



COMMONWEALTH of VIRGINIA

Department of Taxation

November 1, 2024

The Honorable Glenn Youngkin
Governor of Virginia

The Honorable L. Louise Lucas
Chairwoman, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian
Chairman, House Appropriations Committee

Dear Governor Youngkin and Members of the Virginia General Assembly:

During the 2024 Session, the General Assembly enacted Item 257D of the 2024 Appropriation Act (Chapter 2, 2024 Acts of Assembly, Special Session I) continuing the work required by Item 273D of the 2022 and 2023 Appropriation Acts and directed a workgroup to review the plan for implementation of an Integrated Revenue Management System (IRMS) modernization project as developed by the Department of Taxation based upon recommendations of the workgroup's 2022 assessment.

The report of the workgroup is enclosed. If you have any questions or comments regarding the work of the workgroup or the enclosed report, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Alex".

James J. Alex
State Tax Commissioner
Commonwealth of Virginia

C: The Honorable Stephen E. Cummings, Secretary of Finance
Ms. Anne Oman, Staff Director, House Appropriations Committee
Ms. April Kees, Staff Director, Senate Finance and Appropriations Committee
Mr. Michael Maul, Director, Virginia Department of Planning and Budget
Mr. Bob Osmond, Commonwealth Chief Information Officer
Deputy Commissioner Kristin Collins, Virginia Department of Taxation
Deputy Commissioner Kevin Hopkins, Virginia Department of Taxation

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Appendix C: [IRMS Modernization RFP](#)

Executive Summary

During the 2022 session, the General Assembly enacted Item 273D in the 2022 Appropriation Act directing the Virginia Department of Taxation (Virginia Tax) to conduct a comprehensive assessment of its Integrated Revenue Management System (IRMS) and develop guiding principles and potential options for addressing any identified shortcomings, including but not limited to, refactoring and replacement. Virginia Tax retained Gartner Inc. to complete the assessment, which covered, among other items: an overview of IRMS, a gap analysis of IRMS's business capability, functionality requested by internal and external business partners, a review of security limitations and risks, and issues affecting support of the current infrastructure. The assessment concluded that Virginia Tax should begin defining clear functional and technical requirements for a modern Commercial Off The Shelf (COTS) solution and develop a comprehensive request for proposal (RFP) to procure the best-fit single vendor COTS solution and implementation partner.

During the 2024 Session, the General Assembly enacted Item 257D of the 2024 Appropriation Act continuing the efforts required by Item 273D of the 2022 and 2023 Appropriation Acts and directed the workgroup to review the plan for implementation of an IRMS modernization project as developed by Virginia Tax based upon recommendations of the 2022 assessment.

As required by Item 257D of the 2024 Appropriation Act, the workgroup was comprised of the following members:

- Secretary of Finance or his designee
- Staff from the House Appropriations Committee
- Staff from the Senate Finance and Appropriations Committee
- Director of the Department of Planning and Budget
- Chief Information Officer of the Virginia Information Technologies Agency

The workgroup also included the following members from Virginia Tax:

- Tax Commissioner
- Deputy Commissioner of Tax Policy and Legislative Affairs
- Deputy Commissioner of Tax Operations
- Chief Information Officer

The workgroup met on August 29, 2024, to review the agency's plan for and progress towards implementation of an IRMS modernization project. In accordance with the recommendations of the [2022 assessment](#), Virginia Tax issued an RFP on July 19, 2024, for the replacement of IRMS. Evaluation of the proposals received are currently under review. The agency will seek funding to implement an IRMS replacement during the 2025 General Assembly Session.

Background

The Integrated Revenue Management System (IRMS) is Virginia Tax's legacy core tax processing and accounting system that administers 36 tax types, processing approximately 12 million tax returns a year. Virginia Tax generates revenues of close to \$30 billion annually, contributing 95% of the Commonwealth's General Fund revenue. IRMS was developed and implemented from 1999 – 2005. Many of the IRMS systems and databases are now obsolete and are becoming increasingly vulnerable and expensive to maintain, posing important risks to the integrity of our taxpayer data and overall tax administration.

Virginia Tax conducted its first current state assessment of IRMS in 2017 and determined that it was nearing end of life and should be replaced. The agency issued a Request for Information (RFI) in 2019 to evaluate the options of refactoring or replacement and to establish preliminary estimates for the cost of system replacement. Analysis of the RFI concluded that that purchasing a modern Commercial Off The Shelf (COTS) system would best meet the agency's needs for a modern tax revenue solution.

Item 273D of the 2022 Appropriation Act required Virginia Tax to conduct an assessment to identify and evaluate options for the replacement of IRMS. Virginia Tax retained Gartner, Inc. to support this effort and provide independent validation and verification of the agency's 2020 findings. The resulting 2022 report ([2022 Report Document 864](#)) included a comprehensive assessment of the current state of the legacy systems, identified and evaluated approaches for full-scale modernization, and provided a Transformation Roadmap to serve as the basis for Virginia Tax's system modernization project. The 2022 Gartner assessment recommended that Virginia Tax begin defining clear functional and technical requirements for a modern COTS solution and develop a comprehensive RFP to procure the best-fit single vendor COTS solution and implementation partner.

Item 257D of the 2024 Appropriation Act provided Virginia Tax with funds to be used for the initial costs associated with the replacement of IRMS and continued the efforts required by Item 273D of the 2022 and 2023 Appropriation Acts. The workgroup is required to review the plan for implementation of an IRMS modernization project as developed by Virginia Tax based upon recommendations of the workgroup's 2022 assessment and submit an update on its findings and recommendations to the Governor and the chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2024, with an annual executive summary of the interim activity of the project implementation by November 1 of each subsequent year until implementation of a new system is complete.

In May 2024, Virginia Tax engaged Gartner to support the agency during development of the RFP for the replacement of IRMS. RFP-72187 for the replacement of the Integrated Revenue Management System (Appendix C) was posted on July 19, 2024, and closed on August 28, 2024. The submitted proposals are currently under evaluation.

Workgroup Meeting: August 29, 2024

As required by Item 257D of the 2024 Appropriation Act, the workgroup was comprised of the following members:

- Secretary of Finance or his designee
- Staff from the House Appropriations
- Staff from the Senate Finance and Appropriations Committees
- Director of the Department of Planning and Budget
- Chief Information Officer of the Virginia Information Technologies Agency

The workgroup also included the following members from the Virginia Department of Taxation

- Tax Commissioner
- Deputy Commissioner of Tax Policy and Legislative Affairs
- Deputy Commissioner of Tax Operations
- Chief Information Officer

The workgroup met on August 29, 2024, to be briefed on the agency's progress, ask questions, and advise the agency on next steps. All required workgroup participants were in attendance. The agenda (Appendix A) included a welcome from Tax Commissioner Alex, an overview of tax system modernizations, an analysis of agency readiness, an update on the IRMS Modernization RFP, discussion and questions from the workgroup, and a discussion of next steps. Gartner briefed the workgroup on the findings of its 2022 assessment, the benefits of modernization, and an analysis of the modernization status of other state revenue agencies.

Findings and Recommendations

The workgroup was directed to review the plan for implementation of an IRMS modernization project as developed by Virginia Tax based upon recommendations of the workgroup's 2022 assessment. The 2022 assessment concluded that Virginia Tax should begin defining clear functional and technical requirements for a modern COTS solution and develop a comprehensive RFP to procure the best-fit single vendor COTS solution and implementation partner.

The agency completed the recommended definition of clear functional and technical requirements for a modern COTS solution in July 2024 as part of the development of a comprehensive RFP for a single vendor COTS solution. The RFP was posted on July 19, 2024, and closed on August 28, 2024. Evaluation of the RFP responses is currently in progress. Once the evaluation process is complete, the workgroup will meet to be briefed on the results and discuss next steps. If the agency issues a Notice of Intent to Award, this report will be amended to include that document as an additional appendix.

If funding for the implementation of an IRMS replacement is approved, a contract with the selected vendor can be signed and executed once the appropriation is received by the agency. Implementation can begin immediately at that time.

The workgroup recommends that it continue to meet regularly to monitor the project's progress until funds are appropriated and implementation begins, and annually thereafter until the IRMS replacement is fully implemented.

Appendices

Appendix A: Workgroup Meeting Agenda

Appendix B: Workgroup Meeting Presentation

Appendix C: IRMS Modernization RFP

Appendix A

**IRMS Modernization Project Workgroup Meeting
August 29, 2024, at 10:30 a.m.
600 East Main Street, Richmond, VA 23219**

AGENDA

Welcome and Introductions

- Commissioner James Alex

Statement of Purpose – Item 257 D of the 2024 Appropriation Act (HB 6001)

The workgroup is hereby continued and directed to review the plan for implementation of an IRMS modernization project as developed by the Department of Taxation based upon recommendations of the workgroup's 2022 assessment. Such review shall include consideration of methodologies for refactoring and replacement, the project roadmap and timeline, costs and funding structure, and the governance structure required for the modernization effort. In addition, the workgroup shall provide periodic oversight of the implementation of the IRMS modernization project.

Overview: Tax System Modernization

- IRMS Overview and Project Roadmap
- Benefits of System Replacement and Agency Readiness
- Presentation from Gartner

Update: IRMS Modernization RFP

- RFP Roadmap
- Overview of RFP Contents
- Possible Implementation Timeline

Open Forum: Questions and Discussion

- Questions or concerns from the Group

Next Steps

- Workgroup Report due November 1, 2024

Closing

- Commissioner James Alex

Appendix B

IRMS Modernization Project Workgroup Meeting

August 29, 2024

- ▶ Welcome and Introductions
- ▶ IRMS Modernization Project Workgroup Statement of Purpose
- ▶ Overview: Tax System Modernization
 - ▶ IRMS Overview and Project Roadmap
 - ▶ Project Benefits and Agency Readiness
 - ▶ Gartner Presentation
- ▶ RFP Roadmap, Contents, and Possible Timeline
- ▶ Questions and Discussion
- ▶ Next Steps

Statement of Purpose – Item 257 D of the 2024 Appropriation Act (HB 6001) 3

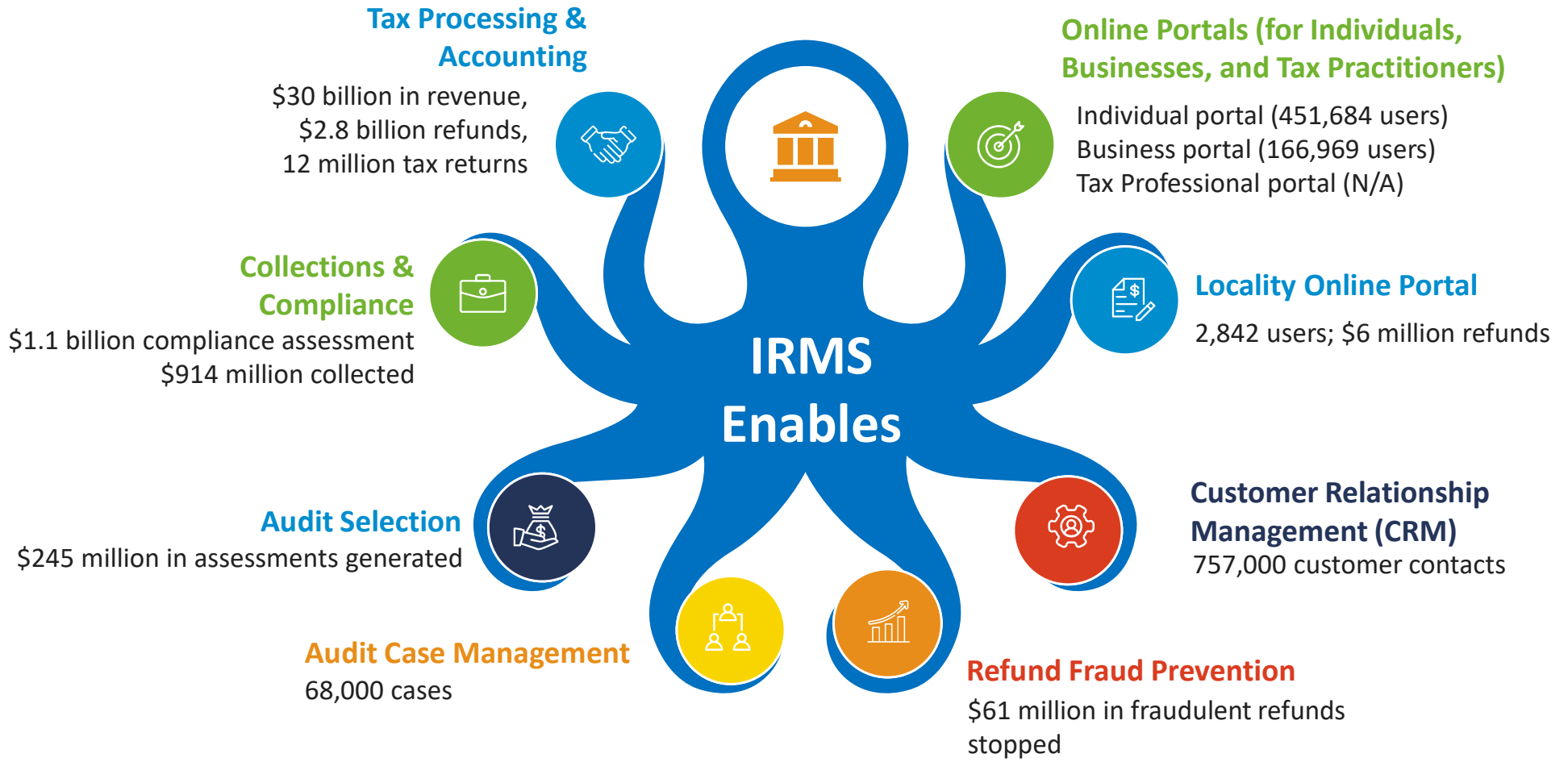
The workgroup is hereby continued and directed to review the plan for implementation of an IRMS modernization project as developed by the Department of Taxation based upon recommendations of the workgroup's 2022 assessment. Such review shall include consideration of methodologies for refactoring and replacement, the project roadmap and timeline, costs and funding structure, and the governance structure required for the modernization effort. In addition, the workgroup shall provide periodic oversight of the implementation of the IRMS modernization project.

IRMS is the agency's legacy core tax processing and accounting system that administers 36 tax types, processing around 12 million tax returns a year and generating revenues of close to \$30 billion annually, which contributes 95% of the Commonwealth's General Fund revenue. IRMS was developed and implemented from 1999 through 2005.

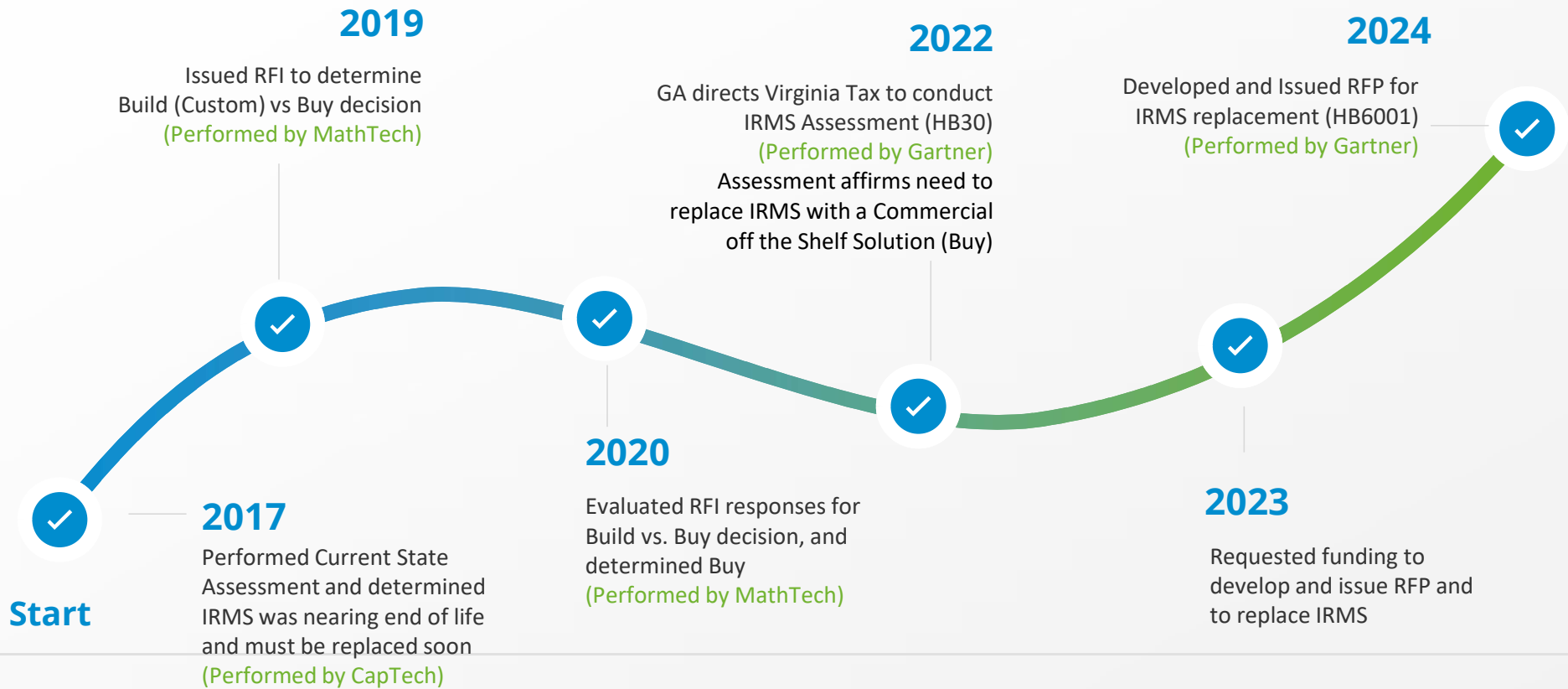
Many of the IRMS systems and databases are now obsolete and are becoming increasingly vulnerable and expensive to maintain, posing significant risks to the integrity of our taxpayer data. They also limit our ability to deliver the positive taxpayer experience that the citizens of Virginia rightfully expect.

Key stakeholders for IRMS include

- ▶ General Assembly – legislators and money committee staff
- ▶ Taxpayers – Businesses and individuals
- ▶ Agency staff – phone representatives, auditors, collectors, error resolvers, legal services, internal auditors, etc.
- ▶ Other state agencies and local governments
- ▶ Attorney General and Auditor of Public Accounts
- ▶ Tax professionals – preparers of individual and corporate income tax and business tax returns
- ▶ Payroll providers (companies making withholding payments for multiple business taxpayers)
- ▶ Courts (debt collection)
- ▶ Tax software providers (e.g., Turbo Tax, H&R Block)



Project Roadmap



- ▶ Critical to avoid system failure and/or catastrophic security breach.
- ▶ Greater adaptability to policy changes, as a modernized system would allow the agency to more quickly implement legislative changes with lower costs.
- ▶ Improved data analytic capabilities – ability to extract data more quickly and accurately to assist in decision making.
- ▶ Better customer experience for taxpayers and tax professionals:
 - ▶ Mobile accessibility
 - ▶ Tax practitioner and enhanced taxpayer portals
- ▶ More efficient agency operations, due to greater automation and less time spent mining for data and maintaining the system.
- ▶ Ability to hire developers; average age of programmers is 55, with many retiring, and it is difficult to retain even contractors with knowledge of aging PowerBuilder technology.

- ▶ Continued supportive leadership throughout the agency
 - ▶ Strong collaboration between Operations and Technology
- ▶ Extensive Institutional Knowledge
- ▶ High levels of project engagement among agency staff – important for organizational change management
 - ▶ Approximately 80 SMEs participated in RFP development
 - ▶ 40 agency staff to participate in RFP evaluation
 - ▶ 5 scorers
 - ▶ 36 SMEs

Gartner Presentation

Jodie Winnett, Gartner Project Manager

Gartner was selected to support Virginia Tax with the IRMS Modernization Program based on our deep industry expertise & experience, objective approach and independent advice

Virginia Tax engaged Gartner in 2022 to achieve the following objectives:

- Conduct a comprehensive current-state assessment across VA Taxation's Tax and Revenue technology and functional landscape (Item 273 of the 2022 Appropriation Act)
- Analyze modernization alternatives and developed strategic recommendations and transformation roadmap
- Developed a modernization business case, inclusive of robust financial modelling outlining economic benefits and ROI for the Commonwealth.

Deep Industry Expertise

Our expertise in strategy consulting and a technical depth in IT enables directions set at a strategic level to be actionable throughout the organization



Independent and objective

Our recommendations are founded in Gartner Research — free from IT vendors and integrators — which gives clients decision confidence even under the most intense scrutiny



Fueled by Gartner Research

Gartner Consulting supports client's mission-critical priorities with custom analysis and distinctive assets that accelerate timelines and extend the value of Gartner Research from insight to action

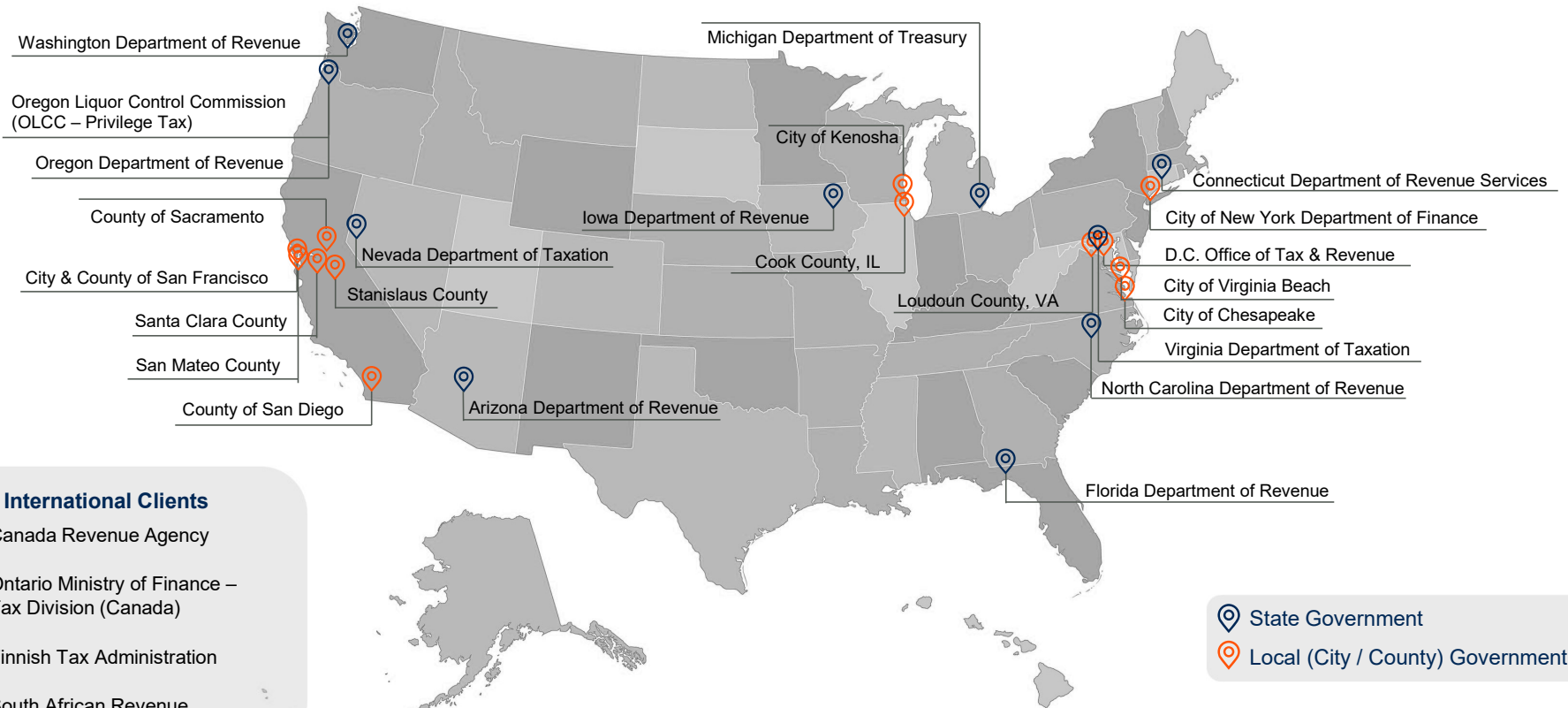


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Gartner has assisted numerous state and local governments in assessing and modernizing revenue and tax administration.



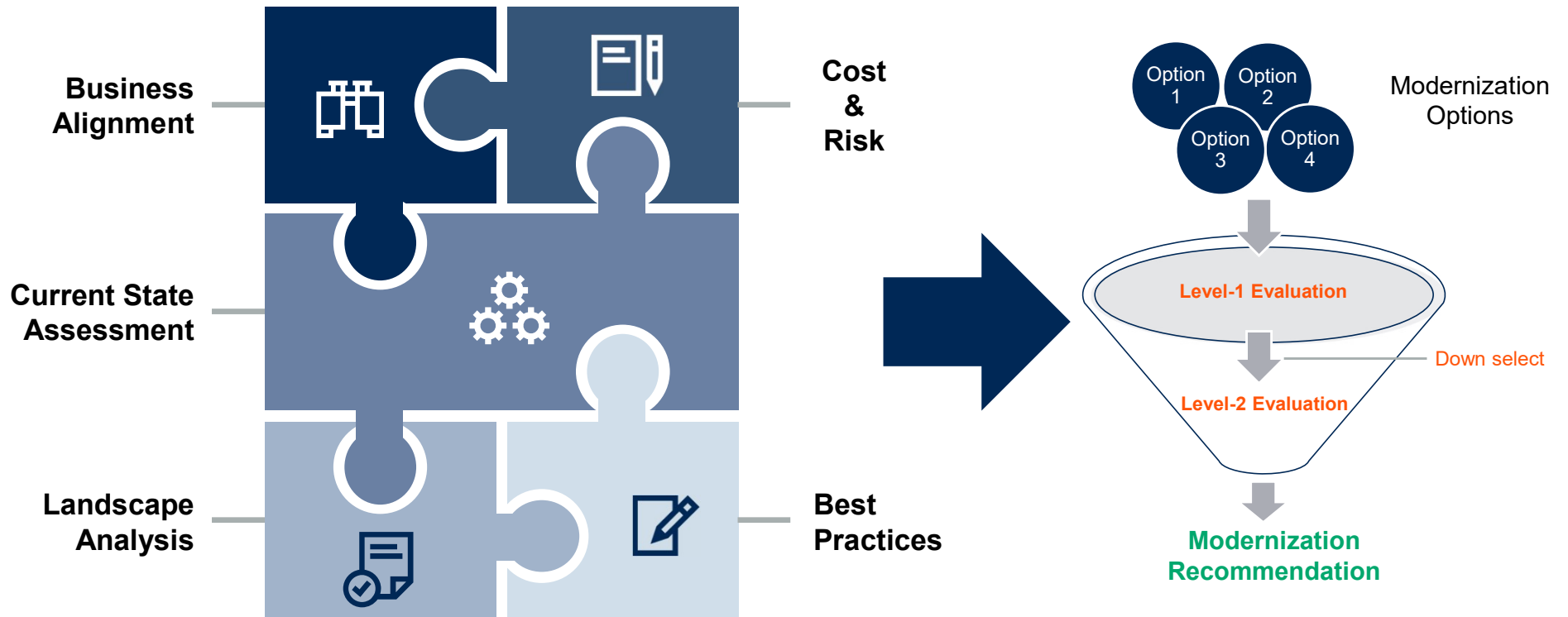
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Tax Modernization Experience Summary


Tax Modernization Experience Summary (State Agencies)			
	Assessment, Planning & Modernization Strategy	RFP & Procurement Support	Program Execution Support and IV&V
Paul Petersen Managing Partner Assessment, Tax & Revenue Practice	North Carolina Virginia Iowa Nevada	Nevada Iowa North Carolina Virginia	Iowa Arizona Michigan
Jodie Winnett Director Assessment, Tax & Revenue Practice	North Carolina Arizona	Illinois Maine (business case) Nevada North Carolina Virginia	District of Columbia Indiana California (Tax & Fee) Arizona Iowa
Sue Tilley Revenue Subject Matter Expert	North Carolina Arizona	Ontario, CN Arizona Virginia	Hawaii Indiana California (Tax & Fee) Arizona Iowa
Greg Spiers Revenue Technology Subject Matter Expert	--	North Carolina Virginia	Louisiana Colorado Missouri New Jersey

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2022 Modernization Alternatives Analysis – High Level Approach



2022 Modernization Options: Level-1 Evaluation

Criteria	1. Custom Solution	2. Single COTS Solution	3. Best-of-Breed COTS Solution	4. Refactor Legacy Components (Minimal Enhancements)
Business Alignment	<i>High</i>	<i>High</i>	<i>High</i>	<i>Low</i>
Industry Technology Adoption	<i>Medium</i>	<i>High</i>	<i>Medium-High</i>	<i>Low</i>
Execution Horizon	<i>Extended</i>	<i>Standard</i>	<i>Standard</i>	<i>Standard-Extended</i>
Cost of Ownership	<i>Medium-High</i> \$\$\$	<i>Medium-Low</i> \$	<i>Medium</i> \$\$	<i>High</i> \$\$\$\$
Overall Level-1 Evaluation				

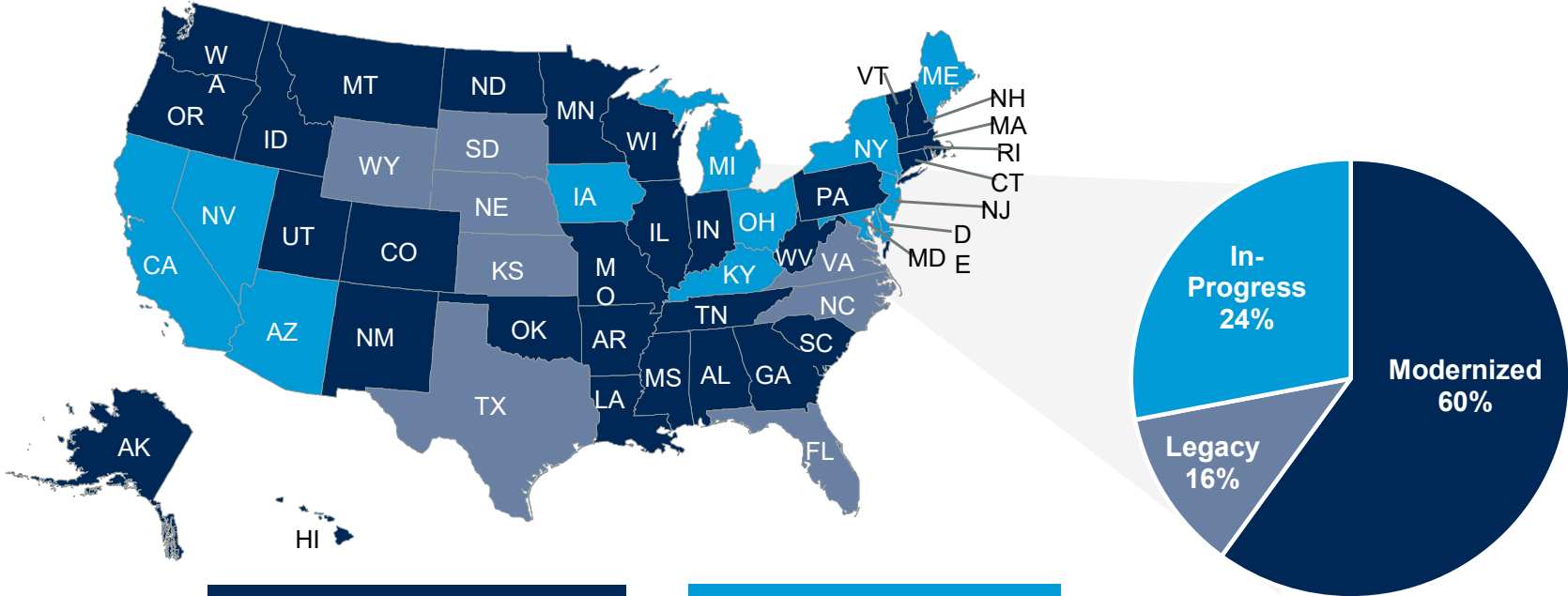
Modernization Options: Level-2 Evaluation Summary

Assessment Area	1. Custom Solution	2. Single COTS Solution	3. Best-of-Breed COTS Solution
Business Value	 3.5	 3.5	 2.8
Technology Value	 2.2	 3.8	 2.8
Execution Risk (● = Most Aligned)	 1.3	 3.0	 2.0
Cost of Ownership (High Level 10-Year TCO)	 \$167M - \$251M	 \$109M - \$163M	 \$154M - \$231M
Overall Level-2 Evaluation	 7.0	 10.3	 7.6

Legend

1 	Low alignment	3 	High alignment
2 	Medium alignment	4 	Full alignment

Nationwide Tax Systems: Modernization Status



Modernized

AL, AK, AR, CO, CT, GA, HI, ID, IL, IN, LA, MA, MN, MS, MO, MT, NH, NM, ND, OK, OR, PA, RI, SC, TN, UT, VT, WA, WV, WI

In-Progress

AZ, CA, DE, IA, KY, MD, ME, MI, NJ, NV, NY**, OH*

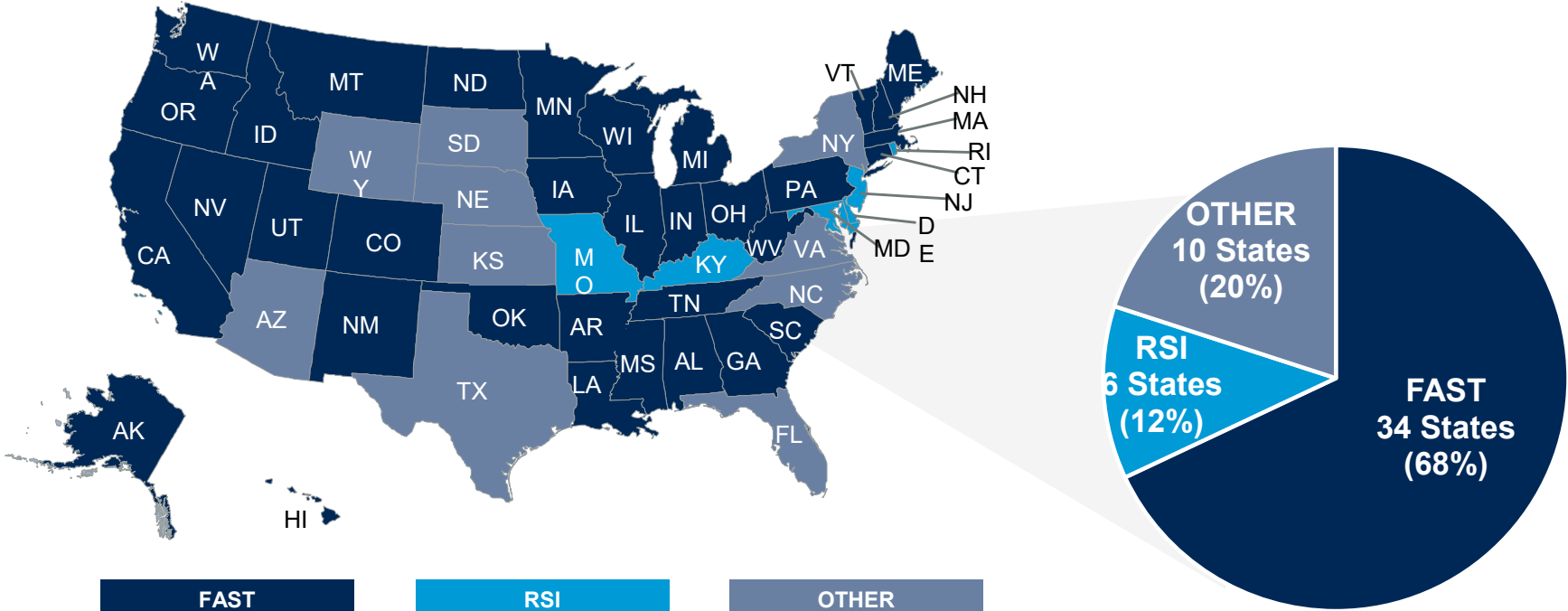
Legacy

FL, KS, NC, NE, SD, TX, WY, VA

* Re-modernizing

** Early planning stages of in-house custom development or refactoring of legacy solution

Nationwide Tax Systems: Solution Landscape



FAST

AK, AL, AR, CA*, CO, CT, GA, HI, IA, ID, IL, IN, LA, MA, ME, MI, MN, MS, MT, NH, NM, ND, NV, OH, OK, OR, PA, SC, TN, UT, VT, WA, WI, WV

RSI

DE, KY, MD, MO, NJ, RI

OTHER

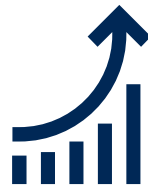
AZ, FL, KS, NE, NY, NC, SD, TX, VA, WY

* California utilizes multiple vendor solutions across the state, but predominantly FAST

How Tax Organizations are Benefiting From Modernization



**Customer
Centric**



Data Driven



Agile



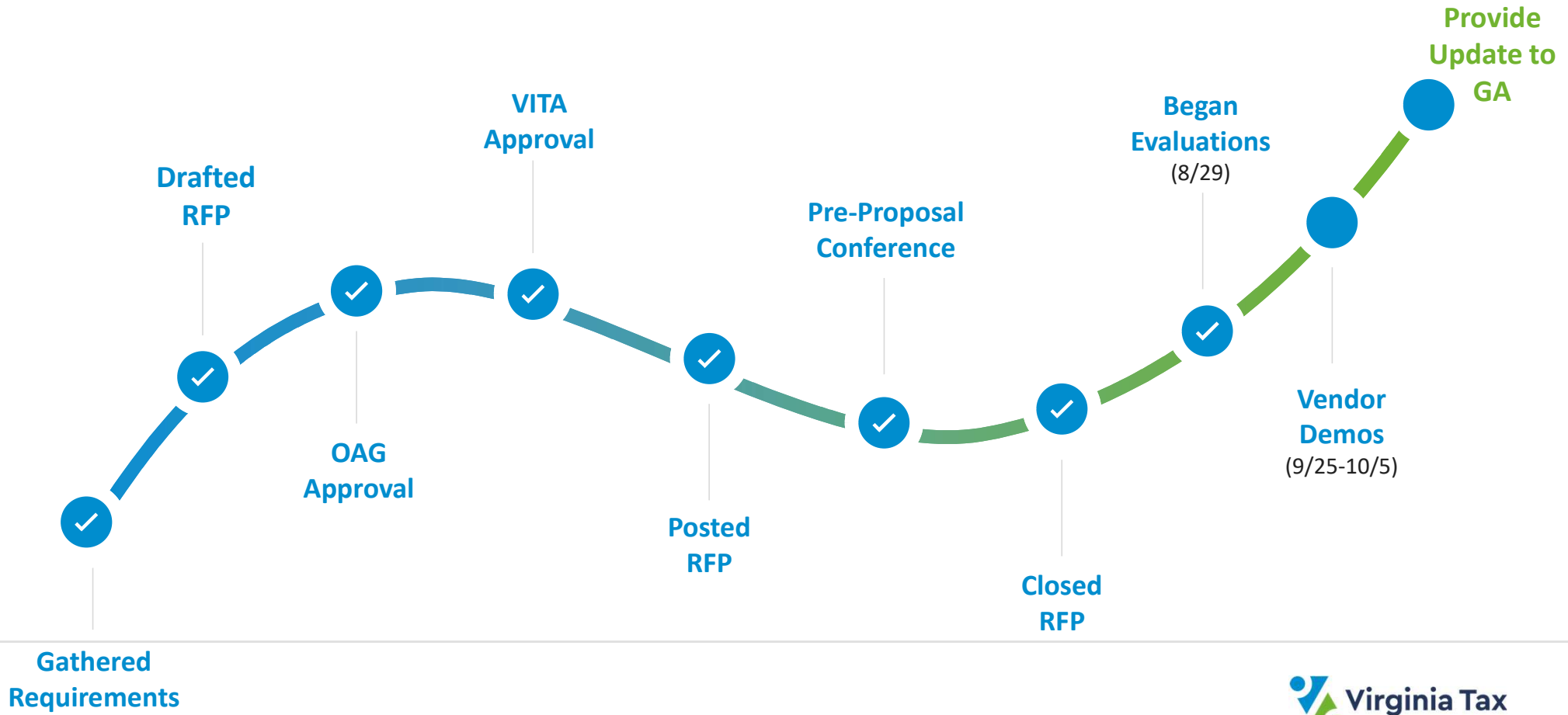
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RFP Roadmap



Final RFP Contents – Posted on eVA on July 19

RFP Document - 26 Sections

Section	Subject
1.0	Introduction
2.0	RFP Timeline
3.0	Background
4.0	Virginia Tax Organization
5.0	Local Commissioners of Revenue
6.0	Facts and Figures
7.0	Current Business Landscape
8.0	Innovation to Government
9.0	IRMS Replacement Project Overview
10.0	Comprehensive Prop. Requirements
11.0	Info Security Risk Management Program
12.0	Technical Services
13.0	Production Support Services
14.0	Additional Key Functionality
15.0	Oral Presentation & Demonstrations
16.0	Evaluation and Award
17.0	Reporting Requirements
18.0	Proposal Administration & Instructions
19.0	Optional Pre-Proposal Conference
20.0	General Requirements
21.0	Safeguarding Contract: IRS Pub 1075
22.0	Standard Agreement
23.0	Definitions
24.0	General Terms and Conditions
25.0	Special Terms and Conditions
26.0	Price Schedule

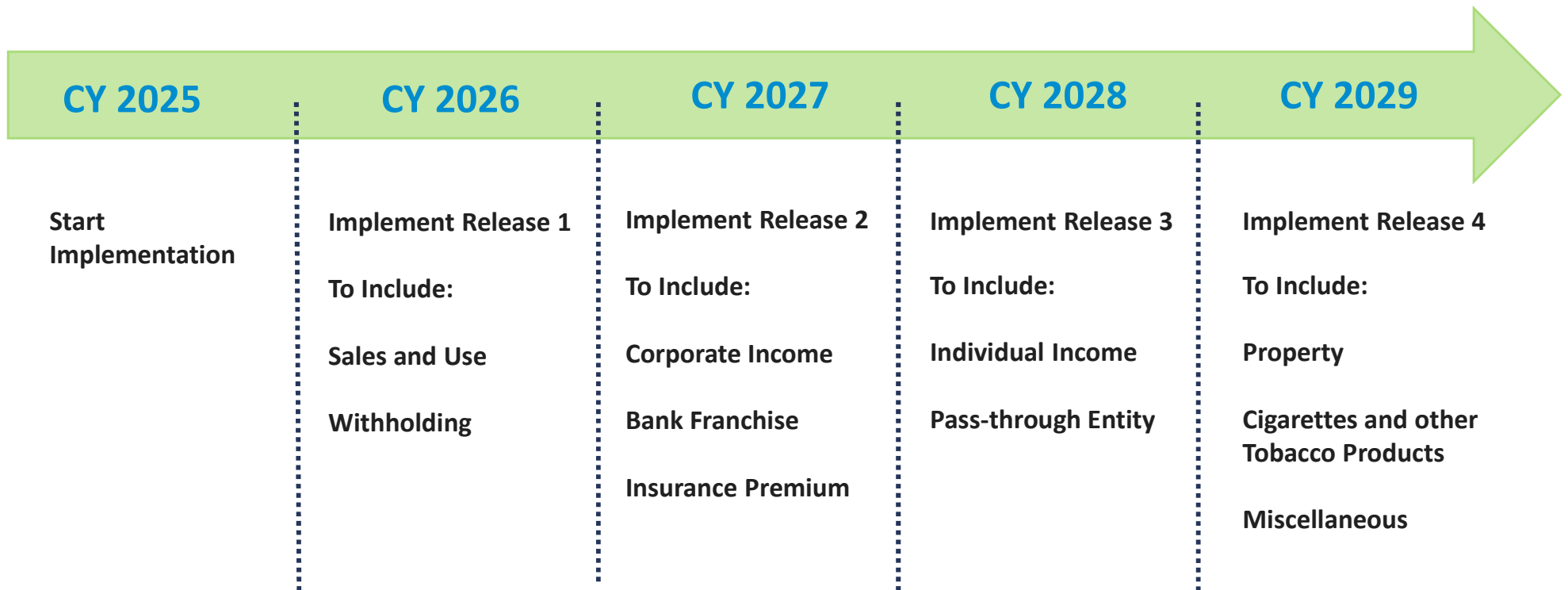
20 Attachments (Response Required)

Attachment	Document
Attachment A	State Corporation Commission Form
Attachment B	Proprietary Trade Secret Information
Attachment C	Small Business Subcontracting Plan
Attachment D	Conflict of Interest
Attachment E	Safeguarding Taxpayer Info
Attachment F	License Agreement Addendum
Attachment G	Lobbying Certification
Attachment H	Non-Disclosure
Attachment I	Offeror's Exceptions
Attachment J	Offeror's Acceptance and Acknowledgement
Attachment K	Comprehensive Requirements Response Workbook
Attachment L	Technical Specifications Matrix
Attachment M	Functional Specifications Matrix
Attachment N	ECOS COV Ramp Non-Disclosure Agreement
Attachment O	COVRamp Assessment
Attachment P	Cost Proposal
Attachment Q	Key Personnel
Attachment R	Staffing Plan
Attachment S	Reference Questionnaire
Attachment T	Service Level Requirements

14 Exhibits (Informational)

Exhibit	Document
Exhibit A	Sample Contract
Exhibit B	Implementation Roles & Responsibilities
Exhibit C	Tax Types and Characteristics
Exhibit D	Forms Inventory
Exhibit E	Reports Inventory
Exhibit F	Current Applications Inventory
Exhibit G	IRMS Current Architecture Diagram
Exhibit H	Additional Cloud Services Terms & Conditions
Exhibit I	Disclosure Incident Form
Exhibit J	Virginia Tax Data Archive & Purge Criteria
Exhibit K	SOW Change Order Template
Exhibit L	SOW Template
Exhibit M	Milestone Deliverable Template
Exhibit N	Oral Presentation & Demonstrations Agenda & Scenarios

Possible Implementation Timeline if Funds are Appropriated for FY26



Questions and Discussion

- ▶ Complete Evaluation of RFP Proposals
- ▶ Vendor VITA COV Ramp Cloud Security Assessment and Certification
- ▶ Share findings with Workgroup in advance of budget development
- ▶ Report of the IRMS Modernization Workgroup
 - ▶ Update on Finding and Recommendations to the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees
 - ▶ Due by November 1

Thank you

IRMS Replacement Tax Team

24

Executive Sponsor



James J Alex

Tax Commissioner

james.Alex@tax.virginia.gov

Project Leader

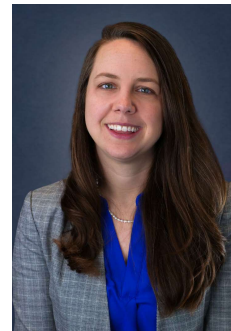


Vengatesh Agaram

Chief Information Officer

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Legislative Affairs Leader

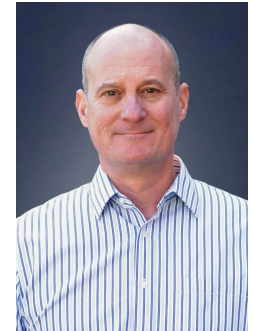


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Deputy Commissioner of Tax Policy

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Business Owner



Kevin Hopkins

Deputy Commissioner of Operations

Kevin.hopkins@tax.virginia.gov



**Commonwealth of Virginia
Department of Taxation (“Virginia Tax”)
RFP# 2024-KB-002**

Integrated Revenue Management System (IRMS) Replacement Project

Issue Date:	July 19, 2024
Commodity Code:	20447 – Software Solution
Issuing Agency:	Virginia Department of Taxation (“Virginia Tax”)
COVRamp Early Response Opening Date:	Friday, August 9, 2024
RFP Responses Due Date / Time:	Wednesday, August 28, 2024, at 3:00 PM EDT
Single Point of Contact (“SPOC”):	Kristina Brekke, Procurement Director
E-mail Address:	tax-irmsreplacementproject@tax.virginia.gov

USING AGENCY AND/OR LOCATION WHERE WORK WILL BE PERFORMED: The Department of Taxation “Virginia Tax” in Richmond, VA.

CLARIFICATION OF TERMS: If any prospective Offeror has questions about the solicitation documents, the prospective Offeror should contact the Contracting Officer whose name appears on the face of this solicitation, **in writing, no later than 5:00 PM EDT on August 9, 2024. Oral requests for information will not be accepted.** All inquiries must be submitted **in writing via e-mail** at tax-irmsreplacementproject@tax.virginia.gov. Please include “RFP #2024-KB-002” in the title of the message. If the issuing Contracting Officer concludes that answers are required, then they will be answered by an addendum posted in eVA. It is the responsibility of the Offeror to download the addendum.

PREPROPOSAL CONFERENCE: An **optional** preproposal conference will be held **on August 7, 2024, at 2:00 PM EDT** (Refer to **Optional Pre-Proposal Conference** herein). The meeting will be virtual via WebEx. <https://vatax.webex.com/vatax/j.php?MTID=m68b9d8c32d7b75b510d829108cc8c6dc>

In compliance with this Request for Proposals (RFP) and all conditions imposed in this RFP, the undersigned firm hereby offers and agrees to furnish all goods and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation, and the undersigned firm hereby certifies that all information provided below and, in any schedule, attached hereto is true, correct, and complete.

CompanyName: _____

Address: _____

City/State/ZIP: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Contractor’s TIN: _____

eVA Vendor ID or DUNS Number: _____

DSBSD and Number: SCC Number: _____

Telephone: _____

Cell: _____

Email: _____

NOTE: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include subparagraph 1.e in General Terms and Condition C. Such a request shall be in writing and explain why an exception should be made in that Request for Proposal.

AWARD POSTING: Upon the award or the announcement of the decision to award a Contract as a result of this solicitation, the Commonwealth of Virginia, through the Virginia Department of General Services, Office of Procurement Services (OPS) will publicly post such notice online at <http://www.eva.virginia.gov> for a minimum of ten (10) days.

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1.0 Introduction:

1.1 Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified firms that offer a modern Commercial-Off-the-Shelf (COTS) integrated tax system solution (ITS) and implementation services for the Department of Taxation, an executive branch agency of the Commonwealth of Virginia (“Virginia Tax”).

The current systems used by Virginia Tax are nearing the end-of-life, are difficult to maintain, and do not offer the features a modern ITS can provide. Virginia Tax’s ability to effectively achieve its mandates is inhibited by the following challenges stemming from the agency’s legacy technologies:

- ▶ **Unsupported Business Capabilities:** Core business capabilities desired by internal and external stakeholders are not adequately supported, and the resources required to make changes of the scale needed to meet identified needs are unavailable;
- ▶ **Increased Risks and Decreased Efficiency:** Critical functionality gaps, such as difficulty performing data analytics, inadequate workflow management, and challenges introducing additional internal and security controls increase Virginia Tax’s operational and security risks and decrease operational efficiency;
- ▶ **Inadequate Online Taxpayer Service Options:** Online account access for information and transaction processing are not consistently or adequately supported for business and individual taxpayers and tax preparers; and
- ▶ **Diminishing Institutional Knowledge:** Aging technology leaves Virginia Tax heavily reliant upon diminishing institutional staff knowledge; current systems are highly customized and the resources with the necessary skillsets are extremely limited in the market.

The following sections of this RFP set forth the detailed requirements for the solution and implementation services: **Section 6 - IRMS Replacement Project Overview, Attachment L - Technical Specifications Matrix, and Attachment M- Functional Specifications Matrix.** Virginia Tax reserves the right to adjust the requirements or scope of this RFP. In the event that any modifications become necessary, an amendment to this RFP will be posted on the Commonwealth’s procurement portal, eVA, located at: <http://www.eva.virginia.gov>.

For the purposes of this RFP, “Offeror” (or “Bidder”) means any entity that submits a proposal in response to this RFP. “Contractor” (“Vendor” or Supplier”) means the successful offeror to whom work has been awarded.

2.0 RFP Timeline:

Table 1. RFP Activities

Activity	Date
Requests for Proposal Advertised	July 19, 2024
Pre-Proposal Conference	August 7, 2024 @ 2:00 PM ET
Questions Due	August 9, 2024 @ 5:00 PM ET
Receive Written Proposals	August 28, 2024 @3:00 PM ET
Oral Presentations & Demonstration(s) [Estimate]	September 25 – October 9, 2024
Negotiations Begin	TBD
Award Contract	TBD
Contract Begins	TBD

3.0 Background:

Virginia Tax is responsible for the administration, assessment, and collection of all taxes imposed under §§ 58.1 of the Code of Virginia, including individual and corporate income taxes, sales and use taxes, and miscellaneous excise taxes. Virginia Tax works directly with individual and business taxpayers, tax preparers, local governments, members of the General Assembly, the Attorney General's Office, and the Governor's Office to ensure the Commonwealth's revenue is collected and administered with fairness and due diligence.

The vision of Virginia Tax is to be the nation's leading tax administration agency through a customer-first focused culture based on accountability, collaboration, and trust. We serve the public by acting ethically and efficiently in our administration of Virginia's tax laws to fund Virginia today and tomorrow.

Tax Commissioner James J. Alex heads Virginia Tax, which is one of four State agencies comprising the Commonwealth of Virginia’s Finance Secretariat reporting to Secretary of Finance Stephen E. Cummings.

4.0 Virginia Tax Organization

Virginia Tax deploys a staff of approximately 876 FTEs to execute its tax administration responsibilities. See Figure 1, Virginia Tax Organizational Chart.

The Division of Tax Operations will be the most impacted by the implementation of the new ITS. The Division includes 552 FTEs and is organized into four (4) Offices.

4.1 The Office of General Legal & Technical Services (64 FTEs) includes the following units:

- A. **Legislative Support Services** prepares administrative cost summary (ACS) documents for legislation; and monitors and reviews passed legislation, determines implementation strategy, establishes project teams and timelines.
- B. **Special Taxes & Services** administers tobacco tax and other miscellaneous taxes; manages Virginia Tax and other state agency tax credit programs and the tax credit bank to ensure that tax credits can only be claimed by taxpayers in the correct amounts; grants retail sales and use tax exemptions to nonprofit organizations; and assists taxpayers through the Tax Advocate Program.
- C. **Disclosure and Records Management** supports Freedom of Information and other document requests and oversees the safeguarding of state and federal taxpayer information maintained by Virginia Tax.
- D. **Property Tax Administration** develops annual statewide assessment/sales ratio studies; performs Annual Survey of Local Property Tax and Tax Rates; provides training for assessment administration and equalization; conducts valuation of railroad and transmission pipeline real and tangible personal property; and administers assessment and billing of railroad rolling stock.

4.2 The Office of Business Support Services (80 FTEs) includes the following units:

- A. **Tax Processing Operations** is responsible for the back-office production operation that receives and processes paper tax returns, payments, and correspondence; administers several electronic return and payment filing systems; registers new businesses; researches and updates undeliverable mail and returned refund checks; and prepares incoming paper correspondence. The Office uses many temporary staff to manage the high volume of production work, which fluctuates throughout the year. A primary goal has been to increase electronic filing and decrease paper filings.
- B. **Business Quality Improvement (BQI)** serves as the “business owner” of the Advantage Revenue (AR) system. The BQI unit develops and tests requirements for AR system changes and manages annual role and segregation of duties certification. BQI also conducts data analytics and process analysis; provides business process improvement recommendations; research best practices from other private and public entities; and provides expertise, guidance, and support to operational areas.

4.3 The Office of Compliance (242 FTEs) includes the following units:

- A. The Virginia **Tax Collections Program** includes the following units:
 - 1. The Collections Contact Center primarily assists inbound individual income tax customer inquiries.

2. **Field Collections** staff visit delinquent businesses and individuals to make demands for payment; educate business tax customers; and support business inbound calls to increase voluntary compliance. Field agents use iPads to collect and process taxpayer payments.
 3. **Outside Collection Agency (OCA)** answers early collections calls to maintain acceptable service levels to the taxpayer. The firm also manages bankruptcy processes on behalf of Virginia Tax.
 4. The **Collections Program** also manages three debt setoff programs. For the State Debt Setoff Program, Virginia Tax maintains a file of participating state agencies, state authorities, courts, counties, and towns with debt to be offset against tax refunds and lottery winnings. The Comptroller's Vendor Debt Set-Off (CDS) Collection Program is designed to intercept vendor payments to offset debts owed by vendors to state agencies before a vendor gets paid. Virginia Tax also participates in the Treasury Offset Program (TOP), a fully automated, centralized federal offset program administered by the U.S. Treasury.
- B. The Virginia **Tax Audit Program** includes the following units:
1. The **Field Audit** program ensures compliance with Virginia's tax laws and regulations, with a primary focus on sales and use taxes and corporate income tax. Other Specialized Audit programs under Field Audit include voluntary disclosure, communications tax, business refund team, and worker misclassification.
 2. The **Desk Audit Program** focuses on individual, corporate, and withholding audits, as well as individual refund returns for fraud and errors. Audits are conducted through correspondence and telephone contact with taxpayers and are not field based. A majority of audit programs use federal and state tax records and information from other state agencies, as well as commercially available data. Virginia Tax's Refund Review program uses numerous models to minimize the release of fraudulent or erroneous individual refunds.

4.4 The Office of Customer Service (230 FTEs) includes:

The **Customer Contact Center** is responsible for assisting both business and individual taxpayers with questions related to their Virginia state taxes.

- A. **Customer Support Services** works to resolve return errors.
- B. **Customer Service** also administers the Court Debt Collection Program. Each month the Supreme Court of Virginia transmits a file representing debt owed to 230 of Virginia's courts. Virginia Tax pursues collection action on these debts including dunning letters, garnishments, and the establishment of payment plans. All payments, including garnishments, are made directly to the courts.

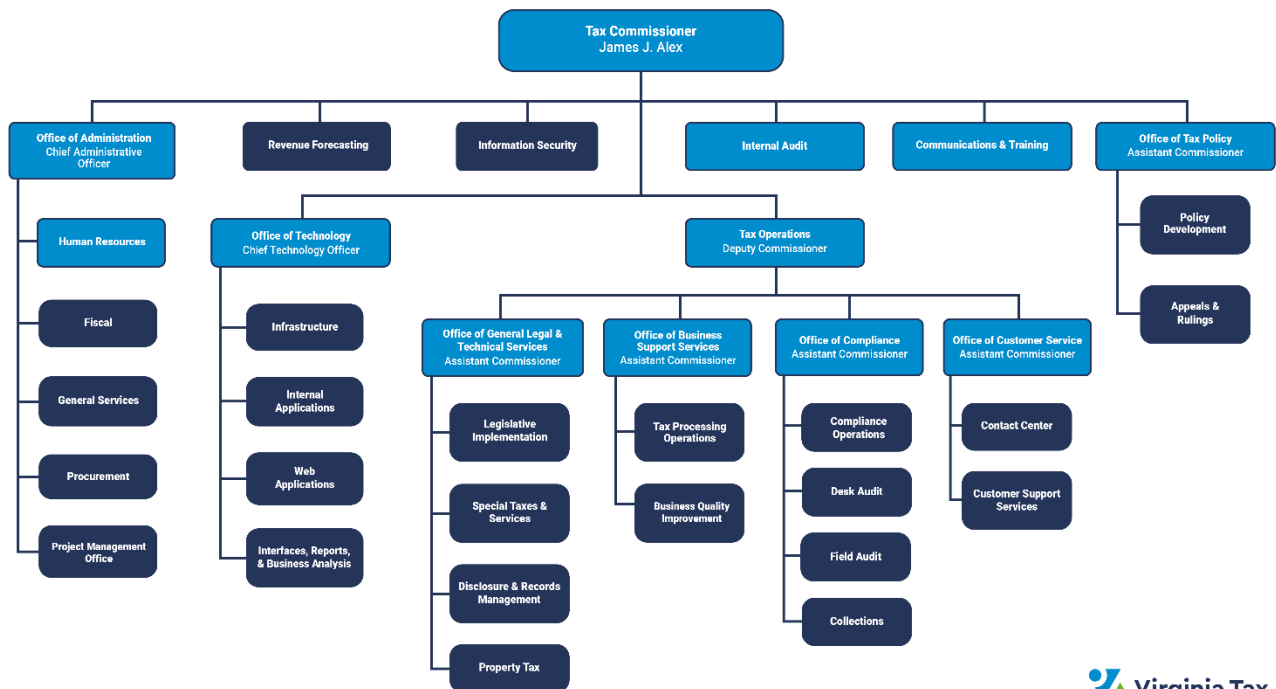
4.5 The Office of Technology (151 FTEs):

Develops, supports, manages, and maintains all software applications used by Virginia Tax (see Section 7.2 Current Technology Landscape). In addition, the Office manages security operations, administers a help desk, maintains VOIP and telephony services, and supports mobile computing.

4.6 The Office of Communications and Training:

Provides message development and delivery across Virginia Tax’s external and internal communication channels; user experience research and analysis; agency-wide, centralized, and integrated training support including content development, delivery, and reporting; and manages the Virginia Tax learning management system.

Figure 1. Virginia Tax Organizational Structure



5.0 Local Commissioners of Revenue

Per statute, taxpayers have the option to file their individual income tax returns and payments directly with Virginia Tax or their local Commissioner of Revenue (COR). Approximately 70,000 taxpayers filed with their local COR in 2023, out of approximately 4 million taxpayers (i.e., 2%).

Each year, Virginia Tax issues a survey to the CORs to determine which will (or won't) accept returns. Participating Commissioners of Revenue process returns and initial payments. Bills are issued by local Treasurers for any no pay or short pay amounts. Treasurers process tax due and estimated payments. There are approximately 15 variations across the localities (e.g., some don't bill, some issue refunds, etc.). There is an annual process to upload any outstanding uncollectible amounts to Virginia Tax for action. Localities can see the status of refunds and why a refund might be denied. Localities only process current year returns (prior year returns received are sent to Virginia Tax for processing).

The new administration process for the Bank Franchise Tax (BFT) is being implemented effective January 1, 2025. Returns now filed via paper directly with the COR for the county or city in which the principal office of the bank is located will be filed instead electronically with Virginia Tax, and Virginia Tax will provide the CORs with access to the electronically filed returns via Virginia Tax's ARWeb application. The CORs will review and either accept or reject the returns online by accessing a Virginia Tax application. The returns are due May 1. Notices of Assessment will be issued by Virginia Tax to each bank May 1, with tax due June 1. For each assessment, 80% of the tax will be paid directly to the localities, with 20% paid directly to the State.

6.0 Facts and Figures

In FY 2023, Virginia Tax collected over \$28.4B in net tax revenue and processed over 14.5M returns and vouchers, 89% of which were received electronically. Virginia Tax also processed 7.5M payments, including 6.5M electronic fund transfers. The following charts provides a breakdown of revenue collections by tax type. For more Facts and Figures, please refer to the Virginia Tax website, <https://www.tax.virginia.gov/facts-figures>.

Figure 2. Net Revenue Collections After Refunds by Tax Type

Revenues	FY 2022	FY 2023	2023/2022 % Chg
General Fund (GF) Revenues			
Bank Franchise (less credits) ¹	\$30,170,000	\$30,120,000	-0.17%
Corporate Income Tax	\$1,978,697,000	\$2,031,120,000	2.65%
Individual Income ²	\$20,410,203,000	\$18,983,555,000	-6.99%
Estate Tax	\$27,000	0	-100.00%
Recordation and deeds of conveyance	\$634,000,000	\$415,504,000	-34.46%
Suits, wills, and administration	\$8,542,000	\$8,465,000	-0.90%
State sales, use, and vending (GF part)	\$4,558,082,000	\$4,734,549,000	3.87%
Watercraft sales and use	\$9,070,000	\$9,306,000	2.60%
Rolling Stock Tax ³	\$6,110,000	\$6,681,000	9.35%
Insurance Premiums License Tax	\$426,830,000	\$450,877,000	5.63%
Total Department GF Revenues	\$28,061,732,000	\$26,670,180,000	-4.96%
Non-General Fund (Non-GF) Revenues			
Aircraft sales and use	\$8,495,000	\$12,881,000	51.63%
Cigarette Tax	\$219,818,000	\$188,683,000	-14.16%
Other Tobacco Products	\$58,809,000	\$57,449,000	-2.31%
Egg excise	\$202,000	\$196,000	-2.97%
Forest products	\$2,576,000	\$2,513,000	-2.45%
Peanut excise	\$376,000	\$309,000	-17.82%
Soybeans	\$1,744,000	\$1,853,000	6.25%
State Sales & Use Tax (transportation funds) ^{4 5}	\$1,368,275,000	\$1,416,622,000	3.53%
Tire tax	\$3,195,000	\$3,436,000	7.54%
Corn excise	\$557,000	\$508,000	-8.80%
Small grains tax	\$159,000	\$338,000	112.58%
Sheep	\$16,000	\$18,000	12.50%
Litter tax	\$2,314,000	\$3,203,000	38.42%
Soft drink excise	\$229,000	\$264,000	15.28%
Cotton	\$159,000	\$192,000	20.75%
Apple	\$109,000	\$105,000	-3.67%
Cattle Tax ⁶	\$349,000	\$336,000	-3.72%
Total Department Non-GF Revenues	\$1,667,381,000	\$1,688,907,000	1.29%
Aggregate (All Funds)	\$29,729,113,000	\$28,359,087,000	-4.61%

7.0 Current Business Landscape

Virginia Tax developed a Business Capability Model (BCM) to provide a high-level functional overview of its operations. The BCM captures current state functional capabilities by dividing Virginia Tax into seven (7) major capabilities which cover the building blocks of tax administration in Virginia. It is expected that the proposed ITS will support these business capabilities, associated processes, requirements, and functionalities (see **Attachment M – Functional Requirements Matrix**).

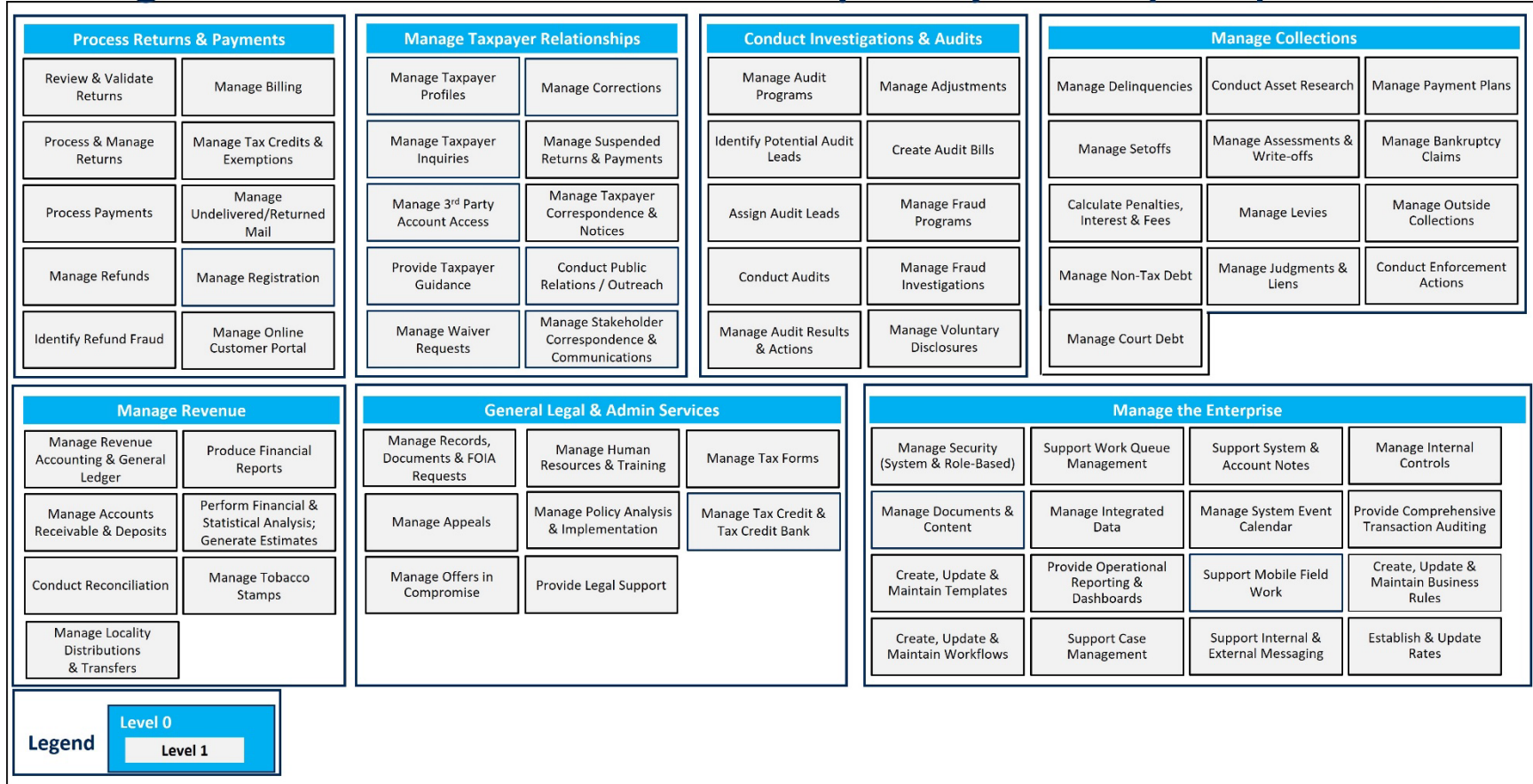
7.1 These seven (7) major capabilities are defined below:

- A. Process Returns and Payments — The ability to receive, process, and validate tax returns and payments, as well as support online taxpayer self-service capabilities.
- B. Manage Taxpayer Relationships — The ability to maintain taxpayer information, provide taxpayer assistance, and manage taxpayer correspondence, as well as resolve suspended payments and returns.
- C. Conduct Investigations and Audits — The ability to support case management of tax audits, select accounts for audit, manage audit programs and results, and execute fraud programs and voluntary disclosure.
- D. Manage Collections — The ability to score, track, and enforce payment from delinquent and underpaid taxpayers, as well as manage debt setoffs.
- E. Manage Revenue — The ability to manage revenue accounting, produce financial reports, distribute funds, and post summary financial transactions to the State’s general ledger.
- F. General Legal & Admin Services — The ability to provide case management for appeals and offers in compromise, manage allocation of tax credits, and provide general administrative support.
- G. Manage the Enterprise — The ability to provide technical support for business capabilities, manage documents, provide operational reporting and data analytics, and maintain internal controls.

In almost every capability area, outdated tools and technology are negatively impacting Virginia Tax’s ability to meet its mission of serving taxpayers and administering Virginia’s tax programs efficiently and effectively. A disproportionate amount of business staff time is dedicated to manual work and workarounds rather than tax administration due to inability to automate paper-based processes, lack of workflow capabilities, and data managed across multiple systems.

Figure 3. Virginia Tax Business Capability Model

Virginia Tax Current State Business Capability Model (BCM) – Revised 05/24



7.2 Current Technical Landscape

Virginia Tax's portfolio of current state technology solutions handling the day-to-day execution of key tax business processes is rapidly becoming obsolete, with its core tax system, Integrated Revenue Management System (IRMS), having been custom built and implemented over twenty years ago. The age and customization of the core IRMS technologies and related supporting applications has created functional and technological gaps that impact the Commonwealth's ability to efficiently perform tax operations and limits the agency's ability to make timely changes in response to legislative requests. System limitations have also resulted in increasing internal and external security risks and have put Virginia Tax's compliance with federal regulations for the handling of Federal Tax Information (FTI) in jeopardy in the near term. With an aging workforce and departure of key Virginia Tax personnel, the availability of knowledgeable and experienced personnel to manage and make changes within this complex solution landscape is quickly diminishing, posing an operational risk.

7.3 Overview of Key Systems

The existing Integrated Revenue Management System (IRMS) was built to replace the legacy STARS mainframe architecture, expanding its capabilities while reducing manual and labor-intensive processes. Virginia was an early adopter of an integrated system, pioneering automation that was unseen in the mainframe era. Development began in the early 2000s and went live in stages, beginning in 2001 and completing in 2005. The IRMS Architecture includes 40+ disparate systems of varying technology, integrated to exchange data and support business operations across the agency. See **Exhibit G. IRMS Current Architecture Diagram**.

IRMS consists of a number of interdependent systems:

- A. Advantage Revenue (AR) is the core IRMS application and manages critical financial functions, including return processing, accounting, and billing, while other business functions are managed individually by smaller applications. Core ERP applications for Tax Accounting and Compliance are built in PowerBuilder technology.
- B. Virginia Tax Online (VTOL), Web Upload, and E-File applications manage the bulk of electronic tax intake.
- C. CaptureSuite Scanners, Total Automated Capture System (TACS), Key from Image (KFI), Remit, and FaxCom manage paper processing. These applications funnel data into FileNet, the image storage center for all paper processed by Virginia Tax.*

*Note: a procurement is underway for a replacement solution for data capture and processing of paper tax remittances and paper tax returns.

- D. Prisma Spool is used to manage the Agency's print queue and Advance Query Tool (AQT) generates database reports for reconciliation. Print capabilities are currently limited to black and white.
- E. Tax information flows from intake channels to AR for financial processing, Computer Assisted Collection System for Government (CACSG) for collections, and Compliance Repository (CR) for compliance data and audit.

- F. Siebel supports the call centers and audit case management; External Entity Secure Messaging Center (EESMC) is used for messaging and production print of correspondence.
- G. IRMS has a complex architecture comprised of an array of discrete applications (40+) and hundreds of interfaces.
- H. IRMS is implemented with rigid integration points which does not allow for a modularized system where components can be modified and replaced without complication.
- I. No central data warehouse exists for Virginia tax data – many applications for collections, audit, and customer service need to replicate and aggregate data for specific use cases.
- J. Almost all IRMS applications have integrations and dependencies with other applications; most connections route to the primary processing and data sources of AR, FileNet, CR, CACSG, and Siebel.
- K. IRMS has an extensive range of subcomponent applications in use, and a wide variety of enabling technologies in use.

8.0 Innovation To Government

The Commonwealth encourages all Offerors to bring innovative ideas and/or solutions to government—ideas that result in cost and operational efficiencies or improvements while enhancing the services that governments provide their citizens.

Offerors are invited to propose value-added services and/or features that may be deemed beneficial to the ongoing improvement of Virginia Tax’s tax and revenue administration efforts, both near-term and long-term, but are not contemplated in the scope of services and requirements detailed in this RFP.

The Offeror should provide costs for any proposed value-added services and/or features in **Attachment P — Cost Proposal**, but these costs will not be included in the Total Cost Summary. Costs for value-added services and/or features will not be scored in the evaluation but are informational purposes for Virginia Tax.

9.0 IRMS Replacement Project Overview

Virginia Tax’s vision for its IRMS Modernization Project is to keep pace with the demands of a digital society and offer the flexibility to support evolving tax law. Through the implementation of a modern tax administration solution, Virginia Tax’s IRMS Modernization Project will deliver a range of benefits including customer-centric and user-friendly tools.

Virginia Tax seeks a high-quality, proven system that the Offeror has successfully implemented for other jurisdictions of similar functionality, scale, and complexity. The proposed COTS solution shall be cloud-hosted and comply with all Commonwealth of Virginia (COV), Virginia Information Technology Agency (VITA), and IRS security regulations and policies.

The solution shall be based on modern technologies, including the ability to scale from both a platform and architecture perspective.

The solution shall support multiple user interface touchpoints while ensuring compliance with security standards and ease of use for all Virginia Tax constituencies.

The solution’s common functionality such as workflows, taxpayer accounting, central revenue accounting, and case management are to be well established and configurable, on an ongoing basis, beyond the core code to allow for changes, including tax rates and forms.

Virginia Tax is looking to leverage as much native solution functionality as possible while keeping customization to a minimum. It is the desire of Virginia Tax to avoid incremental upgrade costs resulting from custom, non-core code as custom code tends to increase the time it takes to upgrade, including testing and certification.

9.1 Objectives

The primary objective of the IRMS Replacement Project is to provide Virginia Tax with a modern tax system that enhances the organization’s ability to effectively and efficiently administer the Virginia tax code while meeting stakeholders’ expectations for transparency, responsiveness, and customer service. The Project will eliminate Virginia Tax’s long-standing 'technology debt' and set the Agency on a trajectory to continually improve and adapt to a changing tax policy environment. This vision includes enhanced technology-enabled capabilities that increase voluntary compliance, enhance the efficiency of revenue collection, improve data security, help Virginia Tax work smarter, and optimize operational efficiency. With this modernization effort, Virginia Tax is also seeking to offer taxpayers a feature-rich self-service channel that incorporates best practices in usability and security.

Figure 4. Modernization Business Drivers



A new, modern ITS will provide taxpayers with a more timely, informative, and responsive experience when interacting with Virginia Tax, whether directly with a Virginia Tax representative or through a self-service portal.

The Modernization Project will also provide Virginia Tax staff with a dynamic platform for workflow, automation, reporting, and management capabilities that support Virginia Tax processes, including processing returns, collections, audit, revenue accounting, and distribution.

9.2 Project Benefits

Virginia Tax envisions that its Modernization Project will:

- A. Enhance Virginia Tax’s credibility and reputation with the public supporting improved voluntary compliance with Virginia’s tax laws and regulations.
- B. Improve customer service to Virginia taxpayers by supporting their ability to understand and meet their tax obligations.
- C. Increase productivity allowing staff to more efficiently manage tax administration by eliminating manual processes and system workarounds.
- D. Increase ability for staff to focus on value-added tasks by eliminating non-productive work.
- E. Improve staff morale through improved system usability and functionality that eliminates repetitive and tedious tasks currently required to address system limitations.
- F. Increase ability to manage tax processes in a consistent manner by increasing Virginia Tax’s ability to comply with regulatory requirements through improved workflow and automation.
- G. Improve ability to leverage and analyze data to improve the management of tax processes.
- H. Improve ability to identify areas where the public might need additional education or other resources to comply with tax processes.
- I. Increase ability to adapt to changing business, regulatory, and security requirements through a simplified technology architecture enabling IT staff to maintain systems more easily.
- J. Reduce risk by replacing current Excel spreadsheets and Access databases with an integrated system that provides appropriate IT controls and support (e.g., performance monitoring, regular backups, IT staff time, and skills to maintain systems).
- K. Ensure technical resources are more readily available to support IT systems.
- L. Avoid “technical debt” by reducing cost and time required to maintain and enhance Virginia Tax’s tax systems.
- M. Increase ability to secure taxpayer and Virginia Tax data against evolving cybersecurity threats.

9.3 Project Organization

Virginia Tax has a governance structure to provide strategic leadership and facilitate decision-making throughout the IRMS Modernization Project.

During the onboarding process, the Contractor shall work with Virginia Tax to provide input into the proposed approach to the IRMS Modernization Project's governance structure based on their experience with other successful implementation projects for the proposed solution. Once the final governance approach is confirmed and approved by Virginia Tax, the Contractor shall adapt to Virginia Tax's approach to governance, work closely with the Virginia Tax Modernization Project Manager, and actively participate in governance committees to support the successful execution of the Project.

Virginia Tax's governance structure includes the following roles and participating bodies:

- A. **Project Sponsor.** The Commissioner of Virginia Tax is the Project Sponsor. The Project Sponsor is the visible champion of the Modernization Project with Virginia Tax's Executive Leadership team and is the ultimate decision maker with final approval on all phases, deliverables, and scope changes.
- B. **IRMS Modernization Workgroup.** Pursuant to Item 273 Paragraph D of the 2022 Appropriation Act, the IRMS Modernization Workgroup provides oversight and recommendations for the IRMS modernization project. The workgroup includes the Secretary of Finance or his designee, staff from the House Appropriations and Senate Finance and Appropriations Committees, the Director of the Department of Planning and Budget, and the Chief Information Officer of the Virginia Information Technologies Agency.
- C. **Modernization Project Executive Steering Committee (ESC).** The ESC is the top-level Project governing body. It provides oversight, guidance, and support throughout the Project. The ESC is responsible for ensuring the Project's functional, technical, and business goals are achieved. The ESC is responsible for approving budgetary strategy; defining and realizing benefits; and monitoring risks, quality, and timeliness.
- D. **Modernization Advisory Committee (MAC).** The MAC will provide operational guidance, subject matter expertise, and escalated decision-making throughout the Project. The MAC is composed of leaders from Virginia Tax's operational units (plus other members as may be appropriate). The MAC will provide function-specific leadership and expertise, while overseeing the implementation of business functions. The MAC will also mentor Functional leads within the Project team. It is anticipated that Contractor's Project Manager will attend and participate in MAC meetings.
- E. **Modernization Project Manager (PM).** Virginia Tax will assign a Project Manager to coordinate the activities of all individuals and organizations involved in the Modernization Project. This PM will provide ongoing daily direction and oversight to Virginia Tax's Modernization Project staff and report progress and problems to the ESC. The Modernization PM will coordinate all organizations involved in the Project and ensure resource requirements are identified and addressed.
- F. **Virginia Tax Modernization Project Staff.** The Contractor will be expected to work closely with Virginia Tax staff assigned to the Modernization Project. Virginia Tax will assign full-time Project staff to the Modernization Project, including Functional and Technical Leads to represent the various functional and technical areas of Virginia Tax. Additional staff will also be assigned on an as-needed basis.

- G. **Third-Party Independent Program Oversight.** Virginia Tax will have an independent third-party provide project oversight services (Independent Verification and Validation (IV&V)), including deliverable reviews, quality assurance (QA), and regular reporting on progress during the lifecycle of the Project. The Contractor should plan to have ongoing and recurring interactions with the third-party independent oversight service provider for the Project, throughout its duration, with Virginia Tax collaboration.

9.4 Project Scope Summary

Virginia Tax expects Offerors to propose an integrated tax solution and implementation approach to provide the full suite of processing and administration functionality depicted in Virginia Tax’s Business Capability Model (Figure 3) for all taxes and fees administered by Virginia Tax. Required functionality is further described in **Attachment M — Functional Specifications Matrix** and **Attachment L — Technical Specifications Matrix**.

A. Tax and Fee Administration

Virginia Tax is responsible for administrating the following taxes, all of which are within the scope for the Modernization Project. Refer to **Exhibit C — Tax Types and Characteristics**, for further description of in-scope programs.

Table 1. In-Scope Tax Types

Virginia Tax Types		
Aircraft Sales and Use	Estate	Retail Sales and Use (Instate Sellers, Direct Payment Permit Holders, Remote Sellers, Business Consumer Use)
Aircraft Consumer Use	Fiduciary	Railroad Rolling Stock
Apple	Forest Products	Sheep
Bank Franchise	Individual Income	Small Grains
Cattle	Insurance Premium License (includes a retaliatory tax)	Soft Drink
Cigarette Tax & Penalties	Litter	Soybeans
Communications	Motor Vehicle Rental	Tire
Corn	Peer-to-Peer Vehicle Rental	Vending Machine
Corporate Income	Other Tobacco Products	Watercraft Sales and Use
Cotton	Pass-through Entity	Watercraft Consumer Use
Digital Media	Peanut	
E-911 pre and post paid	Plastic Bag	
Egg		
Employer Withholding		

B. Process Functionality

Offeror's proposed solution shall replace current systems and databases with integrated functionality for the following processes, which are further specified in **Attachment M - Functional Specifications Matrix**:

1. Account registrations, returns and payment processing, collection, and audit for all tax types.
2. Detection and prevention of fraudulent filing.
3. Tax credit programs and the tax credit bank.
4. Revenue accounting, distribution, and reporting.
5. Online filing, payment, and self-service account management for all tax types.
6. Bulk filing and payment.
7. Refund offset, Debt Setoff, the Treasury Offset Program (TOPS), and Comptroller's Offset Program.
8. Court Debt Collection Program.
9. Data warehousing, decision analytics, and reporting.
10. Appeals.
11. Property Tax Administration: statewide assessment/sales ratio studies; valuation of railroad and transmission pipeline real and tangible personal property; railroad rolling stock assessment.

C. Technology Components

Offeror's integrated tax solution shall also include the following key Technology Components to unlock desired business capabilities and process improvements. Technical specifications are further described in **Attachment L – Technical Specifications Matrix**.

1. Identity and Access Management that provides strict security regulating authorization and access rights to all system users.
2. Network access controls that provide for access restrictions based on IP address and geographic region.
3. An auditable record of all user actions in the system, including access of restricted tax accounts.
4. Web portal and interfaces that enable external users (e.g., taxpayers, tax preparers, bulk filers, local governments, etc.) access to add and update information directly into the system.
5. Remote or mobile access that provides staff real-time system access when working in the field to increase customer service and staff efficiency.

6. Configurable business rules that allow business staff to create and modify business rules to conform to changes in applicable laws without requiring costly system programming time and effort.
7. Business process and workflow engine that efficiently routes work for required staff review, processing, and approval, ensuring all procedures and quality checks are performed and verifiable through audit logs.
8. Document and content management that provides access to documents and files to staff across divisions and business units, indexed to the taxpayer and events that generated the content.
9. Case management that supports compliance activities, debt collection, handling of inbound correspondence, exception processing, and requests for rulings and collaboration with taxpayers (e.g., audits, litigation, etc.) across divisions and different government agencies
10. Automated forms and letter generation to maintain official versions of forms and correspondence that safeguard the insertion of correct data and information without requiring full manual entry and allow for automated generation.
11. Business intelligence and analytics tools for standard reporting, ad hoc analysis and queries, operations dashboards, and performance reporting. Also includes artificial intelligence and machine learning.
12. Accessible and integrated set of data that is an accessible and protected “source of truth” for staff to use in their ongoing business operations, tasks, and activities.
13. Cybersecurity that ensures the confidentiality, integrity, and availability of Virginia Tax systems and data.
14. Disaster Recovery that provides redundant capabilities allowing systems to function in the case of a major disaster.

9.5 Project Timeline and Rollout

Virginia Tax anticipates that the Modernization Project will move forward in phases from initiation through all phases of implementation to Operations & Maintenance. Virginia Tax anticipates that a program of this complexity may take up to sixty (60) months/five (5) years to complete.

Virginia Tax desires to have the ITS solution implemented in four (4) releases by tax type as shown below in Table 2.

Offerors may provide an implementation plan different from Virginia Tax’s proposed plan based on their experience provided that the plan covers all the functionality and in-scope taxes required by Virginia Tax. Offerors are expected to align their Cost Proposal to their proposed implementation plan.

After each major release, Virginia Tax requires a warranty period of twelve (12) months for monitoring and incident response support for the operating system release. Virginia Tax also requires twelve (12) months of operations and maintenance support for the entire system after full implementation. **See Section 13.0 - Production Support Services.**

Table 2: Anticipated Implementation Releases

Release 1	Release 2	Release 3	Release 4
<ul style="list-style-type: none"> ▪ Sales/Use (Instate, Out-of-state, Consumer Use) ▪ Employer Withholding ▪ Digital Media ▪ E-911 prepaid ▪ Plastic Bag ▪ Vending Machine ▪ Tire Fee 	<ul style="list-style-type: none"> ▪ Corporate Income ▪ Bank Franchise ▪ Insurance Premium License (includes a retaliatory tax) ▪ Communications ▪ E-911 post paid ▪ Litter ▪ Motor Vehicle Rental ▪ Peer-to-Peer Vehicle Rental 	<ul style="list-style-type: none"> ▪ Individual Income ▪ Estate ▪ Fiduciary ▪ Pass-through Entity ▪ Aircraft Sales and Use ▪ Aircraft Consumer Use ▪ Watercraft Sales and Use ▪ Watercraft Consumer Use 	<ul style="list-style-type: none"> ▪ Apple ▪ Cattle ▪ Cigarette Tax & Penalties ▪ Other Tobacco Products ▪ Corn ▪ Cotton ▪ Egg ▪ Forest Products ▪ Peanut ▪ Soybean ▪ Sheep ▪ Soft Drink ▪ Railroad Rolling Stock ▪ Property Tax

10.0 Comprehensive Proposal Requirements

All items listed in this section are Scored Technical Requirements. All requirements will be evaluated and scored by the Evaluation Committee in accordance with **Section 16 - Evaluation and Award**. For each subsection in this **Section 10.0 – Comprehensive Proposal Requirements**, the Offeror should use **Attachment K – Comprehensive Requirements Response Workbook** to provide a clear and concise description of the information, solution, approach, services, and processes requested. Each response will be scored for its quality in providing the best possible solution and approach for Virginia Tax.

10.1 Corporate Profile

A. Company Overview

Offerors are asked to provide a brief description of their professional track record, including company history, organizational structure, number of employees, and number of years in business. Additionally, Offerors should include history of proposed tax solution with a list of all tax modernization projects started or completed in the last ten (10) years.

Virginia Tax requires that Offerors responding to this procurement possess tax and revenue market expertise at all levels of U.S. government (local, state, and federal). Virginia Tax requires that responding Offerors have experience in multiple implementations of the proposed tax solution offered including insight into practices and processes implemented throughout multiple state and local revenue agencies as well as new and emerging processes and practices that would benefit Virginia Tax today and in the future.

B. Competitive Differentiators

Offerors are asked to describe the attributes that distinguish the Contractor's organization from its competition. Describe any special or unique characteristics of the organization which would make it especially qualified to perform the work required in this RFP.

C. Product Differentiators

Offerors are asked to describe any features of the core solution that differentiate the proposed product from its competitors or similar offerings, including any features or capabilities that are not explicitly described in the requirements of this RFP.

D. Sub-Contractors

Offeror are asked to provide an overview of any proposed subcontractors, including SWaM subcontractors, who will be assigned to the Project. Describe the number of years worked with the subcontractor and description of services to be performed.

10.2 Experience

A. Relevant Experience

Offerors are asked to describe at least three (3) recent projects where the Offeror was the primary Contractor that demonstrate the company's qualifications and a successful track record in leading the design, development, and implementation of an ITS similar in scope and complexity to the solution sought by this RFP. Offerors should use their response to highlight experience with providing taxpayer self-service capabilities. Example projects must have been started or completed within the past ten (10) years.

B. References

For the (3) of the projects listed in 10.2.A, Offerors are asked to provide a client contact to serve as a reference for the Offeror's experience and competence. Offerors should notify and provide each reference with a copy of **Attachment S — Reference Questionnaire** to be completed and returned directly to the RFP Single Point of Contact upon request.

Virginia Tax reserves the right to contact any reference to assist in the evaluation of the Proposal, to verify information contained in the Proposal, to discuss the Offeror's qualifications and the qualifications of any Subcontractor identified in the Proposal, or to otherwise determine whether Offeror is a responsible and capable.

10.3 Lessons Learned

Offerors are asked to describe any lessons learned from other similar projects, including but not limited to the following:

- A. Any project or performance risks that should be addressed and/or mitigated to include in the contract;
- B. Assumptions to avoid unknown project delays or disruptions;
- C. Critical factors to discuss during each phase of the project milestones;
- D. Technical, functional, or operational expectations/responsibilities that Virginia Tax should undertake for project success; and
- E. Risk mitigation concepts for both Contractor and Virginia for the type of project being pursued.

10.4 Solution Investment

A. Product Development Investment

Offerors are asked to provide details of their investment and resources devoted to product development, both holistically and specifically for the proposed solution.

B. Product Updates and Releases

Offerors are asked to explain their process for working with customers on the frequency of product updates, including how and when customers are informed, and the flexibility to schedule testing and releases in partnership with customers.

C. Core Product Enhancements

Offerors are asked to explain how they receive and prioritize core product enhancement requests.

D. Future Roadmap

Offerors are asked to provide a roadmap for future enhancements and any planned investments in the technical aspects of the proposed solution.

10.5 Project Organization

A. Project Organizational Chart

Offerors are asked to provide a Project Organizational Chart showing the structure of Offeror's proposed implementation project team including any Subcontractors and the relationship between Offeror's project team and Virginia Tax's Modernization Project team. Each position must be identified by position title corresponding to position titles and job descriptions in the staffing plan.

B. Key Personnel

Certain Project team members have been deemed 'Key Personnel' as listed in **Attachment Q – Key Personnel**. For each member of the Offeror's proposed Project team that occupies a Key Personnel position, Offerors shall provide the person's background and experience by completing the Key Personnel Resume section in **Attachment Q – Key Personnel**.

1. Key Personnel roles shall not be filled by subcontractor or temporary personnel. These roles are considered essential to the work being performed as defined in this RFP.
2. The Contractor shall be committed to minimizing staff turnover throughout the duration of the Contract. Offeror will be asked to provide a list of its staff, staff qualifications, and work experience at the beginning of each implementation phase and at the beginning of production support.
3. The Key Personnel list shall be updated at contract execution and at the start of each implementation phase and will include two (2) client references for each individual serving in Key Personnel role.
4. Key Personnel shall not be removed or reassigned from the Virginia Tax Project to other duties without a 90-day written approval from Virginia Tax, which will not be unreasonably withheld. The Contractor shall inform Virginia Tax as soon as it is aware a change is required. Any proposed replacements for Key Personnel shall have the qualifications that meet or exceed those they replace. Virginia Tax shall have the opportunity to interview a potential replacement. Replacements will be expected to work alongside the individual he/she is replacing for a minimum transition period of one (1) month at no incremental cost to Virginia Tax.
5. The Contractor will remove and replace personnel, if requested by Virginia Tax, within 30-days once the request for removal has been submitted.
6. Should the Offeror be invited to Oral Presentations and Demonstrations, Key Personnel are expected to be present. Virginia Tax may request to interview certain Key Personnel as part of the Oral Presentations and phase of the evaluation.

C. Staffing Plan

Offerors are asked to provide a project Staffing Plan that describes the Offeror's approach to staffing the project implementation team by completing **Attachment R — Staffing Plan Template**. The Staffing Plan should indicate the total number of staff assigned to the Project, project team roles, the staffing proposed for production support during the Project, and for post-implementation support once implementation is completed. The Key Personnel or equivalent positions identified in **Attachment Q – Key Personnel** should be included in the Staffing Plan.

10.6 Quality Assurance

Offerors are asked to describe the quality assurance processes to be used throughout the software development lifecycle and while implementing the Project.

10.7 Implementation Approach & Services

Implementation services describe Virginia Tax's expectations for the Contractor to successfully organize and execute implementation of the ITS.

Offerors are asked to describe the following:

- A. How the chosen proposed approach and methodology best supports and complements the outlined implementation areas; and
- B. Where relevant, where the proposed approach differs from that defined by Virginia Tax. **Exhibit B – Implementation Roles and Responsibilities** provides additional information on expected technical services roles and responsibilities for implementing the System.

10.8 Project Management

Offerors are asked to describe the proposed approach to plan, manage, and control the successful completion of all tasks and deliverables associated with the scope and specifications in the RFP. The response must include, but is not limited to:

- A. A description of the implementation methodology to be used in executing the Modernization Project scope.
- B. Project management processes to be used during the implementation.
- C. A list of key deliverables required for successful execution of the project, including the criteria for deliverable approval.

- D. A high-level schedule from the execution of the Contract through final warranty period of implementation phases, activities, and milestones based on the Offeror's implementation methodology, prior experience, and details provided in this RFP. This indicative project plan should be at a level of detail sufficient to provide Virginia Tax with a clear picture of how the Offeror might execute this initiative.
- E. A project management tool and repository to support requirements traceability; schedule and task management; and storage of all work products, meeting minutes, document deliverables, issues, risks, decisions, and other project documents.
- F. Project reporting, cadence of status meetings, and a method for the recording, distributing, accessing, and storing of key meeting minutes throughout the Program, including meeting agendas for all Contractor-led meetings.
- G. An approach and methodology for Project communications management, including the methods and activities needed to ensure timely and appropriate communication amongst the Project team.
- H. An approach to risk analysis, risk prioritization, risk mitigation, and risk tracking/control, including tools and techniques that should be used for risk management and escalation.
- I. An approach and methodology for issue management to ensure that issues are identified, evaluated, assigned for resolution, monitored, resolved, documented, and communicated, including tools and techniques that should be used for issue management and escalation.
- J. An approach outlining the process for making Project decisions and acting upon those decisions per the Governance structure outlined in **Section 9.3 - Project Organization**.
- K. An approach and methodology for change control to address changes to the scope, cost, and schedule, including tools for tracking and approval of change requests.

10.9 Organizational Change Management (OCM)

Offerors are asked to describe the approach to the organizational change management (OCM) process. The response should include the following:

- A. Methodology to provide OCM services aligned with the scope, key strategic themes/drivers, and requirements and specifications in the RFP.
- B. An approach and methodology for communications management, including the methods and activities needed to ensure timely and appropriate communication to Project stakeholders.
- C. An approach to supporting Virginia Tax in stakeholder engagement, including ongoing communications, planning, and execution. The goals are to minimize disruption, optimize adoption, and enable realization of targeted benefits.

- D. An approach to supporting Virginia Tax in OCM Change Impact Assessments in parallel with each implementation phase to help identify process or policy changes, people or cultural impacts, and any associated role or organizational changes required that enable Virginia Tax to adopt the ITS successfully and fully.

10.10 Training and Knowledge Transfer

Virginia Tax expects that the Contractor will provide a comprehensive initial and ongoing training program for over the course of the solution implementation so that all Virginia Tax staff are properly trained in the components of the solution that are required for their specific role(s). Refer to section **4.0 – Virginia Tax Organization** for a comprehensive list of estimated number of employees that will require this training.

Offerors are asked to describe the approach to training and knowledge transfer. The response should include the following:

- A. An overall training and knowledge transfer strategy.
- B. An approach to training needs analysis conducted to identify necessary skills by role and any special training delivery considerations.
- C. A description of training methods to be used, including train-the-trainer, on-site instructor-led training, and web-based or computer-based training (CBT) approaches.
- D. A plan for development of the curriculum and materials required for role-based training delivery and knowledge transfer, including instructor materials, presentations, hands-on exercises, CBT modules, job aids, user guides, etc.
- E. A knowledge transfer plan to ensure that Virginia Tax technical personnel have the necessary skills to operate, support, and maintain the ITS during the post-implementation period including use of the Contractor’s development methodology and tools. The plan should specify how knowledge achievement milestones are tracked.
- F. An evaluation mechanism to allow training and knowledge transfer participants to provide feedback so that the Contractor can improve curriculum and materials.

10.11 Design/Business Process Analysis

Offerors are asked to describe the process to be used for validating the Functional Specifications contained in **RFP Attachment M - Functional Specifications Matrix**- and identify any changes to minimize customization and increase use of configuration functionality, include all special adaptation efforts that may be required to meet Virginia Tax’s future state business needs.

The Contractor is expected to perform a requirements and future business process validation to identify any functional gaps before configuring the new ITS to enable the processes.

10.12 Configuration and Customization

The Offeror should describe the approach and method by which the proposed solution will be implemented utilizing configuration and/or customization inclusive of how each will be managed (e.g., via an Integrated Development Environment, proprietary tools, etc.). Further, Offeror should explain the method of configuration (e.g., via scripting, XML, code tables, etc.), as well as all development languages and/or platforms used for customization. The Agency expects the customization of the ITS will be kept to a minimum to limit the effect on system upgrades and maintenance, and that appropriate procedures and controls are enforced.

Virginia Tax desires that the ITS be configurable outside of the core code to allow for ongoing changes, such as periodic tax rate and form changes. Refer to **Exhibit D — Forms Inventory** for a list of forms that are currently being used by Virginia Tax.

10.13 Testing

Offerors are asked to describe the process for testing that all application components work as designed and configured, and that those components work together in an integrated process to perform their specified functions, including interfaces/integrations to legacy applications or other Third-Party external applications. The response shall include but not be limited to the following:

- A. Approach for creating unit, integration (end-to-end), performance, stress, security, and regression test plans that are fully documented and repeatable. Offeror should include their approach for testing automation and indicate test scenarios/scripts that are automated or manual as part of the test plans.
- B. Approach for performing quality assurance testing (unit, integration, performance, stress, security, and regression, where applicable) prior to handing over to the Agency for UAT.
- C. Validation with a requirements traceability matrix and demonstrations verify the requirements as specified in the requirements document have been satisfied.
- D. Approach for creating and validating UAT cases and test scripts.
- E. Approach for conducting automated performance testing and tuning for the fully configured and tested software prior to production cut-over/go-live for each release.
- F. The Contractor shall be responsible for performing vulnerability and penetration testing, scanning the system with current signature files, documenting and correcting any identified vulnerabilities as described in Functional and Technical Requirements, and providing written results of the tests performed to the Virginia Tax. Successful completion of these tests shall be required and validated by Virginia Tax before the software can be approved for production use.

10.14 Data Conversion and Migration

Offerors are asked to describe the process for managing the data requirements for the System, including data conversion and migration methodology and approach. Virginia Tax also expects the Offeror to include, as part of their conversion approach, a description on how it will work with Virginia Tax in order to come to an agreement on other items, including but not limited to volume of data to be converted, level of detail, data objects, what data should be made available in an archived “read-only” state, etc.

- A. The approach shall include but not be limited to the following:
 - 1. A data conversion approach and high-level plan.
 - 2. Identification of any risks associated with data conversion.
 - 3. An approach and plan for data conversion validation.
 - 4. Mock data conversions and their alignment to testing activities that include data de-duplication and cleansing.
 - 5. Data governance.
 - 6. Data conversion mapping and transformation.
 - 7. Data conversion signoff and cutover processes.
 - 8. Comprehensive list of Offerors Assumptions.

10.15 Production Cut-Over

Offerors are asked to describe the approach, planning, and execution of activities and tasks needed for successful production cut-over to the new ITS. The approach should include the following:

- A. Turning over all system components into the production environment in a systematic fashion, ensuring that all supplier-built workflows, custom programs, compiled modules (where required), job streams, other components of the production environment, and all documentation are ready and organized for the production turnover.
- B. Decommissioning legacy systems as their functionality is replaced by the ITS, a plan for interfacing between the ITS and legacy solutions and databases, if necessary, until all phases are complete.

11.0 Information Security Risk Management Program

Offerors are asked to provide a detailed description of their approach and full capabilities in managing the information security of the proposed ITS. This outline should comprehensively address the requirements set forth by federal, state, and Virginia Tax policies and guidelines as specified in this RFP (see **Attachment L - Technical Specifications Matrix**) and should also detail how the Offerors will accommodate any modifications to these policies throughout the lifecycle of the ITS implementation and ongoing maintenance and operational support. Additionally, the Offerors' approach to managing information security should outline their strategies for managing potential changes and mitigating associated risks.

- A. Specific details of the Offerors' approach to managing the information security of the proposed ITS should include, but not be limited to:
 - 1. Aligning with key named resources outlined in this RFP, the Offerors are asked to describe the applicable security role(s) along with relevant credentials, experience, and expertise of the resource(s) anticipated to fill those roles for this modernization effort.
 - 2. Approach to conducting regular assessments of the application(s), system(s), and associated infrastructure to identify potential security vulnerabilities.
 - 3. Approach to responding to, mitigating, and/or rectifying specific security vulnerabilities, threats, breaches, and events. Virginia Tax would welcome a list of common threats and the Offerors' avoidance and mitigation strategies for each (e.g., DDoS, APT attacks, exploit kits, etc.)
 - 4. Approach to ongoing and regular virus detection and port scanning activities, including reporting of any findings to Virginia Tax.
 - 5. Sample security finding(s) report(s) the Offerors deem relevant to support the description of their overall information security management approach.
 - 6. Acknowledgement of any past security incidents, remediation approach, and outcome(s), as well as lessons learned carried forward and implemented in overall security strategy to mitigate chances of future occurrences of those threats.
 - 7. Approach to supporting state revenue agency's IRS audits, level of involvement, and how the Offerors have addressed any IRS findings where applicable.
- B. As it pertains to information security audit and compliance, the Offerors are asked to articulate their approach in supporting the ongoing auditing of all relevant applications, systems, and infrastructure in order for Virginia Tax and the Commonwealth to ensure the Offerors are in compliance with all security policies and procedures as outlined in this RFP.

- C. The Offerors should ensure their approach supports the involvement of state and/or Virginia Tax authorized personnel in conducting security evaluations, inclusive of unscheduled and unannounced penetration tests and security scans.
- D. Additionally, the state’s regulatory bodies and information security partners, which may include federal agencies or departments, and those governing the security and protection of taxpayer data being managed, processed, or stored within the proposed ITS, are granted the same rights to perform such audits and vulnerability assessments upon request. All reasonable recommendations derived from these evaluations, tests, and audits should be incorporated into the Offerors’ go-forward security management approach, and changes implemented within a reasonable timeframe.
- E. With respect to information security testing, the Offerors are asked to describe their approach and methodology in conducting regular assessments of the proposed ITS and associated infrastructure, to identify potential security vulnerabilities. Any non-proprietary security procedures and/or technical constraints should be acknowledged and outlined as part of this approach detail. This will allow Virginia Tax and the Commonwealth to identify and implement any necessary additional controls to ensure fulsome protection of taxpayer data.

12.0 Technical Services

Virginia Tax is seeking a solution based on modern technologies, including the ability to be scalable from both a platform and architecture perspective. The proposed solution must support multiple user interface touchpoints while ensuring compliance with security standards and ease of use for all agency constituencies.

Offerors should describe how their proposed solution and implementation approach addresses the following additional technical capabilities.

12.1 Hosting Services

Offerors are asked to describe the approach for providing hosting and management services necessary to implement and maintain the ITS as described in this RFP, beginning with the initial implementation of any ITS instance and continuing throughout the implementation and post-implementation. Managed hosting includes management of all components provided for the ITS, including those physically installed in distributed locations.

Offerors shall provide a detailed description of its managed hosting solution(s), for all environments included in this RFP, including, but not limited to the following:

- A. Available hosting models and the pros and cons of each option, and whether your solution allows for hosting in Virginia Tax or VITA managed cloud infrastructure (COV CLOUD)
- B. Managed hosting infrastructures (e.g., hardware, operating systems, network, communications, connectivity, backup, failover, disaster recovery components, etc.)

- C. Managed hosting services (e.g., software and hardware installation, updating, patch application, monitoring, tuning, disaster recovery and backup support, emergency and planned network, system, application maintenance, etc.)
- D. Managed hosting location(s) compliant with the Commonwealth security standards located at: <https://www.vita.virginia.gov/it-governance/itrm-policies-standards/> (e.g., security compliance for data centers, etc.)
- E. Offeror shall provide a detailed description outlining the shared responsibilities of Cloud Service Provider and Virginia Tax for securing, maintaining, and operating every aspect of the cloud environment, including the application, hardware, infrastructure, endpoints, data, configurations, settings, operating system (OS), network controls and access rights.
- F. Offeror shall include the cost of Hosting Services by year in **Attachment P – Cost Proposal**.

12.2 Authentication

Offerors are asked to describe how the ITS provides modern and secure models for user authentication (both internal and external). The ITS must provide a single sign-on (SSO) that authenticates the user to any modules of the system. The ITS must also support multi-factor authentication or comparable secure models.

A. Secured Role-Based Authentication

Offeror must describe how the ITS provides configurable features that can limit or restrict access based on the user's constructed role within the solution. This role-based security profile must be attached to the user's login credentials.

12.3 Data Warehouse

Offerors are asked to describe the data warehouse capabilities, implementation approach and proposed tools to meet Virginia Tax's ad hoc, analytic, data modelling, research, dashboard, tax modeling, BI and/or report needs. Also describe how the ITS data warehouse would incorporate and improve audit programs and fraud detection.

The Offeror's data warehouse design at a minimum shall address the following:

- B. Data sources and key structures.
- C. The tools, routines, configuration, integration, and setup to support the initial loading and ongoing refresh of and synchronization assurance.
- D. Compliance analytics, scoring, discovery, audit selection, and fraud detection functions to be established.
- E. Reporting tools, views, queries, and dashboards.
- F. Backup, restore, and recovery methods and tools.

12.4 Interfaces and Third-Party Integrations

- A. Offerors are asked to describe the approach to designing, documenting, developing, and testing interfaces and integration points that are required for the implementation of the proposed ITS, as well as a description of interfaces that the solution supports “out of the box,” such as standard interfaces with financial institutions, payment processors, payroll providers, etc.
- B. Offeror will be required to produce an interface plan and technical designs for all required interfaces, as described in **Exhibit F - Current Applications Inventory**. The interface plan shall include the following:
 - C. Identify, analyze, and schedule the interfaces to be developed and implemented per release phase.
 - D. The plan document must cover the identification and resolution of data translation issues and must recommend appropriate strategies and approaches.
 - E. The plan must also address the sequence in which the interfaces must be developed and moved to production. Any temporary interfaces must also be included in this document.
- F. Offerors should also propose a decommissioning strategy in alignment with its interface and integration approach and provide for the expected use of “throw-away” interfaces, in the event that legacy systems remain operational concurrently, until deemed ready to be decommissioned.
- G. The Contractor shall work with Virginia Tax to design and develop necessary inbound and/or outbound interfaces with external systems both inside and outside of the agency.

12.5 Telephony Integration

Virginia Tax currently uses a CISCO telephony platform. Offerors are asked to articulate how the ITS can integrate with the existing telephony platform to enhance a customer service representative’s ability to quickly respond to common inquiries, and to manage outbound call campaigns.

If applicable, Offerors should also describe the following:

- A. How the ITS might provide additional value with respect to functionality not currently being used by Virginia Tax to further improve their customer service and call center capabilities.
- B. If applicable, the Offeror shall include as part of **Section 8 – Innovation to Government** of this RFP, a description of how the ITS might provide additional telephony functionality not currently being used by the Virginia Tax to enable improved handling of incoming and outgoing phone calls.

12.6 Document Management

Offerors are asked to describe how the proposed ITS would integrate with Virginia Tax's existing document scanning and imaging solution.

Once integrated, at a minimum, the ITS shall provide the following:

- A. The functionality to associate and/or map documents, images, and data elements to the correct taxpayer entity, account, period, obligation, and, if applicable, the relevant collection or audit case.
- B. The capability to maintain a history of associated imaged documents and other artifacts.
- C. Provide the functionality to search for imaged artifacts, as well as adoption and adherence to the Agency's document retention policies (see **Exhibit J - Data Archive & Purge Criteria**).
- D. Imaged artifacts include, but are not limited to, inbound correspondence, returns, forms, payments, applications, and other artifacts.

12.7 Environment Setup

Offerors are asked to describe the process to set up and verify the installation of all requisite system components and environments.

Virginia Tax seeks to understand the requirements to initialize the installation of base system components, requisite third-party software, infrastructure components, middleware, etc. Environments will include those needed for:

- A. User sandbox
- B. Development and unit test
- C. Data conversion
- D. System test
- E. Training
- F. Performance test
- G. Security test
- H. User acceptance test
- I. Developer sandbox or prototype
- J. Production
- K. Production QA
- L. Other project activities

12.8 System Documentation

Offerors are asked to describe the technical documentation to be provided to Virginia Tax as part of the ITS implementation, including how documentation is updated over the course of the implementation.

The Contractor will be responsible for a fully populated context-sensitive online help capability accessible from within the application by all system users. The online help must (at minimum) provide clear explanations (in non-technical language for business end users and other stakeholders) for system navigation, searches, transactions, error conditions, and update actions.

12.9 Technology Change Management

Offerors are asked to describe their approach to, and controls over, technology change management activities including services required to appropriately manage and document (e.g., impact analysis, version control, library management, turnover management, build management, parallel development) changes to the application and any of the constituent components.

Technology Change Management also includes services required to appropriately manage and document changes to the underlying application development environment components.

13.0 Production Support Services

The Contractor shall provide:

- A. Production support services that include maintenance and operations (M&O), as well as warranty services to be provided by the Contractor during and post-implementation.
- B. Production support from the first implementation through the remainder of the Project and for a period of 12 months after the final 'go-live'.
- C. Production support services related to defect discovery, triage, and defect remediation must be complementary to (and not overlap with) services to be provided as part of the first year of staffing support after full implementation.
- D. At Virginia Tax's option, the Contractor will continue to provide production support for up to eight (8) years beyond the initial six (6) year base Contract term with the scope or level of services to be determined.

13.1 Production Support Delivery

Offerors are asked to describe the scope and approach to production support delivery, including functional, technical, and operational support. In addition, Offerors are asked to describe in detail the services under any tiered Production Support Offerings.

Offerors should refer to the Production Support tier recommended for Virginia Tax in **Attachment P – Cost Proposal**.

13.2 Help Desk Support

Offerors are asked to describe the process for handling the identification of defects, triage of defects, and resolution response to defects inclusive of proposed SLA terms. If applicable, describe any use of proprietary or third-party defect tracking and resolution management software, as well as how those tools provide the capability to interface with Virginia Tax's ticket management system.

13.3 Warranty Support

Offerors are asked to describe the duration and services provided under Offeror's proposed Warranty coverage. Offeror is expected to propose sufficient Warranty coverage to resolve production system deficiencies for the duration of the Warranty period, in adherence to the agreed upon SLR, and at no additional charge to Virginia Tax.

Warranty coverage begins once system functionality is in use by Virginia Tax staff in a production environment. Offeror must include in the Warranty services description a timeline of effective Warranty periods during implementation (i.e., following the go-live of each phase) as well as post-implementation Warranty coverage.

Warranty should meet or exceed that contemplated by the standard State Contract language (**Exhibit A – Sample Contract**).

13.4 Database Administration

Offerors are asked to describe services related to ongoing maintenance and support for the ITS database(s) to support broader data and analytic initiatives. Virginia Tax will require the Contractor to provide, at minimum, daily replication of application data from Production to an environment of Virginia Tax's choosing. Offerors are asked to describe how it has accommodated this requirement for other clients or how it will fulfill the requirement in this instance.

13.5 Support and Warranty Service Level Agreement

Offerors are asked to describe its proposed terms of the SLR (**Attachment T – Service Level Requirements**) to be mutually agreed upon between Virginia Tax and The Contractor. The Contractor shall comply with the final negotiated and approved SLRs and Credits.

13.6 Hosting Support

As part of a Hosted Managed Services agreement, the Contractor must provide full support services across all elements of their hosted offering, as outlined in **Section 12.1 - Hosting Services**, for the duration of the agreed upon Contract term. The Offerors are asked to describe the level and detail of support provided for the Contractor's Hosted Managed Services.

13.7 Disaster Recovery/Security Plan

Offerors are asked to describe in detail the following:

- A. The firm's plans to mitigate against any disaster that would affect the ability to provide Virginia Tax with the proposed ITS. Provide a detailed plan of your firm's security infrastructure including facility and information technology security. Provide your firm's plans of action for the following security incidents, as applicable to the RFP:
 - 1. Interruption of service including denial of service attacks.
 - 2. Vulnerability incidents
 - 3. Data loss or compromise
 - 4. Insider attacks
- B. Disaster Recovery and Business Continuity Plan, including but not limited to:
 - 1. Redundancy, Data Backup, and Disaster Recovery
 - 2. Data Export/Import
 - 3. Data Ownership and Access
 - 4. Testing
 - 5. Assumptions or recommendations for business process recovery time objectives (RTO) and data recovery point objectives (RPO)

13.8 Data Export and Import

The Contractor shall, at no additional cost or charge to Virginia Tax, in an industry standard and nonproprietary format as agreed to by Virginia Tax:

- A. Perform a full or partial import and export of all Virginia Tax data (including logs) within 24 hours of a request and transfer such data to Virginia Tax; or
- B. Provide Virginia Tax with the ability to import and export data at will and provide Virginia Tax with any access and instructions which are needed for Virginia Tax to import or export data.
- C. Any import or export must be stored and transmitted in a secure format per the Security Requirements.

The Offerors are asked to describe how they will satisfy the export and import requirements of this RFP.

13.9 Data Ownership and Access

- A. Data, database instances, and derived data products created, collected, manipulated, or directly purchased as part of this RFP shall become the property of Virginia Tax. Virginia Tax is the custodian and owner of the data and must determine the use, access, distribution, and other conditions based on appropriate per the Commonwealths laws, statutes, and regulations.
- B. Licensed and/or copyrighted data must be governed by the terms and conditions identified in the executed Contract or EULA.
- C. Public jurisdiction user accounts and public jurisdiction data shall not be accessed, except:
 - 1. In the course of data center operations,
 - 2. In response to service or technical issues,
 - 3. As required by the express terms and conditions of the executed Contract, including as necessary to perform the services hereunder or,
 - 4. At Virginia Tax’s written request.
- D. The Contractor must limit access to and possession of Virginia Tax data to only the Contractor personnel whose responsibilities reasonably require such access or possession and must train such Contractor Personnel on the confidentiality obligations set forth herein.
- E. At no time shall any data or processes – that either belong to or are intended for the use of Virginia Tax or its officers, agents, or employees – be copied, disclosed, or retained by Contractor or any party related to Contractor for subsequent use in any transaction that does not include Virginia Tax.
- F. The Contractor shall not use any information collected in connection with the services furnished under this Contract for any purpose other than fulfilling such services.
- G. Provisions in Data Ownership and Access must survive expiration or termination of the Contract (**reference section 31.J, Survival of Exhibit A – Sample Contract**).
- H. The Contractor shall flow down the provisions of Data Ownership and Access (or the substance thereof) in all subcontracts.

13.10 Functional Specifications Matrix

Offerors are asked to complete **Attachment M - Functional Specifications Matrix** containing Virginia Tax’s business specifications as part of the Offeror’s comprehensive proposal response. Functional Requirements align to the Virginia Tax Business Capability Model (BCM) described in **Section 7 – Current Business Landscape**.

13.11 Technical Specifications Matrix

Offerors are asked to complete and submit the file included as **Attachment L - Technical Specifications Matrix** which contains the technical specifications for the proposed ITS.

14.0 Additional Key Functionality

In addition to completing and submitting **Attachment M - Functional Specifications Matrix**, Offerors are asked to describe how the proposed ITS and implementation approach addresses the following additional functional capabilities.

14.1 Reporting and Analytics

Offerors are asked to describe the approach and tools that will be used to enable the reporting and analytics capabilities required by Virginia Tax. Virginia Tax requires highly robust reporting capabilities that include but are not limited to:

- A. Detailed reporting on tax revenue and tax related operations (e.g., returns, refunds, audits, collections, refund interest, fraud, billings, tax credits, etc.), as well as
- B. Analytics-driven workforce reporting and business intelligence capabilities that can provide meaningful measurements of organizational performance.
- C. Reporting capabilities must be intuitive, delivering standard reports, executive dashboards, and ad hoc queries based on current and future requirements.
- D. Trained business users should be able to create their own reports using “drag and drop” design features, rather than relying solely on IT resources.
- E. The ITS, at minimum, shall provide the ability to forecast revenue, report on past periods, and conduct trend analysis to provide both historical and real-time insight into critical areas, such as tax revenue, employee workload, and performance.

Virginia Tax is interested in using Business Intelligence (BI) tools to perform advanced analytics. Offerors proposed ITS must integrate with commercial BI tools or have an analytical tool built-in to provide the functionality and meet the needs of the end-user as described in **Attachment L - Technical Specifications Matrix**. Offerors are asked to describe in their response the following:

- A. The proposed ITS business intelligence capabilities;
- B. How the ITS integrates with third-party BI tools; and
- C. The Offeror's preferred BI solution for enabling and enhancing BI capabilities in the future.

14.2 Online Taxpayer Self-Service Portal

Offerors are asked to describe how the proposed ITS supports a web-based taxpayer self-service portal that includes, but is not limited to the following functionality:

- A. Allow taxpayers, authorized tax professionals, and bulk filers to submit, update, and review their information such as licenses, returns, correspondence and communication, payments, and refunds based on established business rules and validation procedures.
- B. Create and manage account information and access based on established business rules and validation procedures.
- C. View account balances and payments due.
- D. Manage and coordinate payments required via all payment channels.
- E. Track real-time progress of license, returns, payment status, cases, etc.
- F. Establish payment plans based on established business rules and validation procedures.
- G. Provide historical review of tax information and payments.
- H. Submit questions to Virginia Tax and receive secure responses.
- I. Issue reminders and notifications on payments due and compliance activities

14.3 Technical Requirements

Offerors are asked to complete and submit the file included as **Attachment L - Technical Specifications Matrix** which contains the technical specifications for the proposed ITS.

15.0 Oral Presentation & Solution Demonstrations

Preliminary scores from the initial evaluation of Proposals will be used to select Offerors to invite to oral presentations and solution demonstrations. Please refer to **Exhibit N – Oral Presentations & Demonstrations Agenda & Scenarios** for a structured agenda and demonstration scenarios to be used to ensure standard coverage of each invited Offeror. It is anticipated that presentations will take place in Richmond in late September 2024. Exact dates and location of the presentations will be made available at least two (2) weeks in advance.

The purpose of oral presentations and solution demonstrations is to clarify and expand upon information provided in the written proposals. Offerors are prohibited from altering the basic substance of their Proposals.

Individuals proposed for Key Personnel roles should be present. Virginia Tax may request to interview certain Key Personnel as part of the Oral Presentations and Demonstration phase of the evaluation.

16.0 Evaluation And Award

16.1 Evaluation Process

Virginia Tax will review each proposal received by the due date and time to determine whether it satisfies the requirements of this RFP. This will include the Offerors diligence and thoroughness in following and completing the requirements of this RFP.

Virginia Tax may elect to continue the evaluation of the most qualified proposal (s) and may request that Suppliers clarify or explain certain aspects of their proposals.

At any point in the evaluation process Virginia Tax may employ any or all of the following means of evaluation:

- A. Industry research.
- B. Site visits.
- C. Offeror's status as a small business or micro business, including small or micro businesses that are owned by minorities, women, or disabled veterans, and certified by the Virginia Tax of Small Business and Contractor Diversity ("DSBSD").
- D. Offeror's planned amount of spend with certified SWaM or micro business subcontractors.
- E. Offeror's references.
- F. Review of Offeror's ability and willingness to comply with the Commonwealth's security and data privacy policies, standards, guidelines and related contract terms.
- G. Contact with Offeror's customers.
- H. Interviews with Key Personnel.
- I. Oral Presentation and demonstrations.
- J. Requests for Offerors to elaborate on or clarify specific portions of their proposal, including, as applicable, any responses to the RFP's security requirements.

Virginia Tax may limit all of the above to the most qualified proposals. No Offeror is guaranteed an opportunity to explain, supplement, or amend its initial proposal. Each Offeror is encouraged to ensure that its initial proposal contains and represents its best offering. Offerors should submit their best proposal and not assume there will be an opportunity to negotiate, amend, or clarify any aspect of your initial submitted proposal.

Virginia Tax will select for negotiation those proposals deemed to be fully qualified and best suited based on the factors as stated in the RFP. Negotiations will be conducted with these Offerors. After negotiations, Virginia Tax may select the proposal(s) that, in its opinion, is the best proposal representing best value and may award a contract to that Offeror.

For purposes of this RFP, Virginia Tax will determine best value based on the value relative to the cost of the Service/Solution, giving consideration to the project's budget objectives. If this is a cloud-based procurement (i.e., off-premises hosting), following Virginia Tax's selection of the best proposal(s) representing best value to the Commonwealth, Offeror's failure to successfully answer, negotiate, and/or comply with any resulting security requirements that may arise in order to approve Offeror's cloud application, may result in removal from further consideration. Refer to **Attachment O – COVRamp Assessment** of the RFP.

If any Offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, Virginia Tax may terminate negotiations with that Contractor at any time.

Virginia Tax reserves the right, at its sole discretion, to reject any proposal or cancel and re-issue the RFP. In addition, Virginia Tax reserves the right to accept or reject in whole or in part any proposal submitted, and to waive minor technicalities when in the best interest of the Commonwealth.

VIRGINIA TAX SHALL NOT BE CONTRACTUALLY BOUND TO ANY OFFEROR PRIOR TO THE EXECUTION OF A DEFINITIVE WRITTEN CONTRACT.

16.2 Evaluation Criteria

The Proposal Evaluation Committee will review all proposals received by the proposal submission deadline. Proposals should be complete and responsive to all sections of the RFP. Proposals that do not fulfill all solicitation requirements or omit any of the requested contents may receive a reduced evaluation score.

The following listed provides examples of items that could cause the Offerors response to fail and not move forward for continued evaluation:

- A. Proposer must have been in the business of providing similar solution / services for a minimum of ten (10) years.
- B. Proposer must not have had a contract terminated for cause within the last twenty-four (24) months.
- C. Proposer shall disclose any lawsuits in which the firm is or was a party, for the preceding five (5) years, and the resulting outcomes.
- D. Proposer must not have filed for bankruptcy protection within the past ten (10) years.
- E. Proposer must show evidence of possessing Worker's Compensation Insurance as required by law.

A numerical scoring system will be used in evaluation of proposals. The point values assigned to each of the evaluation criteria are as follows:

Evaluation Criteria Description	Value
Overall Conformance to RFP Submission Requirements	Pass/Fail
Financial Stability	Pass/Fail
Experience & Product Roadmap (Max. Available Points)	
▶ Prior Experience and References	120
▶ Product Roadmap	
▶ Project Organization	
Capabilities (Max. Available Points)	
▶ Implementation Approach & Services	170
▶ Attachment M - Functional Requirements	
▶ Attachment L - Technical Requirements	
▶ Security Approach & Requirements	
▶ Support (Managed Services)	
SWaM Utilization	10
Cost	40
Presentation & Demonstration (Max. Available Points)	
▶ Oral Presentation	60
▶ Scenario Demonstrations	
▶ Attendance of Key Personnel	
Overall Maximum Available Points	400

17.0 Reporting Requirements

During the term of any agreement resulting from this solicitation, or any renewal thereof, the Offerors agree that the required reports that are identified in **Exhibit A – Sample Contract**, **Exhibit H – Additional Cloud Terms and Conditions** and **Attachment C - Small Business Utilization Plan** shall be submitted to Virginia Tax. Failure to comply with reporting and payment requirements of this section may result in payment(s) being withheld until compliance with the plan is received and confirmed.

Virginia Tax reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default. Reference **Exhibit A – Sample Contract, Section 3, Contract Term and Termination**.

18.0 Proposal Administration and Instructions:

18.1 Overview

This RFP was developed to provide all potential Contractors with the information required to prepare proposals. This section outlines the administrative procedures and guidelines you must use and comply with when preparing a proposal. Nothing in this RFP constitutes an offer or an invitation to contract.

18.2 Read, Understand, and Comply

It is the Offeror’s responsibility to read this entire document, review all attachments, and any addenda thereto, and to comply with all requirements and specifications specified herein, regardless of where such requirements and specifications appear within the collective documentation forming this RFP.

18.3 Proposal Protocol and Preparation

In order to be considered for selection, Offerors must submit a complete response to this RFP as described herein utilizing eVA, the Commonwealth’s electronic procurement system (“eVA”), no later than 3:00 PM Eastern Daylight Saving Time on August 28, 2024.

18.4 COVRamp Assessment Submission

Virginia Tax will accept the submission of the Offeror’s COVRamp Assessment prior to the closing date of the RFP. The Offeror shall email the SPOC with your acceptance and acknowledgement of early submission. The Offeror will not be penalized if COVRamp Assessment is submitted with the Offerors response.

In order for a Software as a Service (SaaS) contract to be awarded an assessment shall be conducted by VITA based on Supplier’s responses to the COVRamp Assessment documentation.

The following documents shall be submitted:

- A. Attachment N: COVRamp Non-Disclosure
- B. Attachment O: COVRamp Assessment

- C. SOC 2, Type II for the hosting provider
- D. 3rd Party attestation for the application/solution

18.5 Electronic Proposal Submission

ONLY ELECTRONIC RESPONSES SUBMITTED THROUGH eVA WILL BE ACCEPTED. Proposals received via hand-delivery, mail, email, or fax will not be accepted. Contractors must be registered in eVA to submit a response to this RFP.

The following documents shall be submitted with your proposal:

- A. Financial Information
 1. Total Annual Revenue
 2. Please state your total annual revenue and indicate the revenues associated with the provision of Service/Solution/solution relevant to your proposal.
 3. Dun and Bradstreet Credit Report
 4. Include your firm's current full D&B Business Report for the most recent 3 years, if D&B issues reports on Supplier.
 5. Annual Reports
 6. Please provide certified, audited financial statements (i.e., income statements, balance sheets, cash flow statements) for the most recent three years. (Any Supplier that has been in business for a shorter period of time is requested to submit any available certified, audited annual financial statements.) Virginia Tax may request copies of or access to current and historic annual reports. Virginia Tax reserves the right to access a Supplier's publicly available financial information and to consider such information in its evaluation of such Supplier's proposal.
- B. Contents/Deliverables
 1. One (1) electronic copy of the signed Request for Proposal Cover Page. The proposal cover page shall be signed by an authorized representative of the Contractor.
 2. One (1) electronic copy of Attachment K – Comprehensive Proposal Requirements Workbook
 3. One (1) electronic copy of Attachment A through Attachment J
 4. One (1) electronic copy of Attachment P - Cost Proposal
 5. One (1) electronic copy of Attachment L - Technical Specifications Matrix
 6. One (1) electronic copy of Attachment M - Functional Specifications Matrix
 7. One (1) electronic copy of Attachment Q - Key Personnel

8. One (1) electronic copy of Attachment R - Staffing Plan
9. One (1) electronic copy of Attachment T – Service Level Requirements
10. One (1) electronic copy of each file titled “Redacted” with all redactions, if necessary, consistent with the requirements specified in Section “Trade Secrets and Proprietary Information.”

IF you have not already submitted COVRamp documentation, submit:

1. One (1) electronic copy of Attachment O - COVRamp Assessment
2. One (1) electronic copy of Attachment N – COVRamp NDA

DO NOT RETURN **Attachment S - Reference Questionnaire**. The questionnaire is to be completed by the reference and submitted to the RFP Single Point of Contact. It is the responsibility of the Contractor to ensure their proposal with all required documentation is properly completed, readable, and uploaded to eVA by the RFP Due Date and Time noted in the Cover Page. Contractors should allow sufficient time to account for any technical difficulties they may encounter during online submission or uploading of the documents. Any proposals received after the deadline will not be considered. Contractors shall make no other distribution of their proposals. In the event of any technical difficulties, Contractors must contact the eVA Customer Care Center at the following link [eVA Customer Care Center](#) and click on the link “Contractor Assistance Request Form.”

All proposal materials should be provided as either a PDF, Microsoft Word, or Microsoft Excel file, as specified, with no passwords used for any document access.

Proposals should be prepared and organized as indicated in **Sections 10 through 14** providing a concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

The maximum file size per attachment is 80 MB; however, there is no limit on the number of files you may attach. If the size of the file is greater than 80 MB, the file should be broken down into smaller files and labeled in sequential order (Ex: Part 1, Part 2 or Tab 1, Tab 2).

You should be prepared to incorporate all statements made in your proposal in response to **Sections 10 through 14** into the final contract in the event that you are awarded the contract.

18.6 Single Point of Contact

Submit all inquiries concerning this RFP in writing by email, subject: “Questions on RFP #2024-KB-002” to:

SPOC: Kristina Brekke, Procurement Director, Virginia Tax

Email: tax-irmsreplacementproject@tax.virginia.gov

Virginia Tax cannot guarantee a response to questions received after the August 9 due date. No questions will be addressed orally.

To ensure timely and adequate consideration of proposals, Contractors are to limit all contact, whether verbal or written, pertaining to this RFP to the designated SPOC for the duration of this proposal process.

18.7 Virginia Public Procurement Act (VPPA)

This RFP is governed by the Virginia Public Procurement Act (“VPPA”), Code § 2.2-4300 et seq., and other applicable laws.

18.8 Anti-Discrimination- § 2.2-4200, § 2.2-4311, and § 51.5

By submitting its proposal, a Supplier certifies to the Commonwealth that it 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, Code § 2.2-4200 et seq., as amended; § 2.2-4311 of the VPPA; and, where applicable, the Virginians With Disabilities Act, Code § 51.5 et seq., and the Americans With Disabilities Act.

18.9 Ethics in Public Contracting - § 2.2-4367 et seq.

By submitting its proposal, a Supplier certifies that its proposal is made without collusion or fraud; that the Supplier has not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer, or subcontractor in connection with its proposal; and that the Supplier has 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. In addition, a Supplier will disclose any actual or perceived conflicts of interest in its proposal and will notify AGENCY if it becomes aware of a potential conflict of interest in the future.

18.10 Announcement of Award - § 2.2-4300 et seq.

If a contract is awarded or announced as a result of this RFP, the purchasing agency will post notice of the award decision on the DGS/DPS eVA website (<http://www.eva.virginia.gov>) for a minimum of 10 days. No award decision will be provided verbally. Any final contract, including pricing, awarded as a result of this RFP will be made available for public inspection.

18.11 Authorization to Transact Business in the Commonwealth - § 2.2-4311.2

All Suppliers organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership, or registered as a registered limited liability partnership must be authorized to transact business as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code, or as otherwise required by law. In its proposal, Supplier must include either (i) Supplier’s identification number issued to it by the State Corporation Commission; or (ii) a statement explaining why Supplier is not required to be registered. No award can be made to any Supplier without this information unless this requirement is waived.

Attachment A – State Corporation Commission Form of this solicitation includes a space for Supplier to provide the information required in (i) or (ii) of this subsection. If a Supplier anticipates the use of additional resources through a partnership or subcontracting relationship with other entities, the requirements of this Section 2.F will also apply to any entities that are engaged as partners or subcontractors of Supplier providing services directly to the Commonwealth upon award of a contract.

18.12 Prohibited Products and Services - § 2.2-5514

No Supplier may include as part of its proposal, whether directly or indirectly through subcontractors, any hardware, software, or services that have been prohibited for use on federal systems by the U.S. Department of Homeland Security.

18.13 Prohibited Contributions and Gifts - § 2.2-4376.1

No Supplier that submits a proposal in response to this solicitation, and no individual who is an officer or director of the Supplier, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Secretary of Administration during the period between the submission of the proposal and the award of any resulting contract award with an expected value of \$5 million or more dollars.

18.14 Liability

The issuance of this RFP and the receipt of information in response to this RFP will not cause AGENCY to incur any liability or obligation, financial or otherwise, to any Supplier. AGENCY assumes no obligation to reimburse or in any way compensate a Supplier for expenses incurred in connection with its proposal.

18.15 Disclosure

Except as provided in paragraph Trade Secrets and Proprietary Information below, all proceedings, records, contracts, and other public records relating to this procurement shall be open to the inspection of any citizen, or any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et seq.)

18.16 Trade Secrets and Proprietary Information

FAILURE TO COMPLY WITH THE FOLLOWING STATUTORY REQUIREMENTS WILL RESULT IN ALL PROPOSAL MATERIALS BEING SUBJECT TO RELEASE TO OTHER OFFERORS AND THE PUBLIC IN ACCORDANCE WITH THE VPPA AND THE VIRGINIA FREEDOM OF INFORMATION ACT.

Pursuant to Code § 2.2-4342(F), trade secrets or proprietary information submitted by a bidder or offeror in connection with a procurement transaction (or, if applicable, a prequalification application submitted pursuant to subsection B of § 2.2-4317) shall not be subject to the Virginia Freedom of Information Act (Code § 2.2-3700 et seq.) if a Supplier:

- a. invokes the protections of this section in writing prior to or upon submission of the data or other materials,
- b. identifies specifically the data or other materials to be protected, and
- c. states the reasons why protection is necessary.

Please note that you may not designate as trade secrets or proprietary information (a) an entire bid, proposal, or prequalification application; (b) any portion of a bid, proposal, or prequalification application that does not contain trade secrets or proprietary information; or (c) line-item prices or total bid, proposal, or prequalification application prices. The classification of an entire proposal or of pricing as a trade secret or proprietary information is not acceptable and will not be honored by Virginia Tax or the Commonwealth.

You should use **Attachment B - Proprietary Trade Secret Information** to provide a list of all pages in the proposal that contain proprietary information and the reason you deem the information proprietary.

Suppliers should keep in mind that procurement and contract records are generally public records open to inspection in accordance with the Virginia Freedom of Information Act (see Code § 2.2-4342(A)) and that transparency in procurement, contracting, and other governmental functions serves important public policy objectives. See Code §§ 2.2-4300(C) & 2.2-3700(B). Accordingly, Suppliers should not designate as trade secrets or proprietary information any more of their proposal than is necessary.

By submitting a proposal in response to the RFP, a Supplier grants Virginia Tax a worldwide, royalty-free, non-sublicensable, non-exclusive, irrevocable license to retain, reproduce, and use the proposal (including any exhibits or other documents or materials the proposal incorporates) in any format for governmental purposes required or provided for by Virginia law. The foregoing includes, but is not limited to, the right for Virginia Tax to use information submitted in response to this document in any manner Virginia Tax may deem appropriate in evaluating the fitness of the services or solution(s) proposed.

19.0 Optional Pre-Proposal Conference

An optional preproposal conference will be held virtually at **2:00 PM on Aug 07, 2024**. Interested Offerors can attend this meeting by selecting this link ([Link to Virtual Preproposal Conference](#)). All interested offerors are encouraged to confirm your participation in the conference by emailing the SPOC (tax-irmsreplacementproject@tax.virginia.gov) with the name of your organization and those from your organization who will be attending.

The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. Alternate dates will not be scheduled.

Potential Offerors are encouraged to submit any questions pertaining to this RFP in writing prior to the date and time of the pre-proposal conference. All questions should be submitted to Kristina Brekke via email at tax-irmsreplacementproject@tax.virginia.gov.

Although participation at this conference will not be a prerequisite for submitting a proposal, due to the importance of all Offerors having a clear understanding of the Statement of Needs and requirements of this solicitation, interested Offerors are encouraged to participate.

Any change in this solicitation will be made through an addendum issued by the SPOC and will be posted on the state procurement website at www.eva.virginia.gov.

20.0 General Requirements:

The Contractor shall agree to comply with the following:

20.1 Tax Compliance Background Check:

- A. Virginia Tax will perform a tax compliance check on all Offerors and their respective subcontractors prior to evaluation and scoring of the RFP. The Offeror and its selected subcontractors must be in good standing on respective taxes (i.e., sales, withholding, corporate etc.).
- B. Virginia Tax will coordinate a compliance check with the top-ranking Offerors from the first round of evaluations. If there are any tax compliance issues with an Offeror's company, the Offeror will have five (5) business days to resolve the issue or the Offeror's proposal will no longer be considered, evaluated, or scored. If any of the Offeror's subcontractors has a tax-compliance issue that cannot be resolved, then Virginia Tax will give the Offeror the opportunity to present another subcontractor or remove them from consideration.
- C. Virginia Tax will not consider any proposals in response to this RFP where the contractor or subcontractor(s) will perform any portion of the services in a foreign country.

20.2 Fingerprint Background Check: The Contractor shall:

- A. Complete a fingerprint-based Criminal Background Check (FCBC) for anyone that will work on this contract, to include but not limited to; each Officer, Principal, employee, consultant, sub-contractor, and/or third-party.
- B. Have each officer, principal, employee, consultant, sub-contractor, and/or third-party with access to taxpayer returns or return information complete and sign the Attachment E - **Agreement Regarding the Safeguarding Tax Information (Attachment E)**. The Contractor shall retain all original signed agreements for a period of at least five (5) years after the respective employee or individual terminates his or her relationship with the Contractor.
- C. Obtain prior written approval from Virginia Tax for all activities that include but are not limited to working outside of the bounds of the designated office location, remote working, teleworking, etc. that will occur by employees, subcontractors, and/or third parties that will service this contract.

- D. Inform Virginia Tax immediately of any new litigation, diverse company or employee actions, or lawful charges on behalf of the company, principals, officers, employees, subcontractors, and/or third parties.

21.0 Safeguarding Contract: IRS Publication 1075

(link: [IRS Publication 1075](#))

21.1 Performance

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

- A. All work will be done under the supervision of the contractor or the contractor's employees.
- B. The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
- C. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- D. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- E. The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- F. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

- G. All computer systems receiving, processing, storing or transmitting FTI must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal Tax Information.
- H. No work involving Federal Tax Information furnished under this contract will be subcontracted without prior written approval of the IRS.
- I. The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- J. The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

21.2 Criminal/Civil Sanctions

- A. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- B. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such

unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

- C. Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- D. Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

21.3 Inspection

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

22.0 Standard Agreement

- A. Virginia Tax's intent is to award a single Contract for the technology and services outlined in this RFP. Offerors shall be responsible for all multi-vendor and Subcontractor coordination, management, and communications. Any Subcontractors must be named in the proposal and will be subject to the same background checks and requirements as the primary Offeror.
- B. Alliances among Suppliers are acceptable to meet the requirements of this procurement. However, Virginia Tax is interested in simplifying processes by having a single point of contact with the prime contractor.
- C. The Contract (**Exhibit A -Sample Contract**) resulting from this solicitation will be on a firm fixed price per milestone basis. Offerors should prepare cost proposals reflecting the best available pricing to meet the requested scope of services.
- D. Any resulting agreement shall be defined by a written contract (**Exhibit A – Sample Contract**), which shall be binding only when fully executed by both parties. Depending on the type of solution proposed, the agreement will address licensing or hosting issues.
- E. In the event the Offeror is a software reseller, Virginia Tax will consider the software publisher's license agreement language if the software publisher requires an End User License Agreement (EULA). In such case, Offeror is advised that Virginia Tax will require the Offeror to obtain VITA's License Agreement Addendum (**Attachment F – License Agreement Addendum**) to such EULA to address terms and conditions in such EULA with which Virginia Tax, as a government entity, by law or by policy, cannot agree.
- F. If an Offeror's proposed Service/Solution requires Virginia Tax to execute a EULA, **Attachment F - License Agreement Addendum** terms shall apply.
- G. The final terms and conditions of the contract shall be agreed upon during negotiations.
- H. The offeror is requested to complete and submit with its proposal, in the format provided in the **Attachment I - Offeror's Exceptions**, all exceptions or recommended language revisions to the contract template in **Exhibit A – Sample Contract**, excluding exceptions or recommended language revisions to any provisions regarding liability. If Offeror is selected to go forward into negotiations, at that time Supplier shall state any exceptions to any liability provisions contained in the Request for Proposal in writing at the beginning of such negotiations, submitted via email to the designated Virginia Tax POC. Such Offeror provided exceptions or recommended language revisions shall be considered during negotiations. Redlines to the contract template itself will not be considered or evaluated.

23.0 Definitions

23.1 Business Day/Hour

Normal operating hours for the Commonwealth of Virginia: Monday-Friday, 8 a.m.-5 p.m. Eastern Standard/Daylight Saving Time, unless otherwise specified on the applicable order or Statement of Work, excluding Commonwealth-designated holidays.

23.2 Component

Software or Deliverable delivered by Supplier under this Contract, including under all orders or Statements of Work.

23.3 Electronic Self-Help

Any use of electronic means to exercise Supplier's license termination rights, if allowable pursuant to the Contract, upon breach or cancellation, termination or expiration of this Contract or any Statement of Work or order placed hereunder.

24.0 General Terms and Conditions

The following terms and conditions are MANDATORY and shall be included verbatim in any Contract awarded.

- A. **IMMIGRATION:** Supplier does not, and shall not during the performance of this Contract, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- B. **DEBARMENT STATUS:** By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.

If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor.

- C. **MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFPs:** 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.

- D. **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.
- E. **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 services/furnish the goods 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 physical facilities prior to award to satisfy questions regarding the offeror capabilities. The Commonwealth further reserves the right to reject any (bid/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 provide the services and/or furnish the goods contemplated therein.
- F. **TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- G. **DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth may terminate this agreement after verbal or written notice without penalty. Upon termination the Commonwealth may procure the goods or services contracted for 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.
- H. **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACT, AND ORDERS:** The eVA Internet electronic procurement solution, website portal 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 by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below. Failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

1. For orders issued July 1, 2014, and after, the Vendor Transaction fee is:
 - i. DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
 - ii. Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.

2. Refer to Special Term and Condition “eVA Orders and Contracts” to identify the number of purchase orders that will be issued as a result of this solicitation/contract with the eVA transaction fee specified above assessed for each order.
3. For orders issued prior to July 1, 2014, the vendor transaction fees can be found at eva.virginia.gov.
4. The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, typically within 60 days of the order issue date. Any adjustments (increases/decreases) will be handled through purchase order changes.

25.0 Special Terms and Conditions

The following terms and conditions are desirable. The Contractor may propose alternative language, but the basic form of the Agreement shall be retained.

- A. **AWARD:** Selection shall be made of two or more offerors 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 reasons why a particular proposal was not deemed to be the most advantageous (Code of Virginia, § 2.2-4359D). 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.
- B. **eVA ORDERS AND CONTRACTS:** The solicitation/contract will result in multiple purchase order(s) with the applicable eVA transaction fee assessed for each order.
- C. **PRODUCT INFORMATION:** The offeror shall clearly and specifically identify the product being offered and enclose complete and detailed descriptive literature, catalog cuts, and specifications with the proposal to enable the Commonwealth to determine if the product offered meets the requirements of the solicitation. Failure to do so may cause the proposal to be considered nonresponsive.

- D. **CERTIFICATION OF INTERNAL CONTROLS:** The contractor shall have clearly delineated processes and procedures for the internal control of sensitive data and processes, which are any data and processes of which the compromising of confidentiality, integrity, and/or availability could have a material adverse effect on Commonwealth of Virginia interests, the conduct of agency programs, or to the privacy of which individuals are entitled, when such sensitive data or processes are related to the goods and/or services provided pursuant to this agreement.

The contractor shall provide evidence of compliant and ongoing internal control of sensitive data and processes through a standard methodology, such as but without limitation the American Institute of Certified Public Accountant (AICPA) Service Organization Control (SOC) Reports. The evidence of compliance shall be contained in a report describing the effectiveness of the contractor's internal controls. The most recent version of the report shall be provided to the purchasing office upon request. Trade secrets or proprietary information contained within the report shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the contractor must invoke the protection of Code of Virginia, § 2.2-4342F, in writing, prior to or upon submission of the report, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

If deficiencies in the contractor's internal control processes and procedures are described in the most recent version of the report, the contractor shall automatically submit the report to the purchasing office within a timely manner and shall describe the corrective actions to be put into place by the contractor to remedy the deficiencies. Failure to report and/or repair deficiencies in a timely manner shall be cause for the Commonwealth to make a determination of breach of contract.

The contractor's obligations for certification of internal controls shall survive and continue after completion of this agreement unless the contractor certifies the destruction of the sensitive data at the end of the contract term.

- E. **QUALIFIED PERSONNEL:** All services to be performed as specified in this solicitation shall be performed by properly trained and experienced personnel. The Commonwealth reserves the right to require proof of training or experience prior to award and at any time during the term of the Contract. Verification of stated qualifications should be provided with the Offeror's response. The Commonwealth reserves the right to request replacement of Contractor's personnel of the Services performed by the Contractor's personnel is deemed in any way unsuitable by the Contract Administrator.
- F. **CONTRACTOR ACCESS TO COMMONWEALTH LOCATIONS:** The Commonwealth shall grant to Contractor personnel such access to locations as may be necessary or appropriate for Contractor to perform its obligations under this Agreement, subject to all security issues. The Contractor may be required to undergo additional security procedures that may include, but not be limited to; records verification, submission of photos and or fingerprints, etc.

The Contractor may at any time, for any location, be required to undertake the execution and completion for each individual employee, the requirement of the submission of additional forms considered reasonable for security measures. These forms may include the individual employee's agreement that all information that is garnered while at the site is confidential and proprietary. Any unauthorized release of proprietary information by the Contractor or Contractor's employees shall constitute a breach of this Agreement, and subject to any remedies the Commonwealth is entitled to thereby.

- G. **LOBBYING AND INTEGRITY:** Offerors are cautioned that communications with individuals other than the Contracting Officer may result in incorrect and/or insufficient information being provided. In addition, the Offeror shall not, in connection with this or any other agreement with the State, directly or indirectly (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give anyone any gratuity for the benefit of or at the direction or request of any state officer or employee.

26.0 Price Schedule

Offerors shall submit pricing on **Attachment P - Cost Proposal** per the included instructions.

27.0 Attachments (Response Required)

Attachment A.	State Corporation Commission Form
Attachment B.	Proprietary Trade Secret Information
Attachment C.	Small Business Subcontracting (SWAMs) Plan
Attachment D.	Conflict of Interest
Attachment E.	Safeguarding Taxpayer Information
Attachment F.	License Agreement Addendum
Attachment G.	Lobbying Certification
Attachment H.	Non-Disclosure
Attachment I.	Offeror's Exceptions
Attachment J.	Offeror's Acceptance and Acknowledgement
Attachment K.	Comprehensive Requirements Response Workbook
Attachment L.	Technical Specifications Matrix
Attachment M.	Functional Specifications Matrix
Attachment N.	ECOS COV Ramp Non-Disclosure Agreement
Attachment O.	COVRamp Assessment
Attachment P.	Cost Proposal
Attachment Q.	Key Personnel

Attachment R.	Staffing Plan
Attachment S.	Reference Questionnaire
Attachment T.	Service Level Requirements

28.0 Exhibits (Informational)

EXHIBIT A.	Sample Contract
EXHIBIT B.	Implementation Roles & Responsibilities
EXHIBIT C.	Tax Types and Characteristics
EXHIBIT D.	Forms Inventory
EXHIBIT E.	Reports Inventory
EXHIBIT F.	Current Applications Inventory
EXHIBIT G.	IRMS Current Architecture Diagram
EXHIBIT H.	Additional Cloud Services Terms & Conditions
EXHIBIT I.	Disclosure Incident Form
EXHIBIT J.	Virginia Tax Data Archive & Purge Criteria
EXHIBIT K.	SOW Change Order Template
EXHIBIT L.	SOW Template
EXHIBIT M.	Milestone Deliverable Template
EXHIBIT N.	Oral Presentation & Demonstrations Agenda & Scenarios