



**REQUEST FOR PROPOSALS (RFP)
AUTOMATED FISCAL SYSTEM (AFS) MODERNIZATION PROJECT
OTHS/OTHS-17-013-S N00R7400021
AMENDMENT #4**

March 6, 2017

Prospective Offerors:

This amendment is being issued to amend certain information in the above named RFP. All information contained herein is binding on all Offerors who respond to this RFP. The changes are listed below. New language has been double underlined and marked in bold (i.e., **word**) and language that has been deleted has been marked with a strikethrough (i.e. ~~word~~).

1. Revise Section 1.2 Abbreviations and Definitions as follows:

| | |
|-------------------|--|
| <u>ETL</u> | <u>Extract, Transform, Load</u> |
| Key Personnel | Contractor Personnel that, should they leave during the performance period, will, in the State's opinion, have a substantial negative impact on the Contractor's performance under the Contract. As provided in Sections 1.23, 2.2 and 3.5, Key Personnel must be identified in the Technical Proposal. |

2. Revise Section 2.2. Personnel Minimum Requirements as follows:

2.2 Personnel Minimum Requirements

This section does not apply to this solicitation.

~~Offeror Personnel shall meet the following minimum qualification criteria to be eligible for consideration in the evaluation of this RFP:~~

~~Resumes must clearly outline starting dates and ending dates for each applicable experience.~~

~~For the personnel proposed in response to this RFP, Offeror must provide proof with its Proposal that the following Minimum Qualifications have been met:~~

~~2.2.1 Program Manager: Must have at least five (5) years project management experience and hold either a Project Management Professional (PMP) or relevant SAFe certification.~~

~~2.2.2 Application Architect: Must have at least five (5) years of experience designing medium to large scale sites.~~

~~2.2.3 Computer Software/Integration Analyst: Must have at least five (5) years of experience performing requirements analysis for application development projects.~~

3. Revise Section 3.3.4. Contractor Transition Requirements as follows:

3.3.4 Contractor Transition-In Requirements

- A. Develop and submit an implementation schedule that details all relevant activities for the first 3 months of deployment of the new AFS. The implementation schedule will be progressively elaborated as the new AFS is deployed.
- B. Make the new AFS available to the State project team for user acceptance testing, in order to ensure that all core functionalities are readily accessible for production use.
- C. Facilitate the migration of all data from the legacy AFS application into the new AFS application **using appropriate data conversion tools to Extract, Transform, Load (ETL) the data into the replacement system.**
- D. Develop conversion routines for batch data import from the State's legacy application.
- E. Execute validation routines to ensure that data has been migrated successfully.
- F. Facilitate user acceptance test to ensure that legacy data has been loaded correctly and is being displayed in accordance to DHR policy.
- G. Facilitate the acceptance and deployment of the new production AFS with new DHR datasets.

4. Revise Section 4.2.2 Table 1 as follows:

| | | | | |
|---|---|--|---|---------|
| D | References <u>Minimum Qualifications</u> | Identify the appropriate references provided <u>Provide documentation of Minimum Qualifications in Tab D.</u> | 5 <u>6</u> pages (<u>or 2</u> pages per individual) | 4.2.2.5 |
| E | Offeror Technical Response to RFP Requirements and Proposed Work Plan | Respond as instructed. | 50 <u>75</u> pages | 4.2.2.6 |

5. Revise Section 4.2.2.9 References (Submit under TAB H) as follows:

4.2.2.9 References (Submit under TAB H)

At least one (1) reference is requested from a customer who is capable of documenting the Offeror's team's ability to provide similar products/services specified in this RFP. ~~References used to meet any Offeror Minimum Qualifications (see Section 2) may be used to meet this request.~~ Each reference shall be from a client for whom the Offeror and/or subcontractor has provided products/services within the past five (5) years and shall include the following information:

- A. Name of client organization;
- B. Name, title, telephone number, and e-mail address, if available, of point of contact for client organization; and
- C. Value, type, duration, and description of products/services provided.

DHR reserves the right to request additional references or utilize references not provided by an Offeror or its subcontractor(s). Points of contact must be accessible and knowledgeable regarding performance evaluation.

6. **Attachment Q in WORD format is attached and posted separately on DHR's website.**
7. **Delete and Replace Section 1.38 Safeguarding of Information from the United States Internal Revenue Service (IRS) as follows:**

1.38 SAFEGUARDING OF INFORMATION FROM THE UNITED STATES
INTERNAL REVENUE SERVICE (IRS)

a. **PERFORMANCE**

The Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

1. **All work shall be performed under the supervision of the Contractor or the Contractor's responsible employees.**
2. **The Contractor and the Contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.**
3. **Any Federal Tax Information (FTI) or return information (hereafter referred to as FTI, returns or return information) made available shall be used only for the purpose of carrying out the provisions of this Contract. 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 this Contract. Inspection by or disclosure to anyone other than an officer of employee of the Contractor is prohibited.**

4. All returns and return information shall be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
5. The Contractor certifies that the data processed during the performance of this Contract 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.
6. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the Department's Project Manager or 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 Department's Project Manager or designee with a statement containing the date of destruction, description of material destroyed, and the method used.
7. All computer systems receiving, processing, storing or transmitting FTI 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 FTI.
8. No work involving returns and return information furnished under this Contract shall be subcontracted without prior written approval of the IRS.
9. The Contractor shall maintain a list of employees authorized access. Such list will be provided to the Department and, upon request, to the IRS reviewing office.
10. The Department shall have the right to void the Contract if the Contractor fails to provide the safeguards described above.

b. CRIMINAL/CIVIL SANCTIONS

1. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing solely by one designated person (from either DHR staff or the Contractor's staff, to be determined) that returns or return information disclosed to each 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 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future 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 with respect to each instance of unauthorized disclosure. These penalties are prescribed by Internal Revenue Code (IRC) Sections 7213 and 7431 and set forth at 26 C.F.R. Part 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 contract. 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 this Contract. Inspection 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 or imprisonment for as long as 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 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. The penalties are prescribed by IRC Sections 7213A and 7431 and set forth at 26 C.F.R. 301.6103(n)-1.
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 United States Code (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 there under, and who knowing that disclosure of the specific material is so 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.
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 shall 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. The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedures for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the Contractor shall sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements. See Attachment W.

c. INSPECTION

The IRS and the Department, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

8. Attachment W has been deleted and replaced with the following:

- Attachment W – Annual Internal Revenue Service Employee Awareness
- Attachment W-1 – IRC Section 7213 Unauthorized Disclosure of Information
- Attachment W-2 – IRC Section 7431 Civil Damages for Unauthorized Inspection or Disclosure of Returns and Return Information
- Attachment W-3 – Reporting Improper Inspections or Disclosures

9. The following Attachments have been added to the RFP:

- Attachment AA - User Counts and Roles
- Attachment BB – Report of Expenditures and Source of Funds
- Attachment CC - Flat File of 1099 Data Elements
- Attachment DD – Safeguarding of Information from the United States Internal Revenue Service

10. Section 3.4.3 is revised as follows:

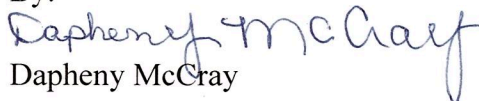
The Contractor shall obtain from each prospective employee, a signed statement permitting a criminal background check.

The Contractor shall obtain a Criminal Justice Information System (CJIS) State and Federal criminal background check, including fingerprinting, **a check of local law enforcement records where the individual has lived, worked, or attended school within the last 5 years, and a check of citizenship/residency,** for each individual performing services under the Contract. This check shall cover the last ten (10) years. This check may be performed by a public or private entity **and is done at the Contractor's expense, and shall be completed prior to any Contractor or subcontractor's employee providing services or accessing DHR data or Federal Tax Information (FTI) (including but not limited to electronic data and/or paper files).** ~~A CJIS State criminal background check shall be completed and passed prior to any Contractor employee providing services on-site at any location covered by the Contract. A CJIS Federal background check is necessary for each employee assigned to work on the Contract and shall be completed within four (4) months of Contract award.~~ **Contractor shall complete USCIS Form I-9 to document verification of the identity and employment authorization of each new employee. Within 3 days of completion, Contractor shall process the new employee through E-Verify to assist with verification of his/her status and the documents provided. The E-Verify is free of charge and can be located at www.uscis.gov/e-verify.**

Provide a Criminal Background Check Affidavit (Attachment Y) for each employee certifying to the Department that a background check has been performed (this shall be done at the Contractor's expense). The Contractor shall provide the Affidavits, via e-mail to the Contract Manager, no later than four (4) months after the NTP ~~and annually at beginning of each Contract year.~~ **Criminal background checks or reinvestigations must be conducted on all employees assigned to work under the Contract every three (3) years from the date of the previous background investigation.**

Offerors are reminded that they must acknowledge receipt of all amendments issued against the RFP in their Transmittal Letter (see RFP §§ 1.18 and 4.2.2.3). Should you require clarification of the information provided in this Amendment, please contact me via email at dapheny.mccray@maryland.gov or by telephone at (410) 767-7068.

By:



Dapheny McCray

Procurement Officer

Issued: March 6, 2017