of 1972, Annotated, elect to accept payment by credit cards, charge cards, debit cards, electronic check (echeck) and other form of electronic payments for various services and fees collectible for agency purposes. See Exhibit C for Final Rule.

Payment Card Industry (PCI) Compliance

MSI will be responsible for Payment Card Industry (PCI) compliance on behalf of the State. MSI's Transaction Processing Engine (TPE) is certified compliant with the PCI Data Security Standard (DSS) and compliant with the Payment Application Best Practices (PABP) standards. It is also listed as a Validated Payment Application by VISA. TPE is hosted at NIC's Central Data Center in Ashburn Virginia and complemented with a backup facility in Allen, Texas. NIC is certified by PCI-DSS as a Level 1 Service Provider for this environment.

See Technical Requirements for notes to the PCI compliance responsibility of the awarded vendor.

The awarded vendor is prohibited from breaking out, on a separate line item, any payment processing fees associated with any transaction. This includes all pages of the application and/or any receipt generated.

Acceptable fee break out can only include a "subtotal" for services and a "Total ms.gov Price" or "ms.gov Order Total" which includes the eGov processing fee. See image below for example. The format of any listing of fees by the awarded vendor must be approved by DFA prior to production.

Transaction Summary

Description	Amount
Fines and Fees Payment	\$50.00
ms.gov Order Total	\$52.12

Transaction Detail

SKU	Description	Unit Price	Quantity	Amount
000000013	Elections Fees/Fines	\$50.00	1	\$50.00

Merchant of Record

In order to act as the single point of contact between the State, MSI, the payment processor, the merchant acquiring bank, and end users of ms.gov services, MSI will be the “Merchant of Record” for this RFP. As the single point of contact for the State, MSI will work directly with the processor and the acquiring bank to request and set up merchant accounts and will be responsible for all areas of merchant services, including merchant fees.

eGov Transaction Fees

There will be standard payment processing fees associated with each payment transaction. Department of Human Services and Electronic Oversight Committee approval (electronic or otherwise) of MSI payment processing fees will be obtained prior to initiating payment.

ERP Updates (MAGIC)

MSI’s payment solution processes, currently integrated with SAAS, will be migrated to new ERP system, MAGIC, once it is implemented. Awarded vendor may be required to make additional changes for compliance.

Refunds, Chargebacks, Returns

As the merchant of record and official payment processor, MSI will handle all refunds and chargeback representations. In the case of a returned echeck the customer (MDHS) and the awarded vendor will be notified of the return via email. The agency will have 24/7 TPE reporting access. MSI is not responsible for covering any monies that must be netted from the agency’s account through refund, successful chargeback or returned echeck. Below are the processes for each.

Refunds

The refund process is initiated by either customer or agency request.

- Upon customer request MSI will contact the agency financial contact (established at project initiation) for approval prior to refund
- Agency contacts have access to and are encouraged to use the MSI refund tool for their refund requests. This ensures adequate logs of all requested refunds
- After agency request or approval MSI refunds the charge in TPE and notifies the requestor upon completion
- Any refunds are netted from the next day’s deposits
- MSI will work with awarded vendor to report refund activity for their records

Chargebacks

A chargeback is a monetary dispute that is initiated by the Issuing Bank (issuer disputes the posting of the transaction) or the cardholder (a cardholder disputes a transaction).

- Customer or card issuing bank sees what appears to be a suspicious charge on their statement.

- The customer contacts the card company to dispute the charge and initiate the chargeback process. Note: depending on the company policies of the company that issued the card the company may initiate the chargeback without customer notification.
- MSI receives a chargeback email from our processor notifying us of the transaction details of the chargeback. Once this notification is received the processor pulls the funds back from the Portal account until supporting documentation is obtained. (MSI's processor has 45 days from the time the customer disputes the charge to contact MSI for additional information.)
- Based on the information provided in the chargeback notification MSI researches the charge internally first.
 - If the disputed charge is a true duplicate charge (same customer information, amount, etc), MSI allows the chargeback to process and it is automatically marked in TPE.
 - For all non-duplicate charges MSI contacts the appropriate agency contact(s) (financial contact gathered at project initiation) by email to explain the chargeback, provide charge details and verify with the contact that it is a valid charge. If needed MSI requests the agency provides any additional information they may have to support the claim.
- If the charge is valid MSI will provide the sales drafts (chargeback receipt, TPE receipts, agency support etc) back to the processor to support the charge validity.
- After the charge is verified through receipt of sales drafts the chargeback will be reversed and the funds will be deposited back to the agency.
- In the event of a successful chargeback MSI will work with awarded vendor to report refund activity for their records.

Note: The chargeback process could take up to 60 days to resolve.

Returns

Electronic checks (echeck)/ACH payments (where a user enters an account and routing number) may be returned unpaid for any reason, including non-sufficient funds (NSF), stop payment, online data entry error or closed account. A full list of return codes is listed below:

- R01 - Insufficient Funds - Available balance is not sufficient to cover the dollar value of the debit entry.
- R02 - Account Closed - Previously active account has been closed by customer or RDFI.
- R03 - No Account/Unable to Locate Account - Account number structure is valid and passes editing process, but does not correspond to individual or is not an open account.
- R04 - Invalid Account Number - Account number structure not valid; entry may fail check digit validation or may contain an incorrect number of digits.
- R05 - Improper Debit to Consumer Account - A CCD, CTX, or CBR debit entry was transmitted to a Consumer Account of the Receiver and was not authorized by the Receiver.
- R06 - Returned per ODFI's Request - ODFI has requested RDFI to return the ACH entry (optional to RDFI – ODFI indemnifies RDFI).
- R07 - Authorization Revoked by Customer - Consumer, who previously authorized ACH payment, has revoked authorization from Originator (must be returned no later than 60 days from settlement date and customer must sign affidavit).
- R08 - Payment Stopped - Receiver of a recurring debit transaction has stopped payment to a specific ACH debit. RDFI should verify the Receiver's intent when a request for stop payment is made to insure this is not intended to be a revocation of authorization.

- R09 - Uncollected Funds - Sufficient book or ledger balance exists to satisfy dollar value of the transaction, but the dollar value of transaction is in process of collection (i.e., uncollected checks) or cash reserve balance below dollar value of the debit entry.
- R10 - Customer Advises Not Authorized - Consumer has advised RDFI that Originator of transaction is not authorized to debit account (must be returned no later than 60 days from settlement date of original entry and customer must sign affidavit).
- R11 - Check Truncation Entry Returned - used when returning a check safekeeping entry; RDFI should use appropriate field in addenda record to specify reason for return (i.e., "exceeds dollar limit," "stale date," etc.).
- R12 - Branch Sold to Another DFI - Financial institution receives entry destined for an account at a branch that has been sold to another financial institution.

Typical Return Process

- User enters echeck information in the ms.gov common checkout page or the account number that is stored for recurring payments.
- For both one time and recurring payments TPE captures the information at the time of the charge and sends to payment service provider
- The service provider submits a request to the payer's bank to retrieve the funds
- Payer's bank reports back one of the aforementioned return codes to the services provider
- Service provider notifies MSI and the return is marked in TPE
- Returned funds are electronically pulled from the account the initial funds were deposited to
- MSI contacts the individual(s) responsible for agency funds (contact obtained during project initiation) and the awarded vendor by email to let them know of the return and reason. 24/7 return reporting will be provided to the agency for support.

Hardware Acquisition

Due to the payment key injections required for hardware to be compatible with MSI's PCI compliant payment processor, any hardware must be acquired through MSI's existing eGov contract. This includes, but is not limited to, kiosks, pin pad/card swipe, mobile devices etc.

Application Testing

For all new services DFA requires a test transaction to be run for flow of funds and processor verification. After MSI receives confirmation the awarded vendor is satisfied with the integration, one test must be run through production TPE and confirmed by MSI.

It takes three (3) business days (excluding bank holidays) for the transaction to be confirmed by DFA. Awarded vendor should take this time frame into consideration when anticipating launch date.

Reporting

TPE provides reporting and auditing tools useful for streamlining and accommodating various back-office procedures. TPE's financial reporting is comprehensive, flexible, and robust. Within TPE all payment processing data is made available via a wide variety of reporting features. Reports are real-time, up-to-the-minute transaction reporting ranging from summary reports to detail reports showing line-item level data. A comprehensive users guide and applicable training will be provided to agency contacts during integration.

Deposit Schedule

The following schedule outlines the fund deposit to the account specified by the agency. Deposit will vary based on the payment type.

Payment Type	Deposit Time Frame	Transaction Example
eCheck/ACH	1 Day	Transaction submitted on Monday will deposit to the specified account on Tuesday
Visa/MasterCard/Discover	2 Days	Transactions submitted on Monday will deposit to the specified account on Wednesday
American Express	3 Days	Transactions submitted on Monday will deposit to the specified account on Thursday

Payment Support

Mississippi Interactive will provide support for all user payment inquiries. MSI is located at 200 S. Lamar St., Suite 800, Jackson, MS 39201 and customer payment support is available during normal business hours (Monday – Friday 8am – 5pm CST). MSI’s toll free support number (1-877-290-9487) is listed on the ms.gov Common Checkout page and is accessible to all users. For payment emergencies a technical support cellular number will be provided to the State contact.

MSI will work directly with the awarded vendor and/or the agencies to identify, report, track, monitor, escalate, and resolve any technical issues with TPE or CCP. It is MSI’s policy to notify all awarded vendors and agencies of planned maintenance windows or system updates to avoid any payment issues.

State entities and/or awarded vendors will not be charged for MSI’s efforts during payment implementation or any training/support.

Technical Requirements

Mississippi's payment solution is designed to provide three methods of integration: Recurring payments (where the awarded vendor collects the users payment information and sends, via web service, to be stored in MSI's eWallet for future processing), CommonCheckout (where the user clicks on a "Pay Now" button and is transferred to a set of common checkout pages branded for ms.gov), and DirectConnect (where the application has self-contained checkout pages and will call TPE for verification and capture once all payment information has been entered). In both of these instances, the awarded vendor will utilize standard web services protocols.

The CommonCheckout integration is required by ITS and DFA. Should special circumstances arise where the CommonCheckout is not applicable and/or the DirectConnect option is required, approval from both State agencies is mandatory.

High level descriptions of the integration requirements are included in this section. For detailed documentation please contact Brandon Ward, Mississippi InteraCtive's Director of Technology, at brandon@msegov.com.

Recurring Payments via Customer Database (CDB) eWallet

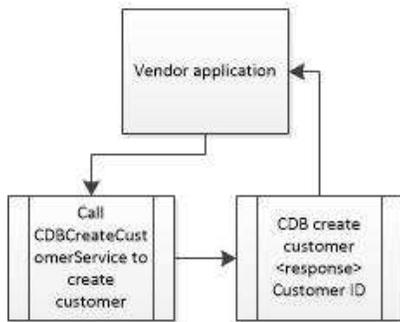
When using eWallet the calling application is responsible for collecting the credit card or banking information. This information is passed to and is stored in NIC's customer database. The eWallet solution allows applications to bill customers using CC/ACH information stored in the Customer Database.

The partner application is required to create a user account in the customer database by using the CDB web service API. To create a customer account you will need to send Customer information such as Name, Address, and Billing information etc. The Web Service operation returns a Customer ID in the SOAP response.

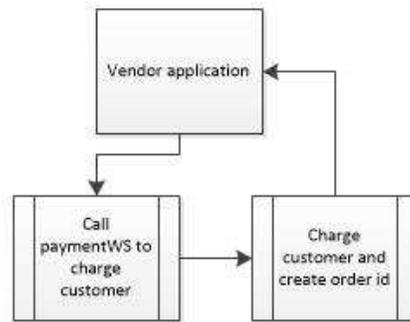
Once the billing information and CDB account is created the following steps are required for reoccurring payments:

- The calling application will need to schedule the dates for reoccurring payments in application.
- To process a reoccurring payment the calling application will need to call the payment Web service and include the Customer ID, Sale Items (including processing Fee), and Merchant information.
- Option two; the calling application will need to send a nightly file with Customer ID and amount to be charged.
- To modify customer information the calling application will need to use the modify customer web service method.

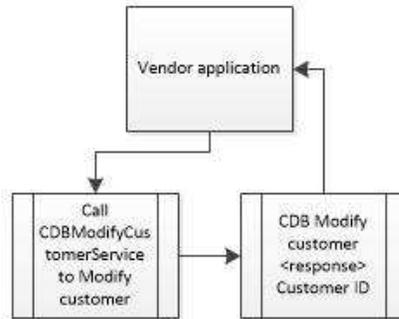
Create Customer



Charge Customer



Modify Customer



One – Time Payments CommonCheckout (CCP)

When utilizing CommonCheckout, the calling application is not responsible for collecting the credit card or banking information. Instead, the application sends the transaction data to the CommonCheckout interface which collects and processes all payment information. The CommonCheckout interface will then return to the calling application all transaction status details and information related to the transaction.

CCP Option 1: Server-side Web Service Calls and Browser-side Redirect

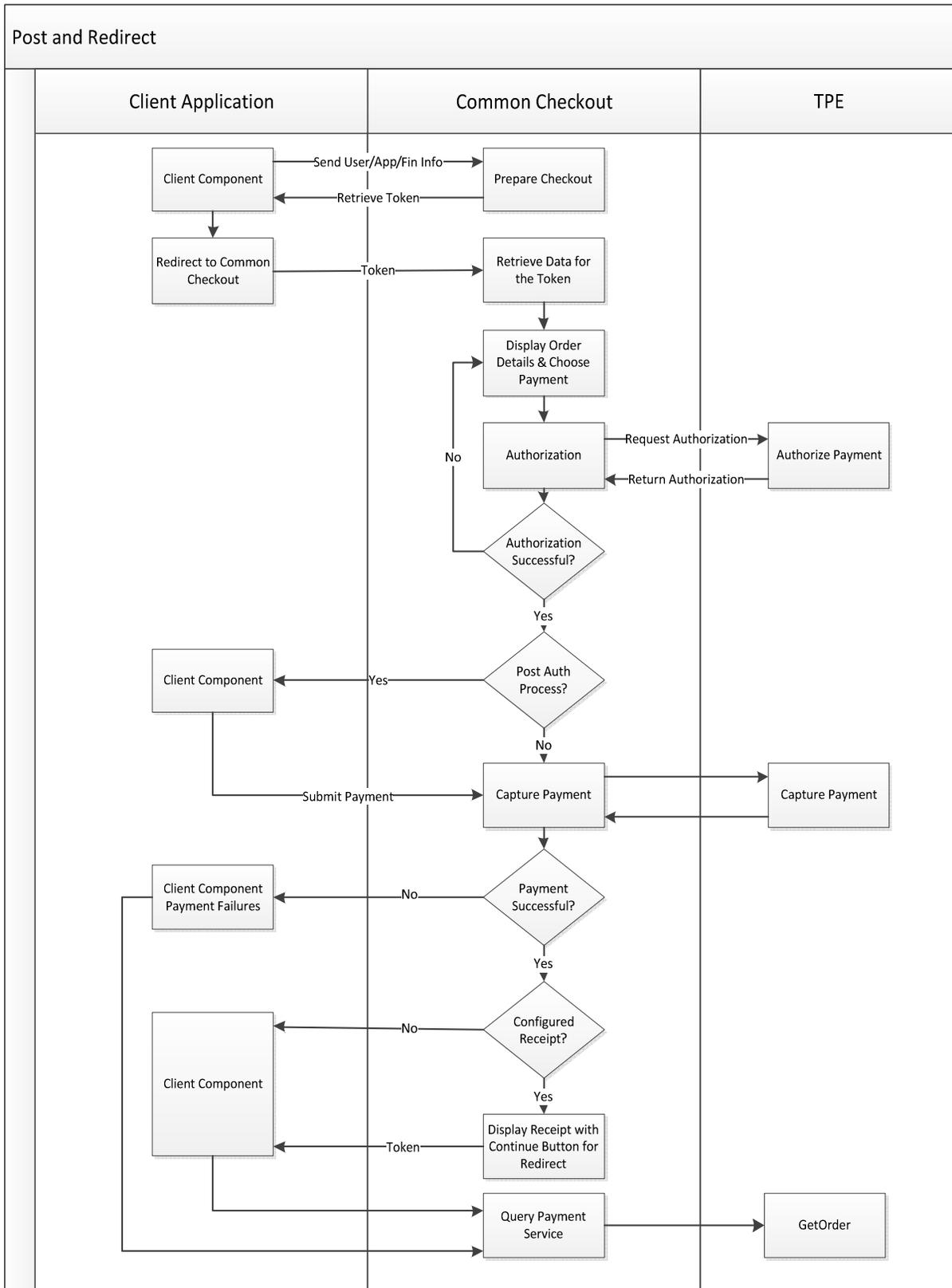
The partner application is required to invoke Prepare Checkout Operation on the Common Checkout web service that is passing along the financial/customer/application information.

- The Web Service operation returns a token back in the SOAP response. The token is required as a hidden field on the form post to the Common Checkout web application or a redirect.
- The Prepare Checkout Service returns the token back. This token is required as a hidden field on the form post or query string to the Common Checkout web application.
- When the customer chooses to continue with the payment by clicking a form button on the partner screen, the browser redirects to the Common Checkout web application.
- The Common Checkout web application retrieves the customer/financial/application data associated with the token and displays it on the payment page.
- Upon submission of the payment, Common Checkout redirects to the partner application

or displays a receipt page, based on the configuration. In the latter case, the redirect to the partner application happens when a customer clicks a button on the receipt screen.

- The partner application is required to do a call back to the Query payment web service by sending the token. The service will return the transaction information back in the SOAP response. This ensures authenticity of the payment.

The following figure outlines a typical process flow for a CommonCheckout transaction.



CCP Option 2: Server-side Name-Value-Pair HTTPS Posts and Browser-side Redirect

The partner application is required to send the financial/customer/application information as multiple name/value pairs using HTTPS POST to the Prepare Checkout Post URL.

- The Prepare Checkout Service returns a token-based transaction identifier, which is required as a hidden field on the form post or query string to the Common Checkout web application.
- When the customer chooses to continue with the payment by clicking a form button on the partner screen, the browser is redirected to Common Checkout web application.
- The Common Checkout web application retrieves the customer/financial/application data for the transaction identified by the associated token and displays it on the payment page.
- Upon submission of the payment, Common Checkout redirects to the partner application or displays a receipt page, based on the configuration. In the latter case, the redirect to the partner application happens once a customer clicks a button on the receipt screen.
- The partner application requires a call back to the Query payment HTTP service by sending the token. The service returns the payment detail back as name value pairs. This ensures authenticity of the payment.

DirectConnect

The second scenario is to use the Application Programming Interfaces (“API’s”) that are available to developers. In this scenario, agency or third party developers write applications that include the checkout pages. Customers fill out all payment information within the application, and once captured, the application communicates with TPE using a standard API. TPE processes the payment, based on payment type, and returns either a success or failure code back to the calling application. Based on the code, the calling application displays either a receipt back to the customer or the reason for the failure. TPE supports multiple API’s including:

- Java
- .NET
- Perl
- PHP

Note: If the DirectConnect method is approved by ITS and DFA the awarded vendor must provide MSI and the State proof of their software’s (and any applicable hardware) PCI compliance.

DirectConnect Integration Outline

Before a payment can be processed inside of TPE, an *Order* must be established. An Order is the basic transaction container in TPE. It is a detailed request for certain goods or services and represents all the instructions and information needed from the customer for the merchant to collect money. An order contains information about the customer, items purchased, fees and taxes, payment information, billing address, shipping address, and so forth.

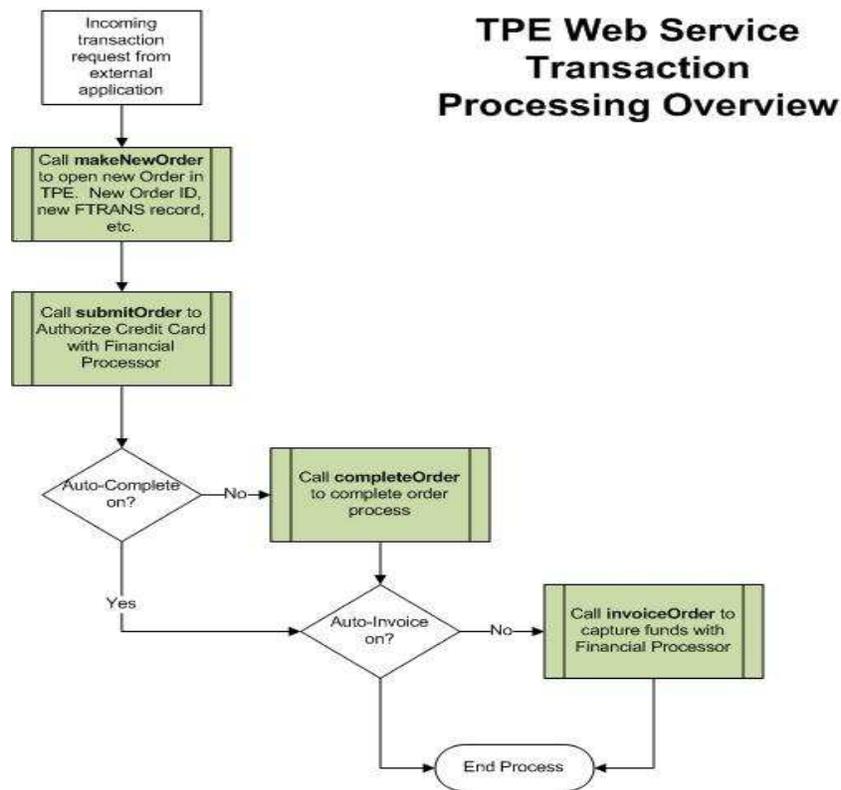
TPE uses the term *order*, along with the terms *payment* and *credit* to represent payment data for all electronic payments. An order is created by the client application while the customer is placing an order for goods or services. Transactions flow between the merchant and the financial institution during the life cycle of the order. These transactions can be broken into two

broad categories: *payments* (monies transferred to the merchant from the customer) and *credits* (monies returned to the customer, such as when goods or services are returned and payment is refunded). As order processing continues, payments and credits are created and modified.

The basic steps for creating an Order and processing a payment are as follows:

1. Submit a new Order Request to TPE. The client application will create a request that includes a Merchant Id, a Merchant Key, and a Service Code. These are pre-defined security parameters that are configured within TPE. If the request is successful, TPE will return an empty order container to the client application.
2. Inside of this container, the application will set the Payment Implement (Credit Card, ACH, Cash, etc.), customer payment information, billing information, transaction line items and amounts, and any other information necessary for processing the payment.
3. Submit the Order. Once the Order container has been filled by the calling application, it will be submitted for authorization. TPE will do preliminary validations on the Order before submitting it to the Merchant Service Provider for authorization. If there is an error with the Order, TPE will return that information back to client application, or it will return back that the authorization was successful.
4. Complete the Order. This call to TPE informs the system that the order is complete and ready to be invoiced.
5. Invoice the Order. This step is where money transfer (i.e., Capture) is initiated. The invoice takes the information from the Order, and is then submitted to the Merchant Service Provider for Capture/Settlement.

The following figure outlines a typical process flow for a Direct Connect transaction.



Charges Table Connection

The Mississippi Department of Information Technology Services (ITS) has developed the Mississippi Charges Web Service to supply application programs with data from the charges table. This data is required by the Agency application to build a valid MSI electronic payment request. The item type, item description, and item cost, for each item sold, must be submitted in the transaction request for payment authorization.

Service Use

The primary purpose of the web service is to provide the charges data for a requested application. The method that performs this function is `getCurrentCharges` and requires a `chargesInput` object as the input parameter. A `getCurrentChargesResponse` object is returned.

- `getCurrentCharges(chargesInput)`

DFA updates the charges table each night just before midnight. The agency application is responsible for obtaining and using the current charges information. Good practice is to obtain the charges data at least daily.

Charges Use in MSI Common Checkout

The `ChargeItem` data will become the basis for a line item that is sent to the CCP in the Prepare Checkout call. The table below maps the line item fields referenced in the CCP interface to their related `ChargeItem` value. In the CCP Prepare Checkout service call, line items are sent in as an array of `lineItems`.

CCP Line Item element	Field Description	Field used from Charges Item
<code>LineItem.SKU</code>	Item identifier used in backend SAAS funds distribution.	<code>ChargeItem.itemType</code>
<code>LineItem.Description</code>	Description of the item being purchased.	<code>ChargeItem.description</code>
<code>LineItem.Unit Price</code>	Cost of 1 of this item.	<code>ChargeItem.amount</code>
<code>LineItem.Quantity</code>	Quantity of the item being purchased.	Computed by the application.

EXHIBIT C
FINAL RULE
MISSISSIPPI DEPARTMENT OF FINANCE AND ADMINISTRATION
ADMINISTRATIVE RULE
PAYMENTS BY CREDIT CARD, CHARGE CARD, DEBIT CARDS OR OTHER FORMS
OF
ELECTRONIC PAYMENT OF AMOUNTS OWED TO STATE AGENCIES

The Department of Finance and Administration (DFA) has established the following Administrative rule to be followed when agencies, in accordance with §27-104-33, Mississippi Code of 1972, Annotated, elect to accept payments by credit cards, charge cards, debit cards, electronic check and other forms of electronic payment for various services and fees collectible for agency purposes.

I. Definitions

- A. Electronic payments: Consumer and business initiated payments, whether made through the Internet or in person, for various services and fees using any of the following payment instruments: credit cards, bank cards, charge cards, debit cards, electronic checks, or direct debits via electronic funds transfer.
- B. ACH: Automated Clearing House. Affiliated with the U. S. Treasury and the Federal Reserve System and used as the conduit for electronic payments and collections. The ACH is the settlement vehicle for electronic payments. The ACH is also used to transport direct debit and credit transactions to consumer bank accounts.
- C. Application Service Provider (ASP): An application service provider (ASP) provides computer-based services to customers over a network. The most limited definition is that of providing access to a particular application program (such as license renewals, registrations, etc.) using a standard protocol such as HTTP. ASP applications for purposes of this rule are those which accept electronic payments either through a browser-based application, or other revenue input sources.
- D. DFA: Mississippi Department of Finance and Administration.
- E. EOC FEE: Electronic Government Oversight Committee (EOC) Fee. This fee is used to offset the costs associated with providing electronic services and operating the electronic portal (www.mississippi.gov) at ITS. §25-53-151 (2) of the Mississippi Code defines the EOC. All transactions must include an EOC fee unless ITS has granted express written exemption of this fee for a specific Agency application or has granted approval for the Agency to absorb and directly remit the EOC fees associated with transactions for a specific application to DFA payable to State Treasury Fund 3126.
- F. Consumer: Consumer, for purposes of these rules, may be any individual person or business representative who initiates a transaction involving electronic payment.
- G. Convenience Fee: Convenience fee is the payment-processing fee as calculated and approved by the Department of Finance and Administration (DFA). No other fees,

- including the EOC fee, will be defined as convenience fees. All transactions must include a convenience fee unless DFA has granted express written approval for the Agency to absorb the payment processing costs associated with the transactions for a specific transaction and for the agency to remit those fees to DFA payable to State Treasury Fund 3126.
- H. ITS: Mississippi Department of Information Technology Services.
- I. Point of Sale: Point of Sale (POS). Payments made “over the counter” for fees for services. For the purposes of electronic payments in Mississippi, agencies desiring to accept “over the counter” electronic payments must have a POS application. POS applications may be: A web-based system where all payment information is keyed into the application by the client or a “card swipe” application similar to those found in commercial enterprises. POS applications must be certified to meet PCI Compliance Standards.
- J. SAAS: Statewide Automated Accounting System.
- K. SPI: SAAS Payment Interface. The SPI defines the accounting entries used to record all electronic payment transactions.
- L. Record Keeping: An agency must establish and maintain financial records and keep them available for the purposes of audit. The record keeping procedures must include the capture of the details of the electronic payments, associated fees, and supporting reconciliation documentation.
- M. Payment Card Industry – Data Security Standards: PCI-DSS is the result of collaboration between the major credit card brands to develop a single approach to safeguarding sensitive data. PCI-DSS defines a series of requirements for handling, transmitting, and storing sensitive data. The PCI-DSS standards can be found at <https://www.pcisecuritystandards.org>.
- N. Self-Assessment Questionnaire (SAQ): The PCI Data Security Standard Self-Assessment Questionnaire is a validation tool intended to assist merchants and service providers in self-evaluating their compliance with the Payment Card Industry Data Security Standard (PCI DSS).
- O. Payment Application Approved Scanning Vendor (PA-ASV): Organizations that validate adherence to certain DSS requirements by performing vulnerability scans of Internet facing environments of merchants and service providers.
- P. Payment Application Qualified Security Assessor (PA-QSA): Companies or employees that have been certified by the Payment Card Industry Security Standards Council to validate an entity’s adherence to the PCI PA-DSS.
- Q. Cardholder Data: Data that includes cardholder full name, full account number, expiration date, service code, full magnetic stripe, PIN/PIM Block or Card Validation Code (e.g., three-digit or four-digit value printed on the front or back of a payment card). Card Validation Code is also known as the CVV2 or CVC2 code.

- R. Sensitive Cardholder Data: Data includes Card Validation Code (e.g., three-digit or four digit value printed on the front or back of the payment card (e.g., CVV2 and CVC2 data)).
- S. Payment Application Data Security Standards (PA-DSS): A program managed by the Payment Card Industry Security Standards Council (PCI SSC). PA DSS is a set of standards designed to assist software vendors in developing secure payment applications that comply with PCI-DSS requirements.

The PA-DSS standards can be found at <https://www.pcisecuritystandards.org/>.

- T. Revenue Input Source: Electronic transactions from Web-based, Point of Sale (POS), Interactive Voice Response (IVR), Over the Counter Sales, etc.
- U. §27-104-33. Payment by credit card, charge card, debit card, or other form of electronic payment amounts owed to state agencies.

The State Department of Finance and Administration shall establish policies that allow the payment of various fees and other accounts receivable to state agencies by credit cards, charge cards, debit cards and other forms of electronic payment in the discretion of the department. Any fees or charges associated with the use of such electronic payments shall be assessed to the user of the electronic payment as an additional charge for processing the electronic payment.

Agencies with the approval of the Department of Finance and Administration may bear the full cost of processing such electronic payment if the agency can demonstrate to the department's satisfaction that they are able to assume these costs and provide the related service for the same or lesser cost.

II. Approvals for Internet-based Applications and Services for State Agencies

- A. E-government applications and services require additional review and approval by ITS and by DFA (in contrast to traditional software applications.) Because of the multiple costing models used by vendors for e-government applications, as well as the necessity for ensuring appropriate security for all public-facing applications, the normal ITS procurement delegations to agencies do not apply for these types of acquisitions. In addition, DFA must approve and schedule any implementations that involve payments. See 001-025 Approvals for Internet-based Applications and Services in the ITS Procurement Handbook. <http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>

III. Payment Applications - Fees Paid By Consumer

- A. Agency applications accepting payments shall use the third party electronic payment processor designated by DFA to accept electronic payments for various services and fees collectible for agency purposes unless express written approval is given by DFA for the use of an alternate payment processor.
 - 1. Designated payment processor is to be used regardless of where the application is hosted (agency, ITS, third-party).

2. Rules for obtaining approval of an alternate payment processor are found in Section V.
- B. The services provided by the processor and the fees for such services shall be set forth in the contract approved by the State. All such agreements are considered e-government agreements and are under the purview of ITS (see 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook).
- C. Funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in SAAS once the bank deposit is balanced.
- D. The payment processor will support, as a separate line item on the transaction payment summary presented to the customer, the convenience fee for the service and fee payment due the agency.
- E. DFA will provide the software components to be used by agency applications in calculation of the convenience fee associated with a particular fee or services payment.
 1. The standard calculation used by the software ensures the total cost to process the electronic payment is passed to the consumer.
 2. The software components are collectively known as the “charges client”.
- F. The application must inform the consumer of the total amount of the convenience fee that will be added to the fee or service billing before such charges are assessed. The consumer must be able to cancel the transaction at this point without any fee being assessed.
- G. The convenience fee and EOC fee shall be plainly included and identified on the electronic receipt provided to the consumer.
- H. The convenience fee charged to the consumer and noted in the financial records for verification purposes:
 1. Will be recorded in SAAS as a revenue receipt in DFA fund 3126 (known as the Mississippi.Gov Portal fees Fund).
 2. Will not flow through agency accounting journals.
- I. The portion of the convenience fee owed the electronic payment processor shall be directly withheld by the processor, then aggregated with other fees for that application and recorded appropriately as an expenditure transaction against the Mississippi.Gov Portal Fees Fund.
- J. Any rejected items returned to DFA by the designated third party processor will be forwarded to the appropriate agency for handling after being netted out of the settlement for the day.

- K. Revenues for all fees and services shall be recorded at gross in SAAS as revenue, as specified by the agency on the SAAS electronic payment distribution tables.
- L. Actual processing costs to include fees for authorization, settlement, and Electronic Government Oversight fees, will be recorded as expenditures as specified by the Agency on the SAAS electronic payment distribution tables.

IV. Payment Applications - Fees Paid By Agency

- A. Agencies desiring to pay all fees associated with electronic processing of payments must demonstrate to DFA their ability to do so and receive express written approval from DFA. Requirements for requesting approval are outlined in section VI of these rules.
- B. Agency applications accepting payments shall use the third party electronic payment processor designated by DFA to accept electronic payments for various services and fees collectible for agency purposes unless express written approval is given by DFA for the use of an alternate payment processor.
 - 1. Designated payment processor is to be used regardless of whether the particular application is a POS application, an application hosted through the Mississippi.gov infrastructure, or an application hosted through other ASPs.
 - 2. Rules for obtaining approval of an alternate payment processor are found in section V.
- C. The services provided by the processor and the fees for such services shall be set forth in the contract approved by the State. All such agreements are considered e-government agreements and are under the purview of ITS (see 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook).

<http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>
- D. Funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in SAAS once the bank deposit is balanced.
- E. Revenues for all fees and services shall be recorded at gross in SAAS as revenue as specified by the agency on the SAAS electronic payment distribution tables.
- F. Actual processing fees to include fees for authorization, settlement, and Electronic Government Oversight fees, will be recorded as expenditures as specified by the agency on the SPI distribution tables. These fees will be applied against the day's settlement for the agency.
- G. Any rejected items returned by the designated third party credit card/or other electronic processor to DFA will be forwarded to the appropriate agency for handling after being netted out of the settlement for the day.

V. Approval of an Alternate Payment Processor

- A. An agency wishing to use an alternate payment processor must submit a written request to the Department of Finance and Administration, Office of Fiscal Management, Attn: Portal Transactions, 501 North West Street, Suite 701 B, Jackson, MS 39201.
- B. The written request must state:
 - 1. The reason(s) the State-approved payment processor is not suitable for the agency application.
 - 2. The impact if the request is not granted.
- C. The application must be approved by DFA prior to entering into the procurement process for the alternate payment processing services.
- D. The agency must state what payment processors are available that meet their needs.
- E. The agency must describe the agency application including:
 - 1. The agency program supported.
 - 2. The items (services and fees) offered for sale.
 - 3. The individual item costs.
 - 4. The estimated usage of the processor (i.e., the number of transactions that will occur per fiscal year).
 - 5. An estimate of the processing costs “per transaction” for the items to be sold.
 - 6. The costs associated with the use of an alternate payment processor including, but not limited to, purchased and leased equipment, training, and contractual services.
- F. The agency must acknowledge that if DFA approves the agency’s request to pursue alternate payment processing services:
 - 1. Funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in SAAS once the bank deposit is reconciled and balanced by the agency. DFA will not perform this reconciliation and will not approve the transfer of funds to SAAS until proof of reconciliation is provided.
 - 2. Any request for an exception to the above reconciliation requirement must be clearly documented in the request for the alternate payment processor.
- G. The service must be legally procured following the rules for technology procurement. All such services are considered e-government services, and are within the purview

of ITS even if those services are offered at no cost to the agency. (See 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook):

<http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>

1. DFA will be an active participant in the procurement, implementation, and acceptance of the alternate payment processor before the application supported is certified for production operations.
 2. DFA, at its discretion, may require that DFA be a party to the contract.
- H. The alternate payment processor and/or 3rd party vendor must work with DFA to interface daily settled transactions and any associated fees into SAAS via the Cash Receipts (CR) interface or the SPI.
- I. Agencies are required to collect any State required fees, such as EOC fees.
- J. Approval under this section shall not relieve an agency of its responsibility concerning other sections of this rule.

VI. Approval for All Fees to Be Paid By Agency

- A. An agency wishing to obtain approval to bear the full cost of processing electronic payments should address the written request to the Department of Finance and Administration, Office of Fiscal Management, Attn: Portal Transactions, 501 North West Street, Suite 701 – B, Jackson, MS 39201.
- B. The request must state whether the application is web-based or of another type (example: submission of a file of EFT debits for mortgage payments).
- C. The agency must describe the agency application including:
1. The agency program supported.
 2. The items (services) offered for sale or collections.
 3. The individual item costs.
 4. An estimate of the processing cost “per transaction” for the items (services) to be sold.
- D. The agency must state whether the agency or the consumer will pay the EOC fee.
- E. The agency request must clearly:
1. Document whether the request is for an application where the consumer can purchase only a single item or service at a time (example: drivers’ license renewals) or a shopping cart model where multiple items may be purchased (example: hunting and fishing licenses).

2. Demonstrate a dollar neutral cost or cost saving to the agency when absorbing the processing fees rather than having the consumer pay the fees projected over a fiscal year. All assumptions must be documented.
 3. Demonstrate that the funds to defray the total cost of electronic processing will be available projected over a fiscal year. All assumptions must be documented.
- F. The agency must acknowledge that it will be required to set aside cash/authority at a specified minimum limit in a specified fund to cover expenses (debits) associated with the agency's transactions for the following:
1. Authorization and settlements fees
 2. Refunds
 3. Chargebacks
 4. Voids
 5. Returned items charges
- G. Approval under this section implies that the agency accepts and understands that the application will not be certified for production until such time as complete end-to-end testing is approved by DFA.
1. Testing will include financial settlement testing of all payment types.
 2. Testing will include refunds and chargebacks.
 3. Testing will include full reconciliation using the procedures developed by the Agency for that purpose.

VII. Waiver of the EOC Fee

- A. All requests to waive EOC fees must be addressed to Department of Information Technology Services, Attention: E-government Oversight Committee, 301 North Lamar Street, Suite 508, Jackson, MS 39202.

VIII. Third Party Processing and Fulfillment Costs

- A. §7-7-9, Mississippi Code (Laws of 1972) states the following:

"The Mississippi General Accounting Office shall maintain a complete system of general accounting to comprehend the financial transactions of every state department, division, officer, board, commission, institution or other agency owned or controlled by the state, except those agencies specifically exempted in Section 7-7-1, whether at the seat of government or not and whether the funds upon which they operate are channeled through the State Treasury or not, either through regular procedures having to do with the issuance of the State Fiscal Officer receipt warrants and disbursement warrants or through controls maintained through reports filed

periodically as required by the State Fiscal Officer in accordance with the reporting provisions contained in said Section 7-7-1.

All Transactions in public funds, as defined in Section 7-7-1, shall either be handled directly through the State Fiscal Officer and the State Treasury, or shall be reported to the State Fiscal Officer at the times and in the form prescribed by the State Fiscal Officer and the Legislative Budget Office, so that a complete and comprehensive system of accounts of the fiscal activities of all state governmental agencies shall be made available at all times in the General Accounting office.

- B. This policy is established by the Department of Finance and Administration, Office of fiscal Management (OFM) for direct or indirect payment to vendors to support internal business functions in the fulfillment of orders and completion of transactions initiated in person or through the Internet. These transactions may include, but are not limited to, the collection of taxes, issuance of licenses, production of reports, and other collections or payments for services that are conducted by agencies in their normal course of business.
- C. Any cost incurred directly (by an agency) or indirectly (passed directly to the consumer) for a party to complete agency business transactions must be reflected as a cost of doing business for this agency. To do otherwise would not fully disclose costs of the State to conduct business or reflect revenue generated by a vendor who is providing services under contract for the State of Mississippi. Likewise, any charge to the consumer for processing these transactions should be recognized by the agency as revenue.
- D. Agencies will report revenues and expenses on a Journal Voucher (JV) according to the Mississippi Agency Accounting Policy and Procedure (MAAPP) Manual, Section 16. The JV will be created within 5 workdays of the end of the fiscal quarter.

IX. Payment Card Industry – Data Security Standards (PCI-DSS)

- A. State agencies accepting credit and/or debit cards will comply with Payment Card Industry – Data Security Standards (PCI- DSS) to safeguard cardholder and sensitive cardholder data, regardless of revenue input source.
- B. To assist agencies in complying with PCI–DSS mandates, state agencies will use Project Number 37081, a Professional Services Agreement Between Coalfire Systems, Inc. and the Mississippi Department of Information Technology Services on Behalf of the Agencies and Institutions of the State of Mississippi. To request services under this agreement see <http://www.its.ms.gov/PCI.shtml>.
 - 1. Agencies will attend a Self-Assessment Workshop when scheduled by DFA and ITS.
 - 2. Agencies will complete a Self-Assessment Questionnaire (SAQ) and participate in interviews to evaluate their current operations and network. If an agency accepts credit cards via mail, manually or other non-Internet means, the Self-Assessment Questionnaire is still required. Additionally, there may be other operational security issues the agency will need to address.

3. All agencies will have quarterly scans on all Internet-facing Internet Protocol (IP) addresses used in the processing and storing of credit card data under the Professional Services Agreement between Coalfire Systems, Inc. and ITS.
 4. Agencies will make a good faith effort to correct deficiencies identified in the remediation plan and provide status or remediation tasks as requested by DFA and ITS.
- H. Agencies that do not participate in PCI-DSS cannot accept credit cards/debit cards as a form of payment. If an agency is found accepting credit/debit cards as payment and has not completed the steps for PCI compliance, DFA under the authority of §27-104-33, will issue the agency a cease and desist letter to close the system down. To request an appeal see Section XII.

X. Development/Hosting Options and Ultimate Responsibility for PCI-DSS and Fines and Penalties

- A. Agencies are responsible for ensuring their vendors are PCI-DSS compliant. Vendors will use Payment Application Data Security Standards (PA-DSS) to develop applications. The PA-DSS standards can be found at <https://www.pcisecuritystandards.org/>.
- B. Should an agency wish to move the hosting of their applications to Mississippi Department of Information Technology Services (ITS), the agency will bear the responsibility and cost to bring the application into PCI compliance before it is transferred to ITS. The agency will ensure the transfer takes place no later than 90 days after the last PCI scan. Another scan will occur after the transfer to ITS and the agency will be responsible for all PCI non-compliance items.
- C. The following table is a general guideline for PCI-DSS responsibility and liability:

System Type or Web Development/Hosting	Responsible Entity
ITS Developed/ITS Hosted	State is responsible for PCI compliance, fines and penalties
Agency Developed/ITS Hosted	State is responsible for PCI compliance, fines and penalties for state network infrastructure. The agency is responsible for PCI compliance, fines and penalties for the agency application and internal agency business practices
Agency Developed/Agency Hosted	The agency is responsible for PCI compliance, and all fines and penalties
3rd Party Vendor Developed/Agency Hosted	The agency is responsible for PCI compliance, and all fines and penalties

System Type or Web Development/Hosting	Responsible Entity
3rd Party Vendor Developed/ITS Hosted	State is responsible for PCI compliance, fines and penalties for state network infrastructure. The agency is responsible for PCI compliance, fines and penalties for the agency application
3rd Party Vendor Developed/3rd Party Vendor Hosted	The agency is responsible for PCI compliance and all fines and penalties
Non-Web based systems, Point of Sale (POS), Interactive Voice Response (IVR), Over the Counter Sales, Telephone Sales, Mail in, etc.	The agency is responsible for PCI compliance and all fines and penalties

XI. Security Breaches and Notifications

- A. In the event of a security breach, credit card or debit card data could be compromised. Agencies will immediately terminate the application/services to preserve evidence and notify:
 - 1. DFA's Chief Systems Information Officer at 601-359-6570.
 - 2. Mississippi Department of Information Technology Services, Information Security Director at 601-432-8080 and E-Government at (601) 432-8146.
 - 3. Mississippi State Attorney General's Office, Consumer Protection Division at (601) 359-3680 or 1 (800) 281-4418 and the Cyber Crimes Division at (601) 359-3817.

- B. The agency shall notify their customers of the breach once law enforcement informs the agency that customer notification will not impede an investigation.
 - 1. Agencies may notify customers using written notices or electronic notices. As a last resort, telephone notices can be given. Documentation that notices were provided, to whom they were provided, and when such notices were provided must be maintained by the Agency.
 - 2. The notice shall be clear and conspicuous and include:
 - a. A description of the incident in general terms.
 - b. The type of personal information subjected to unauthorized access or acquisition.
 - c. The general acts the agency has taken to protect the information from further unauthorized access.
 - d. A telephone number that the customer can call for further information.

- e. Advice that directs the customer to remain vigilant by reviewing account statements and monitoring free credit reports or close an account.

XII. Appeal Process

- A. An agency wishing to appeal a cease and desist letter must submit a written request to the Department of Finance and Administration, Director, Office of Fiscal Management, 501 North West Street, Suite 701 -B, Jackson, MS 39201.
- B. The agency must provide the following information in the written request:
 - 1. The agency program supported.
 - 2. The items (services) offered for sale or collections.
 - 3. The individual item costs.
 - 4. An estimate of the processing cost “per transaction” for the items (services) to be sold.
 - 5. The number of items sold per year and the total cost of those items.
 - 6. A detailed description of how the system works.
 - 7. A detailed list of software operating on the system.
 - 8. A detailed list of equipment, including the name, model number, and purposed of the equipment.
 - 9. A detailed description of accounting entries made to account for revenue and processing and other fees.
- C. The agency must state whether the agency or the consumer pays the EOC fee. The agency request must clearly:
 - 1. Document whether the consumer can purchase only a single item or service at a time (example: drivers’ license renewals) or a shopping cart model where multiple items may be purchased (example: hunting and fishing licenses).
 - 2. Demonstrate a dollar neutral cost or cost saving to the agency when absorbing the processing fees rather than having the consumer pay the fees projected over a fiscal year if the agency is to pay the processing fees. All assumptions must be documented.
 - 3. Demonstrate that the funds to defray the total cost of electronic processing will be available projected over a fiscal year if the agency is to pay the processing fees. All assumptions must be documented.
- D. If the agency is paying processing fees, the agency must acknowledge that they will be required to set aside cash/authority at a specified minimum limit in a specified

fund to cover expenses (debits) associated with the agency's transactions for the following:

3. Authorization and settlements fees
 4. Refunds
 5. Chargebacks
 6. Voids
 7. Returned items charges
- E. The agency will also submit their PCI Self-Assessment Questionnaire, Remediation Plan, and cost estimates to correct deficiencies identified in the Remediation Plan. Once the agency information is reviewed, the agency will be given a written response to the appeal request.

EXHIBIT D DEFINITIONS

Allocation – This is the term that refers to the federally mandated system of equitably distributing IV-D child support payments being paid through an Income Withholding Order when a payor has multiple payees.

ACH – Automated Clearing House. An electronic funds-transfer system run by the National Automated Clearing House Association. This payment system deals with payroll, direct deposit, tax refunds, consumer bills, tax payment, and many more payment services.

Bank Return Item – Checks that are returned not paid by the bank for various reasons, which include but are not limited to insufficient funds, account closed, and payment stopped.

Correspondence – Documents, letters and requests that are included with payment instruments, which have no bearing on payment processing.

Cost Recovery Fee – Allowable fees collected by some states, but not Alabama at this time, to recoup the costs of providing child support services.

Court Order – This is the legal document, which establishes the amount of child support to be paid, by whom it is to be paid, to whom it is to be paid and the payment frequency. It may be accompanied by an Income Withholding Order (IWO) that directs an employer to withhold the child support payment and remit it to the CRDU.

CRDU - Central Receipt and Disbursement Unit is the State Disbursement Unit for the State of Mississippi.

EFT – Electronic Funds Transfer. This is a means of sending/receiving payments electronically.

FTP – File Transfer Protocol. This is a communications protocol that governs the transfer of files from one computer to another over a network.

IV-D – The section title within the Social Security Act, which establishes the mechanism for a State to provide establishment, enforcement and collection services for custodial parents seeking child support from noncustodial parents.

METSS - Mississippi Enforcement Tracking of Support System is the State's child support accounting system.

NACHA – National Automated Clearinghouse Association. This organization develops operating rules and business practices for the Automated Clearinghouse Network and for electronic payments in the areas of internet commerce, electronic bill and invoice presentment and payment (EBPP, EIPP), e-checks, financial electronic data interchange (EDI), international payments, and electronic benefit transfer (EBT).

Non IV-D – These are child support cases which do not come under the auspices of the Social Security Act but for which the State, typically through the courts, has collection and disbursement responsibility, usually as the result of an income withholding order issued by a

judge in a divorce proceeding.

Obligee – This is the person to whom a court order directs child support payments be made and can be the father or mother, some other person or entity.

Obligor – This is the person who is obligated to make child support payments as the result of a court order and can be the father and/or the mother.

Payee – This is the collective entity to which a child support payment is made and can include the obligee, the State of Mississippi, or other states.

Payer/Payor – This is the collective entity that remits a child support payment and can include obligors, employers, and other states.

Payment Instruments – Negotiable monetary instruments for satisfying financial obligations, such as checks, cashier's checks, money orders, and cash or electronic funds transfers (EFT) through the Automated Clearing House (ACH).

Payment-related Document – A document that accompanies a payment instrument and contains information on how to assign the payment to a participant and/or a court order.

Remittance Advice- *See definition for Payment-related Document.*

Unidentified Payment – Any payment received where the appropriate child support case cannot be identified by the end of the day. The payment must be posted as unidentified so it can be deposited.

EXHIBIT E MDHS-MIS CONFIDENTIAL INFORMATION AGREEMENT

I hereby acknowledge all information pertaining to the **Mississippi Department of Human Services**, clients, employees and data, regardless of the source shall be kept confidential and the use of this information confirms my agreement to the following guidelines:

1. I shall not duplicate **Department** information other than for specific job requirements;
2. I shall abide by all security regulations established by the **Department** in regards to computer access(es);
3. All hard copy information shall be kept in a secure area, distributed accordingly, and not duplicated for the intent of misuse; after I have completed the task assigned, any hard copy information not needed shall be shredded;
4. I shall use the computer assigned to me by the **Department** of State business only;
5. I am responsible for any products on my computer;
6. I shall be responsible for all computer access(es) assigned to me and maintain all computer access codes in the strictest of confidence; immediately change them if I suspect that their secrecy has been compromised and report suspected misuse to the respective authority; and
7. Any conversations related to clients, employees or case record data shall be confidential and not discussed unless it directly relates to the job assignment.

I understand that willful violations of, or disregard for, any of these guidelines will result in disciplinary action up to and including the termination of my employment and possible prosecution under the provisions of the Computer Crimes Act as cited at TCA 39-14-601 et seq. and Federal and State laws and regulations as cited in 45 CFR 205.50, 7 CFR 272.1, Mississippi Code of 1972, annotated, Section §43-1-19, and the Privacy Act of 1974, 5 U.S.C. 522a.

I understand that as an employee or contractor or contract employee of the **Mississippi Department of Human Services**, I must use individually identifiable information disclosed to me or obtainable by me only for the purposes related to my assigned **Mississippi Department of Human Services** job duties.

MDHS Employees and Contractors that have access to Federal Tax Information are advised of the provisions of IRC Sections §7431, §7213(a), 7213A (see Exhibit 5, IRC Sec. 7431 Civil Damages for Unauthorized disclosure of Returns and Return Information and Exhibit 10, IRC Sec. 7213 Unauthorized Disclosure of Information). The unauthorized use of IRS information herein constitutes a felony punishable upon conviction by a fine as much as \$5,000 or imprisonment for as long as five years, or both, together with the cost of prosecution.

Additionally, I also understand the penalties for improper disclosure implied by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable to contractors by 5 U.S.C. a (m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses that material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined up to \$5,000.

I have read and agree to comply with the guidelines set forth above.

Printed Name of Employee

Signature of Employee and Date

Signature of Employee and Date

**Return to:
MDHS MIS Security Unit
750 North State Street
Jackson, MS 39202**

MDHS Form-MDHS-MIS-60-Revision-05-14-2012

**EXHIBIT F
METSS CODE TABLES**

Pay Codes

01 SUPPORT PAYMENT
02 GENETIC TEST PAYMENT
03 COURT COST PAYMENT
04 ATTORNEY FEE PAYMENT
05 NON-AFDC APPL FEES
06 NON AFDC LOCT ONLY
07 FPLS LOC. SERV FEE
08 NONAFDC TAX INTC FEE
09 PARENTAL KIDN & CUST
81 NSF FEE PAYMENT
90 PAYMNT OF IV-D CLAIM
96 EMP NSF FEE PMT

Source

B BANKRUPTCY
C OUT OF COUNTRY IV-D AGENCY
E EMPLOYER NSF FEE PAYMENT
F FINANCIAL INSTITUTION
M INSURANCE MATCH
O OTHER ENFORCEMENT METHODS
P ABSENT PARENT
W INCOME WITHHOLDING
X OUT OF STATE IV-D AGENCY
Y CUSTODIAL PARENT
Z STATE TAX - OUT OF STATE

Method

1 PERSONAL CHECK
2 BANK/US POSTAL MONEY ORDR
3 OTHER MONEY ORDER
4 FEDERAL CHECK
5 STATE CHECK
6 TRAVELER'S CHECK
7 CASHIER'S/CERTIFIED CHECK
8 BUSINESS CHECK
9 CASH

Unidentified Reason

01 NO ACTIVE WAGE W/HLD ORDR
02 CASE IS CLOSED
03 NO FEE/ENTR/ON/FEE/PMT/SC
04 AP/CP UNKNOWN IN METSS
05 NOT/ENOUG/INFO/ON/PMT/SCR
06 NO ORDER ATTACHED TO CASE
07 MISCELLANEOUS

EXHIBIT G METSS BATCH AND RECEIPTING EDIT CHECKS

Whenever a payment is received by METSS, the necessary data is entered to a receipt record. Batch records are entered for groups of receipts. A single batch may represent up to 999 receipts. The following edit rules apply to the entry of a batch and receipt records.

Batch:

Dates: Entry / FIVR Approval / Approval / Deposit

1. These fields are required and must contain valid dates in the format CCYYMMDD

Worker Ids: Entry / Deposit / FIVR Approval / Approval

1. These fields are required and must be a valid worker id.
Check for a Codes-03 record with a matching USER-ID field.

Total Number Of Receipts

1. This number cannot be greater than 999 and must match the total number of receipts associated with the batch.

Total Batch Amount

1. This amount must match the total amount of all receipts in the batch.

Batch Number

1. This field is required and will be a unique six digit sequential id number.

Deposit Number

1. This field is required and will be a unique six digit sequential id number.

Receipt:

Batch Number

1. This field is required and must be a valid batch number.

Case Number (SSN)

1. Field is required.
2. Must be a valid SSN, case id (nine digit case number), sub-case id (nine digit case number plus subcase alpha code), unidentified account number (699999997), or employer non-sufficient-funds (NSF) fee payment (899999997). If the number matches both an SSN and a case id, the user will have to indicate whether the entry represents the SSN or the case id.

AP Id Number (This field is not entered by the workers but is assigned by the system.)

1. Field must be blank if Case Number is for the unidentified account number (699999997) or employer non-sufficient-funds (NSF) fee payment (899999997).
2. If the Case Number field contains an SSN, this field should contain the Person-Id of the

individual with the matching SSN.

- 3.If the Case Number field contains a case or subcase id, this field should contain the Person-Id of the NCP in the associated case.

Payment Amount

- 1.Field is required.
2. The amount may not be negative.

Collection Date

- 1.Valid date is required.
- 2.This must be the current date.

Check Number

- 1.Check number is required unless payment method is 9 (Cash).

Pay codes

- 1.Field is required.
- 2.Valid values: 01 - Support Payment, 02 - Genetic Test Payment, 03 - Court Cost Payment, 04 - Attorney Fee Payment, 05 - Non-AFDC Application Fees, 06 - Non-AFDC Locate Only, 07 - FPLS Locate Service Fee, 08 - Non-AFDC Tax Intercept Fee, 09 - Parental Kidn & Cust, 81 - Non-Sufficient Funds Fee, 90 - Payment of IV-D Claim, 96 - Employer Non-Sufficient Funds Fee.
- 3.Codes 02, 03, 04, 81 may be used only for case level payment (not SSN or sub-case).
- 4.Codes 05, 06, 07, 08, 09, 90 may be entered only if there is a METSS court order associated with the corresponding NCP.
- 5.Payment amount may not be greater than \$25.00 with code of 05, 06, 07, 08, 09.
- 6.Codes 05, 06, 07, 08, 09 may not be posted at the SSN level.
- 7.Payments with code 90 must be entered at sub-case or SSN level.
- 8.If the payment is for the unidentified account (case number 699999997), the code must be 01 - 09.
- 9.If the code is 90, the payment amount may not exceed the total claims due for the individual.
10. If the code is not 90 and the payor is an NCP who has a claim balance, give the worker a message that the payor both owes support and has a claim balance and allow the worker to indicate whether the payment should be applied to the support obligation or claim balance.
- 11.Unless the code is 90, the payor must have a primary county assigned, indicating an open case. (The receipt may be entered but it will go into QA.)
12. Code 96 may be used only with case number 899999997; Code 96 is the only valid code for this case number.
13. If code is 96, the amount entered must not exceed the NSF fees due for the employer.

Source

- 1.Field is required.
- 2.Valid values: B - Bankruptcy, C - Out of Country IV-D Agency, E - Employer Non-Sufficient

Funds Fee Payment, F - Financial Institution, M - Insurance Match, O - Other Enforcement Methods, P - Absent Parent, U - MESC, W - Income Withholding, X - Out Of State IV-D Agency, Y - Custodial Parent, Z - State Tax - Out of State.

- 3.Code must be E if the case number is 899999997 (employer NSF fee payment).
- 4.Code W may be used only for payment at NCP level or for the unidentified account.
- 5.Code must be W for payments posted to the NCP-SSN level.
- 6.Code W may be used only if the NCP has an active income withholding order.

Method

- 1.Field is required.
- 2.Valid values: E - EFT/EDI (May not be entered online), 0 - EFT (May not be entered online), 1 - Personal Check, 2 - Bank/US Postal Money Order, 3 - Other Money Order, 4 - Federal Check, 5 - State Check, 6 - Traveler's Check, 7 - Cashier's/Certified Check, 8 - Business Check, 9 - Cash.
3. Codes 1 and 8 may not be entered if the bad check flag is set for the payor unless the pay code is 90. (The receipt may be entered but a warning message will be displayed.)

Employer

- 1.If the payment source is W, an employer must be entered.
- 2.The NCP must have a primary employer assigned in METSS, and the employer entered on the receipt must be one assigned to the NCP in METSS, although not necessarily the primary one. (The receipt may be entered but it will go into QA.)
- 2.If the payment code is 96, an employer must be entered.
3. The code must be a valid METSS employer code.
Check for an employer (EMPLOYERS) record with an EMP-ID field equal to the employer id entered on the receipt.

Unidentified Reason

1. Valid values: 01 - No Active Wage W/hld Order, 02 - Case Is Closed, 03 - No Fee/Entr/On/Fee/Pmt/Sc, 04 - AP/CP Unkown In METSS, 05 - Not/Enough/Info/On/Pmt/Scr, 06 - No Order Attached To Case, 07 Miscellaneous.
2. This code must be entered when receipting to the unidentified account; May be entered only for the unidentified account.

Financial Institution

1. Must be entered if the payment source is F; May be entered only if the payment source is F.
2. Must be a valid code for a financial institution.

Court Cause Number (Consists of the five component fields below.)

- 1.If a cause number is entered, it must be a valid METSS cause number for the case.

- 2.If pay code is 02, the receipt amount may not be greater than the genetic testing amount owed for the order specified by the cause number. The error message should display current amount owed.
- 3.If pay code is 03, the receipt amount may not be greater than the court cost amount owed for the order specified by the cause number. The error message should display current amount owed.
- 4.If pay code is 04, the receipt amount may not be greater than the attorney fee amount owed for the order specified by the cause number. The error message should display current amount owed.
5. This field consists of the following 5 components: Court Type, Court District, Court County, Court Judge, and Cause Number. All of the component fields, except for Court Judge, are required for pay codes 02, 03, 04, and 81, and must be blank for pay codes 06, 07, 08, 90, 96, and 99.

Court Order ISN

- 1.If a value is entered, it must match a Court-Order record and the cause number of the order must match the entered Court Cause Number field.

Remarks

1. This field should be populated with as much information as possible for receipts to the unidentified account. It will consist of the following component fields with the indicated lengths, with a '/' between each field: Case Id (10), SSN (9), First name (11), Middle initial (1), Last name (15), Pay code (2), Employer name (16). Each component field should be fixed length with the data left justified in the field.

EXHIBIT H METSS BATCHES AND RECEIPTS UPLOAD FILE LAYOUTS

Batches (Fields used for storing batches.)

Detail Record

2 BATCH-NBR	A	6	
2 ENT-WKR	A	3	
2 EMP-ID	A	6	
2 BATCH-ENT-DT	A	8	(MMDDYYYY)
2 BATCH-TOT-ENT	N	3	
2 BATCH-TOT-AMT	N	9.2	
2 PAY-CD-DEFAULT	A	2	
2 PMT-SRC-DEFAULT	A	1	
2 PMT-MTHD-DEFAULT	A	1	
2 CHECK-NBR-DEFAULT	A	12	
2 DEP-NBR	A	7	
2 DEP-DT	A	8	(MMDDYYYY)
2 APP-WKR	A	3	
2 APP-DT	A	8	(MMDDYYYY)
2 FILLER	A	138	

Trailer Record

2 REC-TYPE	A	1	('T')
2 DATE	A	8	(CCYYMMDD)
2 TOT-BATCHES	N	6	
2 FILLER	A	195	

Receipts (Fields used when storing receipts.)

Detail Record

2 BATCH-NUMBER	A	6	
2 CASE-ID	A	10	
2 AP-PID	N	13	
2 EMPL-ID	A	6	
2 TRAN-AMT	N	5.2	
2 USER-ID	A	3	
2 ENTRY-DT	A	8	(MMDDYYYY)
2 DT-OF-COLLECTION	A	8	(MMDDYYYY)
2 USER-CHECK-NBR	A	12	
2 PAY-CD	A	2	
2 PMT-SOURCE	A	1	
2 PMT-METHOD	A	1	
2 COURT-ORDER-ISN	N	13	

2 COURT-CD	A	8
2 CAUSE-NBR	A	13
2 REMARKS	A	70 (Case Id (10) / SSN(9) / First(11) / M(1) / Last(15) / Pay Code (2) /Employer name (16)
2 FIN-INST-ID	A	12
2 UNIDENT-RSN-CODE	A	2
2 RCPT-ID	N	17

**EXHIBIT I
 METSS DATABASE FILES USED FOR EDIT CHECKS**

Below is a summary list of the files used during the edit checking process and the approximate number of records currently in each file which may be needed for this process. Many of these files will increase on a daily basis.

File	Approx Nbr Of Records (as of 10/2013)
Person-Master	2,220,000
Child-Support	1,368,000
Court-Order	412,000
Order-History	896,000
Case-Financial	772,000
Order-Financial	341,000
Receipts	2,600
Employers	262,000
Financial-Institutions	1,870
Codes-01 (Counties)	89
Codes-03 (Users)	3,150

The following is list of the fields in each file which may be required for the edit checking process.

***Receipts**

2 EMPL-ID	A	6
2 EMP-FEE-IND	A	1
2 TRAN-AMT	P	5.2
2 RECEIPTS-ISN	P	13
2 ADJ-TYPE	A	2
2 ADJUSTING-TRAN (1)	P	13
2 PROC-BY-NIGHTLY-IND	A	1

*These fields from the Receipts file are needed when performing edits for Employer NSF Fee payments. Only other Employer NSF Fee payment receipts will have to be read.

Person Master

2 PERSON-ID	P	13
2 SSN	A	9
2 FIRST	A	11
2 MIDDLE	A	1
2 LAST	A	15
2 AP-PRIMARY-COUNTY	A	3
2 PERSON-TYPE	A	1 (1:4)
2 AP-BC-FLAG	A	1
2 TOTAL-CLAIM-BAL	P	7.2
2 ADDRESS-GP	(Address fields used for display only)	
3 AG-STREET1	A	30 (1)
3 AG-STREET2	A	30 (1)
3 AG-CITY	A	18 (1)

3 AG-STATE	A	2	(1)
3 AG-COUNTRY	A	2	(1)
3 AG-ZIP	A	9	(1)
2 AP-EMP-DATA			
3 AP-EMP-ISN	P	13	(1:33)
3 AP-EMP-END-DT	D		(1:33)

Child Support

2 CS-CASE-ID	A	10	
2 CS-AP-ID	P	13	
2 CS-CLIENT-PID	P	13	
2 CS-STATUS-CD	A	3	
2 CS-CLOSE-RSN-CD	A	2	
2 CS-LAST-PAY-DT	D		(For display Only)
2 CS-CASE-CREATE-DT	D		
2 CS-CHILD-ID	P	13	(1:10)
2 CS-OBP-ID	P	13	

Case Financial

2 ISN	N	10	
2 CASE-ID	A	10	
2 MO-YEAR	D		
2 CSUP-PA-ARRS-DUE	N	7.2	
2 CSUP-NPA-ARRS-DUE	N	7.2	
2 CSUP-TEMP-ARRS-DUE	N	7.2	
2 CSUP-MO-BAL-DUE	N	5.2	
2 SPOUS-NPA-ARRS-DUE	N	7.2	
2 SPOUS-PA-ARRS-DUE	N	7.2	
2 SPOUS-TEMP-ARRS-DUE	N	7.2	
2 SPOUS-MO-BAL-DUE	N	5.2	
2 CM-MA-ARRS-DUE	N	7.2	
2 CM-NMA-ARRS-DUE	N	7.2	
2 CM-TEMP-ARRS-DUE	N	7.2	
2 CM-MO-BAL-DUE	N	5.2	

Court Order

2 COURT-ORDER-ISN	P	13	
2 METSS-CASE-ID	A	9	
2 METSS-CAUSE-NBR	A	21	
2 METSS-CAUSE-NBR			
3 CAUSE-NBR	A	13	
3 COURT-TYPE	A	2	
3 COURT-DISTRICT	A	2	
3 COURT-COUNTY	A	3	
3 COURT-JUDGE	A	1	
2 OBLIG-MOD	A	1	(1:4)
2 OBLIG-EFF-DT	D		
2 OBLIG-TERM-DT	D		
2 SUPP-OBLIG-AMT	N	7.2	

2 SUPP-FREQ-CD	A	1
2 SPOUS-AMT	N	7.2
2 SPOUS-FREQ-CD	A	1
2 CM-AMT	N	7.2
2 CM-FREQ-CD	A	1
2 ARRS-OBLIG-AMT	N	7.2
2 ARRS-OBLIG-FREQ-CD	A	1

Order History

2 COURT-ORDER-ISN	P	13	
2 METSS-CASE-ID	A	10	
2 OBLIG-EFF-DT	D		
2 OBLIG-MOD	A	1	(1:4)
2 OBLIG-TERM-DT	D		
2 CHG-TIME	T		

Order Financial

2 ORDR-ISN	P	13
2 MO-YEAR	D	
2 STD-COST-DUE	N	5.2
2 ATTY-FEE-DUE	N	5.2
2 ADMIN-FEE-DUE	N	5.2
2 GTEST-AMT-DUE	N	5.2
2 CCOST-AMT-DUE	N	5.2
2 NSF-COST-DUE	N	5.2

Employers

2 EMP-ISN	P	13
2 EMP-ID	A	6
2 NAM	A	30
2 SERV-STREET1	A	30
2 SERV-STREET2	A	30
2 SERV-CITY	A	18
2 SERV-ST	A	2
2 SERV-ZIP	A	9
2 STREET1	A	30
2 STREET2	A	30
2 CITY	A	18
2 STATE	A	2
2 ZIP	A	9
2 EMP-BC-FLAG	A	1
2 NSF-BALANCE	N	5.2

Financial Institution

2 FIN-ID	A	9
2 FI-SEQ-NBR	P	3
2 FI-NAME	A	40
2 FI-STREET	A	40
2 FI-STREET2	A	40

2 FI-CITY	A	29
2 FI-STATE	A	2
2 FI-ZIP	A	9

Codes 01

2 CO-CODE	A	3
2 CO-NAME	A	20

Codes 03

USER-NAME	A	30
USER-ID	A	3

**ATTACHMENT A
FUNCTIONAL/TECHNICAL REQUIREMENTS**

Attachment A is a Microsoft Excel document that is separately attached to this RFP. Refer to the ITS website to download a copy of Attachment A.

Vendor must refer to that Attachment and provide their responses to that portion of their proposal as instructed in Section VII Technical Specifications beginning with Item 1 on Page 32 of this RFP.