



ARIZONA STATE TREASURER'S OFFICE

Request for Proposal # 19-01

GENERAL LEDGER

Sealed Written Proposals will be accepted until
2:00 P.M. MST, Friday, February 22, 2019

Revised: January 23, 2019

TABLE OF CONTENTS

SECTION 1	1
EXECUTIVE SUMMARY	1
SECTION 2	2
OFFER AND ACCEPTANCE	2
SECTION 3	4
SPECIAL INSTRUCTIONS TO OFFEROR’S	4
SECTION 4	6
EVALUATION CRITERIA	6
SECTION 5	8
UNIFORM INSTRUCTIONS TO OFFEROR’S	8
SECTION 6	14
SPECIAL TERMS AND CONDITIONS	14
SECTION 7	17
UNIFORM TERMS AND CONDITIONS	17
SECTION 8	32
EXHIBITS: OFFEROR QUESTIONNAIRE	32

SECTION 1

EXECUTIVE SUMMARY

A TITLE

The Arizona State Treasurer Office (“ASTO”) hereby issues a request for competitive proposals (“RFP”) from companies (“Offeror”) interested in providing a general ledger software replacement for internal accounting at ASTO.

B OVERVIEW OF REQUEST FOR GENERAL LEDGER SOFTWARE

The ASTO is responsible for the investment of approximately \$15 Billion in investments on behalf of the State of Arizona and approximately \$35-40 Billion in cash flows annually. The office currently operates an internally designed, server-based accounting software for all GL accounting functions. A requirement of our office is to reconcile agency deposits made at the State’s custodial and ancillary banks with the State’s ERP software (AFIS), CGI Advantage program. The ASTO would like to modernize our financial accounting and reporting systems and a replacement of our current general ledger and cash receipts system is necessary to achieve this goal. The ASTO is considering either a server-based accounting software or a cloud-based solution.

The ASTO is looking for proposals that will handle all the mandatory accounting functions and prefers pricing information to reflect all services in Exhibit B - Scope of Services. Proposals submitted for this project should be itemized and list all applicable costs for software and licensing fees, hardware, hosting, transfer of all stored data, training for all employees that utilize the software, and all other applicable costs to allow the software to be fully functional for ASTO employees. It is not expected that the proposals will include costs to upgrade or purchase individual computers, and servers.

This RFP aligns with the ASTO five-year vision to deliver an expanded digital future for our citizens through innovation and the modernization of our office’s technology. We are open to consider any new technologies to fulfill our requirements. Participating with companies new to the development and implementation of a general ledger will be considered by our office. A potential “Pilot Program” should be reflected in the pricing and timeline schedule. A general ledger replacement will ensure our office is prepared to meet both our current requirements and future accounting demands.

C AUTHORITY

Authority for the investment program is derived from the Arizona Constitution and ARS, Title 35, Chapter 2, Article 2. The ASTO is entrusted with a variety of funds for safe-keeping and investing.

SECTION 2

OFFER AND ACCEPTANCE

A OFFER

The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments to the solicitation. The person signing must be a senior executive who has managerial control over the deliverables required under the scope of work with the ability to terminate vendors or employees for failure to perform the duties of the contract.

Authorized Signature: _____ Date: _____

Name: _____ Title: _____

Company: _____

Federal TIN: _____ or AZ TPT: _____

By signature in the offer section above, the bidder certifies:

- 1 The submission of the offer did not involve collusion or other anti-competitive practices.
- 2 The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 99.4, or A.R.S. § 41-1461 through 1465.
- 3 The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
- 4 None of the provisions of the Agreement may be waived, changed or altered except in writing signed by both parties.
- 5 In accordance with A.R.S. § 35-393.01, the Bidder hereby certifies that the Bidder is not currently engaged in and agrees for the duration of the contract to not engage in a boycott of Israel. Unless and until the District Court's injunction in *Jordahl* is stayed or lifted, the

Anti-Israel Boycott Provision (A.R.S. § 35-393.01(A)) is unenforceable and the State will take no action to enforce it.

B ACCEPTANCE

The Offer is hereby accepted.

Office of the State Treasurer

Authorized Signature: _____ Date: _____

Name: _____ Title: _____

SECTION 3

SPECIAL INSTRUCTIONS TO OFFEROR'S

A TERMS AND DEFINITIONS

For the purpose of this RFP and the ensuing contract, the following terms and definitions will apply:

- 1 "ASTO" means the Arizona State Treasurer's Office.
- 2 "Attachment" means any item the Solicitation requires a Bidder to submit as part of the Offer.
- 3 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work, the Offer and any Best and Final Offers, and any Solicitation Amendments or Contract Amendments.
- 4 "Contract Amendment" means a written document signed by the ASTO that is issued for the purpose of making changes in the Contract.
- 5 "Contractor" means any person who has a Contract with the State.
- 6 "Days" means calendar days unless otherwise specified.
- 7 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 8 "Offer" means bid, proposal or quotation.
- 9 "Bidder" means a vendor who responds to a Solicitation.
- 10 "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 11 "Solicitation Amendment" means a written document that is signed by the ASTO and issued for the purpose of making changes to the Solicitation.
- 12 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 13 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.

B. PROPOSAL

1 Deliverables: Responses must include an ORIGINAL plus five (5) additional copies and a complete electronic version of the proposal on a USB drive, that will be used in the evaluation process. The original copy of the proposal should be clearly labeled "ORIGINAL". The material should be in sequence and related to the Request for Proposal.

Proposals are due at the following address on or before 2:00 p.m. (MST) on Friday, February 22, 2019.

Office of the State Treasurer Attn: Deputy Treasurer of Operations 1700 W. Washington 1st Floor Room 102 Phoenix, AZ 85007
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Proposals received after the date and time specified herein will not be considered. Proposals shall be opened publicly at the time and place designated on the cover page of this document.

2 Proposed Timeline:

Figure 1: Schedule	
Event	Date
Distribution of RFP	January 25, 2019
Pre-Bid Conference	TBD Arizona time; Treasurer's Conference Room
Deadline for Questions	February 1, 2019
Date for Answers to Questions	February 8, 2019
Proposals Due (no later than 2 p.m. Arizona time)	February 22, 2019
Finalist Presentations (if necessary)	March 11, 2019 – March 22, 2019
Due Diligence and Site Visits (if necessary)	TBD
Award Business	April 19, 2019
Contract Start Date	April 19, 2019

SECTION 4

EVALUATION CRITERIA

A MINIMUM CRITERIA

- 1 These minimum criteria must be met for a Proposal to be considered for award:
 - 1.1 The offer must be submitted by the deadline;
 - 1.2 The Offeror must provide a completed contract;
 - 1.3 The Offeror must state its interest in performing a single, comprehensive general ledger application software solution; and
 - 1.4 Offeror's answers to Section 8 - Offeror Questionnaire Exhibits A through J must be responsive and complete.
- 2 The Offeror's eligible to submit an offer must demonstrate:
 - 2.1 Offeror has provided a general ledger software solution or successfully implemented general ledger systems for private or government agencies should respond to this RFP.
 - 2.2 Companies new to the development and implementation of a general ledger are considered a "pilot program" and will be eligible.
 - 2.3 Offeror must demonstrate that it has the appropriate professional personnel and systems to fulfill the stated scope of services.
 - 2.4 Experience with providing similar services to other government agencies should be noted.
- 3 An award shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed in Figure 2: Weightings. The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal as to the responsiveness of the proposal and the responsibility of the Offeror.

B EVALUATION TABLE

Figure 2: Weightings		
Description of Proposed Services	Exhibit A	25%
Conformance to Scope of Services	Exhibit B	25%
Cost of Services	Exhibit C	25%
Experience of Company	Exhibit D	25%
Total		100%

C DESCRIPTION OF PROPOSED SOLUTION

- 1 The Offeror should present a proposed method of satisfying the general ledger requirements. The narrative should describe a logical progression of tasks and efforts starting with the initial steps or tasks to be accomplished and continuing until all proposed tasks are fully described.
- 2 The Offeror should present examples of similar governmental processes and similar governmental clients that will indicate successful relationships between the Offeror and client, if applicable.

D CONFORMANCE TO SCOPE OF SERVICES

The Offeror should submit a written narrative that demonstrates the method or way the Offeror proposes to satisfy the requirements of the Scope of Services in Exhibit B. The language of the narrative should be straight forward and limited to fact, solutions to problems or requests, and plans of proposed action. The written narrative should include specific responses to the items listed in the scope of services.

E PRICING

The Offeror must provide a firm, fixed price for all requirements set forth in this RFP. Prices must be shown on the pricing schedule of this RFP shown in Exhibit C – Pricing. Please identify by line item any additional costs such as data migration.

F EXPERIENCE OF COMPANY

The Offeror should identify current general ledger's in use by other government agencies or private companies and discuss the systematic approach used to implement the software. Please identify and discuss the experience of the staff to be assigned to the project.

SECTION 5

UNIFORM INSTRUCTIONS TO OFFEROR'S

A DEFINITION OF TERMS

As used in these instructions, the terms listed below are defined as follows:

- 1 "Attachment" means any item the Solicitation requires an Offeror to submit as part of the offer.
- 2 "Contract" means the combination of the Solicitation, including the Special and Uniform Instructions to Offeror's, the Special and Uniform Terms and Conditions, and the Specifications and Statement or Scope of Services; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 3 "Contract Amendment" means a written document signed by the ASTO that is issued for the purpose of making changes in the Contract.
- 4 "Contractor" means any person who has a Contract with the State.
- 5 "Days" means calendar days unless otherwise specified.
- 6 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 7 "Offer" means bid, proposal or quotation.
- 8 "Offeror" means a vendor who responds to a Solicitation.
- 9 "Solicitation" means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
- 10 "Solicitation Amendment" means a written document that is signed by the ASTO and issued for the purpose of making changes to the Solicitation.
- 11 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or services required for the performance of the Contract.
- 12 "State" or "State Treasurer" or "ASTO" means the State of Arizona and Department or Agency of the State that executes the Contract.

B INQUIRIES

- 1 **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine the Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- 2 **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
- 3 **Submission of Inquiries.** The ASTO or the person identified in the Solicitation as the contact for inquiries requires that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
- 4 **Timeliness.** Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven (7) days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- 5 **No Right to Rely on Verbal Responses.** An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
- 6 **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
- 7 **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- 8 **Persons with Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C OFFER PREPERATION

- 1 Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
- 2 Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- 3 Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.
- 4 Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the ASTO in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - 4.1 Invitation for Offers. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - 4.2 Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
- 5 Subcontracts. The successful Offeror shall not subcontract any of its responsibilities in the Offer without the prior written consent of the State.
- 6 Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
- 7 Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due

date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.

- 8 Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
- 9 Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
- 10 Employee Identification. Offeror agrees to provide an employee identification number or social security number for the purposes of reporting to appropriate taxing authorities, monies paid under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
- 11 Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
- 12 Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- 13 Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 13.1 Special Terms and Conditions;
 - 13.2 Uniform Terms and Conditions;
 - 13.3 Statement or Scope of Services, Exhibit B;
 - 13.4 Description of Proposed Solution, Exhibit A;
 - 13.5 Special Instructions to Offerors;

13.6 Uniform Instructions to Offerors; and

13.7 Other documents referenced or included in the Solicitation.

D SUBMISSION OF OFFER

- 1 Sealed Envelope or Package. The submission of offer must include an ORIGINAL plus five (5) additional copies and a complete electronic version of the proposal on a USB drive, that will be used in the evaluation process. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with the name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
- 2 Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 3 Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
- 4 Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or another official contract form, the Offeror certifies that:
 - 4.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable federal, state and local laws and executive orders regarding employment.

E MISCELLANEOUS CONSIDERATIONS FOR EVALUATION

- 1 Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.

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3. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposal, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.

F WAIVER OF REJECTION RIGHTS

- 1 Notwithstanding any other provision of the Solicitation, State reserves the right to:
 - 1.1 Waive any minor informality;
 - 1.2 Reject any and all Offers or portions thereof; or
 - 1.3 Cancel the Solicitation.

G AWARD

- 1 Contract inception. An Offer does not constitute a Contract, nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the ASTO's (or designee) signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 2 Effective Date. The effective date of this Contract shall be the date that the ASTO or designee signs the Offer and Acceptance form or other official contract form unless another date is specifically stated in the Contract.

H PROTESTS

- 1 A protest shall comply with and be resolved according to A.R.S Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with the ASTO. A protest of a Solicitation shall be received by the ASTO before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
 - 1.1 The name, address and telephone number of the protester;
 - 1.2 The signature of the protester or its representative;
 - 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
 - 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

SECTION 6

SPECIAL TERMS AND CONDITIONS

A. TERM OF CONTRACT

- 1 The term of contract shall commence on the acceptance of the bid and shall remain in effect for a period of three (3) years thereafter unless terminated, canceled or extended as otherwise provided herein.
- 2 The ASTO reserves the right to extend the contract up to a maximum of twenty-four (24) months.
- 3 The contract shall not bind nor purport to bind the State for any contractual commitment in excess of the original contract period. The ASTO shall have the right, at its sole option, to renew the contract for two (2) one-year renewals. If the ASTO exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

B. PROJECT MANAGEMENT

- 1 The Contractor shall appoint a project manager to be responsible for the planning; conducting progress; and successful completion of all activities during the contract period.
- 2 The Contractor shall, within seven (7) days after the award of the contract, submit a written identification and notification to the ASTO of the name, title, address, and telephone number of one (1) individual within its organization as a duly authorized representative to whom all correspondence, official notices, and requests related to the contractor's performance pursuant to the contract shall be addressed. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary with written approval of the ASTO.
- 3 The ASTO shall provide the contractor with the name of a contact person who will coordinate all information to and/or from the Contractor.

C. INSURANCE

- 1 The Contractor shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

2 The insurance requirements herein are minimum requirements for this Contract and in no way, limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

3 Commercial General Liability (Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.)

Figure 3: General Liability	
General Aggregate	\$2,000,000
Products – Completed Operation Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability – Written/Oral	\$1,000,000
Fire Legal Liability	\$50,000
Each Occurrence	\$1,000,000

- 4 The policy shall be endorsed to include the following additional insured language:
- 4.1 “The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.
 - 4.2 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- 5 Professional Liability (Errors and Omissions Liability)

Figure 4: Errors and Omissions Liability	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

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- 6 If the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
 - 7 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

D DISASTER RECOVERY

- 1 The successful Offeror is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this Request for Proposal. This plan, along with any modifications or testing results will be available for review by the ASTO with notice.
- 2 At a minimum, such disaster recovery plan will include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona. The plan must address the recovery time objective (RTO), the recovery point objective (RPO), the establishment of a minimum level of critical support, and a maximum tolerable downtime. Additionally, the plan will include information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to information if the primary system is out of service.

SECTION 7

UNIFORM TERMS AND CONDITIONS

A DEFINITION OF TERMS

As used in these instructions, the terms listed below are defined as follows:

- 1 Acceptance. "Acceptance" means the document headed "Offer and Acceptance Form" bearing the State contract number once Procurement Officer has signed it to signify (1) State's formal acceptance of the Accepted Offer and (2) the formation of the Contract.
- 2 Accepted Offer. If State did not request a Revised Offer, then "Vendor Offer" means the Initial Offer.
 - 2.1 If State did request a Revised Offer but not a Best and Final Offer, then "Accepted Offer" means the latest Revised Offer.
 - 2.2 If State requested a Best and Final Offer, then "Accepted Offer" means the latest Best and Final Offer.
- 3 Arizona Procurement Code. A.R.S.; A.A.C. The "Arizona Procurement Code, "A.R.S.," and "A.A.C." refers to Arizona Revised Statutes ("A.R.S.") § 41-2501, et seq., and the rules promulgated thereunder, Arizona Administrative Code ("A.A.C.") R2-7-101, et. seq.
- 4 Arizona TPT. "Arizona TPT" means Arizona Transaction Privilege Tax. For information, refer to the Arizona Department of Revenue (DOR) website at:
<https://www.azdor.gov/business/transactionprivilegetax.aspx>
- 5 Attachment. "Attachment" means any item that:
 - 5.1 The Solicitation required Offeror to submit as part of the relevant Offer (e.g., Initial Offer, Revised Offer, or BAFO);
 - 5.2 Was attached to an Offer when submitted; and
 - 5.3 Was included in the Accepted Offer.
- 6 Contract. "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments or authorized Purchase Orders.
- 7 Contract Amendment. "Contract Amendment" means a document signed by Procurement Officer that has been issued for the purpose of making changes to the Contract after execution. Only the Procurement Officer responsible for this Contract has the authority to

modify or amend this Contract. In ProcureAZ, the term “Change Order” has the same meaning as “Contract Amendment”.

- 8 Contract Terms and Conditions. “Contract Terms and Conditions” means the Special Terms and Conditions and these Uniform Terms and Conditions taken collectively.
- 9 Contractor. “Contractor” means the Person identified on the Accepted Offer who has entered into the Contract with State.
10. Contractor Indemnitor. “Contractor Indemnitor” means Contractor or any of its owners, officers, directors, agents, employees, volunteers or Subcontractors.
- 11 eProcurement System (currently ProcureAZ). “eProcurement System” means State’s official electronic procurement system, established pursuant to A.A.C. R2-7-201 as set forth in the Arizona Department of Administration State Procurement Office policy. This eProcurement System may be subject to change. The State’s current eProcurement system is “ProcureAZ.” The current version of the ADOA policy regarding the State’s eProcurement System is Technical Bulletin No. 020, ProcureAZ – The Official State eProcurement System.
 - 11.1 NOTE (1): Technical Bulletin No. 020 is available online at:
<https://spo.az.gov/administration-policy/state-procurement-resource/procurement-regulations>
 - 11.2 NOTE (2): The URL for ProcureAZ itself is: <https://procure.az.gov>
- 12 Gratuity. “Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 13 Indemnified Basic Claims. “Indemnified Basic Claims” means any and all claims, actions, liabilities, damages, losses, or expenses, including court costs, attorney fees, and costs of claim processing, investigation and litigation, for bodily injury or personal injury, including death, or loss or damage to any real or tangible or intangible personal property, collectively. See paragraph 6.2.
- 14 Instructions to Offerors. “Instructions to Offerors” is Section 3-a of Part 3 of the Solicitation Documents.
- 15 Materials. “Materials” has the meaning given in A.R.S. § 41-2503(7). Materials includes software, except that if software is sold or provided as a service, then to the extent it consists of encoded information or computer instructions it is included in “Materials” and to the extent it is a service it is described in “Services” below.
- 16 Offer: Initial Offer; Revised Offer; Best and Final Offer (BAFO).
 - 16.1 “Initial Offer” means, per A.A.C. R2-7-101(33), Offeror’s proposal submitted to State in response to the Solicitation, as initially submitted;

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- 16.2 “Revised Offer” means any revised versions of the Initial Offer that Offeror has submitted to State at State’s request as permitted under A.A.C. R2-7-C314 and R2 7-C315;
- 16.3 “Best and Final Offer” (“BAFO”) means, per A.A.C. R2-7-101(8), the Revised Offer submitted after negotiations have been completed that contain Offeror’s most favorable terms for price, service, and products to be delivered.
- 16.4 Reference to “an Offer, “the Offer,” or “your Offer” means any of the Initial Offer, a Revised Offer, or the Best and Final Offer.
- 17 Pricing Document. “Pricing Document” means Section 8, Exhibit C of the RFP, provided that, if there is no such Section in the Contract, then “Pricing Document” is to be construed as referring to whatever item in the Contract contains the contracted pricing and payment provisions.
- 18 Procurement Officer. “Procurement Officer” means the person, or his or her designee, who has been duly authorized by the State to enter into and administer the Contract and to make written determinations with respect to the Contract. Procurement Officer is as identified on the Acceptance unless subsequently changed by Contract Amendment.
- 19 Purchase Order. “Purchase Order” means the instrument by which State authorizes Contractor to perform some or all of the Work. Whether the Contract will have one Purchase Order, or many Purchase Orders depends the scope of the Contract and how State will use it. The Special Terms and Conditions provide that information. Any of the following is to be construed as being a “Purchase Order”:
- 19.1 “Release” or “Release Purchase Order” in ProcureAZ;
- 19.2 “Task Order”, “Service Order,” or “Job Order” when a Release Purchase Order for Services has already been committed in ProcureAZ; or
- 19.3 “Purchase Order” for buying by Co Op Buyers, if co-op buying applies.
- 20 Services. “Services” has the meaning given in A.R.S. § 41-2503(35), Services include the service aspects of software described in the definition of “Materials” above.
- 21 Specification. “Specification” has the meaning given in A.R.S. § 41-2561. Specifications (if any are included in the Contract), are indexed in the Scope of Work and could be bound separately from the other documents forming the Contract.
- 22 State. With respect to the Contract generally, “State” means the State of Arizona and its department, agency, university, commission, or board that has executed the Contract. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Purchase Order, “State” means each of Eligible Agency or Co Op Buyer who has issued the Purchase Order.

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- 23 State Fiscal Year. “State Fiscal Year” means the period beginning with July 1 and ending June 30.
 - 24 State Indemnitees. “State Indemnitees” means, collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.
 - 25 Subcontract. “Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party, delegating, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - 26 Subcontractor. “Subcontractor” has the meaning given in A.R.S. § 41-2503(38).
 - 27 Work. “Work” means the totality of the provision of Materials and the Services and all the acts of administration, creation, production, and performance necessary to fulfill and incidental to fulfilling all of Contractor's obligations and duties under the Contract in conformance with the Contract and applicable laws.

B. CONTRACT INTERPRETATION

- 1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and it’s implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 3 Contract Order of Precedence:
 - 3.1 Complementary Documents. All documents forming the Contract are complementary and all provisions are to be interpreted as a single, united Contract. If certain work, requirements, obligations, or duties are set out only in one but not in another, Contractor shall carry out the Work as though the relevant work, requirements, obligations, or duties had been fully described in all, consistent with the other documents forming the Contract and as is reasonably inferable from them as being necessary to produce complete results.
 - 3.2 Conflicts. In case of any inconsistency, conflict, or ambiguity among the documents forming the Contract and their provisions, the Contract documents and their provisions are to prevail in the following order, descending from most dominate to most subordinate, provided that, among categories of documents or provisions within the same sub-section below, the document or provision with the latest date prevails. Information being identified in one document but not in another is not to be considered a conflict or inconsistency.

3.3 The Solicitation Documents, in the order:

- Special Terms and Conditions;
- Exhibits to the Special Terms and Conditions;
- Uniform Terms and Conditions;
- Scope of Work;
- Exhibits to the Scope of Work;
- Pricing Document;
- Exhibits to the Pricing Document;
- Specifications; and
- Any other documents referenced or included in the Solicitation;
- Orders, in reverse chronological order; and
- Accepted Offer.

4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

8 Arbitration. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

9 Counterparts. The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same document.

C CONTRACT ADMINISTRATION AND OPERATION

- 1 **Records.** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 2 **Non-Discrimination.** Contractor shall comply with Executive Order 2009-9, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin not mentioned in Order shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- 3 **Audit.** Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor’s or any subcontractor’s books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 4 **Notices.** Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 5 **Advertising, Publishing and Promotion of Contract.** The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the ASTO.
- 6 **Property of the State.** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 7 **Ownership of Intellectual Property.** Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract (“Intellectual Property”), shall be work made for hire and the State shall be considered the

creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

- 8 Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 9 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 10 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

D COSTS AND PAYMENTS

- 1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net thirty (30) days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 3 Applicable Taxes.
 - 3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

3.3 Tax Indemnification. Contractor and all subcontractors shall pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

3.4 IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

4 Availability of Funds for the next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1 Accept a decrease in price offered by the contractor;

4.5.2 Cancel the Contract; and

4.5.3 Cancel the Contract and re-solicit the requirements.

E CONTRACT CHANGES

1 Amendments. This Contract is issued under the authority of the ASTO. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the ASTO in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the ASTO. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

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- 3 Assignment and Delegation. Contractor acknowledges that Contractor's experience and expertise is a substantial consideration in the ASTO's review of the Offer. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the ASTO.

F RISK AND LIABILITY

- 1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

- 2 Indemnification

- 2.1 Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence. Notwithstanding any provision of the Agreement to the contrary, a department of the State of Arizona is not authorized to indemnify Bank.

- 2.2 Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.

- 3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

- 4 Force Majeure.

- 4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an

occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

4.2 Force Majeure shall not include the following occurrences:

4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services applied by third parties to the Contractor, toward fulfillment of this Contract.

G WARRANTIES

1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the materials, they shall be:

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- 2.1 Of a quality to pass without objection in the trade under the Contract description;
 - 2.2 Fit for the intended purposes for which the materials are used;
 - 2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 2.4 Adequately contained, packaged and marked as the Contract may require; and
 - 2.5 In conformance to the written promises or affirmations of fact made by the Contractor.
- 3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor and shall be fit for all purposes and uses required by the Contract.
 - 4 Inspection/Testing. The warranties are not affected by inspection or testing of or payment for the materials by the State.
 - 5 Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
 - 6 Survival of Rights and Obligations after Contract Expiration or Termination.
 - 6.1 Contractors Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.
 - 6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the ASTO, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
 - 7 Contractors with no operations in Arizona. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

8. Contractors with Operations in Arizona.

- 8.1 By entering into the contract, the contractor warrants compliance with the Federal immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. The contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9 as required by the U.S. Department of Labor’s Immigration and Control Act), for all Employees performing work under the contract. I-9 forms are available for download at USCIS.GOV.
- 8.2 Compliance requirements for A.R.S. § 41-4401—immigration laws and E-Verify requirement.
- 8.3 Contractors warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
- 8.4 A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the Agreement.
- 8.5 The Department retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that Contractor is complying with the warranty.

H STATE’S CONTRACTUAL REMEDIES

- 1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to or is unable to perform or continue performing under this Contract, the ASTO may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the State’s option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 2 Stop Work Order.
 - 2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable

steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The ASTO shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

- 3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code or pursue any other right or remedy available to it.
- 5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

I **CONTRACT TERMINATION**

- 1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38- 511.
- 2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred,

suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

- 4 Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 5 Termination for Default.
 - 5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The ASTO shall provide written notice of the termination and the reasons for it to the Contractor.
 - 5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
 - 5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 7 Contract Cancellation (Immediate). This contract is critical to ASTO and the agency reserves the right to immediately cancel the whole or any part of this contract due to failure of the Contractor to carry out any material obligation, term or condition of the contract. The ASTO shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:

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- 7.1 The Contractor provides material that does not meet the specifications of the contract;
 - 7.2 The Contractor fails to adequately perform the services set forth in the specifications of the contract;
 - 7.3 The Contractor fails to complete the work required or furnish the materials required within the time stipulated in the contract;
 - 7.4 The Contractor fails to make progress in the performance of the contract and/or gives the ASTO reason to believe that the Contractor will not or cannot perform to the requirements of the contract.
- 8 The ASTO may resort to any single or combination of the following remedies:
 - 8.1 Cancel any contract;
 - 8.2 Reserve all rights or claims to damage for breach of any covenants of the contract;
 - 8.3 Perform any test or analysis on materials for compliance with the specifications of the contract. If the result of any test confirms a material non-compliance with the specifications, any reasonable expense of testing shall be borne by the Contractor.
 - 8.4 In case of default, the ASTO reserves the right to purchase materials or to complete the required work in accordance with the Arizona Procurement Code.
 - 9 The Procurement officer may recover reasonable excess costs from the Institution by:
 - 9.1 Deduction from an unpaid balance;
 - 9.2 Collection against the bid and/or performance bond; or
 - 9.3 Any combinations of the above or any other remedies as provided by law.

SECTION 8

EXHIBITS: OFFEROR QUESTIONNAIRE

EXHIBIT A: DESCRIPTION OF PROPOSED SOLUTION

Please describe in narrative form your general ledger solution and clearly identify the application software modules, add-ons, utilities, tools, reports generators, underlying technology, and third-party applications that you would provide.

EXHIBIT B: SCOPE OF SERVICES

Please describe in narrative form how you will address our general requirements and clearly identify the application software modules, add-ons, utilities, tools, reports generators, underlying technology, and third-party applications that you would provide that meets the following Scope of Services.

General Ledger Requirements

1. The ability to maintain and operate several journals with full integration between journals.
2. The software should allow for multiple users to work within the system and different journals simultaneously with controls that can be set based on defined user roles.
3. The software must be able to handle large amounts of bank transactions and data that is integrated from several files from our banking partners. Currently we average approximately 30,000-70,000 transactions daily with an average of 6.5MB of data.
4. The system must have the ability to load previously posted transactions for reposting with new dates.
5. There needs to be an audit trail with user, function, date and time stamp for any updates, changes or deletions from key files and/or journals.
6. User defined queries with wild card search, drop down lists or other methods to facilitate look-up.
7. The system must have the ability to create an interface file that can be uploaded to the Statewide Accounting ERP System (AFIS, CGI Advantage).
8. The software must have the ability to create automated journal entries based on data contained in the bank files with the ability to manually update information.

Journal Entry Requirements

1. Ability to track the day, month, and year of the journal entry.
2. Print journal entry transaction detail prior to posting the journal entry to the general ledger.
3. Ability to set up predefined sets of accounts and corresponding descriptions for repetitious journal entries.
4. Accept both standard and recurring journal entries, both as to amount and account. For recurring journal entries, data entry should be required only once. Edit recurring entries as to coding accounts and amounts as necessary.

Financial Reporting Requirements

1. Users should be able to save filtering and formatting settings specified for a particular report with a profile name for retrieval when printing the report on a subsequent occasion. Additionally, users should be able to flag a profile as the default for loading report settings.
2. Provide the ability to export the results of report selections to other data formats. Options should include the ability to merge the data with Microsoft Word, Excel, and Access as well as the ability to have the data set exported directly to a XML or CSV formatted file.
3. Provide the ability to design and create reports in a user defined format without being required to purchase a special report writer application or pay for report customization with respect to formatting.
4. All reports should include the name and title of the report, date and time that the report was produced and the date(s) for which the report covers.
5. Option to view any report on screen with subsequent option to download and print.
6. Ability to print a report including all journal notes.
7. Provide multiple predefined reports as required by ASTO such as but not limited to: current and previous day summary reports; posted journal reports including individual entries and summaries; and reconciliation reports with schedules.

Specific Ledger Requirements

1. Cash Receipts Journal: The ASTO collects and processes cash receipts documents that are created by agencies in the State's ERP System (AFIS). ASTO manually enters the details of these documents into the internal general ledger system which automatically creates a unique identifying number to correspond which each cash receipts document for audit purposes. Proposals should include solutions that will provide for automation of this process.
2. Adjustment Journal: The ASTO manually enters bank adjustments into this journal. Proposals should include solutions that will provide for automation of this process.

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3. Cash Disbursement Journal: The ASTO uses this journal to record cash deducted from the bank for payment of warrant accounts, returned deposited items and other disbursements made at the bank. Proposals should include solutions that will provide for automation of this process.
 4. Returned Deposit Items Journal: The ASTO records returned deposited items and assigns the return to the appropriate state agency within this journal to decrease the cash from AFIS using an interface file that is created every business night to be uploaded to AFIS. Proposals should include solutions that will provide for automation of this process.
 5. Credit Card Journal: The ASTO systematically records payment card transactions that are posted to agency bank accounts which creates an interface file to increase or decrease the cash for the agency in AFIS. Proposals should include solutions that will provide for automation of this process.
 6. Wire-In Journal: The ASTO manually records incoming wires, ACH and transfers for certain bank accounts into this journal and assigns the money to the appropriate state agency. Proposals should include solutions that will provide for automation of this process.
 7. Wire Out Journal: The ASTO manually records outgoing wires, ACH and transfers in this system to account for these items processed in the banking system.
 8. Distributions: System used to track and process monies from state agencies to third party recipients. Proposals should include solutions that will provide for automation of this process.
 9. Non-State Module: System used to track and process monies from third party entities to various state agencies. Proposals should include solutions that will provide for automation of this process.
 10. Local Government Investment Pools (LGIP) Module: System is used to record and track all investment transactions for LGIP participants including state agencies and non-state entities. The system also has a function to post certain transactions to AFIS. Proposals should include solutions that will provide for automation of this process.
 11. Custodial Securities Module: Internal tracking system of custodial securities received by the Treasurer's Office. Proposals should include solutions that will provide for automation of this process.
 12. Reconciliation Module: System used to reconcile bank account(s) daily using the information received from the daily BAI2 files and entered into the internal journals. Proposals should include solutions that will provide for automation of this process.
 13. Bank Identification Module: Internal tracking of bank accounts and routing numbers used for distributions and LGIP payments.
 14. General Ledger: Journal that is used to create correcting entries for other journals and contains reports for all other journals.
 15. Optional Modules: The ASTO has identified the following modules as possibilities:

14.1 Budgeting

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- 14.2 Accounts Payable (tracking payments)
 - 14.3 Bank Analysis

NOTE: The decision to use either of the optional modules may not be made immediately at the time of a signed contract.

Integration and Interface Requirements

The General Ledger system should interface with our custodial bank(s) and State's AFIS system. The software must have the ability to provide a download engine and retrieve and parse daily and every 15 minutes the BAI2 file(s) provided by our custodial bank(s). Additionally, the software will send to AFIS summary information daily.

EXHIBIT C: PRICING

The vendor shall provide all labor, equipment, materials, supplies, transportation and services necessary for, or reasonably incidental to, the complete performance of any agreement resulting from this RFP. The vendor must include in its price all design, engineering, system and application database development, integration, delivery, installation, testing, training and warranty costs associated with all elements of the proposed general ledger accounting system.

Please provide itemized pricing for the proposal. If certain modules or functionalities are offered as a bundle or package please clearly indicate this. Please include a line item pricing for data migration. If any third-party vendors, modules, or services are needed or highly recommended, please clearly identify as such including vendor name and contract information and indicated if this additional vendor's service will need to contract separately for this.

If applicable, please include the following costs associated with all proposed software applications and associated services.

1. Application software license fees
2. Implementation, Training, and Support Services costs
3. Annual Software Maintenance costs
4. Annual Services costs (if applicable)
5. Other Anticipated costs (i.e. travel, data conversions, etc.)

Please also provide the following hourly rates and other charges for additional and on-site services, if necessary, provided:

1. System Development/Design
2. Programming

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3. Training
 4. Hourly charge for travel time
 5. Per mile charge for travel
 6. Per Diem charge for overnight travel.
(the state is limited in amounts to reimburse travel, hotel, daily food charges in accordance with ARS and SPO rules)

Please describe, in this section any requirements listed in the RFP that you would not be able to accommodate, or any exceptions, special conditions or deviations from the requested scope defined in this RFP and your response.

Please enclose a copy of all agreements and service terms that will be required to initiate any proposed services.

EXHIBIT D: COMPANY INFORMATION & EXPERIENCE

1. Narrative description of organization.
2. Brief Overview of Company
3. Experience with GL development and implementation
4. Date established
5. Ownership
6. Location in which the Offeror is incorporated
7. Office location(s) for performance of proposed tasks
8. Offeror's organization chart relevant to this project
9. Full disclosure of any potential conflicts of interest (e.g. serving as a reseller of software, or business relationship between the Offeror and any State employee)
10. A statement documenting all open or pending litigation initiated by Offeror or where Offeror is a defendant or party in any litigation with a public sector client)

EXHIBIT E: HARDWARE SPECIFICATIONS

Provide a complete itemized listing of minimum hardware requirements needed to run your software and a recommended hardware listing necessary for optimal performance. Also include an estimated cost for the hardware components and cite any additional costs for non-vendor specific hardware necessary to facilitate implementation.

EXHIBIT F: DATA STORAGE/TECHNOLOGY REQUIREMENTS

Please indicate if your software is housed on a server within the ASTO or remotely on a cloud web-based system. If both options are available, please indicate the cost difference.

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1. Describe your database platform and requirements?
 2. What development platform is used throughout your application including the application and presentation layers?
 3. What reporting services are available for use with your applications?
 4. Do you index your database tables?
 5. Do you have standardized XML import/exports?
 6. Do you have standardized PDF reports?
 7. Do you integrate with Microsoft Office? If not, how do you import/export to Office products?
 8. Do you integrate with Microsoft Exchange Server?
 - a. Outlook Calendar integration?
 - b. Outlook Contacts & Global Address Book integration?
 9. Do you integrate with Google Sheets?
 10. What client PC platforms do you support?
 11. What server platforms do you support?
 12. Describe all available client platform requirements including desktop applications, and browser clients (and supported web browsers).
 13. What are your minimum recommended hardware requirements (clients and servers)?
 14. Is hardware provided with your solution? If not, provide recommended hardware specifications to support your platform for 5-7 years.
 15. Describe the administration of application security. Include how it is configured, how groups or roles are used, and what actions can or cannot be taken for various settings.
 16. Describe how your solution creates an “audit trail” when data is changed. Include the types of data for which a trail is created, and what is recorded (date, user id, etc.) when the data is changed.

EXHIBIT G: TRAINING

Please summarize your approach to training. Responses should detail the estimated number of hours in training included and method of training: e.g. on-site. Also indicate whether on-going training is available after the initial training and conversion timeframe.

EXHIBIT H: CONVERSION/MIGRATION PROCESS

Describe the approach and resources needed to implement the proposed software. Attach a proposed implementation schedule with key activities and estimated milestones.

EXHIBIT I: MAINTENANCE PLAN

Specify any costs related to system maintenance beyond initial installation of the system. Also

include whether annual maintenance fees include system upgrades, annual license fees or other components.

Please outline maintenance costs for the next five years.

EXHIBIT J: LICENSE AGREEMENT

If applicable, please provide a sample license agreement.

EXHIBIT K: COPY OF A.A.C. R2-7-103 (CONFIDENTIAL INFORMATION) AS WAS CURRENT AT TIME OF SOLICITATION ISSUANCE

PROVIDED FOR REFERENCE ONLY

- 1 If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.
- 2 Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.
- 3 Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:
 - 3.1 The designated information is confidential, and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;
 - 3.2 The designated information is not confidential; or
 - 3.3 Additional information is required before a final confidentiality determination can be made.
- 4 If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.
- 5 An agency chief procurement officer may release information designated as confidential under subsection (1) if:

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- 5.1 A request for review is not received by the state procurement administrator within the time period specified in the notice; or
 - 5.2 The state procurement administrator, after review, makes a written determination that the designated information is not confidential.

EXHIBIT L: CONFORMANCE STATEMENTS

STATE WILL NOT CONSIDER ANY EXCEPTIONS UNLESS DESIGNATED ON THIS FORM. READ THE INSTRUCTIONS TO OFFERORS BEFORE TAKING ANY EXCEPTIONS – TAKING EXCEPTIONS CAN BE GROUNDS FOR STATE REJECTING OR DOWN-GRADING YOUR OFFER IN EVALUATION.

CONFORMANCE TO THE INSTRUCTIONS: (SECTION II OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents and attests that its Offer complies.
- NO – Offeror acknowledges that it has read and understands the Instructions to Offerors of the Solicitation Documents, and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit I Supplement 1**.

CONFORMANCE TO THE SCOPE: (SECTION V OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Scope Document of the Solicitation Documents and attests that its Offer complies.
- NO – Offeror acknowledges that it has read and understands the Scope Document in Part 2 of the Solicitation Documents and attests that its Offer complies EXCEPT FOR the exceptions listed in **Exhibit I Supplement 2**.

CONFORMANCE TO THE CONTRACT TERMS AND CONDITIONS: (SECTION VII OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to “YES”:

- YES – Offeror acknowledges that it has read and understands the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both.
- NO – Offeror acknowledges that it has read and understand the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Exhibit I Supplement 3**.

EXHIBIT L – SUPPLEMENT 1: EXCEPTIONS TO INSTRUCTIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.1: Instructions to Offerors		

Company Name

Signature of Person Authorized to Sign

EXHIBIT L – SUPPLEMENT 2: EXCEPTIONS TO SCOPE OF WORK

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.2: Scope of Work		

Company Name

Signature of Person Authorized to Sign

EXHIBIT L – SUPPLEMENT 3: EXCEPTIONS TO CONTRACT TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.3: Special Terms & Conditions		

Company Name

Signature of Person Authorized to Sign

EXHIBIT L – SUPPLEMENT 4: EXCEPTIONS TO UNIFORM TERMS AND CONDITIONS

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
No.4: Uniform Terms & Conditions		

Company Name

Signature of Person Authorized to Sign