

REQUEST FOR PROPOSALS

RFP# VCCS-FS-007-004

Issue Date: January 5, 2007

Title: Agency Risk Management and Internal Control Standards
(ARMICS) Commonwealth of Virginia Comptroller's Directive No.
1-07

Commodity Code:

Issuing Agency: Commonwealth of Virginia
Virginia Community College System
Purchasing Office - 16th Floor
James Monroe Building
101 North 14th Street
Richmond, VA 23219

Using Agency Location: Virginia Community College System
Administrative Services
James Monroe Building
101 North 14th Street
Richmond, VA 23219

Period of Contract: One year with one six month optional contract renewal

Sealed Proposals Will Be Received Until: February 9, 2007 @ 3:00 p.m.

Purchasing inquiries should be addressed to: **Nick Kaveski, CPPB, VCO @ 804-819-4928**

IF PROPOSALS ARE MAILED, SEND DIRECTLY TO **ISSUING AGENCY** SHOWN ABOVE. IF

101 North 14TH Street, James Monroe Building - 16th Floor, PURCHASING OFFICE

PROPOSALS ARE HAND DELIVERED, DELIVER TO:

In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

Name and Address of Firm:

Date: _____

By: _____
Signature in Ink

Name/Title: _____

FEI/FIN No. _____

Telephone Number: _____

Facsimile Number: _____

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, Section 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

**** An Optional Pre-Proposal Conference will be held at 10:00 a.m. on Tuesday, January 16, 2007 at the VCCS System Office, James Monroe Building, 101 North 14th Street, 15th Floor, Richmond, Virginia 23219 in the Godwin-Hamel Board Room.**

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I. PURPOSE:

The Virginia Community College System (VCCS) is seeking consulting resources to implement requirements of Comptroller of Virginia directive 1-07, *Agency Risk Management and Internal Control Standards* and lead the VCCS (including all 24 VCCS agencies/colleges) through implementation by the required State deadlines as outlined in Comptroller's Directive No. 1-07. The (Contractor) selected should be an individual or group with proven experience in the field of fiscal management with a demonstrated knowledge of financial operations and internal controls, preferably in the higher education environment.

II. BACKGROUND:

The Virginia Community College System (VCCS) is comprised of a System Office and twenty-three comprehensive community colleges located throughout the Commonwealth of Virginia, serving nearly 65% of the in-state undergraduate students attending state supported institutions of higher education. The system operates forty campuses and numerous off-campus and outreach centers. Each community college is fully accredited by the Southern Association of Colleges, Commission on Colleges and Universities offering credit, non-credit instruction, and distance education. The System Office provides administrative support to all twenty-three colleges.

The VCCS offers more than 200 programs in academic and occupational-technical fields as well as business and industrial training opportunities. During the 2005-2006 school year, the system served 93,201 full-time equivalent (FTE) students in credit courses, representing 233,465 individual students enrolled. This includes 10,649 FTE students representing 93,199 individuals enrolled in distance learning courses delivered via compressed video transmission and over the World Wide Web. The VCCS has built a world-class information technology and telecommunications infrastructure, which provides high-speed access to exemplary learning and service experiences for all its students. Females represent 59% of those enrolled, and approximately one out of every three students is a member of an ethnic minority group. The median age of Virginia community college students is twenty-six, with the largest groups of students being between eighteen and twenty-one years of age. Approximately 97% of VCCS students are Virginia residents with 69% attending class on a part-time basis.

In addition to credit enrollment, another 170,000 individuals take advantage of non-credit and workforce training opportunities offered directly at Virginia's community colleges or through contracts with businesses. In 2006, 77,000 individuals took open enrollment courses, many of which were sponsored by nearly 2,800 companies. In addition, Virginia's community colleges developed customized courses for 54,500 individuals in 900 companies.

Currently, the VCCS utilizes Sunguard/SCT Financial Records System (FRS) to house its financial operations. Daily financial transactions for all state funded transactions are interfaced to the Commonwealth of Virginia's Accounting and Reporting System (CARS) where checks are written and mailed by the Commonwealth of Virginia State Treasury. All salary and employer costs of fringe benefits are interfaced from the Commonwealth of Virginia's Integrated Payroll/Personnel System (CIPPS) into FRS. Additionally, each of the twenty-three (23) community colleges and the System Office have financial transactions related to various funds maintained and disbursed locally. The VCCS is scheduled to implement version 8.9 of the PeopleSoft Financial System on July 1, 2007.

Educationally, culturally and economically, the Virginia Community College System serves as a vital resource for the entire state.

III. STATEMENT OF NEEDS:

A. General

The VCCS seeks consulting resources to implement requirements of Comptroller of Virginia directive 1-07, *Agency Risk Management and Internal Control Standards* and lead the VCCS (including all 23 colleges and the System Office) through implementation by the required State deadlines as outlined in Comptroller's Directive No. 1-07. The (Contractor) selected should be an individual or group with proven experience in the field of fiscal management with a demonstrated knowledge of financial operations and internal controls, preferably in the higher education environment.

B. Specific

The Consultant (Offeror) shall propose a plan to include:

The Comptroller of Virginia issued Directive 1-07, *Agency Risk Management and Internal Control Standards*, on November 15, 2006 (please see the following link - http://www.doa.virginia.gov/General_Accounting/ARMICS/ARMICS_%20Standards_Memo.pdf).

The directive requires all state agencies in Virginia to implement and assess on an annual basis internal control systems in order to provide reasonable assurance of the integrity of all fiscal processes related to the submission of transactions to the Commonwealth's general ledger, submission of financial statement directive materials, compliance with laws and regulations, and stewardship over the Commonwealth's assets. This internal control assessment and documentation must be completed in accordance with the guidelines published in the Commonwealth of Virginia's *Agency Risk Management and Internal Control Standards*. The objectives of the internal control directive are:

- 1) Strategic – support for Virginia being recognized as the best-managed state in the nation through internal control best practices
- 2) Operational – effective and efficient use of fiscal resources and other assets
- 3) Reporting – integrity and reliability of financial reporting
- 4) Compliance – compliance with applicable laws and regulations
- 5) Stewardship – protection and conservation of assets

The vendor will be responsible for the following summarized internal control assessment and development stages (detail requirements are located at the following link

http://www.doa.virginia.gov/General_Accounting/ARMICS/ARMICS_Standards_Directive.pdf)

- 1) Development of the **VCCS Internal Control Assessment** for certification to the Commonwealth by **September 30, 2007**

Complete documentation for this assessment must include:

- o A description and evaluation of the design of VCCS internal controls across five components
 - i. Control Environment
 - ii. Risk Assessment
 - iii. Control Activities

- iv. Information and Communication
 - v. Monitoring
- o Documentation of the methods used to test the effectiveness of the agency level controls and the results of those tests

Vendor will coordinate and develop a uniform internal control assessment tool to be used by all 23 colleges and the System Office of the Virginia Community College System and will summarize and document responses accordingly. Minimal requirements of Comptroller's Directive 1-07 must be achieved.

2) Process and Transaction-Level Internal Control Assessment (state and local funds) for certification to the Commonwealth by **March 31, 2008**

Complete documentation for this process level assessment must include

- a. A complete description of each significant fiscal process including:
 - i. A description of the fiscal processes with examples to pertinent process documents
 - ii. Policies and procedures governing the process
 - iii. Computer information systems used to support the process
- b. A risk assessment of each significant fiscal process including:
 - i. Identification of potential events or conditions that could have an impact on the functioning or outcome of the process
 - ii. An assessment of the likelihood of the events and impact of the events on the VCCS
 - iii. A description of the associated agency risk responses
- c. An internal control evaluation and control tests including:
 - i. A description of the control activities in place to accomplish the related control objectives for the business process
 - ii. Documentation of the methods used to test the effectiveness of the fiscal process control activities and the results of those tests

Vendor will coordinate development of the transaction level control assessment at each college of the Virginia Community College System for state and local funds using vendor created assessment tools and review of internal control processes in place at the colleges and System Office. Each college will name an Internal Control Coordinator to represent the college and will serve as the vendor contact to implement the requirements of Comptroller's Directive 1-07. Transaction flow details (as specified by Comptroller's Directive 1-07) and associated internal controls (where needed) will be documented by the colleges under the direction of the vendor for each college of the VCCS or centrally where uniform transaction recording procedures are utilized such as the case with the VCCS CARS interface of detailed state transactions with an emphasis on compliance with State policies and procedures (CAPPS Manual).

3) Corrective Action Plans with certification to the Commonwealth by **June 30, 2008**

Vendor will provide tools necessary for college to identify weaknesses in internal control that are

identified through either the agency level or process level assessments. Vendor will provide colleges/System Office guidelines to develop detail written recommendations on missing controls and provide corrective action plans to colleges and System Office how to develop and implement appropriate controls.

The corrective action plan must minimally include the following:

- a. Summary description of the deficiency in internal control
- b. When the deficiency was identified
- c. A target date for completion of corrective action in consultation with appropriate VCCS personnel
- d. Indicators or statistics used to gauge resolution progress
- e. A quantifiable target or qualitative characteristics that will indicate that the deficiency in internal controls has been corrected
- f. Identification of personnel responsible for monitoring progress

Vendor will establish an annual internal control monitoring process for certification by college presidents to the System Office.

Vendor will develop a detailed implementation and assessment plan to be approved by VCCS management and be responsible for carrying out the requirements of this RFP in compliance with State Comptroller's Directive 1-07. This includes coordinating and assembling the necessary documentation of the VCCS' internal control structure.

The vendor will work with the VCCS Office of Fiscal Services to develop an internal control team comprised of fiscal staff, internal auditors, and college Internal Control Coordinators. The team will be utilized by vendor to assemble necessary information to analyze internal controls and detail procedures. Vendor will be responsible for all documentation requirements of Comptroller Directive #1-07.

IV. SUBMISSION INSTRUCTIONS:

Interested Consultants (Offeror) shall submit one (1) original and five (5) copies of their response to this Request for Proposal to the address below, to be received no later than 3:00 p.m. EST, February 9, 2007. Please mark proposal envelopes: "(ARMICS) Comptroller's Directive No.1-07".

Submit response to:

Virginia Community College System
Purchasing Office, 16th Floor
James Monroe Building
101 North 14th Street
Richmond, VA 23219

V. MANDATORY REQUIREMENTS:

a. The proposal shall identify the proposed cost for Consultant Services, and shall include travel, lodging, expenses and printing as specified in the Statement of Needs. Travel, lodging, meals and incidental expenses shall be in accordance with Commonwealth of Virginia Travel Regulations.

VI. TIMEFRAMES:

Responses are due by **Friday, February 9, 2007 at 3 p.m.** From responses submitted to the Request for Proposals, the Office of Fiscal Services of the VCCS and RFP Evaluation Committee will select Consultants to be interviewed in person or by telephone. A contract should be awarded by the VCCS on or before March 15, 2007.

The consultant (Contractor) will be required to commence work no later than one (1) week after award of the contract.

Only those persons who can accommodate the timeframe stated here will be considered for the contract award.

VII. FINANCIAL PROPOSAL:

The consultant shall submit a financial proposal indicating the compensation expected for each phase and at the conclusion of the consulting contract. The consultant shall also submit a financial proposal indicating the total annual amount of compensation required. The financial proposals shall be complete and inclusive of all work required by the RFP and set forth in the Statement of Needs. The financial proposals must be fully consistent with the staffing plan and schedule of services to be performed contained elsewhere in the RFP response.

VIII. EVALUATION AND AWARD CRITERIA:

All proposals received will be reviewed to determine if they adhere to the format of the RFP, meet the criteria indicated below and conform to the objectives and requirements of the RFP. The following criteria and points will be utilized in the evaluation and ranking of proposals:

- a. Demonstration of the necessary organizational and staff expertise assigned to this proposal, including sufficient resources to accomplish RFP requirements. 30 Points
- b. Demonstration of understanding and responsiveness to the requirements to provide the VCCS with an internal control document and set of strategies to ensure compliance with Directive No. 1-07 issued by the Office of the Comptroller titled Agency Risk Management and Internal Control Standards. (ARMICS). 30 Points
- c. Price/cost proposal to be charged to the VCCS for providing services required. 25 Points
- d. References from other clients. 15 Points

A. GENERAL REQUIREMENTS:

1. RFP Response: In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and five (5) copies of each proposal must be submitted to the VCCS. No other distribution of the proposals shall be made by the Offeror. **NOTE: An Offeror may submit no more than one (1) proposal in response to this RFP.**
2. Proposal Preparation:
 - a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the Agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. General Terms and Conditions are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
 - b. Proposals should be prepared simply and economically providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
 - c. **Proposals should be organized in the order in which the requirements are presented in the RFP.** All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub letter and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub letter should be repeated at the top of the next page. The proposal should contain a table of contents which cross- references the RFP requirements. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at the appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
 - d. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
 - e. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of Section 11-52D of the Code of Virginia, in writing, either before or at the

time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.

3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Agency. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Issuing Agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

The Offeror is required to limit the number of representatives at the oral presentation to three (3) individuals.

4. Informal Communications: From the date of receipt of this RFP by each Offeror until a binding contractual agreement exists with the selected contractor and all other Offerors have been notified, or when the VCCS rejects all proposals, informal communications regarding this procurement shall cease.

There shall be no requests from Offerors to any Office or Department of the VCCS with the exception of Contact for information, comments, etc., and they shall be written or faxed.

5. Formal Communications: From the date of receipt of this RFP by each Offeror, until a binding contractual agreement exists with the selected Contractor, and all other Offerors have been notified, or when the VCCS rejects all proposals, all communications between the VCCS and the Offerors will be formal or as provided for in this RFP or as requested by Contact. Formal communication shall include but not be limited to:

- a. Oral Presentations
- b. Site Visits

6. **ANY FAILURE TO ADHERE TO PROVISIONS SET FORTH IN #4 AND #5 ABOVE MAY RESULT IN THE REJECTION OF ANY OFFEROR'S PROPOSAL AND/OR CANCELLATION OF THIS RFP.**

- B. SPECIFIC REQUIREMENTS: Proposals should be as thorough and detailed as possible so that the VCCS may properly evaluate Offeror's capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Return the RFP cover sheet and all addenda acknowledgements, if any, signed and filled out as required.
 2. Complete Contractor Data Sheet, included as an attachment (Attachment A) to the RFP, and other specific items or data requested in the RFP.
 3. A written narrative statement to include as a minimum:
 - a. Experience in providing the services described herein.
 - b. Names, qualifications, resume and experience of key staff to be assigned to contract.
 - c. List of departments or sections of your company and number of staff by department or function.
 - d. A description of the Offeror's understanding of the VCCS requirements and how the work will be performed.
 - e. A schedule outlining timeframes for performance of services.
 - f. Proposal pricing of services to the VCCS.
- C. **AWARD OF CONTRACT:** Selection shall be made of two (2) or more Offers deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Agency shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. (Section 11-65D, Code of Virginia.) Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

IX. PRE-PROPOSAL CONFERENCE (OPTIONAL):

An **Optional** Pre-Proposal Conference will be held on **January 16, 2007 @ 10:00 a.m.** at the VCCS System Office, James Monroe Building, 101 North 14th Street, 15th Floor, Richmond, Virginia 23219 in the Godwin-Hamel Board Room. The purpose of the conference is to allow Offerors an opportunity to present questions and obtain clarification relative to any facet of this proposal solicitation. While attendance at this conference will not be a pre-requisite to submitting a response, Offerors who intend to submit a response are encouraged to attend. Please bring a copy of the solicitation with you to the conference. The VCCS Purchasing Manager and a representative of the requesting department will act in the capacity of moderators at the conference. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

X. GENERAL TERMS AND CONDITIONS:

- A. VENDOR'S MANUAL: This solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals".
- B. APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, Section 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. ANTI-DISCRIMINATION: By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and Section 2.2-4311 of the Virginia Public Procurement Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender, or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body, (Code of Virginia, Section 2.2-4343.1E)..

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the Contractor agrees as follows:
 - a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

2. The Contractor will include the provisions of 1. above in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any 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 was exchanged.
- E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By submitting their proposals, the Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- F. DEBARMENT STATUS: By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- G. ANTITRUST: By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS: Failure to submit a proposal on the official State form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. CLARIFICATION OF TERMS: If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. PAYMENT:
1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or

purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within (30) thirty days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute. (Code of Virginia, Section 2.2-4363).

2. **To Subcontractors:**

- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
- b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for

amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.
- K. PRECEDENCE OF TERMS: The following General Terms and Conditions: VENDORS MANUAL, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the work/furnish the item(s) and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the contract and to complete the work/furnish the item(s) contemplated therein.
- M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure supplies and services conform to the specification.
- N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any one of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as part of their written agreement to modify the scope of the contract.

2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to things such as services to be performed, the method of packing or shipment and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the Contractor to proceed with the work and to keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia's Vendor's Manual. Neither the existence of a claim or a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.
- P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- Q. TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

- R. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.state.va.us) for a minimum of 10 days.
- S. DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to 1) provide a drug-free workplace for the contractor's employees; 2) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; 3) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and 4) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purpose of this section, "drug-free workplace" means a site for the performance of work done in connection with specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.
- T. INSURANCE: By signing and submitting a bid or proposal under this solicitation, the bidder or Offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have worker's compensation insurance in accordance with section 11-46.3 and 65.2-800 et seq. Of the Code of Virginia. The bidder or Offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation- Statutory requirements and benefits.
 2. Employer's Liability- \$100,000.
 3. Commercial General Liability- \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability. The Commonwealth of Virginia must be named as an additional insured when requiring a Contractor to obtain Commercial General Liability coverage.
 4. Automobile Liability- \$500,000- Combined single limit.
- U. NON-DISCRIMINATION OF CONTRACTORS: A bidder, Offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age or disability or against faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific

contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services or disbursements from an alternative provider.

- V. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION: The eVA Internet electronic procurement solution web site portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies.

All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

EVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.

EVA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.

For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.

For orders issued August 16, 2006 and after, the Vendor Transaction Fee is: (i) DMBE-certified Small Business: 1% capped at \$500 per order. (ii) Businesses that are not DMBE-certified Small Business: 1% capped at \$1,500 per order.

- W. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- X. SET-ASIDES: This solicitation is set-aside for DMBE-certified small business participation only when designated "SET-ASIDE FOR SMALL BUSINESSES" in the solicitation. Small businesses must be certified by the Virginia Department of Minority Business Enterprise not later than the solicitation due date and time. DMBE-certified women-owned and minority-owned businesses are also considered small businesses when they have received DMBE small business certification.

XI. SPECIAL TERMS AND CONDITIONS:

- A. ADVERTISING: In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to the Virginia Community College System will be used in product literature or advertising. The Contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- B. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- C. AUDIT: The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- D. PROPOSAL ACCEPTANCE PERIOD: Any bid in response to this solicitation shall be valid for **120** days. At the end of the **120** days the bid may be withdrawn at the written request of the Bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.
- E. CANCELLATION OF CONTRACT: The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- F. IDENTIFICATION OF PROPOSAL ENVELOPE: If a special envelope is not furnished, or if return in the special envelope is not possible, the signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____

Name of Offeror	Due Date	Time
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Street or Box Number	RFP No.
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City, State, Zip Code	RFP Title
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Name of Contract/Purchase Officer or Buyer Nick Kaveski, CPPB, VCO

The envelope should be addressed as directed on Page 1 of the solicitation. If a proposal not contained in the special envelope is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the

- G. MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING: Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to minority and/or women-owned businesses. Names of firms may be available from the buyer and/or from the Division of Purchases and Supply. When such business has been subcontracted to these firms and upon completion of the contract, the Contractor agrees to furnish the purchasing office the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.
- H. PRIME CONTRACTOR RESPONSIBILITIES. The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors, who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- I. RECEIPT AND OPENING OF PROPOSALS: It is the responsibility of the Offeror to assure that the proposal is delivered to the place designated for receipt of proposals prior to the time set for receipt of proposals. No proposal received after the time designated for receipt of proposals shall be considered. To be considered, all proposals must be received and stamped in at the address given on or before the date and hour designated on the solicitation. Offerors must pay particular attention to insure the proposal is properly addressed. The Virginia Community College System is not responsible if the proposal does not reach the destination specified by the appointed time. Proposals received after the date and hour designated are automatically disqualified and will not be considered.
- J. RESPONSIBILITY-OBLIGATION OF OFFEROR: By submitting a proposal, the Offeror covenants and agrees that he has satisfied himself, from his own investigation of the conditions to be met, that he fully understands his obligation and that he will not make any claim for, or have right to cancellation or relief from the contract because of any misunderstanding or lack of information. The Offeror further warrants that he/she has fully complied with the Virginia Conflict of Interest Act; furthermore certifying that he/she is not currently an employee of the Commonwealth of Virginia/ Virginia Community College System. Disputes arising under this contract will be processed in accordance with the disputes (claims) provisions of the Commonwealth of Virginia Vendor's Manual.
- K. RENEWAL OF CONTRACT: This contract may be renewed by the Commonwealth for one optional six month period under the terms and conditions of the original contract except as stated in 1 and 2 below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 30 days prior to the expiration date of each contract period.
1. If the Commonwealth elects to exercise the option to renew the contract for an additional six month period, the contract price(s) for the additional six month **shall not exceed** the contract price(s) of the original contract increased/decreased by no more than the percentage increase/decrease of the Services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

2. If during the first six month renewal the Commonwealth elects to exercise the option to renew the contract for the second additional six-month period, the contract price(s) for the second six-month period **shall not exceed** the contract price(s) of the first period increased/decreased by no more than the percentage increase/decrease of the Services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. For recent Consumer Price Index statistics, contact the bureau of Labor Statistics at their website <http://stats.bls.gov/news.release/cpi.toc.htm> or by telephone at 202-606-7000. A link to the Bureau of Labor statistics is on the DGS/DPS website at www.dgs.state.va.us/dps. Click on the “references” tab along the top of the screen and link to their web site is listed under “Bureau of Labor Statistics”.
- L. **SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.
- M. **BEST AND FINAL OFFER (BAFO):** At the conclusion of negotiations, the offer(s) may be asked to submit in writing a Best and Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the Offeror(s). The Offeror’s proposal will be re-scored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.
- XII. **METHOD OF PAYMENTS:** Payment to the Contractor for services rendered shall be made based on authorized, agreed upon work to be performed by the Contractor. The Contractor shall submit invoices by the 10th of the month following the month services were rendered, unless otherwise agreed upon by Contractor and the VCCS.
- XIII. **PRICING SCHEDULE** The Offeror shall define services costs based upon the Statement of Needs as outlined in Section III of this Request for Proposals.
- XIV. **ATTACHMENT A:**
CONTRACTOR DATA SHEET
To Be completed by Offeror
1. **QUALIFICATION OF OFFEROR:** The Offeror must have the capability and capacity in all respects to fully satisfy all of the contractual requirements.

- [illegible]