

 <b>UNIVERSITY OF SOUTH CAROLINA</b>	<b>REQUEST FOR PROPOSAL</b>	Solicitation Number	USC-RFP-2305-BB
		Date Printed	09/28/2012
		Date Issued	09/28/ 2012
		Procurement Officer	Bruce Breedlove, CPPB
		Phone	(803) 777-8344
E-Mail Address	<a href="mailto:bruce.breedlove@sc.edu">bruce.breedlove@sc.edu</a>		

DESCRIPTION: PROVIDE HUMAN RESOURCE, PAYROLL AND FINANCE SERVICES

USING GOVERNMENT AGENCY: UNIVERSITY OF SOUTH CAROLINA

*The Term "Offer" Means Your "Bid" or "Proposal".*

SUBMIT OFFER BY: (Opening Date/Time): **11/14/2012 at 11:00 AM** See "Deadline for Submission of Offer" provision

QUESTIONS MUST BE RECEIVED BY: **10/16/2012 4 :30 PM** See "Questions From Offerors" provision

NUMBER OF COPIES TO BE SUBMITTED: **One (1) Original and Five (5) Hardcopies marked "COPY" Plus (1) Electronic Copy (Original Hardcopy Shall Prevail)**

**Offers must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior.**

SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:

<b>MAILING ADDRESS:</b>	<b>PHYSICAL ADDRESS:</b>
University of South Carolina – Purchasing Dept. 1600 Hampton St., Suite 606 Columbia, SC 29208	University of South Carolina – Purchasing Dept. 1600 Hampton St., Suite 606 Columbia, SC 29208

See "Submitting Your Offer" provision

<b>CONFERENCE TYPE:</b> Non-Mandatory Proposal Conference <b>DATE &amp; TIME:</b> 10/16/2012; 10:00 AM  As appropriate, see "Conferences-Pre-Bid/Proposal" & "Site Visit" provisions	<b>LOCATION:</b> Purchasing Conference Room 1600 Hampton St., Suite 600 Columbia, SC 29208
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<b>AWARD &amp; AMENDMENTS</b>	Award will be posted at the Physical Address stated above on <b>02/18/2013</b> . The award, this solicitation, and any amendments will be posted at the following web address: <a href="http://purchasing.sc.edu">http://purchasing.sc.edu</a>
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You must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of thirty (30) calendar days after the Opening Date.	
<b>NAME OF OFFEROR</b> <small>(Full legal name of business submitting the offer)</small>	<b>OFFEROR'S TYPE OF ENTITY:</b> <small>(Check one)</small> <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporate entity (not tax-exempt) Tax – exempt corporate entity <input type="checkbox"/> Government entity (federal, state, or local) <input type="checkbox"/> Other <small>— (See "Signing Your Offer" provision.)</small>
<b>AUTHORIZED SIGNATURE</b> <small>(Person signing must be authorized to submit binding offer to enter contract on behalf of Offeror named above.)</small>	
<b>TITLE</b> <small>(Business title of person signing above)</small>	
<b>PRINTED NAME</b> <small>(Printed name of person signing above)</small>	<b>DATE SIGNED</b>
Instructions regarding Offeror's name: Any award issued will be issued to, and the contract will be formed with, the entity identified as the offeror above. An offer may be submitted by only one legal entity. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, <i>i.e.</i> , a separate corporation, partnership, sole proprietorship, etc.	
<b>STATE OF INCORPORATION</b> <small>(If offeror is a corporation, identify the state of Incorporation.)</small>	
<b>TAXPAYER IDENTIFICATION NO.</b> <small>(See "Taxpayer Identification Number" provision)</small>	

**PAGE TWO**

**(Return Page Two with Your Offer)**

<p><b>HOME OFFICE ADDRESS</b> (Address for offeror's home office / principal place of business)</p>          	<p><b>NOTICE ADDRESS</b> (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)</p>          <p align="right">_____ Area Code - Number - Extension                      Facsimile _____ E- mail Address</p>
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<p><b>PAYMENT ADDRESS</b> (Address to which payments will be sent.) (See "Payment" clause)</p>          <p>_____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address    <b>(check only one)</b></p>	<p><b>ORDER ADDRESS</b> (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)</p>          <p>_____ Order Address same as Home Office Address _____ Order Address same as Notice Address    <b>(check only one)</b></p>
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**ACKNOWLEDGMENT OF AMENDMENTS**  
Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)

Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

<p><b>DISCOUNT FOR PROMPT PAYMENT</b> (See "Discount for Prompt Payment" clause)</p>	<p>10 Calendar Days (%)</p>	<p>20 Calendar Days (%)</p>	<p>30 Calendar Days (%)</p>	<p>_____ Calendar Days (%)</p>
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**PREFERENCES - A NOTICE TO VENDORS (SEP. 2009):** On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at [www.procurement.sc.gov/preferences](http://www.procurement.sc.gov/preferences). ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.*** [11-35-1524(E)(4)&(6)]

**PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE:** Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must provide this information to qualify for the preference. An in-state office is not required, but can be beneficial, if you are claiming the Resident Subcontractor Preference (11-35-1524(D)).

\_\_\_\_\_ In-State Office Address same as Home Office Address  
\_\_\_\_\_ In-State Office Address same as Notice Address    (check only one)

## **Solicitation Outline**

- I. Scope of Solicitation
- II. Instructions to Offerors
  - A. General Instructions
  - B. Special Instructions
- III. Scope of Work / Specifications  
May be blank if Bidding Schedule / Cost Proposal attached
- IV. Information for Offerors to Submit
- V. Qualifications
- VI. Award Criteria
- VII. Terms and Conditions
  - A. General
  - B. Special
- VIII. Bidding Schedule / Cost Proposal
- IX. Attachments to Solicitation

## **I. Scope of Solicitation**

ACQUIRE SERVICES (January 2006): The purpose of this solicitation is to acquire services complying with the enclosed description and/or specifications and conditions.

MAXIMUM CONTRACT PERIOD — ESTIMATED (January 2006): [03/01/2013 – 02/28/2018] Dates provided are estimates only. Any resulting contract will begin on the date specified in the notice of award. See clause entitled "Term of Contract – Effective Date / Initial Contract Period".

The University of South Carolina (USC) is seeking proposals from qualified sources of supply that can provide products, solutions and/or services to replace aging and disparate mainframe systems used to manage human resources, payroll and financial processing activities for its faculty, staff and student employees from initial hire to retirement. The proposals should provide products, solutions, and/or services that support critical operational activities in a fully integrated electronic environment, and document the ability to interface/integrate with other application systems.

The existing University system is over thirty years old and presents technical and functional limitations in supporting the present operational needs of the University escalating the risk the University has in performing these tasks in a compliant manner. The core business processes are conducted on antiquated legacy systems comprised of purchased and custom-built software written in COBOL that limit system-wide reporting capabilities, rely on outdated technology, are supported by a workforce that is rapidly reaching retirement age or who have retired, requires manual processing that decreases operational efficiencies, and reduces access to information.

The scope of this solicitation is to procure solutions and/or services from a qualified Offeror that can meet the needs outlined in this RFP.

### **Solutions Based Procurement**

This is a Solutions-Based procurement that states a problem. Your solution should state your company's answers to the problem. Through this method, the State has attempted to provide the minimum amount of detailed specifications and requirements in order not to transform this RFP into a Bid. As a result, the State does not want to limit your creativeness or ingenuity by over specifying the requirements of this solicitation. However, following the general format provided will assist the University and the State in evaluating your submission. Offeror's response to the Technical Proposal is highly encouraged to include a detailed explanation of its response for every feature/function that it can offer.

**RFP FORMAT:** This RFP is set up with three (3) individual Lots, Lot A: Human Resources; Lot B: Payroll; and Lot C: Finance. Offerors are to submit their response to each Lot individually as outlined in Section IV. Offerors may respond to the Optional Section with additional information if additional benefits can be offered to USC through the bundling of multiple lots.

## **II. Instructions To Offerors - A. General Instructions**

Section II.A applies to all Lots

DEFINITIONS (JANUARY 2006) EXCEPT AS OTHERWISE PROVIDED HEREIN, THE FOLLOWING DEFINITIONS ARE APPLICABLE TO ALL PARTS OF THE SOLICITATION.

AMENDMENT – means a document issued to supplement the original solicitation document.

BUYER – means the Procurement Officer.

CHANGE ORDER - means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

CONTRACT - See clause entitled “Contract Documents & Order of Precedence.”

CONTRACT MODIFICATION – means a written order signed by the Procurement Officer, directing the contractor to make changes which the changes clause of the contract authorizes the Procurement Officer to order without the consent of the contractor.

CONTRACTOR - means the Offeror receiving an award as a result of this solicitation.

COVER PAGE – means the top page of the original solicitation on which the solicitation is identified by number. Offerors are cautioned that Amendments may modify information provided on the Cover Page.

OFFER – means the bid or proposal submitted in response this solicitation. The terms “Bid” and “Proposal” are used interchangeably with the term “Offer.”

OFFEROR – means the single legal entity submitting the offer. The term “Bidder” is used interchangeably with the term “Offeror.” See bidding provisions entitled “Signing Your Offer” and “Bid/Proposal As Offer To Contract.”

ORDERING ENTITY - Using Governmental Unit that has submitted a Purchase Order.

PAGE TWO – means the second page of the original solicitation, which is labeled Page Two.

PROCUREMENT OFFICER – means the person, or his successor, identified as such on the Cover Page.

YOU and YOUR – means Offeror.

SOLICITATION – means this document, including all its parts, attachments, and any Amendments.

STATE – means the Using Governmental Unit(s) identified on the Cover Page.

SUBCONTRACTOR – means any person having a contract to perform work or render service to Contractor as a part of the Contractor’s agreement arising from this solicitation.

USING GOVERNMENTAL UNIT – means the unit(s) of government identified as such on the Cover Page. If the Cover Page names a “Statewide Term Contract” as the Using Governmental Unit, the Solicitation seeks to establish a Term Contract [11-35-310(35)] open for use by all South Carolina Public Procurement Units [11-35-4610(5)].

WORK - means all labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations under the Contract.

AMENDMENTS TO SOLICITATION (JANUARY 2006) (a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: <http://purchasing.sc.edu>. (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

AWARD NOTIFICATION (NOV 2007): Notice regarding any award or cancellation of award will be posted at the location specified on the Cover Page. If the contract resulting from this Solicitation has a total or potential value of fifty thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation. Should the contract resulting from this Solicitation have a total or potential value of one hundred thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation and any award will not be effective until the eleventh day after such notice is given. [02-2A010-1]

**BID / PROPOSAL AS OFFER TO CONTRACT (JANUARY 2006)** By submitting Your Bid or Proposal, You are offering to enter into a contract with the Using Governmental Unit(s). Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An Offer may be submitted by only one legal entity; "joint bids" are not allowed.

**BID ACCEPTANCE PERIOD (JANUARY 2006)** In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing.

**BID IN ENGLISH & DOLLARS (JANUARY 2006)** Offers submitted in response to this solicitation shall be in the English language and in US dollars, unless otherwise permitted by the Solicitation.

**CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JANUARY 2006)**

(a)(1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

(i) Offeror and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(ii) Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

(b) Offeror shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offer must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer may terminate the contract resulting from this solicitation for default.

**CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008)**

**GIVING FALSE, MISLEADING, OR INCOMPLETE INFORMATION ON THIS CERTIFICATION MAY RENDER YOU SUBJECT TO PROSECUTION UNDER SECTION 16-9-10 OF THE SOUTH CAROLINA CODE OF LAWS AND OTHER APPLICABLE LAWS.**

(a) By submitting an offer, the offeror certifies that-

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; or

(2)(i) Has been authorized, in writing, to act as agent for the offeror's principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2)(i), the term "principals" means the person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal];

(ii) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.

CODE OF LAWS AVAILABLE (JAN 2006): The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at <http://www.scstatehouse.net/code/statmast.htm>. The South Carolina Regulations are available at: <http://www.scstatehouse.net/coderegs/statmast.htm>.

COMPLETION OF FORMS / CORRECTION OF ERRORS (JAN 2006): All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the bid. Do not modify the solicitation document itself (including bid schedule). (Applicable only to offers submitted on paper.)

DEADLINE FOR SUBMISSION OF OFFER (JANUARY 2006) Any offer received after the Procurement Officer of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies' mail room which services that purchasing office prior to the bid opening. [R.19-445.2070(H)]

**DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE (MAY 2011):** You warrant and represent that your offer identifies and explains any unfair competitive advantage you may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from your participation in this competition or your receipt of an award. The two underlying principles are (a) preventing the

existence of conflicting roles that might bias a contractor's judgment, and (b) preventing an unfair competitive advantage. If you have an unfair competitive advantage or a conflict of interest, the state may withhold award. Before withholding award on these grounds, an offeror will be notified of the concerns and provided a reasonable opportunity to respond. Efforts to avoid or mitigate such concerns, including restrictions on future activities, may be considered.

**DISCUSSIONS and NEGOTIATIONS (NOV 2007):** Submit your best terms from a cost or price and from a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright. Nevertheless, the State may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. If improper revisions are submitted, the State may elect to consider only your unrevised initial proposal. [11-35-1530(6); R.19-445.2095(I)] The State may also elect to conduct negotiations, beginning with the highest ranked offeror, or seek best and final offers, as provided in Section 11-35-1530(8). If negotiations are conducted, the State may elect to disregard the negotiations and accept your original proposal. [02-2B060-1]

**DRUG FREE WORK PLACE CERTIFICATION (JANUARY 2006)** By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended.

**DUTY TO INQUIRE (JANUARY 2006)** Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation. Failure to do so will be at the Offeror's risk. Offeror assumes responsibility for any patent ambiguity in the Solicitation that Offeror does not bring to the State's attention.

**ETHICS CERTIFICATE (May 2008):** By submitting an offer, the offeror certifies that the offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment by former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed. [02-2A075-2]

#### **ILLEGAL IMMIGRATION CLAUSES (2008)**

Procurement Code Transactions: Non-Construction

**ILLEGAL IMMIGRATION (NOV. 2008):** (An overview is available at [www.procurement.sc.gov](http://www.procurement.sc.gov)) By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14. [07-7B097-1]

## Procurement Code Transactions: Construction

By signing its bid or proposal, Contractor certifies that it will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agrees to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable both to Contractor and its subcontractors or sub-subcontractors; or (b) that Contractor and its subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." Contractor agrees to include in any contracts with its subcontractors language requiring its subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14. (An overview is available at [www.procurement.sc.gov](http://www.procurement.sc.gov))

## Other Transactions

By submitting an offer, Contractor certifies that it will comply with the applicable requirements of Title 8, Chapter 14

of the South Carolina Code of Laws (originally enacted as Section 3 of The South Carolina Illegal Immigration Reform Act, 2008 S.C. Act No. 280) and agrees to provide upon request any documentation required to establish either: (a) the applicability of Title 8, Chapter 14 to Contractor and any subcontractors or sub-subcontractors; or (b) the compliance with Title 8, Chapter 14 by Contractor and any subcontractor or sub-subcontractor. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." Contractor agrees to include in any contracts with its subcontractors language requiring the subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in any contracts with the sub-subcontractors language requiring the sub-subcontractor to comply with the applicable requirements of Title 8, Chapter 14.

**OMIT TAXES FROM PRICE (JANUARY 2006):** Do not include any sales or use taxes in Your price that the State may be required to pay.

**PROCUREMENT AGENT (AUG 2004)** Authorized Agent. All authority regarding the conduct of this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement.

**PROTESTS (JUNE 2006)** Any prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the solicitation of a contract shall protest within fifteen days of the date of issuance of the applicable solicitation document at issue. Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract shall protest within ten days of the date notification of award is posted in accordance with this code. A protest shall be in writing, shall set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided, and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". [~ 11-35-4210]

**PUBLIC OPENING (JANUARY 2006)** Offers will be publicly opened at the date / time and at the location identified on the Cover Page, or last Amendment, whichever is applicable

**QUESTIONS FROM OFFERORS (JANUARY 2006):** (a) Any prospective offeror desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing. Questions must be received by the Procurement Officer no later than five (5) days prior to opening unless otherwise stated on the Cover Page. Label any communication regarding your questions with the name of the procurement officer, and the solicitation's title and number. Oral explanations or instructions will not be binding. Any information given a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective offerors. (b) The State seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer – as soon as possible – regarding any aspect of this procurement, including any aspect of



the Solicitation that unnecessarily or inappropriately limits full and open competition.

REJECTION/CANCELLATION (JAN 2004) The State may cancel this solicitation in whole or in part. The State may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065.]

#### RESPONSIVENESS / IMPROPER OFFERS (JANUARY 2006)

(a) Bid as Specified. Offers for supplies or services other than those specified will not be considered unless authorized by the Solicitation.

(b) Multiple Offers. Offerors may submit more than one Offer, provided that each Offer has significant differences other than price. Each separate Offer must satisfy all Solicitation requirements. If this solicitation is an Invitation for Bids, each separate offer must be submitted as a separate document. If this solicitation is a Request for Proposals, multiple offers may be submitted as one document, provided that you clearly differentiate between each offer and you submit a separate cost proposal for each offer, if applicable.

(c) Responsiveness. Any Offer which fails to conform to the material requirements of the Solicitation may be rejected as nonresponsive. Offers which impose conditions that modify material requirements of the Solicitation may be rejected. If a fixed price is required, an Offer will be rejected if the total possible cost to the State cannot be determined. Offerors will not be given an opportunity to correct any material nonconformity. Any deficiency resulting from a minor informality may be cured or waived at the sole discretion of the Procurement Officer. [R.19-445.2070 and Section 11-35-1520(13)]

(d) Price Reasonableness: Any offer may be rejected if the Procurement Officer determines in writing that it is unreasonable as to price. [R. 19-445.2070].

(e) Unbalanced Bidding. The State may reject an Offer as nonresponsive if the prices bid are materially unbalanced between line items or subline items. A bid is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated in relation to cost for other work, and if there is a reasonable doubt that the bid will result in the lowest overall cost to the State even though it may be the low evaluated bid, or if it is so unbalanced as to be tantamount to allowing an advance payment.

RESTRICTIONS APPLICABLE TO OFFERORS (JANUARY 2006) Violation of these restrictions may result in disqualification of your offer, suspension or debarment, and may constitute a violation of the state Ethics Act. (a) After issuance of the solicitation, ***you agree not to discuss this procurement activity in any way with the Using Governmental Unit or its employees, agents or officials.*** All communications must be solely with the Procurement Officer. This restriction may be lifted by express written permission from the Procurement Officer. This restriction expires once a contract has been formed. (b) Unless otherwise approved in writing by the Procurement Officer, ***you agree not to give anything to any Using Governmental Unit***

SIGNING YOUR OFFER (JANUARY 2006) Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words "by its Partner," and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) An Offer may be submitted by a joint venturer involving any combination of individuals, partnerships, or corporations. If the Offeror is a joint venture, the Offer must be submitted in the name of the Joint Venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal.

STATE OFFICE CLOSINGS (JANUARY 2006) If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the government office designated for receipt of bids by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule bid opening. If state offices are closed at the time a pre-bid or pre-proposal conference is scheduled, an Amendment will be issued to reschedule the

conference. Useful information may be available at: [http://www.scecmd.org/scgovweb/weather\\_alert.htm](http://www.scecmd.org/scgovweb/weather_alert.htm).

**SUBMITTING CONFIDENTIAL INFORMATION (AUG 2002):** (An overview is available at [www.procurement.sc.gov](http://www.procurement.sc.gov)) For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the words "TRADE SECRET" every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "PROTECTED" every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Do not mark your entire response (bid, proposal, quote, etc.) as confidential, trade secret, or protected! If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. If only portions of a page are subject to some protection, do not mark the entire page. By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the State will detrimentally rely on Offeror's marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "PROTECTED". By submitting a response, Offeror agrees to defend, indemnify and hold harmless the State of South Carolina, its officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from the State withholding information that Offeror marked as "confidential" or "trade secret" or "PROTECTED". (All references to S.C. Code of Laws.)

**SUBMITTING REDACTED OFFERS (FEB 2007):** You are required to mark the original copy of your offer to identify any information that is exempt from public disclosure. You must do so in accordance with the clause entitled "Submitting Confidential Information." In addition, you must also submit one complete copy of your offer from which you have removed any information that you marked as exempt, i.e., a redacted copy. The information redacted should mirror in every detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on magnetic media. (See clause entitled "Magnetic Media Required Format.") Except for the redacted information, the CD must be identical to the original hard copy. Portable Document Format (.pdf) is preferred. [04-4030-1]

**SUBMITTING YOUR OFFER OR MODIFICATION (JANUARY 2006)** (a) Offers and offer modifications shall be submitted in sealed envelopes or packages (unless submitted by electronic means) – (1) Addressed to the office specified in the Solicitation; and (2) Showing the time and date specified for opening, the solicitation number, and the name and address of the bidder. (b) If you are responding to more than one solicitation, each offer must be submitted in a different envelope or package. (c) Each Offeror must submit the number of copies indicated on the Cover Page. (d) Offerors using commercial carrier services shall ensure that the Offer is addressed and marked on the outermost envelope or wrapper as prescribed in paragraphs (a)(1) and (2) of this provision when delivered to the office specified in the Solicitation. (e) Facsimile or e-mail offers, modifications, or withdrawals, will not be considered unless authorized by the Solicitation. (f) Offers submitted by electronic commerce shall be considered only if the electronic commerce method was specifically stipulated or permitted by the solicitation.

**TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008):** Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it. The

credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit. A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor. The credit may be claimed on Form TC-2, "Minority Business Credit." A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the contractor's income tax return. Questions regarding the tax credit and how to file are to be referred to: SC Department of Revenue, Research and Review, Phone: (803) 898-5786, Fax: (803) 898-5888. Questions regarding subcontractor certification are to be referred to: Governor's Office of Small and Minority Business Assistance, Phone: (803) 734-0657, Fax: (803) 734-2498. [02-2A135-1]

**TAXPAYER IDENTIFICATION NUMBER (JANUARY 2006):** (a) If Offeror is owned or controlled by a common parent as defined in paragraph (b) of this provision, Offeror shall submit with its Offer the name and TIN of common parent.

(b) Definitions: "Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member. "Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(c) If Offeror does not have a TIN, Offeror shall indicate if either a TIN has been applied for or a TIN is not required. If a TIN is not required, indicate whether (i) Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; (ii) Offeror is an agency or instrumentality of a state or local government; (iii) Offeror is an agency or instrumentality of a foreign government; or (iv) Offeror is an agency or instrumentality of the Federal Government.

**WITHDRAWAL OR CORRECTION OF OFFER (JANUARY 2006)** Offers may be withdrawn by written notice received at any time before the exact time set for opening. If the Solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for opening. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085.

## **II. Instructions To Offerors - B. Special Instructions**

Section II.B applies to all Lots.

### **SUBMISSION OF QUESTIONS**

**Mark envelopes on questions mailed:**

**QUESTIONS: USC-RFP-2305-BB**

**Title: Provide HR/Payroll/Finance Services**

**Attn: Bruce Breedlove, CPPB**

**QUESTIONS MAY BE E-MAILED TO:**

**[brucebreedlove@sc.edu](mailto:brucebreedlove@sc.edu)**

**FAXED TO:**

**803-777-2032**

**DEADLINE FOR QUESTIONS: DATE: 10/09/2012 TIME: 4:30 PM**

**CLARIFICATION (NOV 2007)**

Pursuant to Section 11-35-1530(6), the Procurement Officer may elect to communicate with you after opening for the purpose of clarifying either your offer or the requirements of the solicitation. Such communications may be conducted only with offerors who have submitted an offer which obviously conforms in all material aspects to the solicitation. Clarification of an offer must be documented in writing and included with the offer. Clarifications may not be used to revise an offer or the solicitation. [Section 11-35-1530(6); R.19-445.2080] [02-2B055-1]

CONFERENCE – PRE-BID/PROPOSAL (JAN 2006): Due to the importance of all offerors having a clear understanding of the specifications and requirements of this solicitation, a conference of potential offerors will be held on the date specified on the cover page. Bring a copy of the solicitation with you. Any changes resulting from this conference will be noted in a written amendment to the solicitation. Your failure to attend will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the State. The State assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available at the conference. Nor does the State assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract.

## **CONTENTS OF OFFER (RFP) -- SOLUTIONS BASED (JAN 2006)**

The following outline may be helpful in preparing your proposal. Your offer should address each of the areas outlined below (as applicable) and provide the information requested. As your offer will be evaluated based on the information you provide, failure to provide a complete and comprehensive presentation of your solution could negatively effect our evaluation of your offer.

1. Executive Overview: Your offer should include a summary of the proposed solution that reflects your understanding of both the state's needs and how your solution will satisfy those needs. Please explain your overall approach to the management of this effort, including a brief discussion of the total organization (structure and relationships among personnel and consultants/subcontractors).

2. Technical Overview: Your offer should include a summary of the proposed technical solution with enough detail to demonstrate an understanding of the current environment and scope of the project

3. Detailed explanation of proposed solution

### 3.1 Management

#### 3.1.1 Implementation schedule

3.1.1.1 from contract formation to installation and acceptance

3.1.1.2 installation, testing, and pilot, as appropriate

3.1.1.3 detailed staffing deployment schedule

3.1.1.4 milestones and deliverables

3.1.2 Project management practices, policies, and certifications

3.1.3 Application development methodologies

3.1.4 Subcontracting, outsourcing, offshore contribution (if any)

3.1.5 Escalation policies, practices, and contacts

3.2 Technical. As appropriate, provide an explanation and/or information about the following, in detail:

3.2.1 Functional capabilities of the proposed solution, including all performance capabilities, specifications and response times

3.2.2 Technical information about proposed solution, including technical specifications of any proposed equipment or services

3.2.3 Software, if any, including manufacturer, functional capabilities, warranties, support levels, and documentation (any applicable license agreements and documents reflecting offeror's authority to include such software)

3.2.4 Services included in the proposal and otherwise available

3.2.5 Environmental requirements for the proposed solution

3.2.6 Software development plan, interfaces documentation, data synchronization, and replication plans, etc.

3.2.7 Technical and operational manuals, by reference

3.3 Change Management. Who initiates change requests, what justifications and explanations are included, risks associated with change, approval process, etc.

3.4 Installation and support

3.4.1 Installation -- provide detailed information on the installation requirements and schedule

3.4.2 Training -- explain any proposed training solution; Include plans for training new employees beyond the initial training cycle, employee readiness evaluations, training feedback, student-instructor ratios, duration of training, etc. Include plans for updating and maintaining training plans, system documentation, operational documentation, etc. for the duration of the implementation or term of the contract as appropriate; Include any other training solutions that are

available.

3.4.3 Support services including hardware and software maintenance include an explanation of any proposed support services including performance guarantees; Identify all proposed maintenance including a detailed explanation of response times; Include any forms or agreements

3.4.4 Data conversion requirements should include who is responsible for developing any data conversion programs, what the acceptable level of conversion, how many records are to be converted, who is responsible for entering any records that do not convert properly, etc.

3.4.5 Service level agreements (SLA) with performance commitments; If appropriate, include industry standard response times and performance requirements for normal business processing and/or critical business processing as appropriate

3.4.6 Disaster recovery plans should be included, as appropriate

3.4.7 Back-up plans for proposed network, data, and systems outages and disruptions, if appropriate

3.4.8 Warranties -- include all functional, performance, and quality of workmanship warranties; Describe acceptable warranty performance specifications and warranty performance reporting to include number of calls, number and type of repairs and changes, etc.

3.5 Intellectual property: explain the ownership rights to all proposed intellectual property

3.6 Staffing

3.6.1 Contractor

3.6.1.1 Key staff, their resumes, and areas of responsibility on this project

3.6.1.2 Non-key staff, by number and areas of responsibility on this project

3.6.1.3 State the number of state employees necessary and what training and skill levels are anticipated

3.6.2 Other -- include any other staffing requirements

3.7 Business proposals

3.7.1 Total cost of ownership -- provide anticipated cost of purchasing, owning, operating, maintaining, and supporting the proposed solution for the total potential term of the contract; Include a detailed accounting of the total cost of ownership

3.7.2 Risk analysis -- identify the internal and external factors that could significantly impact the probability of completing this project on time and within budget

3.7.3 Risk mitigation -- identify any actions that could be taken to mitigate the identified risks

3.7.4 Risk sharing -- identify any opportunities for mutually beneficial risk sharing

3.7.5 Performance incentives -- identify any opportunities for performance-based incentives

3.7.6 Financing options -- identify any alternative financing options available to the State

3.8 Offeror's Qualifications -- Provide the information requested by the following provisions:

Qualifications -- Required Information -- SB

Subcontractor Identification

[02-2B030-1]

**CONTENTS OF OFFER (RFP) - ITMO (JAN 2006):** The contents of your offer must be divided into two parts, the technical proposal and the business proposal. Each part should be bound in a single volume.

**DISCUSSION WITH OFFERORS (JAN 2006):** After opening, the Procurement Officer may, in his sole discretion, initiate discussions with you to discuss your offer. [Section 11-35-1530(6)]

**MAGNETIC MEDIA – REQUIRED FORMAT (JAN 2006):** As noted on the cover page, an original hard copy of your offer must be accompanied by the specified number of copies in the following electronic format: compact disk (CD) in one of the following formats: **CD-R; DVD ROM; DVD-R; or DVD+R**. Formats such as CD-RW, DVD-RAM, DVD-RW, DVD+RW, or DVIX **are not acceptable** and will result in the Offeror's proposal being rejected. Every CD must be labeled with offeror's name, solicitation number, and specify whether contents address technical proposal or business proposal. If multiple CD sets are provided, each CD in the set must be appropriately identified as to its relationship to the set, e.g., 1 of 2. Each CD must be identical to the original hard copy. File format shall be MS Word 97 or later.

**PROTEST - CPO - ITMO ADDRESS (JUNE 2006)**

Any protest must be addressed to the Chief Procurement Officer, Information Technology Management Office, and submitted in writing (a) by email to protest-itmo@itmo.sc.gov, (b) by facsimile at 803-737-0639, or (c) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201. [02-2B122-1]

### **LEGAL AGREEMENTS INCLUDED WITH PROPOSALS MUST BE APPROVED**

Any proposal that includes legal agreement(s) the University is expected to sign to do business with Offeror, offeror's terms and conditions, and/or similar type legal documents pursuant to potential contract award that have not been approved by the University of South Carolina Purchasing Department (i.e. Procurement Officer for the solicitation) prior to the deadline for receipt of proposals / bid opening will cause Offeror's proposal to be rejected. Vendors interested in including legal agreement(s) the University is expected to sign to do business with them, their terms and conditions, and/or similar type legal documents pursuant to potential contract award with their proposals must submit these documents to the University of South Carolina Purchasing Department (i.e. Procurement Officer for the solicitation) for consideration during the time period for questions regarding the solicitation. If vendor submits legal agreement(s) the University is expected to sign to do business with it, its terms and conditions, and/or similar type legal documents pursuant to potential contract award to the University of South Carolina Purchasing Department (i.e. Procurement Officer for the solicitation) for consideration, the legal documents are subject to being published in their entirety in the amendment to the solicitation that includes questions and answers.

OPENING PROPOSALS: Proposals shall be opened publicly by the procurement officer for this solicitation or his designee in the presence of one or more witnesses at the time and place designated in the solicitation. Proposals and modifications shall be time-stamped upon receipt and held in a secure place until the established due date. After the date established for receipt of proposals, a Register of Proposals shall be prepared which shall include for all proposals the name of each Offeror, the number of modifications received, if any, and a description sufficient to identify the item offered. The Register of Proposals shall be certified in writing as true and accurate by both the person opening the proposals and the witness. The Register of Proposals shall be opened to public inspection only after the issuance of an award or notification of intent to award, whichever is earlier. Proposals and modifications shall be shown only to State personnel having a legitimate interest in them and then only on a "need to know" basis. Contents and the identity of competing offers shall not be disclosed during the process of opening by state personnel. [§ 11-35-1530 & R. 19-445.2095(c) (1)]

## **III. Scope of Work / Specifications**

### **A. Background**

The University of South Carolina is home to more than 200 years of history and tradition, rising from a single building in 1805 on what would become the heart of the campus, the Horseshoe. The University of South Carolina is a large University with annual student enrollment of over 45,000 for all campuses. Joining the flagship campus in Columbia, are four-year campuses in Aiken, Beaufort and the Upstate (Spartanburg and Greenville). There are four two-year campuses located in Lancaster, Sumter, Salkehatchie and Union. The University is a large employer with over 15,000 employees system-wide. The University also boasts a medical school with locations in Columbia and in Greenville, South Carolina.

The University offers baccalaureate, masters, and doctoral degrees through 17 colleges and schools. The baccalaureate degree is offered in over 70 major fields; the master's degree in over 100 fields; and doctorate in over 50 fields. The School of Law offers the J. D. Degree and the School of Medicine the M.D. degree. Exchange programs with over thirty foreign countries are established with the University of South Carolina. Over fifteen research bureaus and institutes throughout the University provide research support and service in several disciplines.

Additional information may be obtained through USC's web site: <http://www.sc.edu/aboutusc/>

### **B. Introduction**

The dramatic changes that are taking place with technology and the urgent need of the University to provide consistent, accurate services to its key HR, Payroll and Business contacts and employees geographically dispersed throughout the State and beyond clearly point to the need to be able to conduct certain operational business functions such as human resources, payroll and financial/accounting related business functions electronically via an enterprise-

wide web based portal. The current HR, Payroll and Financial service delivery model can be characterized as providing multiple points of contact and inconsistent service. Services are varied and inconsistent since processes are highly manual and paper based, with high touch practices that create difficulties in tracking data and applying consistent guidelines.

The University of South Carolina manages a budget of \$1.2 billion utilizing existing legacy systems that are unable to adapt to changing operational requirements. Due to its size, complexity, and monolithic architecture, the legacy environment cannot readily adapt to new requirements. To accommodate new requirements and day-to-day operational needs, the University has developed work-around or homegrown systems, ad hoc local end-user applications, spreadsheets, and various manual processes. As a result, the legacy environment is characterized by numerous, independent, standalone systems and applications. In many cases, departments manually prepare, route, and approve financial documents and forms such as disbursement vouchers. Legacy systems do not incorporate imaging technology and do not link all financial transactions.

In addition, inherent lack of integration causes duplicate data entry which increases data entry errors and special reconciliation procedures. Data is often captured in one system and then re-entered and reconciled with other systems.

### **STRATEGIC DIRECTION**

The University is strategically moving towards vendor hosted application solutions, maintained and supported by the vendor, wherein development, support, and upgrades are the responsibility of the vendor.

### **Drivers for the project:**

- Not all solutions currently available to the University address our desired strategic direction
- Aging system will continue to require maintenance resulting in increasing operations costs
- High number of manual processes
- Current systems lack of integration do not reflect standard internal controls or best practices resulting in potential exposure
- Significant reconciliation required for payroll processing due to manual processes
- Significant parallel and redundant processes
- Significant dependence on minimal number of key personnel
- Concerns over accuracy of regulatory reporting
- High risk of delays in payroll processing due to antiquated technology and limited staff
- Need to move off of the mainframe technical environment
- Risks associated with retiring workforce and lack of skills required to maintain current legacy system
- Simplified integration between different applications
- Widening technology obsolescence gap will ultimately result in higher replacement costs
- Current technology lacks functionality to support organization's strategic objectives
- Current technology does not match contemporary skills
- Current applications are inconsistent with strategic technology direction
- Current hardware and software platform are becoming more costly to maintain with decreasing ability to find qualified staff
- Based on number of current manual and parallel processes, the University has a relatively high level of risk related to information accuracy

## **C. Scope**

### **LOT A: HUMAN RESOURCES**

The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in hosted human resources business process solutions and/or services to potentially replace those currently provided.

The University is interested in a solution that is capable of enhancing the end-user experience, has the ability to increase capacity within the central human resources office and decentralized human resources areas throughout the University system, has the ability to clarify roles and responsibilities, allows for greater standardization and

coordination across USC’s campuses to better serve its global talent pool. The proposal must demonstrate how the application enables ease of implementation, management, flexibility, usability, integration and return on investment.

The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in comprehensive hosted solutions for key human resources business processes and talent management solutions and/or services that would allow the University to manage key aspects of its workforce from recruitment to retirement including, but not limited to, the following areas:

Automated Forms and Workflow Functionality	Onboarding
Self- Service Capabilities	Benefits Administration
Talent Management	Time and Attendance
Organizational Management	Employee Lifecycle Management
Compensation Management	Reporting and Workforce Analytics

**LOT B: PAYROLL**

The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in hosted payroll business process solutions and/or services to potentially replace those currently provided.

The University is interested in a solution that is capable of enhancing the end-user experience, has the ability to increase capacity within the central payroll office, and decentralized business areas throughout the University system, has the ability to clarify roles and responsibilities, allows for greater standardization and coordination across USC’s campuses to better serve its customers. The proposal must demonstrate how the application enables ease of implementation, management, flexibility, usability, integration and return on investment.

The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in comprehensive hosted solutions and/or services for payroll business processing that would allow the University to streamline payroll operations for all employees with established internal controls and accuracy while allowing for flexibility to support the unique aspects of our Institution including, but not limited to, the following areas:

Automated Payroll Calculations	Garnishment and Levy Calculations
Tax Reporting	Management of Semi-Monthly Payroll Calendar and Pay Dates
Integration with Time and Attendance Data	Generation of Direct Deposit Files, Pay Checks and Remuneration Statements
Ability to Calculate Pay Including Gross-to-Net	Ability to Issue Off-Cycle Payments
W2 Generation, tax elections, and payment elections	Tax compliance and computations, including multi-state taxing rules, international taxation and reciprocity, as well as taxation wage accumulation and withholding requirements
Ad-hoc Reporting and Analytics	Third Party Reporting

**LOT C: FINANCE**

The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in hosted financial and accounting business process solutions to potentially replace those currently provided.

The University is interested in a solution that is capable of enhancing the end-user experience, has the ability to increase capacity within the Division of Business and Finance and decentralized finance departments throughout the University system, has the ability to clarify roles and responsibilities, allows for greater standardization and coordination across USC’s campuses, enhances business performance with a full range of financial capabilities, robust reporting and analytics, and fully auditable process management. The proposal must demonstrate how the application enables ease of implementation, management, flexibility, usability, integration and return on investment.



The University seeks to enter into a contract with a qualified Offeror with demonstrated capabilities in hosted solutions for key financial business processes including, but not limited to, the following financial and accounting areas:

General Ledger	Funds Management
Grants Management	Accounts Payable
Financial Reporting	Cash Management
Fixed Asset Accounting & Tracking	Travel Reimbursements
Project Accounting	Book of Record
Budgeting	Simplified chart of accounts
International Taxation	

## OPTIONAL SECTION FOR BUNDLED SOLUTION

### VERY IMPORTANT NOTE:

This section is specifically designed for Offerors who desire to propose additional value to their offer by bundling any or all of Lots A, B & C above. This section is not intended to be a replacement for any of the requirements or information required for Lots A, B & C above just the additional added value. Therefore note that any bundled offering must have completed the information required in the Lots associated with your bundle or your response will be deemed non-compliant.

### SPECIAL INSTRUCTIONS:

In this section please highlight and address only the additional value proposed by bundling any or all of Lots A, B & C above. (for example: discounted pricing options, functional or technical integration efficiencies leading to reduced implementation costs, etc.)

Responding to this section allows the Offeror to submit a response to all three Lots or any combination of the three Lots as a bundled solution. Offeror is to identify clearly the Lots being bundled.

## Desirable Elements Applicable To All Lots

1. The University is seeking an Offeror with a proven track record of delivering the requested solutions/services to an organization the size, scope and complexity of USC.
2. The University is interested in a system with standard delivered business processes that would allow for a rapid implementation of core functions.
3. The University is interested in a solution that uses proven technology that industry analysts such as the Gartner Group would recommend as a viable option.
4. The University is seeking a system that has a high level of ease-of-use, that uses straightforward, operational terminology, and is intuitive.
5. The University expects that the system will eliminate ineffective and redundant manual and paper-intensive operations using automated forms and workflow capability to process transactions efficiently and effectively.
6. The University expects the solution will be accessible over the Internet using commonly available browsers.
7. Offeror should insure the physical and logical security of the application and data. Security must support a single sign-on (SSO) solution and integrate to LDAP. Security should be configurable to enable USC to manage and control individual and group access to the application.
8. The University expects the Offeror to maximize the security of the software development throughout the term of the Contract as outlined in the RFP.
9. The University expects that the products and/or services provided by the Offeror comply with all Federal and State laws, rules and regulatory requirements.
10. The University expects that all database design, management, and performance remains the responsibility of the Offeror.
11. The Offeror's product should provide a component/tool for interfacing with other third-party applications.
12. The Offeror's solution should provide technology that allows for seamless integration with all modules of the application and/or interfacing to other core systems.

13. Offeror should provide standard reporting tools and flexibility to meet USC's ad-hoc reporting requirements.

## Current Environment

The existing system is comprised of purchased and custom-built software written in COBOL along with various custom-built applications that are inflexible and inhibit centralized reporting. The current system PBP (Personnel Budget Payroll) which utilizes the IMS Operating System was developed in the late 1970's and is used for processing the University's human resources, certain budgeting and payroll activities, including benefits, among other things. Listed in the table below is relevant legacy system processing information that would reveal at a high level the complexity and volume of our current business processing environment:

## Human Resources

FY 12 - Headcount by Position/Employee Type							
Classified Staff FTE	Unclassified Staff FTE	Faculty FTE	Total FTE	Temporary Employees	Research Grant Employees	Student Employees	Total
3,343	372	2,216	5,931	3,210	727	7,566	17,434

FY 12 - Faculty Headcount Breakout*							
Faculty in FTE Positions			Total FTE Faculty	Adjunct Faculty Temporary Positions		Research Grant Positions	Total Faculty
Tenured	Tenure Track	Non-Ten Track		Full-time	Part-time	Faculty	
916	527	773	2,216	29	1,208	221	3,674

\*As of March 31, 2012 which represents the highest quarter in FY-12

Month	FY 12 - Total Hires by Position Type				
	FTE	Temporary*	Research Grant	Students*	Total
Jul 2011	84	371	21	1,010	1,486
Aug 2011	179	1,154	24	4,615	5,972
Sep 2011	46	388	14	772	1,220
Oct 2011	39	188	18	249	494
Nov 2011	31	84	28	159	302
Dec 2011	14	51	8	193	266
Jan 2012	78	1,919	29	3,068	5,094
Feb 2012	22	141	15	278	456
Mar 2012	33	193	15	174	415
Apr 2012	53	106	9	186	354
May 2012	34	303	15	1,958	2,310
Jun 2012	50	206	15	329	600
<b>Total</b>	<b>663</b>	<b>5,104</b>	<b>211</b>	<b>12,991</b>	<b>18,969</b>

\*Some employees hold more than one position or have multiple assignments.

<b>Recruitment/Employment Statistics</b>		
	<b>Yearly</b>	<b>Average/Month</b>
Closed/Filled Requisitions	1,184	99
Hits to Applicant Home Page	95,595,216	7,966,268
Hits to Search Jobs Page	754,452	62,871
Hits to View Job Details	1,302,048	108,504

<b>Personnel Transactions (Annual)</b>	<b>Count</b>
Total System Transactions	32,204
Hiring Action Requests	3,675
Position Actions	1,375
Terminations FY-12	8,966

## **Payroll**

<b>Payroll Processing Description</b>	<b>Amount</b>
Number of Employer Identification Numbers	1
Number of Domestic Employees	15741
Number of Exempt and Non-Exempt Employees	Exempt – 7800 Non- Exempt – 8752
Number of International Employees	898
Number of States in Which Employees Reside	48
Number of W2s Issued per Annum	21,169
% of Employees Receiving Direct Deposit	100% (including student employees)
Number of 1099's Issued	2,882
Payroll Processing Frequency	Salaried employees: Semi-monthly without a lag Hourly employees: Semi-monthly processed on a lag
Number of Manual Checks Printed Per Month	About 30 per month; About 350 annually (Peak processing in April)
Number of Check Distribution Locations	1 central location with distribution to 8 campuses and over 200 departments (as needed)
Number of Affiliates (Volunteers)	1,686
Number of Dual Employees (Concurrent Employment)	400
Garnishments	Every State and 36 South Carolina Counties
Tax Garnishments	Over 25 states
Annual Student Transactions	25,000
Summer School	Summer II Faculty: 182 Summer II Faculty: 93
Number of 3 <sup>rd</sup> Party Vendors	106 external payees 15 internal payees
Deduction Count	350 per pay period

**Finance**

<i>Finance Processing Description</i>	<i>Amount</i>
USC Budget	1.2 billion
AP Transactions	115,000
Journal Entries	9,500
Federal Grants Administered	1,453
Other Grants Administered	1,000
Total Grants Administered	2,453
Travel Reimbursement	27,000
Capital Assets	1.2 Billion

**Technical**

The University of South Carolina employs mainstream, standards-based, interoperable technologies in its services and infrastructure systems wherever possible, in order to minimize our risks and optimize our collective success.

In order to achieve higher manageability and reduce redundancy, we would prefer products, which use, rather than replicate, existing products at any layer (e.g., Oracle database).

The architecture can be described as a set of layers, arranged hierarchically, where contents of each layer typically rely on services provided within one or more layers beneath.

**Network**

The computer network provides the connection between multiple workstations and server platforms. These connections are used to access data, share information, transmit messages, and expand the processing capabilities of a single platform.

Current Standard: TCP/IP over Ethernet (100Mbps to desktop with a gigabit core) Wireless through the IEEE 802.11b/a/g/n standard  
 Remote access via VPN  
 Distributed firewalls appropriate to system/ application characteristics  
 Orion for network performance monitoring

**Infrastructure Platform**

This is the operating system and internal software upon which applications are deployed.

Current Standard: IBM z/OS v1.9...IMS v9.1, DB2 v9.1

**Services**

Services are facilities, which exist in the infrastructure in support of application servers or of direct value to users. Examples of services would be service management and printing.

Current Standard: Service management (SNMP v3+)  
 Mainframe (OnDemand),  
 Messaging / Communication (SMTP, IMAP, POP, vCal, iCal)

### **Application Server**

The infrastructure platform dedicated to processing a specific application. Typically focused on processing business logic, calculations, data manipulation; communicates to the database and presentation layers.

Current Standard: Microsoft, Apache, Tomcat, Oracle

### **Web Server**

A program that uses the client/server model and the World Wide Web's Hypertext Transfer Protocol (HTTP) which serves the files that form Web pages to Web users. Every computer on the Internet that contains a Web site utilizes a Web server program.

Current Standard: Apache, Microsoft, Tomcat

### **Database**

A database is any collection of data or information that is specially organized for rapid search and retrieval by a computer. Databases are structured to facilitate the storage, retrieval, and modification of data.

Current Standard: IBM IMS  
IBM DB2  
Oracle  
MS SQL Server

### **Web Content Management**

An application server dedicated to managing the documents of which web sites are composed.

Current Standard: OU Campus

### **Document Management**

An application server dedicated to the capture and management of documents used by an organization. Today, the term has become an umbrella under which fall the activities of document imaging (scanning); workflow; text retrieval and multimedia.

Current Standard: IBM Content Manager (Mainframe) - Image storage and retrieval. Web based access  
KOFAX for single and batch scanning, and editing  
Banner Document Mgt System

### **Reporting Tools and Interface**

The tools and interfaces used for creating and presenting reports from the database.

Current Standard: COGNOS suite of Business Intelligence Tools by COGNOS Corp.

### **Middleware**

This software provides services such as identification (user name), authentication (password), and authorization (privileges).

Current Standard: Middleware layer utilizes LDAP Directory services.

Authentication – Shibboleth  
Authorization - Enterprise Directory with LDAP and Active Directory support.

### **Presentation**

This software provides an interactive interface to other services which constitute the most-visible portions of the infrastructure – those seen by users. “Look and feel” characteristics of services result from this layer. A Web Portal is an example of presentation software.

Current Standard: "HTTP/HTML, browser- and platform-independent web service".

### **Security**

Security is designed to protect the University at multiple levels. This includes business processes and physical access. The University employs a combination of strategies to achieve its objectives which include: applications, firewalls and encryption.

Current Standard: "HTTPS/HTML, browser- and platform-independent web client services".  
LDAP – Authentication  
Secure/FTP – File Transfers  
Firewalled Network Layers – Application and Network Access control

## **IV. Information For Offerors To Submit**

**This RFP is set up with three (3) individual Lots, Lot A: Human Resources; Lot B: Payroll; and Lot C: Finance with an optional section for bundled solutions. Offerors may respond to the optional section with additional information if additional benefits can be offered to USC through the bundling of multiple lots.**

**Offerors are to submit their response to each Lot individually as outlined in Section IV below. If any Offeror anticipates offering more than one option (solution) to any individual lot then Offeror must submit multiple versions of that same lot. Please increment your reference to each version of that lot as B1, B2, etc. For example if a vendor has a HR System proposed in Lot A and has the ability to interface with multiple payroll solutions in Lot B then the Offeror has the option to submit separate solutions for each Lot B solution being proposed. Such as: Offeror’s payroll option 1 would be submitted under Lot B1 and Payroll option 2 would be submitted under Lot B2.**

INFORMATION FOR OFFERORS TO SUBMIT - GENERAL (JAN 2006): Offeror shall submit a signed Cover Page and Page Two. Offeror should submit all other information and documents requested in this part and in parts II.B. Special Instructions; III. Scope of Work; V. Qualifications; VIII. Bidding Schedule/Price Proposal; and any appropriate attachments addressed in section IX. Attachments to Solicitations.

INFORMATION FOR OFFERORS TO SUBMIT - EVALUATION (JANUARY 2006): In addition to information requested elsewhere in this solicitation, offerors should submit the following information for purposes of evaluation:

**Offerors shall submit all information and documents required here or elsewhere in the solicitation.**

### **PROPOSAL CONTENTS**

**To be considered for award, all proposals should include, as a minimum, the following information. All information should be presented in the order listed. Offerors should restate each item below and provide their response to that item immediately thereafter.**

**Please respond to the information in this Section using the same format outlined below.**

**A. SUBMITTAL LETTER (Submit this item only one time for all three Lots)**

Offeror's proposal should be accompanied by a Submittal Letter clearly identifying the following information and be signed by an individual authorized to sign contracts on behalf of the Offeror.

1. Full name and address of the organization
2. Date established
3. Ownership (public company, partnership, subsidiary, parent company)
4. Primary business
5. Name and position of the person who will have ultimate responsibility and accountability for this Contract, and act on behalf of the Offeror
6. The email address to send all notices relative to a contract and the name of the individual to whom notices should be addressed.
7. A statement indicating that the Offeror is licensed to do business in South Carolina (include license number) or, that business licensure is not required.

**B. TECHNICAL PROPOSAL (Submit this item for each Lot being proposed)**

The Technical Approach shall not include any price/cost information. The Price/cost information is to be submitted separately.

1. Provide a detailed overview of your technology and recommended solution that can meet the needs outlined in this RFP. If you are able to provide multiple solutions please be specific as to which solution you recommend that best meets the needs of our organization. If multiple solutions could meet our needs please provide information that would allow us to better understand the differences of said solutions.
2. Solution should provide robust performance and processing functionality sufficient to meet the needs of a complex organization.
3. Proposed offering should provide enough information for the evaluation team to determine if the risks associated with our current method of business processing and our current reporting requirements could be mitigated by your solution.
4. If the Offeror's product includes other integrated functionality it should be included in the response as an option for the evaluation team to consider. This would include any tangible (or intangible) benefits of utilizing your solution in an integrated or enterprise wide manner.
5. Explain how your solution could be configured to include our unique state regulatory requirements.
6. Explain how your solution would allow the University to interface with existing legacy systems.
7. Explain how you will assist the University with technical readiness, and describe your user access strategy together with your desktop client administration requirements.
8. Explain your data conversion strategy and how the University will provide data for conversion that meets the required formats. In addition, describe your testing and data validation strategy for converted data.
9. Explain your system security administration process including the assignment of appropriate authorization roles and user profiles for system users, together with your security testing process.
10. If the Offeror's solution includes automated forms and workflow functionality it should be included in the response as an option for the evaluation team to consider.
11. Provide an overall understanding of your methodology and processes for core functions such as change management, incident management, issue escalation and resolution, configuration management, testing procedures, landscape strategy, training strategy, implementation strategy, etc.
12. Provide a disaster recovery plan for the proposed migrated environment. Offeror should select an appropriate Recovery Time Objective (RTO) and Recovery Point Objective (RPO) for the proposed solution.
13. The University is seeking an Offeror whose data center is located within the continental United States. The University expects the Offeror to disclose whether data will be shared with off shore partners or whether the data will be stored in foreign locations
14. Describe your data center environment: location, physical, security, data security, redundancies, etc.
15. List any/all certifications and compliances you currently hold (e.g. ISO's, ITIL, HIPAA, PCI, etc.).
16. Provide an overview of how your solution would be implemented including the following, if any:
  - a. Project Governance Model
  - b. Project Methodology
  - c. Estimated Timeline
  - d. Proposed Staffing Model (Consultants and USC Employees)

- e. Assumptions and Expectations
- f. Implementation Options
- g. Testing Scripts/Strategy
- h. Training Strategy
- i. Deployment Strategy
- j. Cutover Plan
- k. Organization Technical Infrastructure Readiness Plan
- l. Security Role Mapping
- m. Workforce Transition
- n. Helpdesk/Post Production Support

17. Please respond to the following:

- a. Define your governance model structure; discuss day-to-day Service Level Agreements (SLA), metrics, and reports. Include management structure reporting and frequency.
- b. Explain how the product(s) can be configured, customized or personalized to meet our specific needs.
- c. How are upgrades, updates or system enhancements patches, and outages handled in terms of process and communication? Is this part of your pricing or is this an additional cost?
- d. Discuss any options for hardware that would no longer be needed by USC.
- e. Define your current methodology for problem, incident, escalation, and configuration management.
- f. Provide a standard template or example of your statement of work to demonstrate a standard data migration and conversion strategy.

**C. BUSINESS PROPOSAL (Submit this item for each Lot being proposed)**

- 1. Risk Analysis – what internal or external factors could significantly affect the probability of completing this project on time and within budget?
- 2. Risk Mitigation – what actions can be taken to mitigate the identified risks?
- 3. Risk Sharing – are there opportunities for mutually beneficial risk sharing? Discuss terms and conditions for risk and rewards, if available.
- 4. Implementation & Transition plan – provide detailed information on the implementation of the proposed solution for the scope identified in Section III. Include tasks and estimated time lines.
- 5. Demonstrated mutual interest in partnership alliances. References will provide some of this but the University would prefer to understand the Offeror’s strategy for building healthy work relationships to ensure a smooth transition.

**D. COST PROPOSAL (Submit this item for each Lot being proposed)**

Cost Proposal is not to be included in the Offeror’s technical proposal, please submit cost separate.

USC is seeking pricing associated with your recommendation that will cover all aspects of each solution/service you are proposing showing 3 and 5 year options. This should include the costs of implementing (i.e. planning, analysis and project management), transitioning to the solution (i.e. change management, configuration, testing, deployment, and training), configuration, interface development, consulting resources or services, and support of the proposed solution. If your solution includes the provision of certain services (such as payroll administration and tax reporting), include the specific costs associated with the performance of said services (payroll administration, tax reporting, 3<sup>rd</sup> party reporting, W-2 issuance, etc.) Offeror is to submit pricing for each Lot separately.

Other pricing terms should include other system modules available not specifically defined in the Scope Section for each Lot.

Offeror should provide a detailed listing of costs, time, and consulting resources for each of the system/solution components. Offeror may use the **sample** template format below.



**SOFTWARE LICENSE OR SUBSCRIPTION USE FEES**

System/Service Module	One Time	Annual	3 Year	5 Year	Note
Payroll	\$\$	\$\$	\$\$	\$\$	Describe Price Calculations, if any

**ANNUAL MAINTENANCE (if applicable)**

System/Service Module	Phase Name	Timeline (weeks)	Resources (FTE's)	Cost Estimates	Key Deliverables/ Including Primary Responsibility for each Deliverable

**IMPLEMENTATION**

System/Service Module	Phase Name	Timeline (weeks)	Resources (FTE's)	Cost Estimates	Key Deliverables/ Including Primary Responsibility for each Deliverable
Payroll	Planning Phase	16 weeks	6	\$\$	Conversion Strategy

Any reimbursable expenses to be incurred by the Offeror must be included in the Offeror's pricing. Offeror is to provide pricing terms and metrics that will be based on initial costs to implement and future support costs including, but not limited to, licensing, subscription fees, maintenance, software upgrades, hardware upgrades (if any), service level changes, licensing metrics changes, future functionality, and penalties, if any.

**If you are proposing a multiple Lot solution, please include your pricing terms for all lots as a bundled solution.**

**E. OPTIONAL SECTION FOR BUNDLED SOLUTION (Complete this section for bundled solution)**

**VERY IMPORTANT NOTE:**

This section is specifically designed for Offerors who desire to propose additional value to their offer by bundling any or all of Lots A, B & C above. This section is not intended to be a replacement for any of the requirements or information required for Lots A, B & C above just the additional added value. Therefore note that any bundled offering must have completed the information required in the Lots associated with your bundle or your response will be deemed not compliant.

**SPECIAL INSTRUCTIONS:**

In this section please highlight and address only the additional value proposed by bundling any or all of Lots A, B & C above. (for example: discounted pricing options, functional or technical integration efficiencies leading to reduced implementation costs, etc.)

Responding to this section allows the Offeror to submit a response to all three Lots or any combination of the three Lots as a bundled solution. Offeror is to identify clearly the Lots being bundled.

**MINORITY PARTICIPATION (JAN 2006)**

Is the bidder a South Carolina Certified Minority Business?  Yes  No

Is the bidder a Minority Business certified by another governmental entity?  Yes  No

If so, please list the certifying governmental entity: \_\_\_\_\_

Will any of the work under this contract be performed by a SC certified Minority Business as a subcontractor?  Yes  No

If so, what percentage of the total value of the contract will be performed by a SC certified Minority Business as a subcontractor? \_\_\_\_\_

Will any of the work under this contract be performed by a minority business certified by another governmental entity as a subcontractor?  Yes  No

If so, what percentage of the total value of the contract will be performed by a minority business certified by another governmental entity as a subcontractor? \_\_\_\_\_

If a certified Minority Business is participating in this contract, please indicate all categories for which the Business is certified:

- Traditional minority
- Traditional minority, but female
- Women (Caucasian females)
- Hispanic minorities
- DOT referral (Traditional minority)
- DOT referral (Caucasian female)
- Temporary certification
- SBA 8 (a) certification referral
- Other minorities (Native American, Asian, etc.)

(If more than one minority contractor will be utilized in the performance of this contract, please provide the information above for each minority business.)

For a list of certified minority firms, please consult the Minority Business Directory, which is available at the following URL: <http://www.govoepp.state.sc.us/osmba/>  
[04-4015-1]

## **V. Qualifications (Submit this item for each Lot being proposed)**

QUALIFICATION OF OFFEROR (JAN 2006) To be eligible for award of a contract, a prospective contractor must be responsible. In evaluating an Offeror's responsibility, the State Standards of Responsibility [R.19-445.2125] and information from any other source may be considered. An Offeror must, upon request of the State, furnish satisfactory evidence of its ability to meet all contractual requirements. Unreasonable failure to supply information promptly in connection with a responsibility inquiry may be grounds for determining that you are ineligible to receive an award. S.C. Code Section 11-35-1810.

SUBCONTRACTOR – IDENTIFICATION (January, 2006): If you intend to subcontract with another business for any portion of the work and that portion exceeds 10% of your price, your offer must identify that business and the portion of work which they are to perform. Identify potential subcontractors by providing the business' name,

**NOTE: The University reserves the right to contact Offeror's references.**

### **QUALIFICATIONS AND EXPERIENCE**

#### **a. COMPANY BACKGROUND**

Provide details on the background of your firm, to include, at a minimum, the following:

1. Full name and address of the organization
2. Date established

3. Ownership (public company, partnership, subsidiary, parent company)
4. Primary business
5. Total number of full-time employees
6. Name and position of the person who will have ultimate responsibility and accountability for this Contract, and act on behalf of the Offeror

**b. COMPANY EXPERIENCE**

1. The University is seeking an Offeror with a minimum of 5 years experience providing services similar in nature to those outlined in the RFP. State the number of years of prior experience providing similar software solutions/services.
2. The University is seeking an Offeror with a minimum of 5 installations with customers who have a similar employee population, size and business complexity.
3. The University is seeking an Offeror with a customer base of a minimum of 3 Institutions of Higher Education or large Government agencies.
4. **References must be provided by each Offeror but the University will only call and check references for vendors evaluated in the second phase.** Describe at least three (3) references where your firm has provided solutions or services the same or similar, as requested in this RFP, including any prior projects in South Carolina. Provide at least the following information for each:
  - a. Client name & address
  - b. Contact name
  - c. Telephone number
  - d. Email address
  - e. Brief summary of the project, including project cost
  - f. Dates and time of project
  - g. Provide any failed projects, suspensions, and debarments, litigations (past or present).
5. If you have other areas of business, when did you enter the hosted HR/Payroll software/service business?
6. List your company's achievements and your target market.
7. How many business clients do you currently have and if possible break them out by industry and business function (i.e. HR, Payroll Finance, etc.)
8. What is the average size (employee population/number of W2's processed/student enrollment, budget etc.) of your clients?
9. Please indicate if your firm have been relieved, removed or otherwise terminated from a project prior to its completion in the last three years. If so, please provide in-depth details.
10. Discuss your experience, skill sets, and overall ability to support complex governmental, regulatory, higher education business processing activities such as ours.
11. Explain your strategy for delivering education and government specific functionality.
12. Provide an overview of your full suite of products you believe the University may find beneficial to complete an enterprise-wide integrated solution.
13. Explain how you help organizations such as ours transition from aging technology to newer technology. Include details such as your organizational change management (readiness, work transformation, and system/process acceptance) processes to promote adoption of the system.
14. Explain how you would assist the University project team with the testing and implementation of the proposed system to ensure minimal disruption to on-going business operations.
15. Explain how you would assist in the design, development and deployment of training and related job aids and reference materials to prepare University employees in understanding and utilizing the proposed system in an effective manner.

**c. FINANCIAL STABILITY**

Offeror is to provide evidence of financial viability regardless of corporate structure. Submit any one of the following financial statements:

1. Balance Sheet
2. Income Statement
3. Profit and Loss Statement (Provide either audited, compiled, or reviewed financial statements for most recent three fiscal years.)

4. Tax returns can be substituted for financial statements
5. Dun and Bradstreet information (if available)
6. Letters from Banks (if available)

**d. STAFFING**

The Offeror is to demonstrate its capability to provide the services requested in this RFP by describing the qualifications and experience of its proposed staff. The Offeror is to provide the following:

1. Resumes of key staff proposed, indicating prior experience
2. Include detail of staff qualifications and experience
3. Information as to how the respondent intends to ensure full-time dedication of its proposed key staff to the project and how it intends to maintain credentialed, appropriately licensed, and trained staff for the Project.

**SUBCONTRACTOR -- IDENTIFICATION**

If you intend to subcontract with another business for any portion of the work and that portion exceeds 10% of your price, your offer must identify that business and the portion of work which they are to perform. Identify potential subcontractors by providing the business name, address, phone, taxpayer identification number, and point of contact. In determining your responsibility, the state may evaluate your proposed subcontractors. [05-5030-1]

**OFFSHORE CONTRACTING (JAN 2006)**

Work that will be performed offshore by the Offeror and/or its subcontractors must be identified in the Offeror's response. For the purpose of this solicitation, offshore is defined as outside the 50 States and US territories. Offeror is to include an explanation for the following:

- (a) What type of work is being contracted offshore? \_\_\_\_\_
- (b) What percentage (%) of the total work is being contracted offshore? \_\_\_\_\_
- (c) What percentage (%) of the total value of the contract is being contracted offshore? \_\_\_\_\_
- (d) Provide a Service Level Agreement (SLA) demonstrating the arrangement between the off-shore contractor and the Offeror. Attach Service Level Agreement to this document or paste here. Data provided by the Offeror in regards to this clause is for information only and will not be used in the evaluation and determination of an award. [04-4020-1]

**VI. Award Criteria**

Section VI applies to all Lots.

**AWARD:** Award will be made by individual lot or bundled solution whichever is most advantageous to the University.

**COMPETITION FROM PUBLIC ENTITIES (JAN 2006)**

If a South Carolina governmental entity submits an offer, the Procurement Officer will, when determining the lowest offer, add to the price provided in any offers submitted by non-governmental entities a percentage equivalent to any applicable sales or use tax. S.C. Code Ann. Regs 117-304.1 (Supp. 2004). [06-6057-1]

## EVALUATION FACTORS -- PROPOSALS (JAN 2006)

Offers will be evaluated using only the factors stated below. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once evaluation is complete, all responsive Offerors will be ranked from most advantageous to least advantageous.

### A. FIRST PHASE EVALUATION

1. **Technical Proposal:** The completeness and suitability of the Offeror's proposed functional and technical solutions to meet or exceed the requirements of this RFP.
2. **Qualifications and Experience:** Qualifications, experience and financial viability as demonstrated.
3. **Cost Proposal:** All costs to be incurred over the life of the contract.
4. **Business Proposal:** The impact of the proposed solution on the business and financial operations of the University.

At the completion of the First Phase evaluation, based on the weights assigned to each individual criteria, all Offerors' proposals ranked close enough to the highest scoring Offeror where the award of points allowed for a demonstration could make them mathematically eligible to receive an award will be requested to conduct a demonstration that will take place on the University of South Carolina's main campus in Columbia. Each Qualified Offeror will be given a series of functional and technical business scenarios that will need to be built into a live product demonstration and be presented within two business days. Each Qualified Offeror will be given up to ten (10) business days to plan for the demonstration and to schedule their resources. The University reserves the right to adjust this schedule accordingly, depending on the number of Lots the Offeror proposes.

Each Qualified Offeror will be notified of the date and time scheduled for their product demonstration and relevant logistics to participate in the demonstration at the USC Columbia Campus. All costs associated with providing the demonstration shall be the responsibility of each qualified Offeror.

### B. SECOND PHASE EVALUATION

After the first phase evaluation is complete, the first phase qualified Offerors will be evaluated using the following criteria. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. THE FIRST PHASE EVALUATION scores will not be used in the SECOND PHASE.

1. **On-Site Demonstration:** The Offeror's demonstrated functionality and ease of use of the proposed solutions.
2. **Technical Proposal:** The completeness and suitability of the Offeror's proposed functional and technical solutions to meet or exceed the requirements of this RFP.
3. **Qualifications and Experience:** Qualifications, experience and financial viability as demonstrated.
4. **Cost Proposal:** All costs to be incurred over the life of the contract.
5. **Business Proposal:** The impact of the proposed solution on the business and financial operations of the University.

### C. THIRD PHASE EVALUATION

After the second phase evaluation is complete, the Offerors proposing additional value through a bundled solution will be evaluated based on the criteria listed below. Offerors' second phase scores may be increased by as much as 15 points based on the evaluation using these criteria. Evaluation factors are stated in the relative order of importance, with the first factor being the most important.

1. Software or subscription discounts or bundled pricing
2. Implementation cost efficiencies realized by a bundled solution
3. Functional benefits
4. Additional proposed benefits

## **D. FOURTH PHASE EVALUATION**

After completion of the third phase evaluation and the top ranked Offeror is identified, a decision will be made by the University to determine if an award will be issued based on current operational plans compared to new opportunity provided through the result of this solicitation.

### **UNIT PRICE GOVERNS (JAN 2006)**

In determining award, unit prices will govern over extended prices unless otherwise stated. [06-6075-1]

**NEGOTIATIONS (JANUARY 2006):** The Procurement Officer may elect to make an award without conducting negotiations. However, after the offers have been ranked, the Procurement Officer may elect to negotiate price or the general scope of work with the highest ranked Offeror. If a satisfactory agreement cannot be reached, negotiations may be conducted with the second, and then the third, and so on, ranked Offerors to such level of ranking as determined by the Procurement Officer.

## **VII. Terms and Conditions - A. General**

Section VII.A applies to all Lots.

**ASSIGNMENT (JANUARY 2006):** No contract or its provisions may be assigned, sublet, or transferred without the written consent of the Procurement Officer.

**BANKRUPTCY (JANUARY 2006):** (a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy.

**CHOICE-OF-LAW (JANUARY 2006):** The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation.

**CONTRACT DOCUMENTS & ORDER OF PRECEDENCE (JANUARY 2006):** (a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) documentation regarding the clarification of an offer [e.g., 11-35-1520(8) or 11-35-1530(6)], if applicable, (3) the solicitation, as amended, (4) modifications, if any, to your offer, if accepted by the Procurement Officer, (5) your offer, (6) any statement reflecting the state's final acceptance (a/k/a "award"), and (7) purchase orders. These documents shall be read to be consistent and complimentary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. (b) The terms and conditions of documents (1) through (6) above shall apply notwithstanding any additional or different terms and conditions in either (i) a purchase order or other instrument submitted by the State or (ii) any invoice or other document submitted by Contractor. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect. (c) No contract, license, or other agreement containing contractual terms and conditions will be signed by any Using Governmental Unit. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect.

### **DISCOUNT FOR PROMPT PAYMENT (JANUARY 2006)**

(a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors

awarded contracts may include discounts for prompt payment on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the state annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day.

**DISPUTES (JANUARY 2006):** (1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United State's Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail.

**EQUAL OPPORTUNITY (JANUARY 2006).** Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference.

**FALSE CLAIMS (JANUARY 2006):** According to the S.C. Code of Laws § 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime.

**FIXED PRICING REQUIRED (JANUARY 2006):** Any pricing provided by contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit contractor from offering lower pricing after award.

**NON-INDEMNIFICATION (JANUARY 2006):** Any term or condition is void to the extent it requires the State to indemnify anyone.

**NOTICE (JANUARY 2006):** (A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used. (B) Notice to contractor shall be to the address identified as the Notice Address on Page Two. Notice to the state shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph.

**PAYMENT & INTEREST (MAY 2011):** (a) Unless otherwise provided in this Solicitation, the State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by the Government. (b) Unless otherwise provided herein, including the purchase order, payment will be made by check. (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is

applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason. (d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as amended. (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. § 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding.

**PUBLICITY (JANUARY 2006):** Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer.

**PURCHASE ORDERS (JANUARY 2006):** Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order.

**SETOFF (JANUARY 2006)** The state shall have all of its common law, equitable, and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the state with regard to this contract, any other contract with any state department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the state for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto.

**SURVIVAL OF OBLIGATIONS (JANUARY 2006):** The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Indemnification, and any provisions regarding warranty or audit.

**TAXES (JANUARY 2006):** Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor.

**TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JANUARY 2006)** Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled. In the event of a cancellation pursuant to this paragraph, contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs. Contractor will not be reimbursed any costs amortized beyond the initial contract term.

**THIRD PARTY BENEFICIARY (JANUARY 2006)** This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise.

**WAIVER (JANUARY 2006)** The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to



strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing.

## **VII. Terms and Conditions - B. Special**

Section VII.B applies to all Lots.

### **CHANGES (JAN 2006):**

(1) **Contract Modification.** By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

(a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;

(b) method of shipment or packing; (c) place of delivery;

(d) description of services to be performed;

(e) time of performance (i.e., hours of the day, days of the week, etc.); or,

(f) place of performance of the services.

Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract.

(2) **Adjustments of Price or Time for Performance.** If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

(3) **Time Period for Claim.** Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in notification.

(4) **Claim Barred After Final Payment.** No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

**COMPLIANCE WITH LAWS (JAN 2006):** During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs.

**CONTRACTOR'S LIABILITY INSURANCE (JAN 2006):** (1) Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in South Carolina such insurance as will protect the contractor from the types of claims set forth below which may arise out of or result from the contractor's operations under the contract and for which the contractor may be legally liable, whether such operations be by the contractor or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (a) claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the work to be performed; (b) claims for damages because of bodily injury, occupational sickness or disease, or death of the contractor's employees; (c) claims for damages because of bodily injury, sickness or disease, or death of any person other than the contractor's employees; (d) claims for damages insured by usual personal injury liability coverage; (e) claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; (f) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; (g) claims for bodily injury or property damage arising out of completed operations; and (h) claims involving contractual liability insurance applicable to the Contractor's obligations under the provision entitled Indemnification – Third Party Claims.

(2) Coverage shall be written on an occurrence basis and shall be maintained without interruption from date of commencement of the work until date of final payment. Coverage must include the following on a commercial

basis: (i) Premises – Operations, (ii) Independent Contractor’s Protective, (iii) Products and Completed Operations, (iv) Personal and Advertising Injury, (v) Contractual, including specific provision for contractor’s obligations under the provision entitled Indemnification – Third Party Claims, (vi) Broad Form Property Damage including Completed Operations, and (vii) Owned, Non-owned and Hired Motor Vehicles.

(3) The insurance required by this paragraph shall be written for not less than the following limits of liability or as required by law, whichever coverage is greater.:

COMMERCIAL GENERAL LIABILITY: General Aggregate (per project) \$1,000,000

Products/Completed Operations \$1,000,000

Personal and Advertising Injury \$1,000,000

Each Occurrence \$1,000,000

Fire Damage (Any one fire) \$ 50,000

Medical Expense (Any one person) \$ 5,000

BUSINESS AUTO LIABILITY (including All Owned, Nonowned, and Hired Vehicles): Combined Single Limit \$1,000,000

OR

Bodily Injury & Property Damage (each) \$750,000

WORKER’S COMPENSATION:

State Statutory

Employers Liability \$100,000 Per Acc.

\$500,000 Disease, Policy Limit; \$100,000 Disease, Each Employee

(4) Required Documentation. (a) Prior to commencement of the work, contractor shall provide to the state a signed, original certificate of liability insurance (ACORD 25). The certificate shall identify the types of insurance, state the limits of liability for each type of coverage, include a provision for 30 days notice prior to cancellation, name every applicable using governmental unit (as identified on the cover page) as a Certificate Holder, provide that the general aggregate limit applies per project, and provide that coverage is written on an occurrence basis. (b) Prior to commencement of the work, contractor shall provide to the state a written endorsement to the contractor’s general liability insurance policy that (i) names every applicable using governmental unit (as identified on the Cover Page) as an additional insured, (ii) provides that no material alteration, cancellation, non-renewal, or expiration of the coverage contained in such policy shall have effect unless the named governmental unit(s) has been given at least thirty (30) days prior written notice, and (iii) provides that the Contractor’s liability insurance policy shall be primary, with any liability insurance of the state as secondary and noncontributory. (c) Both the certificate and the endorsement must be received directly from either the contractor's insurance agent or the insurance company.

(5) Contractor shall provide a minimum of thirty (30) days written notice to every applicable using governmental unit of any proposed reduction of coverage limits (on account of revised limits or claims paid under the General Aggregate) or any substitution of insurance carriers.

(6) The state's failure to demand either a certificate of insurance or written endorsement required by this paragraph is not a waiver of contractor's obligations to obtain the required insurance.

**Insurance Requirement: The successful offeror must provide a copy of its Liability Insurance certificate within ten (10) days upon the posting of the intent to award statement or statement of award and on each anniversary date thereafter attesting to such insurance coverage.**

COMPLIANCE WITH LAWS (JAN 2006): During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs.

CONTRACTOR'S OBLIGATION – GENERAL (JAN 2006): The contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The contractor must act as the prime contractor and assume full responsibility for any subcontractor’s performance. The contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements.

CONTRACTOR’S USE OF STATE PROPERTY (JAN 2006): Upon termination of the contract for any reason, the State shall have the right, upon demand, to obtain access to, and possession of, all State properties, including, but not limited to, current copies of all State application programs and necessary documentation, all data, files, intermediate materials and supplies held by the contractor. Contractor shall not use, reproduce, distribute, display, or sell any data, material, or documentation owned exclusively by the State without the State's written consent, except to the extent necessary to carry out the work.

DEFAULT (JAN 2006):

(a)(1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to-

(i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;

(ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or

(iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

(2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.

(f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.

(h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

**HIPAA LAW:** The Contractor agrees that to the extent that some or all of the activities within the scope of this Contract are subject to the Health Insurance Portability Accountability Act of 1996, P.L. 104-91, as amended (“HIPAA”), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the University of South Carolina may require to ensure compliance. Additional information may be viewed at: <http://www.sc.edu/hipaa/>

**INDEMNIFICATION - THIRD PARTY CLAIMS (JAN 2006):** Notwithstanding any limitation in this agreement, Contractor shall defend and indemnify the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all suits or claims of any nature (and all damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities attributable thereto) by any third party which arise out of, or result in any way from, any defect in the goods or services acquired hereunder or from any act or omission of Contractor, its subcontractors, their employees, workmen, servants or agents. Contractor shall be given written notice of any suit or claim. State shall allow Contractor to defend such claim so long as such defense is diligently and capably prosecuted through legal counsel. State shall allow Contractor to settle such suit or claim so long as (i) all settlement payments are made by (and any deferred settlement payments are the sole liability of) Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall not admit liability or agree to a settlement or other disposition of the suit or claim, in whole or in part, without the prior written consent of Contractor. State shall reasonably cooperate with Contractor's defense of such suit or claim. The obligations of this paragraph shall survive termination of the parties' agreement.

**INTELLECTUAL PROPERTY INFRINGEMENT (JAN 2006)** (a) Without limitation and notwithstanding any provision in this agreement, Contractor shall, upon receipt of notification, defend and indemnify the State, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all actions, proceedings or claims of any nature (and all damages, settlement payments, attorneys' fees (including inside counsel), costs, expenses, losses or liabilities attributable thereto) by any third party asserting or involving an IP right related to an acquired item. State shall allow Contractor to defend such claim so long as the defense is diligently and capably prosecuted. State shall allow Contractor to settle such claim so long as (i) all settlement payments are made by Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall reasonably cooperate with Contractor's defense of such claim. (b) In the event an injunction or order shall be obtained against State's use of any acquired item, or if in Contractor's opinion, the acquired item is likely to become the subject of a claim of infringement or violation of an IP right, Contractor shall, without in any way limiting the foregoing, and at its expense, either: (1) procure for State the right to continue to use, or have used, the acquired item, or (2) replace or modify the acquired item so that it becomes non-infringing but only if the modification or replacement does not adversely affect the specifications for the acquired item or its use by State. If neither (1) nor (2), above, is practical, State may require that Contractor remove the acquired item from State, refund to State any charges paid by State therefor, and take all steps necessary to have State released from any further liability. (c) Contractor's obligations under this paragraph do not apply to a claim to the extent (i) that the claim is caused by Contractor's compliance with specifications furnished by the State unless Contractor knew its compliance with the State's specifications would infringe an IP right, or (ii) that the claim is caused by Contractor's compliance with specifications furnished by the State if the State knowingly relied on a third party's IP right to develop the specifications provided to Contractor and failed to identify such product to Contractor. (d) As used in this paragraph, these terms are defined as follows: "IP right(s)" means a patent, copyright, trademark, trade secret, or any other proprietary right. "Acquired item(s)" means the rights, goods, or services furnished under this agreement. "Specification(s)" means a detailed, exact statement of particulars such as a statement prescribing materials, dimensions, and quality of work. (e) Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of this Agreement.

**LICENSES AND PERMITS (JAN 2006):** During the term of the contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract.

OWNERSHIP OF DATA & MATERIALS (JAN 2006): All data, material and documentation either prepared for the state pursuant to this contract shall belong exclusively to the State.

PRICE ADJUSTMENTS (JAN 2006): (1) Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

(a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

(b) by unit prices specified in the Contract or subsequently agreed upon;

(c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;

(d) in such other manner as the parties may mutually agree; or,

(e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830.

PRICE ADJUSTMENT - LIMITED - AFTER INITIAL TERM ONLY (JAN 2006): Upon approval of the Procurement Officer, prices may be adjusted for any renewal term. Prices shall not be increased during the initial term. Any request for a price increase must be received by the Procurement Officer at least ninety (90) days prior to the expiration of the applicable term and must be accompanied by sufficient documentation to justify the increase. If approved, a price increase becomes effective starting with the term beginning after approval. A price increase must be executed as a change order. Contractor may terminate this contract at the end of the then current term if a price increase request is denied. Notice of termination pursuant to this paragraph must be received by the Procurement Officer no later than fifteen (15) days after the Procurement Officer sends contractor notice rejecting the requested price increase.

PRICE ADJUSTMENTS – LIMITED BY CPI “All Items” (JAN 2006): Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), “all items” for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at [www.bls.gov](http://www.bls.gov).

PRICING DATA – AUDIT – INSPECTION (JAN 2006) [Clause Included Pursuant to § 11-35-1830, - 2210, & - 2220] (a) Cost or Pricing Data. Upon Procurement Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. § 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions – Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. § 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR § 15.406-2(a) (adapted as necessary for the state context).

(e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state.

**PROTECTION OF HUMAN HEALTH AND THE ENVIRONMENT** - The University of South Carolina requires that all contractual activities to be in compliance with local, state and federal mandates concerning “protection of human health and the environment”. In addition, the University of South Carolina is a “Drug Free Work Place” and requires all contractors to comply with South Carolina Code of Laws Section 41-15-10 ET sequence (1976 w/amendments). Any contractor doing business with the University will be required to document compliance with these mandates and to furnish specific information requested by the University’s Department of Environmental Health and Safety when notified to do so. The Contractor understands and agrees that jobsites are open at all times work is being performed by the Contractor to authorized University employees who have been trained to identify unsafe work conditions. The Contractor will immediately correct any deficiencies noted by these inspections when requested by the University’s Department of Environmental Health and Safety to do so. In work areas where a specific hazard is posed which includes but is not limited to lead paint and asbestos abatement projects, Contractors will be required to produce Lead Compliance Plans and Asbestos Project Designs which outline their method of work prior to the start of work. Each contractor shall designate a responsible member of the Contractor’s organization to be at the site whose duty shall be the prevention of accidents. By submission of this bid, the vendor agrees to take all necessary steps to insure compliance with the requirements outlined above.

**PRIVACY – WEB SERVICES (JAN 2006):** You agree that any information acquired by you about individuals or businesses that is available to you as a result of your performance of this contract shall not be retained beyond the end of the term of the contract without the express written consent of the government. Such information shall never be sold, traded, or released to another entity, including affiliates, and shall not be used for any purpose other than performing this contract. Upon request, contractor shall provide written confirmation of compliance with this clause.

**RELATIONSHIP OF THE PARTIES (JAN 2006):** Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party.

**SOFTWARE LICENSES (JAN 2006):**

**Proprietary Software:** Proprietary software is non-custom written, non-made for hire computer software supplied by the contractor and documentation used to describe, maintain and use the software.

**License:** The State is hereby granted a non-exclusive, fully paid perpetual license to use the proprietary software acquired hereunder.

**Title:** Title to any proprietary software provided by the Contractor to the State will remain with the Contractor.

**Trade Secrets:** The State agrees that the proprietary software is a trade secret of the contractor. The State agrees to take reasonable precautions to protect the trade secret nature of the proprietary software and to prevent its disclosure to unauthorized personnel. The license herein granted cannot be transferred, assigned, or made available by the State for use by any other individual, firm, partnership, or legal entity not affiliated, associated, or connected with the State without the prior expressed written consent of the contractor, which consent will not be unreasonably withheld. Such transfer shall also be conditioned upon the execution by the transferee of a written declaration agreeing to be bound by the terms and conditions of confidentiality provided for in this section.

**Source Code:** Source code includes files used by assembly, basic, c or other language compatibles to produce object modules for linkage into applications programs. The source code media will contain source code, files for compiling and linking software, and any other files and documentation available in machine-readable form to facilitate compiling and linking the code.

In the event the contractor, at any point during the continued installation and operation of the products acquired under this contract, discontinues the conduct of business, or for any reason fails to continue to support its proprietary software, it will either make provision for the continued support under the same terms and conditions or provide the State with a copy of the source code for said proprietary software, at no expense to the State.

Export Control: The State acknowledges that the products acquired hereunder may be licensable by the U. S. Government. It further acknowledges that a valid export license must be obtained from the Department of Commerce prior to export of said products.

Customized Software: Customized software is made-for-hire, custom written and customer specific software or customizations to proprietary software developed for the State by contractor and documentation used to describe, maintain and use the software.

Title: Title to the customized software vests in the State as set forth herein. Contractor shall thereafter have no right, title or interest in any customized software. As herein used, title includes providing to the State all intellectual elements of the customized software including, but not limited to, developmental work product, notes, object and source codes, documentation, and any other items which would aid the State in understanding, using, maintaining, and enhancing said customized software.

Software Tools: The contractor shall provide to the STATE, simultaneous with its initial installation, and any subsequent enhancements, upgrades, fixes, etc., software tools (including, but not limited to compilers, editors, etc.) that the STATE would require to maintain or enhance the customized software. The price for said tools and the cost to train State personnel to maintain and/or to enhance the customized software shall be noted separately and included in the contractor's cost proposal submitted to the State in response to the State's solicitation.

Escrow for Source Code: In the event the contractor at any point during the continued installation and operation of the software herein acquired discontinues the conduct of business or for any other reason fails to continue to support the software, the state shall be provided a copy of the source code for said software within thirty days at no expense to the State.

For the effective term of this contract, contractor will provide, to a mutually agreed upon escrow agent in the United States, the most recent version of the source code on magnetic media.

Proprietary source code shall be deposited into the escrow account within fifteen (15) days of the initiation of the contract, or any major update, non-customized enhancement, version or release of said licensed software.

The source code may be accessed only upon the following conditions:

- a. Contractor refuses to provide software maintenance, bug fixes, upgrades, updates and/or enhancement services under the terms set forth in this contract or as generally provided similarly situated customers; or
- b. Contractor ceases to do business or exist as a valid business entity, as evidenced by an adjudication of bankruptcy or other definitive measure of cessation of operations.

With regards to proprietary software, the state may not sell, assign lease, or otherwise provide said source code(s) to any other person or entity, regardless of modification, without the express written consent of contractor, its successors, and assigns.

TERM OF CONTRACT – EFFECTIVE DATE / INITIAL CONTRACT PERIOD (JAN 2006): The effective date of this contract is the first day of the Maximum Contract Period as specified on the final statement of award. The initial term of this agreement is one year from the effective date. Regardless, this contract expires no later than the last date stated on the final statement of award.

TERM OF CONTRACT – OPTION TO RENEW (JAN 2006): At the end of the initial term, and at the end of each renewal term, this contract shall automatically renew for a period of one year, unless contractor receives notice that the state elects not to renew the contract at least thirty (30) days prior to the date of renewal. Regardless, this contract expires no later than the last date stated on the final statement of award.

TERMINATION FOR CONVENIENCE (JAN 2006): (1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer

shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

(2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the contractor to assign the contractor's right, title, and interest under terminated orders or subcontracts to the State. The contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the contractor in which the State has an interest. If the Procurement Officer does not exercise this right, the contractor shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause.

(4) Compensation. (a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect the state's right to require the termination of a subcontract, or (ii) increase the obligation of the state beyond what it would have been if the subcontract had contained an appropriate clause.

## **VIII. BIDDING SCHEDULE / PRICE-BUSINESS PROPOSAL**

**PLEASE REFER TO COST ITEM OF THE PROPOSAL CONTENTS CLAUSE IN SECTION IV. INFORMATION FOR OFFERORS TO SUBMIT**



## IX. ATTACHMENTS TO SOLICITATION

### PROTECTION OF CONFIDENTIAL DATA

- Service Offeror agrees to abide by the limitations on re-disclosure of personally identifiable information from education records set forth in The Family Educational Rights and Privacy Act and with the terms set forth below. 34 CFR 99.33 (a)(2) states that the officers, employees and agents of a party that receives education record information from the Institution may use the information, but only for the purposes for which the disclosure of the information was made.
- **Definition: Covered Data and Information (CDI)** includes paper and electronic student education record information supplied by Institution, as well data provided by Institution's students to the Service Offeror, if any.
- **Acknowledgment of Access to CDI:** Service Offeror acknowledges that the Contract allows the Service Offeror access to CDI.
- **Prohibition on Unauthorized Use or Disclosure of CDI:** Service Offeror agrees to hold CDI in strict confidence. Service Offeror shall not use or disclose CDI received from or on behalf of the University of South Carolina (or its students) except as permitted or required by the Contract, as required by law, or as otherwise authorized in writing by the University of South Carolina. Service Offeror agrees not to use CDI for any purpose other than the purpose for which the disclosure was made.
- **Return or Destruction of CDI:** Upon termination, cancellation, expiration or other conclusion of the Contract, Service Offeror shall return all CDI to the University of South Carolina or, if return is not feasible, destroy any and all CDI. If the Service Offeror destroys the information, the Service Offeror shall provide the University of South Carolina with a certificate confirming the date of destruction of the data.
- **Remedies: If the University of South Carolina** reasonably determines in good faith that Service Offeror has materially breached any of its obligations under the Contract, then the University of South Carolina, in its sole discretion, shall have the right to (1) require Service Offeror to submit to a plan of monitoring and reporting, (2) provide Service Offeror with a fifteen (15) day period to cure the breach, or (3) terminate the Contract immediately if cure is not possible. Before exercising any of these options, the University of South Carolina shall provide written notice to Service Offeror describing the violation and the action it intends to take.
- **Maintenance of the Security of Electronic Information:** Service Offeror shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted CDI received from, or on behalf of the University of South Carolina or its students. Service Offeror shall impose these measures on all subcontractors used by Service Offeror.
- **Reporting Unauthorized Disclosures or Misuse of Covered Data and Information:** Service Offeror shall, within one (1) day of discovery, report to the University of South Carolina any use or disclosure of CDI not authorized by the Contract or in writing by the University of South Carolina. Service Offeror's report shall identify: (1) the nature of the unauthorized use or disclosure, (2) the CDI used or disclosed, (3) the identity of the individual or entity that received the unauthorized disclosure, (4) the action(s) that Service Offeror has taken or shall take to mitigate any potentially negative effects of the unauthorized use or disclosure, and (5) the corrective action(s) Service Offeror has taken or shall take to prevent future similar unauthorized uses or disclosures. Service Offeror shall provide any additional information in connection with the unauthorized disclosure reasonably requested by Institution.
- **Compliance with Red Flags Rule:** The Federal Trade Commission has promulgated regulations collectively known as the "Red Flags Rule" with which Institution must comply. See 16 CFR 681. Under the Red Flags Rule, Institution (the University of South Carolina) must ensure that Service Offeror either complies with Institution's identity theft Program or that Service Offeror has its own policies and procedures in place to detect and respond to identity theft Red Flags. Service Offeror represents and warrants that it has reasonable policies and procedures in place to detect, prevent and mitigate identity theft. Service Offeror shall review and comply with all relevant portions of Institution's identity theft policy, if any, as well as any applicable Institutional identity theft plan. Service Offeror shall report any Red Flags that it detects in connection with the Agreement to Institution.

**IMPORTANT TAX NOTICE - NONRESIDENTS ONLY**

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed \$10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the contract.

The withholding requirement applies to every governmental entity that uses a contract ("Using Entity"). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

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Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

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For information about other withholding requirements (e.g., employee withholding), contact the Withholding Section at the South Carolina Department of Revenue at 803-898-5383 or visit the Department's website at [www.sctax.org](http://www.sctax.org).

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This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration questions should be directed to the License and Registration Section at 803-898-5872 or to the South Carolina Department of Revenue, Registration Unit, Columbia, S.C. 29214-0140. All withholding questions should be directed to the Withholding Section at 803-898-5383.



STATE OF SOUTH CAROLINA DEPARTMENT  
OF REVENUE **NONRESIDENT TAXPAYER**  
**REGISTRATION AFFIDAVIT**  
**INCOME TAX WITHHOLDING**

**I-312**  
(Rev. 5/7/04)  
3323

**The undersigned nonresident taxpayer on oath, being first duly sworn, hereby certifies as follows:**

1. Name of Nonresident Taxpayer: \_\_\_\_\_
2. Trade Name, if applicable (Doing Business As): \_\_\_\_\_
3. Mailing Address: \_\_\_\_\_
4. Federal Identification Number: \_\_\_\_\_
5. Hiring or Contracting with: \_\_\_\_\_
- Name: \_\_\_\_\_
- Address: \_\_\_\_\_
- Receiving Rentals or Royalties From: \_\_\_\_\_
- Name: \_\_\_\_\_
- Address: \_\_\_\_\_
- Beneficiary of Trusts and Estates: \_\_\_\_\_
- Name: \_\_\_\_\_
- Address: \_\_\_\_\_

6. I hereby certify that the above named nonresident taxpayer is currently registered with  
**(check the appropriate box):**

- The South Carolina Secretary of State or
- The South Carolina Department of Revenue

Date of Registration: \_\_\_\_\_

7. I understand that by this registration, the above named nonresident taxpayer has agreed to be subject to the jurisdiction of the South Carolina Department of Revenue and the courts of South Carolina to determine its South Carolina tax liability, including estimated taxes, together with any related interest and penalties.

8. I understand the South Carolina Department of Revenue may revoke the withholding exemption granted under Code Sections 12-8-540 (rentals), 12-8-550 (temporarily doing business or professional services in South Carolina), and 12-8-570 (distributions to nonresident beneficiary by trusts or estates) at any time it determines that the above named nonresident taxpayer is not cooperating with the Department in the determination of its correct South Carolina tax liability.

The undersigned understands that any false statement contained herein could be punished by fine, imprisonment or both.

Recognizing that I am subject to the criminal penalties under Code Section 12-54-44 (B) (6) (a) (i), I declare that I have examined this affidavit and to the best of my knowledge and belief, it is true, correct and complete.

\_\_\_\_\_  
(Seal) \_\_\_\_\_  
Signature of Nonresident Taxpayer (Owner, Partner or Corporate Officer, when relevant) Date

If Corporate officer state title:

\_\_\_\_\_  
(Name - Please Print)

**Mail to:** The company or individual you are contracting with.

**OFFEROR'S CHECKLIST**  
*AVOID COMMON BID/PROPOSAL MISTAKES*

Review this checklist prior to submitting your bid/proposal.  
If you fail to follow this checklist, you risk having your bid/proposal rejected.

- DO NOT INCLUDE ANY OF YOUR STANDARD CONTRACT FORMS!
- UNLESS EXPRESSLY REQUIRED, DO NOT INCLUDE ANY ADDITIONAL BOILERPLATE CONTRACT CLAUSES.
- REREAD YOUR ENTIRE BID/PROPOSAL TO MAKE SURE YOUR BID/PROPOSAL DOES NOT TAKE EXCEPTION TO ANY OF THE STATE'S MANDATORY REQUIREMENTS.
- MAKE SURE YOU HAVE PROPERLY MARKED ALL PROTECTED, CONFIDENTIAL, OR TRADE SECRET INFORMATION IN ACCORDANCE WITH THE INSTRUCTIONS ENTITLED: SUBMITTING CONFIDENTIAL INFORMATION. ***DO NOT MARK YOUR ENTIRE BID/PROPOSAL AS CONFIDENTIAL, TRADE SECRET, OR PROTECTED! DO NOT INCLUDE A LEGEND ON THE COVER STATING THAT YOUR ENTIRE RESPONSE IS NOT TO BE RELEASED!***
- HAVE YOU PROPERLY ACKNOWLEDGED ALL AMENDMENTS? INSTRUCTIONS REGARDING HOW TO ACKNOWLEDGE AN AMENDMENT SHOULD APPEAR IN ALL AMENDMENTS ISSUED.
- MAKE SURE YOUR BID/PROPOSAL INCLUDES A COPY OF THE SOLICITATION COVER PAGE. MAKE SURE THE COVER PAGE IS SIGNED BY A PERSON THAT IS AUTHORIZED TO CONTRACTUALLY BIND YOUR BUSINESS.
- MAKE SURE YOUR BID/PROPOSAL INCLUDES THE NUMBER OF COPIES REQUESTED.
- CHECK TO ENSURE YOUR BID/PROPOSAL INCLUDES EVERYTHING REQUESTED!
- IF YOU HAVE CONCERNS ABOUT THE SOLICITATION, DO NOT RAISE THOSE CONCERNS IN YOUR RESPONSE! **AFTER OPENING, IT IS TOO LATE! IF THIS SOLICITATION INCLUDES A PRE-BID/PROPOSAL CONFERENCE OR A QUESTION & ANSWER PERIOD, RAISE YOUR QUESTIONS AS A PART OF THAT PROCESS!** PLEASE SEE INSTRUCTIONS UNDER THE HEADING "SUBMISSION OF QUESTIONS" AND ANY PROVISIONS REGARDING PRE-BID/PROPOSAL CONFERENCES.

This checklist is included only as a reminder to help offerors avoid common mistakes.  
Responsiveness will be evaluated against the solicitation, ***not*** against this checklist.  
You do not need to return this checklist with your response.