

FLORIDA DEPARTMENT OF FINANCIAL SERVICES
FLORIDA PALM PROJECT

RFQ Florida PALM 14/15-17
Independent Verification and Validation Services

Revised December 2015

Statement of Work
And Request for Quote

CAUTION: Trade secrets are not solicited or desired, as submissions with Responses. Respondents **are advised to submit a redacted version of the Response if Respondent considers any portion of the documents, data or records submitted in response to this solicitation to be confidential, trade secret or otherwise not subject to disclosure pursuant to Chapter 119, Florida Statutes, the Florida Constitution or other authority. This redacted copy shall be clearly titled “Redacted Copy.”** Failure to provide a redacted version when confidentiality is claimed by the Respondent may be cause for determination of non-conformance.

1. Purpose.

The Department of Financial Services (“DFS”), Florida PALM (Planning, Accounting, and Ledger Management) Project (Project) is issuing this Statement of Work (“SOW”) to define the scope and requirements of this Contract and to request quotes and responses (“Response” or “Proposal”) to this Request for Quotes (“RFQ”) pursuant to the State Term Contract for Management Consulting Services, No. 973-000-14-01.

This Contract is needed to leverage an Independent Verification and Validation (IV&V) consulting firm during the Pre-DDI phase of the Project to develop and support a Quality Management System (QMS) for activities performed on the Project to ensure both the planning and execution of planned tasks are aligned to achieve overall Project success.

2. Definitions

The following are key terms included within the scope of work.

1. **Business Requirements** – technical, functional, and reporting requirements for the State of Florida’s new financial management system
2. **Business Process Standardization (BPS) Team** – the collective group of State staff and Contractor staff assigned to support the Business Process Standardization Track
3. **Compensating Systems** – applications developed outside of the State’s accounting system to support financial functions
4. **Contractor** – the company that provides the IV&V staff to whom the IV&V support services are awarded; also known as Pre-SSI IV&V Contractor
5. **Department of Financial Services (DFS)** – the state agency that oversees the fiscal functions of the State of Florida
6. **Division of Accounting and Auditing (A&A)** – the division within DFS that serves as the functional owner of the State’s accounting system and which establishes, recommends and enforces fiscal policy for the State
7. **Division of Information Systems (DIS)** – the division within DFS that plans, manages and operates the information technology resources for DFS
8. **Enterprise Resource Planning (ERP)** – business process management software that allows an organization to use a system of integrated applications to manage the business and automate back office functions
9. **FLAIR Study** – the document delivered in March 2014 to the Department of Financial Services, which provides an evaluation and recommendations for the enhancement or replacement of the State’s current financial management systems
10. **Organizational Change Management (OCM) Team** - the collective group of State staff and Contractor staff assigned to support the Organizational Change Management Track

11. **Project Management Office (PMO)** – the collective group of State staff and Contractor staff assigned to support the Project’s governance and project management functions
12. **PMO Manager** – the DFS employee who directs the activities of the Project’s PMO
13. **Project Sponsors** – representatives from the Division of Accounting and Auditing, Division of Information Systems, Division of Treasury and the office of the Chief Financial Officer who provide support and guidance to the FLAIR and CMS Replacement Project
14. **Project Team** – the group of DFS employees and Contractor staff dedicated to the FLAIR and CMS Replacement Project
15. **Requirements Traceability Matrix** – a tool which correlates requirements to system functionality throughout the Project lifecycle (i.e., design, testing, and implementation)
16. **Software & System Integrator (SSI)** – the vendor selected through procurement to implement the State’s new financial management system
17. **SSI Procurement** – the Project’s procurement event / phase dedicated to the selection of the software and the system integrator to implement the selected software
18. **SSI Procurement Support Team** – the group, made up of Project Team members and potentially a third-party vendor, supporting the development and execution of the SSI procurement
19. **Stakeholder Analysis** - the Project Team anticipates that both the Project PMO and the OCM Team will perform stakeholder analyses. To minimize duplication of effort, the PMO will perform a project-level analysis to identify the Project’s stakeholders, their impact/influence on the Project, what does the Project need from them, what are their expectations of the Project, etc. The OCM Contractor may expand on this analysis for the unique needs of organizational change management and workforce transition.
20. **Standard Business Process Workflow** – the standardized flow diagram (such as a Visio diagram) that depicts the flows of activities in a Process Area
21. **State BPS Team** – the DFS employees assigned to support the BPS Track
22. **State PMO Team** – the DFS employees assigned to support the PMO Track
23. **State Procurement Team** – the DFS employees assigned to conduct procurement activities to support all Project procurements
24. **State Data** – any data or information of or concerning the State or DFS that is provided to or obtained by the Contractor or Contractor personnel in connection with the performance of the Contractor’s obligations under the contract, including any such data and information that either (i) is created, generated, collected or processed by Contractor personnel in the performance of the Contractor’s obligations under the contract, including data processing input and output, performance measurements, asset information, reports, third party service and product contracts, and the Contractor’s charges to DFS, or (ii) resides in or is accessed through DFS operating environment or the Contractor’s service delivery infrastructure; as well as any data and information derived from the foregoing

25. **Subject Matter Expert (SME)** – state agency representative(s) with knowledge in a specific Process Area(s)
26. **Systems and Data Strategy (SDS) Team** - the collective group of State staff and Contractor staff assigned to support the Systems and Data Strategy Track
27. **SME Standardization Workgroup** – group of Project Team members and state agency subject matter experts tasked with supporting the development of standard business process models, workflows, and business requirements
28. **Treasury** – Treasury is a division within the DFS that performs the cash management and investing activities for the State

3. Background.

Section 215.93, Florida Statutes (“F.S.”), establishes the Florida Financial Management Information System (“FFMIS”) for the State of Florida (the “State”). FFMIS is comprised of the accounting, budgeting, cash management, human resources and procurement subsystems. For nearly two decades, all of the FFMIS subsystems ran on legacy technology. To date, only the human resources and procurement subsystems have been fully modernized. A portion of the Cash Management System (“CMS”) was modernized in August 2013.

The Florida Accounting Information Resource (“FLAIR”) has been performing the State’s accounting and payroll functions for thirty years. Although it has been maintained and modified over the years to accommodate state and federal mandates, it is becoming increasingly unable to meet the State’s changing and growing needs. Issues and concerns with FLAIR include limited integration with the other subsystems (batch vs. transactional processing), incomplete reporting capabilities, inability to perform offsets, inability to schedule and consolidate payments, and insufficient information to perform state-level cash forecasting.

In 2002, the Legislature appropriated funding for the then Department of Banking and Finance¹ to undertake a project to replace the accounting and cash management subsystems, FLAIR and CMS, respectively. Project Aspire, as it was called, suffered insurmountable challenges and was ultimately cancelled in 2007. In 2013, the Department of Financial Services began efforts to evaluate the options and best approach for replacing the FLAIR and CMS.

A. Florida Accounting Information Resource - FLAIR

FLAIR is a double entry, computer-based general ledger accounting system consisting of the following four components:

- **Departmental Accounting:** Maintains agencies’ accounting records and is utilized at the end of each fiscal year to prepare financial statements in accordance with generally accepted accounting principles.
- **Central Accounting:** Maintains cash basis records and is used by the Chief Financial Officer (“CFO”) to ensure that expenditures are made in accordance with the legislative appropriations.
- **Payroll Accounting:** Processes the State’s payroll.
- **Information Warehouse:** Provides a reporting system that allows users to access Central Accounting information and most Departmental Accounting information in FLAIR.

¹ Effective January 7, 2003, the Department of Banking and Finance and the Department of Insurance merged into the new Florida Department of Financial Services.

FLAIR is a mature subsystem, supported at the data center located within DFS. FLAIR is fully implemented in 35 state agencies with approximately 12,000+ individual users at 400+ accounting office sites throughout the State. FLAIR typically processes 95+ million accounting transactions, accounting for a \$90+ billion budget, and pays 180,000+ State personnel, annually. Not all agencies use FLAIR exclusively for their accounting functions. Further, there are numerous specialized accounting methods and compensating systems used by state agencies in addition to FLAIR.

B. Cash Management System - CMS

The Division of Treasury (the “Treasury”) receives and disburses funds, invests available balances, performs related accounting functions, cash management operations, and consultations. The Treasury operates separate systems (collectively known as the “CMS”) to carry out its responsibilities of monitoring cash levels and activities in State bank accounts, for keeping detailed records of cash transactions and investments for State agencies, and paying of warrants and other disbursements issued by the CFO. These functions or activities include exchanging information between FLAIR, Department of Revenue, other State agencies, and business partners, i.e., financial institutions.

C. The FLAIR Study

In accordance with proviso language in section 42 of the 2013 General Appropriations Act (“GAA”), DFS procured the services of an independent consulting firm to complete a study (the “FLAIR Study”) to recommend either replacement or remediation of FLAIR and CMS. The Study, completed by The North Highland Company in partnership with Grant Thornton and Thomas, Howell, Ferguson (the “North Highland Team”), included an assessment of implementing an Enterprise Resource Planning (“ERP”) System for the State of Florida and an inventory of agency systems (“Compensating Systems”) interfacing with FLAIR.

Based on the analysis completed in the FLAIR Study, the recommendation is that the State of Florida should replace FLAIR and CMS with a commercial off-the-shelf ERP solution. This option was selected based on information collected from the market conditions and trends and the analysis of both qualitative and quantitative factors, including:

- Alignment to Goals and Objectives
- Cost Comparison
- Benefits Comparison
- Risk Analysis

The cost model of the FLAIR Study was a projection based on a series of assumptions to provide DFS with a way to compare the options and provide an estimate for total cost of ownership. The estimate was provided for DFS to consider when making the initial legislative budget request.

For full details, the FLAIR Study may be found at:

<http://www.myfloridacfo.com/Division/AA/FLAIRStudy.htm>

D. FLAIR and CMS Replacement Project Structure and Timeline

The multi-year FLAIR and CMS Replacement Project (the “Project”) will have four parts or “phases”:

1. Pre-DDI – this initial phase (the Pre-Design, Development and Implementation or “Pre-DDI” phase) includes planning, business process standardization, and procurement of the ERP solution

2. DDI Phase 1 – this phase will implement the ERP solution focusing on FLAIR’s core processes and select CMS functions
3. DDI Phase 2 – this phase will expand the State’s use of ERP functionality for improved business operations
4. Operations and Maintenance – this phase overlaps all other phases and will include support for existing FLAIR, support of ERP FLAIR, and the upgrade of the ERP

The Project is currently in the Pre-DDI phase. Currently the Project is organized into multiple “Tracks” or work streams that are staffed to simultaneously support the mission of the Project. The Tracks for Pre-DDI are:

- BPS – Business Process Standardization
- OCM – Organizational Change Management (will include Workforce Transformation)
- SDS – Systems and Data Strategy
- PMO – Project Management Office (includes Procurement)

Chapter 4 of the FLAIR Study provides more detail about the implementation strategy including the timelines, Tracks and the recommended approach for Pre-DDI and future phases. While the FLAIR Study did not originally recommend Independent Validation and Verification (IV&V) services in the Pre-DDI phase, market research has shown the advantages of securing IV&V support services during the planning phase. The PMO track will be responsible for the selection and contract management of IV&V services prior to the selection of a SSI (“Pre-SSI”).

The Project seeks to leverage an IV&V consulting firm (Pre-SSI IV&V Contractor) during the Pre-DDI phase of the Project to develop and support a Quality Management System (QMS) for activities performed on the Project to ensure both the planning and execution of planned tasks are aligned to achieve overall Project success. The Pre-SSI IV&V Contractor is expected to bring demonstrated expertise in IV&V and QMS of an ERP and/or large-project implementations, including the tools and templates to assist in IV&V services.

The Pre-SSI IV&V Contractor is expected to work with all project stakeholders, including but not limited to, the Executive Sponsor, project Sponsors, Project Director, PMO Manager, Project Team members, as requested. The Pre-SSI IV&V Contractor is responsible for the work products and activities outlined in the scope of work.

4. Scope of Work.

The following section describes the scope of work to be performed by the Pre-SSI IV&V Contractor. The deliverables associated with the tasks identified in the scope of work are further defined in Section 5 – Deliverables and Acceptance Criteria. All tasks and deliverables will be coordinated with the Contract Manager. The Pre-SSI IV&V Contractor will collaborate with the Contract Manager to perform the following tasks at a minimum:

1. The Pre-SSI IV&V Contractor shall develop and support a Quality Management System (“QMS”) for activities conducted on the Project to validate both the planning and execution of planned tasks are aligned to achieve overall Project success. QMS activities include:
 - A. Review the current Quality Management Plan defined in the Project Management Plan (“PMP”) developed by PMO and recommended an implementation approach to operationalize the plan.

- The Project team is responsible for the execution of the plan with the Pre-SSI IV&V responsible for supporting and controlling the plan.
- B. Define and/or confirm acceptance criteria requirements of any Florida PALM contracted service providers, including the proposed SSI deliverables.
 - C. Conduct independent quality assurance audits to verify the service providers are fulfilling the technical and service quality requirements.
 - D. Assist the Florida PALM management team in proactively identifying and/or monitoring risks associated with quality.
 - E. Collaborate with all Florida PALM Tracks to implement the QMS.
2. The Pre-SSI IV&V Contractor shall perform an initial review of the processes and performance metrics included in the Pre-DDI PMP to validate the effectiveness and efficiency of the processes and metrics. The Pre-SSI IV&V Contractor shall leverage Six Sigma concepts for determining how well the processes are working and conduct predictive analysis in order to reduce the amount of potential defects. The Pre-SSI IV&V Contractor shall develop a Value Map of the PMP processes that articulates the prioritization of the processes. The Pre-SSI IV&V Contractor shall confirm the project is tracking the appropriate measures, provide recommendations for additional measures, and verify the timing for measuring performance considering a maturity model.
 3. The Pre-SSI IV&V Contractor shall perform monthly reviews to provide an objective assessment of Project process throughout the Pre-SSI IV&V services contract. The reviews shall include at a minimum a review of the Project management processes, Master Project Schedule, budget, and other Project artifacts. The Pre-SSI IV&V Contractor shall develop a monthly report as a result of this review to document the results. The report shall identify any recommendations and changes in priority for process improvements. The Pre-SSI IV&V Contractor shall identify the target audience for report distribution.
 4. The Pre-SSI IV&V Contractor shall create a proposed deliverable expectation document (“DED”) each quarter and participate with the DFS development of defining the IV&V activities and expectations for each of the upcoming months.
 5. The Pre-SSI IV&V Contractor shall confirm knowledge transfer services are being performed by contracted service providers to the specified target audience, and that knowledge transfer is being measured, reported upon, and being fulfilled in accordance with the respective contracts.
 6. The Pre-SSI IV&V Contractor shall be available upon request to address inquiries from the legislative committees or other oversight bodies to explain the monitoring efforts, provide requested documents, or answer questions.
 7. The Pre-SSI IV&V Contractor shall provide transition services at the end of the Pre SSI IV&V Contract including facilitating lessons learned meetings and creating a lessons learned document that could be shared with other Projects.
 8. In order to provide maximum value and flexibility to the State, the Project may utilize the Contractor awarded a contract per this RFQ to provide additional consulting services upon written request from DFS’ Contract Manager or designee. The additional services may include a rule review of the Rule 74-1. At this time, proposed Rule 74-1, Florida Administrative Code, has not been adopted as a final rule. Once adopted, it will impact the duties of any State Agency or Contractor supporting project management or oversight activities. The Project Team may ask the Pre-SSI IV&V Contractor to review Rule 74-1 standards and make recommendations including but not limited to:
 - A. How the standards are best met

- B. What additional standards are recommended where the rule does not provide standards
 - C. Provide comments and recommendations to the Project Team regarding any alternative methodology and standards that should be considered in lieu of Rule 74-1 to address where Rule 74-1 standards would cause higher project costs, time delays or other economic, technological, or legal hardship.
9. The Contractor hereby agrees to contribute assistance to the Florida PALM team in order to maintain the Projects Master Schedule to account for the IV&V deliverables and work activities required by this agreement.
 10. Pursuant to Chapter 2015-232, Laws of Florida, Section 6 – General Government, line number 2331A, paragraph 6 that requires the Florida PALM Project to contract for independent verification and validation services, DFS and The Contractor hereby agree to add the following requirement to The Contract: The Contract requires all deliverables to be simultaneously provided to DFS and the Agency for State Technology (AST) and that only assessment related deliverables shall be provided to the chair of the Senate Committee on Appropriations and the chair of the House of Representatives Appropriations Committee. The Contractor, coordinated through the Project team, shall be made readily available to provide all Project related data to the Agency for State Technology in support of their project oversight responsibilities pursuant to section 282.0051, F.S.

5. Deliverables Acceptance Criteria

The following criteria will be used to determine when each deliverable in the table below is considered complete and acceptable. The DFS Contract Manager or designee may provide additional acceptance criteria to be used for the Deliverables. The Pre-SSI IV&V Contractor will submit all deliverables listed below.

Deliverable Acceptance Criteria
<p>Deliverable: IV&V1</p> <p>Description: Pre-SSI IV&V Implementation Strategy</p> <p>Due Date of Deliverable: November 24, 2015</p> <p>Minimum Acceptance Criteria: A Microsoft Word 2007 (or higher) document or PowerPoint that describes the approach, methodology, deliverables, timeline, resources, and value of completing the IV&V services.</p>
<p>Deliverable: IV&V2</p> <p>Description: Monthly Pre-SSI IV&V Report</p> <p>Due Date of Deliverable: By the eighth (8th) business following each month.</p> <p>Minimum Acceptance Criteria: A Microsoft Word 2007 (or higher) document or PowerPoint that describes and documents the effectiveness and efficiency of the Project management and quality processes. The report shall identify recommendations and priority of areas for improvements.</p>
<p>Deliverable: IV&V3</p>

Description: Quarterly DED.

Due Date of Deliverable: Due twenty (20) business days prior to the beginning of the Contract Quarter.

Minimum Acceptance Criteria: A Microsoft Word 2007 (or higher) document. The Pre-SSI IV&V Contractor shall collaborate with the State to create a deliverable expectation document (DED) each quarter defining the Pre-SSI IV&V activities and expectations for each of the upcoming months.

6. Acceptance of Work.

This Statement of Work includes both ongoing tasks as well as defined Contract deliverables. Acceptance of work will be provided on a monthly basis, for tasks and activities as defined during the invoicing period.

- A. The Pre-SSI IV&V Contractor's performance will be evaluated on an ongoing basis; however, acceptance and approval of services will be performed in accordance with monthly billing. The Pre-SSI IV&V Contractor's performance will be evaluated for ongoing tasks on a pass/fail basis in the following three areas. The Pre-SSI IV&V Contractor must meet the following criteria to achieve a "Pass" during the monthly invoicing period:
 1. Quality of work products (and deliverables) – develops clear, well organized work products; reduces complex issues to simple terms and is sensitive to audience levels. Produces reports, correspondence and other work products which meet the intended objectives; that are free of errors and omissions.
 2. Timely Completion of Assigned Tasks – consistently meets assigned deadlines; proactively identifies tasks with conflicting priorities or deadlines and escalates to the PMO Manager, Project Director or their designees.
 3. Communication - Exhibits the ability to provide information clearly, accurately and succinctly; keeps others informed; exhibits good listening skills. Actively participates in discussions at meetings; comes prepared to meetings having reviewed materials.

The Pre-SSI IV&V Contractor evaluation on performance of the tasks will be evaluated on the criteria above. Criteria for "Pass or Fail" is determined by the Contract Manager for work performed as specified in the RFQ or as directed by the Contract Manager. For the completion of support services, at the end of the month, the Contract Manager will review the time reports at the end of each month to validate completion of support services to document "Pass" or "Fail" performance. The Contract Manager will evaluate the Pre-SSI IV&V Contractor on the criteria above but only the overall "Pass" or "Fail" will result in the performance measure determination. Evaluation of the Pre-SSI IV&V Contractor staff will take into consideration, but is not limited to, weekly time reporting, tasks assigned by the Contract Manager, as well as review of monthly invoice details provided by the Contractor and will take place when payment is due as specified herein.

All deliverables shall be submitted to the Contract Manager for review and approval (Acceptance) in accordance with the agreed upon schedule unless otherwise approved by the Contract Manager in writing. DFS will only accept each deliverable when it has been reviewed and signed off that it meets the applicable criteria specified in this SOW, including the standards and guidelines referenced herein.

If either the Contractor or the Contract Manager needs additional time to review, modify, or cure the deliverables, the request will be submitted in writing electronically to the Contract Manager for consideration. DFS may provide additional acceptance criteria during the contract period to be used for the deliverables. DFS reserves the right to require the Contractor to revise deliverables previously approved.

Failure to accept a deliverable within thirty (30) calendar days of an original or revised deliverable submission means automatic non-acceptance by DFS unless stated otherwise by the Contract Manager or designee in writing. See Section 15 for financial consequences.

B. Standards and Specifications.

DFS has adopted an Information Systems Development Methodology (“ISDM”). The primary purpose of the DFS ISDM is to target new development and technology upgrade activities to produce applications that are easier to maintain, perform well under load, provide security controls and facilitate repeatable processes.

All deliverables (“Work”) developed and work conducted by the Contractor pursuant to this SOW shall be performed in accordance with DIS standards and specifications. These standards will be strictly adhered to and are available at the following website:

<http://www.myfloridacfo.com/dis/isdm/>

New application development activities are defined as “activities that result in the creation of new source code with the expected outcome of satisfying a business need for the first time in the chosen development language.” New application development and technology upgrade activities are required to follow the DFS ISDM and DFS Application Development Standards unless prior written exemption is approved by DIS. The DFS ISDM Life Cycle Checklist is a roadmap to ensure critical checkpoints and deliverables are met. The Checklist has various required steps and associated documents that must be completed both during the development process and prior to production deployment. New development activities and technology upgrade activities should use the most recent .Net templates provided by the DIS, Bureau of Enterprise Applications.

Application maintenance and enhancement activities that are not technology upgrades or new development should also follow the DFS ISDM Checklist. However, these activities should continue to enhance and maintain existing applications in the same style, framework and architecture that already exist in the application. Exceptions to the ISDM process, templates, standards and checklist must be requested in advance of work being performed by contacting the Division of Information Systems.

7. Facilities and Equipment.

- A. Upon completion of Security Awareness Training by the Contractor’s personnel who will be assigned to this Project, DFS shall provide necessary access to the DFS network.
- B. The work will be conducted on-site in the Tallahassee Project Office. The Project will provide work space and furniture for Contractor staff to use while on site. Access to a network printer and copier will also be provided for use by Contractor staff.

8. Qualification Requirements for the Pre-SSI IV&V Contractor.

- A. Minimum Experience

- Knowledge and demonstrated application of State of Florida procurement and contract monitoring requirements.
- Experience providing IV&V services to a state of Florida Agency, Federal Agency or large state through the implementation of a quality management system for large scale financial systems.
- Experience supporting complex information technology and implementation services contracts in the public sector.
- Experience with and ability to apply lessons learned from other states and agencies or large scale projects.
- Developed and supported evaluation, validation and verification monitoring tools and methodologies that enforce consistency in the IV&V process.
- Experience monitoring contracts for applications and implementation services.

B. Preferred Experience

- 3 years' experience leading planning activities or IV&V Support during the planning phase for an ERP or similarly large technology project
- Experience with financial ERP applications

C. Staff Commitment.

The Contractor will not remove any key staff from their assigned roles or the Contract without three (3) weeks prior notification and approval of the Contract Manager. The Contractor is responsible for training any replacement personnel. Replacement personnel for any removed person shall have equal or superior experience and qualifications. The Project reserves the right to require the removal from the Project any Contractor personnel found, in the judgment of the Project, to be unacceptable. Contractor staff who work on the Project must successfully complete DFS security awareness training and have an understanding as to how procurements are handled within 30 days of the date the staff member is assigned to a solicitation project or earlier at the DFS Contract Manager's or designee's discretion. The Contractor's staff assigned to this project shall use information available in any format only for the purpose of carrying out the provisions of the Contract. Information contained in Project documents such as deliverables, drafts, e.g., draft schedules and strategies, Contract artifacts, and State Data will be treated as confidential and will not be divulged by the Pre-SSI IV&V Contractor staff or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of DFS is prohibited, except with express direction or consent of DFS. The Pre-SSI IV&V Contractor staff will notify the DFS Information Security Office and the Contract Manager if they have reason to believe that there has been typosquatting, misappropriation of logos, pictures, text, or code for purposes of redirecting traffic to third party pages, to deploy phishing sites, to deploy malware, or other activities that could lead to infringement of DFS marks or the misappropriation of DFS data or personal information through use of any webpages or tools (e.g., DecisionDirector) used during the SSI procurement.

D. Background checks.

A level 2 background check shall be completed and reviewed before Contractor staff may work on this Project. The Contractor must advise its candidates that: (1) the fingerprints will be used to check the criminal history records of the FBI; and (2) procedures for obtaining a change, correction, or updating of an FBI identification record are described in 28 CFR 16.34. In the event records reveal evidence of a crime that is unacceptable as determined by DFS, the Contractor agrees to remove the employee from the Project and replace the employee with someone with comparable knowledge, skills and abilities.

DFS will provide instructions for providing fingerprints and other information needed for obtaining background checks and submitting them to DFS upon award.

E. Scrutinized Companies.

If the Proposal is for goods or services of \$1 million or more, the Respondent shall certify that the Respondent, as a company as defined in section 287.135, F.S., is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. (See <http://www.state.gov/s/ct>). Notice: Section 287.135, F.S., would operate to make businesses ineligible to contract with the State of Florida in specified circumstances. Currently, the 2012 changes to this section were enjoined by a court of law and upheld by an appellate court. The State has determined to not pursue enforcement of the enjoined portion of the law related to refusing to contract with vendors who engage in business operations in Cuba or Syria, except with respect to which the U.S. Department of Commerce, the U.S. Department of State or the U.S. Department of Treasury maintains any commercial activities sanctions program.

9. Submission of Proposal

- A. Interested vendors should respond to this RFQ (“Respondents”) by submitting a response that includes, at a minimum, the Respondent’s qualifications for performing the above described services, number of resources, anticipated monthly hours, and the hourly rate(s) in accordance with State Term Contract (“STC”) associated with providing the services.

The applicable STC number must be referenced within the response. Responses will only be accepted from vendors on the current State Term Management Consulting Contract.

- B. Responses are due according to the schedule below:

Activity	Anticipated Date
Issue RFQ	June 12, 2015
Deadline to submit questions via email	June 19, 2015 by 12:00 p.m., ET
DFS will respond to questions	July 1, 2015
Deadline to submit Proposals	July 14, 2015 by 2:00 p.m., ET
Interviews, as requested	Week of July 20, 2015 - tentative
Anticipated vendor selection	August 2015- tentative

DFS assumes no responsibility for missing or delayed Proposals.

- C. Face-to-Face interviews may be conducted as part of the review process. The interviews will address IV&V and Quality Management System experience, qualifications, roles and responsibilities. Interviews would be tentatively scheduled for one and a half (1½) hour period.

Please send questions via email to the address shown below by the respective deadlines:

Stuart Potlock
Florida Department of Financial Services
Florida PALM Project
FloridaPALM@myfloridacfo.com

- D. Respondents shall submit proposals electronically (via email to Stuart Potlock) by 2:00 p.m. ET, July 14, 2015. If any of the proposal contains trade secrets or other confidential information, Respondents are advised to submit a redacted version of the response clearly titled “Redacted Copy.” The unredacted version will need to have highlighted or mark the specific Response content that is REDACTED from the redacted version described below. See Section 15D for additional information.

E. Responses shall be concise and shall follow the outline below:

i. Introductory Letter and Letter of Commitment.

The letter shall include an executive summary that demonstrates candidate's previous experience with providing IV&V and quality management systems services for an ERP and/or technology projects and the length of time the Proposal is valid, which shall be no less than 180 days. The letter shall include the State Term Contract name and number.

ii. IV&V Services Approach.

This section shall include detailed information outlining the approach and methodology to support the Scope of Work defined in section 4 and the Deliverables as defined in Section 5, and the suggested timeline for performing Pre-SSI IV&V services. This section shall include any proposed tools and templates to support the IV&V services. This section shall include a description and adequate detail of software being proposed to support any deliverables to allow for technical evaluation for consistency with Department information technology standards. This section shall also include the respondent's recommendation for additional IV&V activities, not listed in the Statement of Work Section 4 or Section 5 Deliverables that bring value to the Project. This section shall also detail the Contractor's requirements of the State's resources, including, but not limited to: access to Project staff, leadership, and subject matter advisors; availability of State staff; tasks to be performed by State staff; office space and equipment at the Project Office, etc. Any responses to Department requests for or questions about security of a proposed technology system or software tool to be used by the Department, sensitive or protected information, or information subject to sections 119.071(1)(f) and (3), F.S., must be: (1) REDACTED in the redacted version of the Respondent's applicable response or deliverable; and (2) maintained in confidence.

iii. Transition Approach.

The Proposer will describe the mechanism for continuing the service including transferring the activities back to the State PMO Team or successor contractor if the Proposer is selected for this Contract and fails to perform and comply with the performance standards and the contract is terminated. In the event that the contract expires or terminates for any reason, the Contractor agrees to cooperate in the transition to the State PMO Team or successor contractor. The contingency transition plan will include at a minimum training, transfer of data and transition period error correction.

iv. Contractor Experience, Qualifications and References.

This section shall include Contractor experience, qualifications and references pertinent to this SOW. The Respondent should include a bibliography and/or links to the company's public sponsored studies, published research, or similar analysis for another governmental entity related to IV&V of ERP or ERP-Financials solutions. The Respondent shall include information in this section that will clearly outline why their experience and qualifications separate them from other respondents.

At a minimum, the Respondent should include three (3) references² that are relevant to the requirements of this RFQ. Use Attachment B, Client References, to provide references. A current project is acceptable as long as the services are currently being provided. Attachment B will not become part of the Contract.

The Respondent shall include a copy of the company's signed STC with DMS and all required certifications; proof of insurance as required in Section 15, and the certification statement that the company is not on the Scrutinized Companies list referenced in Section 8.E.

² Contact information shall be provided for each engagement cited. References will be checked.

v. **Proposed Staff.**

This section shall include staff assignments and their proposed roles resumes for all staff, and staff's allocation to this Project including, full-time, half-time, as-needed, etc. Resumes will not become part of the Contract. Include proposed Contractor staff names, certifications, experiences, and qualifications pertinent to this statement of work. Clearly outline why his/her experience and qualifications separate them from other respondents. Confirmation that IV&V staff can provide the services described in Section 4 and confirmation that the Pre-SSI IV&V Contractor staff will provide the deliverables as specified schedule in Section 5. Confirmation that the IV&V staff will be available to perform services on site during normal business hours, Monday through Friday. Matrix of IV&V staff skills related to the qualifications in Section 8, A and B. Proposals will not be considered if the entire matrix of skills is not completed and included in the response.

The Project expects that the key staff identified in the Proposal will remain on the Project for the duration of the Contract, and, if needed, shall be replaced with staff of equal or greater experience and knowledge and approved in advance by the Contract Manager.

The Respondent shall include information in this section for any proposed subcontractors, including company information, proposed roles, and staff resumes. References may be requested to verify experience for proposed staff. Any personnel evaluations submitted as part of the Proposal are not intended to become part of the resulting Contract but will be used in evaluating the Proposal.

vi. **Attachment A – Cost Proposal.**

The Cost Proposal shall specify the state contract consultant level (i.e., Principal, Senior Consultant, Consultant, Junior Consultant or Program & Administrative Staff), as applicable estimated hours per month, and hourly rate pursuant to the State Term Contract for each IV&V staff proposed not to exceed any STC ceiling rates.

Additionally, DFS is requesting an extended pricing plan in accordance to STC, Exhibit B – Section 27. The Contractor shall provide extended pricing not to exceed any STC ceiling rates for years 2-4 under the same terms and conditions.

10. Basis for Contractor Selection

Proposals will be evaluated for compliance with the statement of work as well as minimum and preferred qualifications that indicate the candidate's ability to perform the activities specified in the RFQ. DFS intends to select a Pre-SSI IV&V Contractor that provides the best overall value to the State. DFS will consider the Respondent's full Proposal when making a vendor selection recommendation, including the Pre-SSI IV&V Contractor staff's ability, experience, availability, and references in addition to the Respondent's price proposal.

Respondents will be evaluated based on their qualifications as documented in the materials provided as required in Section 9. All other factors being equal, price will be the determining factor.

11. Conflict of Interest

It is essential to the proper conduct and operation that the Contractor and its personnel are independent and impartial and that the implementation of decisions made as it relates to the procurement is not used for private gain or other remuneration. The Contractor and its personnel assigned to the contract that results from this RFQ shall refuse any override commissions or any other valuable consideration, in any and all

forms, from any involved party. Fees earned relating to this agreement will be limited exclusively to payments by DFS to the Contractor under the purchase order issued subsequent to the awarding of this RFQ.

In addition, the Contractor and any subcontractors performing services as part of this Contract may be excluded from award of future procurements dealing with that specific subject matter based on section 287.057(17)(b) and (c), F.S., which states in part:

“[a] person who receives a contract that has not been procured pursuant to subsections (1)-(3) to perform a feasibility study of the potential implementation of a subsequent contract, who participates in the drafting of a solicitation or who develops a program for future implementation, is not eligible to contract with the agency for any other contracts dealing with that specific subject matter, and any firm in which such person has any interest is not eligible to receive such contract.”

12. Pricing and Invoicing.

- A. The Contractor will be paid on a Fixed Rate basis in accordance with the applicable State Term Contract, subject to the conditions for Acceptance of Work set forth in this SOW.
- B. Price is based on the hourly rate(s) proposed by the Contractor.
- C. Rates are effective for work on a 7 X 24 basis.
- D. No travel expenses shall be paid.
- E. Each week the Pre-SSI IV&V Contractor staff shall update a time report in Microsoft Word or Excel 2007 (or higher) showing the tasks and activities worked on each day (during the previous Monday-Sunday week) and the hours spent on each. The Contract Manager will review the time reports to validate completion of support services for final acceptance of monthly invoices.
- F. Invoicing shall be in arrears after acceptance and approval of services.
- G. Invoices shall be processed monthly. As documented in the Quarter Number 2 (12/01/2015 – 02/28/2015), Deliverable Expectation Document and throughout the term of this agreement, The Contractor hereby agrees to submit monthly invoices by the 10th business day following the end of each month of service provided under the contract.
- H. Invoices are submitted to the Contract Manager.

13. Contract.

DFS will enter into a Contract with the selected respondent in the form of a purchase order. The Contract period for this RFQ begins upon issuance of the Purchase Order and ends one year from the PO execution date. However, prior to the expiration of the Purchase Order, DFS may elect to amend the Purchase Order to revise the Contract period for utilization of the extended pricing plan, which is described in section 9E. Any renewal shall be contingent upon availability of funds and satisfactory performance by the Contractor. Any renewal is subject to the same terms and conditions as the original Contract.

DFS reserves the right to require the successful Respondent to execute a two-party Contract that incorporates this RFQ and the Respondent’s Proposal as soon as possible after award.

14. Contract Manager.

All services will be performed under the direction and control of:

Stuart Potlock
Department of Financial Services, Florida PALM Project
111 W. Madison Street, G08 Pepper Building
Tallahassee, FL 32399-0365

DFS reserves the right to change the Contract Manager without a formal amendment to the Contract. DFS will notify the Contractor by email, of any change.

15. State Term Contract Special Conditions.

- A. **Precedence.** The provisions of the applicable State Term Contract supersede all other Contractor terms and conditions with regard to this Contract and be resolved according to PUR 1000 #2. Pursuant to the STC, any additional terms and conditions outlined in this SOW are supplemental to those set forth in the STC. Notwithstanding the above, consistent with Management Consulting STC Exhibit A section 19B, section 15P of this SOW shall supersede any like terms set forth in the STC, and specifically supersede Management Consulting STC Exhibit A section 4. The SOW and Proposal may serve as a Task Order or purchase order under the STC and with the STC provisions shall constitute the Contract between the parties; however, the SOW will supersede the Proposal in the event of any conflicting provisions. If a Response contains language which withdraws or negates commitments to requirements of the RFQ, or qualifies the Response such that it is not a firm offer to contract under terms consistent with the requirements of this RFQ, the submission may be deemed nonresponsive and rejected.
- B. **Taxes.** DFS is exempted from payment of Florida state sales and use taxes and Federal Excise Tax. DFS will provide its tax exemption certification upon request.
- C. **Limitation of Liability.** No provision in this Contract shall require DFS to hold harmless or indemnify the Contractor, insure or assume liability for the Contractor's negligence, waive DFS' sovereign immunity under the laws of Florida, or otherwise impose liability on DFS for which it would not otherwise be responsible. Except as otherwise provided by law, the parties agree to be responsible for their own attorney fees incurred in connection with disputes arising under the terms of this Contract. DFS' maximum liability for any damages, regardless of form of action, shall in no event exceed the fees actually paid to the Contractor for the relevant products or services giving rise to the liability, prorated over a term from the date of performance of the applicable services.
- D. **Public Records.** Notwithstanding any provisions to the contrary, disclosure of any confidential information received by the State of Florida will be governed by the provisions of the Florida Public Records Act, Chapter 119, F.S.
1. Confidential Information:
 - a. Contractor's Submissions. The Contractor should submit information that is confidential, proprietary, trade secret or otherwise not subject to disclosure pursuant to Public Records Law ("Confidential Information") only when it fulfills a Contract purpose. If the Contractor submits Confidential Information, mark the item containing the Confidential Information as "Unredacted" or "Confidential," and submit such item in an encrypted electronic form or a sealed separate package. The Contractor must also simultaneously provide the Department with a separate redacted copy of such item (Redacted Copy). The Contractor shall identify the Confidential Information and the statutory citation of the legal basis for each redaction. Failure to protect "proprietary information" as defined in section 501.171, F.S., may constitute a waiver of any claim of confidentiality.
 - b. Public Record Requests. If a public record request is made to the Contractor, the Contractor will immediately notify the Department of such request. If a public record request is made to the Department for records related to this Contract, the Department will notify the Contractor of such request if the Contractor has notified the Department that the requested records contain Confidential Information. If a public record request is made to either party, the Contractor shall be solely responsible for taking whatever action it deems appropriate to legally defend its claim of exemption from disclosure under the Public Records Law. The Contractor acknowledges that the protection afforded by section 815.045, F.S., is incomplete, and it is hereby agreed that no right or remedy for damages against the Department arises from any disclosure based on the Contractor's failure to promptly legally protect its claim of exemption

and commence such protective actions within ten (10) days of receipt of such notice from the Department.

2. Requirements for the Contractor:
 - a. Confidentiality. The Contractor shall ensure that exempt or confidential documents and data are not disclosed.
 - b. Records Retention. During the Contract term, the Contractor shall retain all documents, papers, letters or other materials made or received by the Contractor in conjunction with this Contract (“Public Records”) according to the respective record’s retention schedule under applicable law. The Contractor shall retain such records for the longer of five (5) years after the expiration of the Contract and all pending matters, or the period required by the General Records Schedules maintained by the Florida Department of State (available at: http://dhis.dos.state.fl.us/recordsmgmt/gen_records_schedules.cfm), whichever is longer. If the Contractor’s record retention requirements terminate prior to the requirements stated herein, the Contractor may meet the Department’s record retention requirements for this Contract by transferring its Public Records to the Department at that time, and by destroying duplicate records in accordance with section 501.171, F.S., and, if applicable, section 119.0701, F.S. (Modifies PUR 1000 ¶18.) The Contractor shall adhere to established information destruction standards such as those established by the National Institute of Standards and Technology Special Publication 800-88, “Guidelines for Media Sanitization” (2006). See <http://csrc.nist.gov>.
 - c. Section 287.017, F.S. If the Contractor is providing services in excess of the Category Two threshold amount provided in section 287.017, F.S., the Contractor shall allow public access to all Public Records, unless the Public Records are exempt from disclosure under the Public Records Law. The Contractor is responsible for becoming familiar with Florida Public Records Law with regard to such records.
 - d. Section 119.0701(1)(a), F.S. Additionally, if for purposes of this Contract, the Contractor is a “contractor” as defined in section 119.0701(1)(a), F.S., the Contractor shall:
 - 1) Directly respond to each request it receives to inspect or copy Public Records, and provide such records when those records are public records as defined in section 119.011, F.S., and those records are not exempt from Public Records Law.
 - 2) Provide such Public Records per the cost structure provided in Chapter 119, F.S., and in accordance with all other requirements of Chapter 119, F.S., or as otherwise provided by law.
 - 3) At no cost to the Department, transfer Public Records on termination, and provide electronic records in a format compatible with the Department’s systems. These formatting requirements are satisfied by using the data formats as noted in deliverables. If the Contractor retains records pursuant to other legal requirements, then the retention requirements of subsection D., 2., b. above shall apply.
 - e. If the Contractor fails to comply with the requirements regarding response to public records requests (collectively, “Public Records Tasks”), the Department, at its option may enforce these provisions by exercising termination rights, or “Step-In” rights as described in the Contract section regarding financial consequences for non-performance, or both. Nothing in this section mitigates the Contractor’s responsibility or liability for the release of confidential or exempt information, nor does it waive the Department’s sovereign immunity beyond the limited waiver provided by section 768.28, F.S.
 - f. The parties shall not be required to disclose to the public any materials protected by law, and disclosure of any confidential information received by the State of Florida will be governed by the provisions of Article I, section 24 of the Florida Constitution, and the Florida Public Records Act, Chapter 119, F.S., and exceptions thereto. The following records are specifically excluded from inspection, copying, and audit rights under the Contract:
 - 1) Records of the Contractor (and subcontractors) that are unrelated to the Contract;

- 2) Documents created by and for DFS or other communications related thereto that are confidential attorney work product or subject to attorney-client privilege, unless those documents would be required to be produced for inspection and copying by DFS under the requirements of Chapter 119, F.S., and, Article I section 24 of the Florida Constitution; and
 - 3) The Contractor's (and subcontractors) internal cost and resource utilization data, or data related to employees, or records related to other customers of the Contractor, or any subcontractor who is not performing services under this Contract.
- E. **Governing law.** The Contractor and all its agents shall comply with all federal, state and local regulations applicable to this Contract. With regard to limitation of actions, section 95.11, F.S., shall govern. Florida law shall govern the Contract and jurisdiction shall be in Leon County, FL.
- F. **Change Process.** The Contractor shall contact the DFS Contract Manager or designee to request any changes to the Contract (Change Order Process). If the Contractor fails to notify and obtain approval from DFS before commencing performance of activities relating to changes in the Contract, such activities will be considered to be performed gratuitously by the Contractor, and the Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities.
- G. **Asset Usage.** To the extent applicable, DFS may, upon termination or expiration of the Contract, purchase any assets used by the Contractor in performance of the Contract, at their depreciated value, or if not depreciated, then DFS retains the right to negotiate to purchase such assets at an agreed-upon cost, not to exceed the price offered in any state term contract.
- H. **Default.** The DFS reserves the right to perform the service or activity, directly or with another Contractor, if service levels are not being achieved. DFS may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due the Contractor as may be necessary to satisfy any claim for damages, costs and the like asserted by or against them.
- I. **Termination.** All services performed by the Contractor prior to the termination date of this Contract shall be professionally serviced to conclusion in accordance with the requirements of the Contract. Should the Contractor fail to perform all services under the Contract, the Contractor shall be liable to DFS for any fees or expenses that DFS may incur in securing a substitute provider to assume completion of those services. DFS may, in its sole discretion, provide notice and an opportunity to cure the default rather than exercise the remedy of termination. If the default or breach is not cured within thirty (30) calendar days after written notice is given to the Contractor specifying the nature of the alleged default or breach, then DFS, upon giving written notice to the Contractor, shall have the right to terminate the Contract effective as of the date of receipt of the default notice. DFS shall have the right to unilaterally cancel or suspend the Contract, by providing the Contractor thirty (30) days written notice. The Contractor shall not perform any Services after it receives the notice of termination, except as necessary to complete the transition or continued portion of the Contract, if any.
- J. **Electronic Accessibility.** The Electronic and Information Technology standard can be found at: www.section508.gov. If applicable, section 508 compliance information on the supplies and services in this Contract are available on a website indicated by the Contractor.
- K. **Employment Eligibility Verification.**

1. The Chief Financial Officer has directed, in cooperation with the Governor's Executive Order 11-116, that the Contractor must participate in the federal E-Verify Program for Employment Verification under the terms provided in the "Memorandum of Understanding" with the federal Department of Homeland Security governing the program if any new employees are hired to work on this Contract during the term of the Contract. The Contractor agrees to provide to DFS, within thirty days of hiring new employees to work on this Contract, documentation of such enrollment in the form of a copy of the E-Verify "Edit Company Profile" screen, which contains proof of enrollment in the E-Verify Program. Information on "E-Verify" is available at the following website: www.dhs.gov/e-verify.
 2. The Contractor further agrees that it will require each subcontractor that performs work under this Contract to enroll and participate in the E-Verify Program if the subcontractor hires new employees during the term of this Contract. The Contractor shall include this provision in any subcontract and obtain from the subcontractor(s) a copy of the "Edit Company Profile" screen indicating enrollment in the E-Verify Program and make such record(s) available to DFS upon request.
 3. Compliance with the terms of this Employment Eligibility Verification provision will be an express condition of the Contract and DFS may treat a failure to comply as a material breach of the Contract.
 4. In the event legislation authorizes an alternative option as proof of legal status, the Contractor may use the process authorized by such legislation upon its passage.
- L. **Insurance.** The Contractor shall submit appropriate proof of insurance. Such proof of insurance will become part of the Contract. At a minimum, amounts reasonably associated with the Contract include the following types of insurance for anyone directly or indirectly employed by the Contractor and the amount of such Insurance shall be the minimum limits as follows, unless otherwise approved by the DFS Contract Manager or designee:
1. Commercial general liability coverage, bodily injury, property damage: \$1,000,000 per occurrence/\$2,000,000 aggregate.
 2. Automobile liability coverage, bodily injury, property damage: \$1,000,000 Combined Single Limits. Insuring clause for both bodily injury and property damage shall be amended to provide coverage on an occurrence basis.
 3. Workers' compensation and employer's liability insurance covering all employees engaged in any Contract work, in accordance with Chapter 440, F.S.
 4. Submit appropriate proof of computer crime insurance and coverage against intentional acts as well as negligent acts or omissions in connection with its activities under the Contract.
 5. Such coverage may be reduced with the consent of the DFS Contract Manager or designee since certain subcontractors have potentially less exposure in liability than other subcontractors. Except as agreed in a separate writing, no self-insurance coverage shall be acceptable unless Contractor is licensed or authorized to self-insure for a particular coverage listed above in the State of Florida, or is an insured member of a self-insurance group that is licensed to self-insure in the State of Florida.
- M. **Ownership and Rights.** All of the data collected or created for or provided by DFS ("State Data") shall become and remain DFS property upon receipt and acceptance. All deliverables shall become and remain DFS' property upon receipt and acceptance. All elements of custom software developed within the scope of this contract shall be exclusively owned by of DFS and shall be considered works made for hire for DFS. Title to all property furnished by DFS under this Contract shall remain in DFS, and the Contractor shall surrender to DFS all property of DFS prior to settlement upon completion, termination, or cancellation.
- N. **State property.** Title to all property furnished by DFS under this Contract shall remain in DFS, and the Contractor shall surrender to DFS all property of DFS prior to settlement upon completion, termination, or cancellation. All deliverables shall become and remain DFS' property upon receipt and

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

At the end of term the Contractor will provide all of DFS' data in a standard industry format. At a minimum the Contractor agrees to provide to DFS data definitions, table structure, DFS' data under its control, and any custom code required to allow DFS a smooth transition to in-house or substitute vendor implementation of similar functionality to that provided by the Contractor.

Where activities supported by the contract produce original writing, sound recordings, pictorial reproductions, drawings or other graphic representation and works of any similar nature, DFS has the right to use, duplicate and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to have others acting on behalf of DFS to do so. If the materials so developed are subject to copyright, trademark, or patent, legal title and every right, interest, claim or demand of any kind in and to any patent, trademark or copyright, or application for the same, will vest in the State of Florida, Department of State for the exclusive use and benefit of the state. Pursuant to section 286.021, F.S., no person, firm or corporation, including parties to this contract, shall be entitled to use the copyright, patent, or trademark without the prior written consent of the Department of State. DFS shall have unlimited rights to use, disclose or duplicate, for any purpose' whatsoever, all information and data developed, derived, documented, or furnished by the Contractor under this Contract. All computer programs and other documentation produced as part of the contract shall become the exclusive property of the State of Florida, Department of State and may not be copied or removed by any employee of the Contractor.

O. Financial Consequences for Non-Performance.

1. To the extent that financial consequences are not further specified in the Statement of Work, the following apply:
 - a. Failure to meet the acceptance criteria as identified in the Statement of Work will result in automatic Deliverable rejection. If the Pre-SSI IV&V Contractor staff fails to achieve a "Pass" performance on any of the seven criteria areas, or other criteria determined by the Contract Manager during any billing cycle, DFS will retain ten (10%) percent of the monthly invoice. The total withheld amount shall be paid upon satisfactory performance in the following month. However, two consecutive substandard months may result in commencement of replacement procedures as specified herein and will not have the ability to earn back the hold back amounts. Notwithstanding any provisions to the contrary, written acceptance of a particular Deliverable does not foreclose DFS' remedies in the event those performance standards that cannot be readily measured at the time of delivery are not met. Nothing within the SOW shall be misconstrued to limit this consequence for non-performance as required by section 287.058(h) F.S.
 - b. Nothing in this section shall be construed to make the Contractor liable for delays that are beyond its reasonable control. Nothing in this section shall limit DFS' right to pursue its remedies for other types of damages.

2. Step-in Rights

For discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, abandonment of the Contract, or for noncompliance by the Contractor with tasks related to public records, DFS at its option may enforce these provisions by exercising "Step-In" rights as described below:

- a. If DFS exercises its Step-In rights, the Contractor must cooperate fully with DFS (including its personnel and any third parties acting on behalf of DFS) and shall provide, at no additional charge to DFS, all assistance reasonably required by DFS as soon as possible, including:
 - i. providing access to all relevant equipment, premises and software under the Contractor's control as required by DFS (or its nominee); and
 - ii. ensuring that the Contractor personnel normally engaged in the provision of the public records tasks are available to DFS to provide assistance which DFS may reasonably request.
 - b. DFS' Step-In rights will end, and DFS will hand back the responsibility to the Contractor, when the Contractor demonstrates to DFS' reasonable satisfaction that the Contractor is capable of resuming provision of the affected public records tasks in accordance with the requirements of the Statement of Work Section 15D3 and that the circumstances giving rise to the Step-In right cease to exist and will not recur.
 - c. The Contractor must reimburse DFS for all reasonable costs incurred by DFS (including reasonable payments made to third parties) in connection with DFS's exercise of Step-In rights and provision of the affected public records tasks (Step-In Costs).
 - d. DFS will continue to pay the Contractor the charges (including that portion which relates to the affected public records tasks) due for the products or services, provided that the Contractor reimburses DFS for the Step-In Costs. If the Contractor fails to reimburse DFS within 30 days of receipt of DFS' demand for payment of Step-In Costs, DFS is entitled to set off such Step-In Costs against a subsequent invoice.
3. **Reassignment of Personnel.** The DFS will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Contractor personnel. Before assigning an individual to any position of the Project, the Contractor will notify the Contract Manager of the proposed assignment, will introduce the individual to the appropriate Project representatives, and will provide the Contract Manager with a resume and any other information about the individual reasonably requested by the Project, three weeks before the individual is assigned. The Contract Manager reserves the right to interview the individual before granting written approval.
- a. Contractor shall not remove any resource from their assigned roles or the Contract without three weeks prior notification and approval of the Contract Manager which consent will not be unreasonably withheld. An Unauthorized Removal is a removal without three weeks prior notification and approval. It shall not be considered an Unauthorized Removal if personnel must be replaced for reasons beyond the reasonable control of the Contractor, including illness, disability, resignation, or for cause termination of the personnel's employment. However, Contractor is to identify a replacement approved by the Contract Manager and assign the replacement to the Contract to shadow the personnel he or she is replacing for a period of at least two weeks prior to such removal. There will be no increase in cost and no change in due date as a result of the replacement personnel. Any Unauthorized Removal may be considered by DFS to be a material breach of the Contract, and entitle DFS to terminate the contract.
 - b. It is acknowledged that an Unauthorized Removal may interfere with the timely and proper completion of the Project, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and DFS agree that in the case of any Unauthorized Removal, DFS may assess liquidated damages against Contractor as specified below. For amounts due to DFS as liquidated damages, DFS may at its option deduct the amount due from any money payable to Contractor by DFS or may bill Contractor as a separate item.

- c. In the event of an Unauthorized Removal of any personnel, the liquidated damages amount shall not exceed \$25,600.00 per individual provided Contractor identifies a replacement approved by DFS pursuant to subsection “a.” above and assigns the replacement to the Project to shadow the personnel he or she is replacing for a period of at least two weeks prior to such removal.
 1. If Contractor fails to assign an agreed upon replacement to shadow the removed personnel for at least two weeks (14 days), Contractor shall pay the amount of \$1,280.00 per day, for each day of the fourteen (14) day shadow period that the replacement personnel does not shadow the removed personnel, up to \$25,600.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide two weeks of shadowing shall not exceed \$25,600.00 per individual.
 2. In the alternative, in the event of the Unauthorized Removal of any personnel, DFS reserves the right to recruit, hire, or otherwise contract directly with any personnel who have performed Services under this Contract in the event such reassignment is proposed or occurs. In the event such reassignment is proposed, Contractor releases personnel from any non-compete agreement intended to bar such personnel from employment with DFS. Contractor’s failure to replace personnel subsequent to such personnel’s Unauthorized Removal shall be deemed to be a material breach of this Contract.
- d. DFS reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of DFS, to be unacceptable. Replacement personnel for the removed person shall have equal or superior experience and qualifications.

P. Data Security and Confidentiality.

1. The Contractor, its employees, subcontractors and agents shall comply with all security procedures of DFS in performance of this Contract. The Contractor shall provide immediate notice to DFS Information Security Office (“ISO”) in the event it becomes aware of any security breach and any unauthorized transmission of any or all of the data collected or created for or provided by DFS (“State Data”) or, to the extent the Contractor is allowed any access to Department information technology (“IT”) resources, provide immediate notice to the ISO, of any allegation or suspected violation of security procedures of DFS. Except as required by law or legal process and after notice to DFS, the Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing Contract work according to applicable rules, including, but not limited to, Rule Chapter 71A-1, Florida Administrative Code, security procedures, business operations information, or commercial proprietary information in the possession of the state or DFS. After the conclusion of the Contract, the Contractor shall not be required to keep confidential information that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the state’s confidential information or information that is otherwise obtainable under state law as a public record.
2. Loss of Data. In the event of loss of any State Data or record where such loss is due to the negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by DFS at the Contractor’s sole expense, in addition to any other damages DFS may be entitled to by law or the Contract. Further, failure to maintain security that results in certain data release will subject the Contractor to the administrative sanctions for failure to comply with section 501.171, F.S., together with any costs to DFS of such breach of security caused by the Contractor. If State Data will reside in the Contractor’s system, DFS may conduct, or request the Contractor to conduct at the

Contractor's expense, an annual network penetration test or security audit of the Contractor's system(s) on which State Data resides.

3. Data Protection. No state data or information will be transmitted to, stored in, processed in, or shipped to offshore locations or out of the United States of America, regardless of method, except as required by law. Examples of these methods include (but are not limited to): FTP transfer, DVD, tape, or drive shipping; regardless of level of encryption employed. Access to State Data shall only be available to approved and authorized staff, including remote/offshore personnel, that have a legitimate business need. Requests for remote access shall be submitted to DFS' Help Desk. With approval, third parties may be granted time-limited terminal service access to IT resources as necessary for fulfillment of related responsibilities. Third parties shall not be granted remote access via VPN, private line, or firewall holes. Requests for exceptions to this provision may be submitted to DFS for approval. All remote connections are subject to detailed monitoring via two-way log reviews and the use of other tools, as deemed appropriate. When remote access needs change, the ISO shall be promptly notified and access shall be removed promptly. The Contractor shall encrypt all data transmissions containing confidential or confidential and exempt information. Remote data access must be provided via a trusted method such as SSL, TLS, SSH, VPN, IPSec or a comparable protocol approved by DFS. Confidential information must be encrypted using an approved encryption technology when transmitted outside of the network or over a medium not entirely owned for managed by DFS.

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

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

Q. **Other Work**

DFS may undertake or award other contracts, Statements of Work, or other arrangements for additional or related work, and the Contractor shall reasonably cooperate with such other Contractors and pertinent DFS personnel. The Contractor shall not commit or permit any act that shall interfere with the performance of work by any other Contractors or by DFS personnel.