



Departamento de Hacienda
Estado Libre Asociado de Puerto Rico

DEPARTAMENTO DE HACIENDA

REQUEST FOR PROPOSAL

FOR

**THE ACQUISITION OF
ELECTRONIC WORKFLOW**

AND

FORMS MANAGEMENT SYSTEM

AND

**ASSOCIATED PROFESSIONAL SERVICES
TO STREAMLINE TAX PROCESSING**

(PHASE 1)

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1 General Information

1.1 Purpose of the Procurement

The Departamento de Hacienda (“Hacienda”) issues this Request for Proposals (“RFP”) to solicit Proposals from software vendors, system integrators, and service providers (“Proposers”), interested in providing:

- Software product(s) that address Hacienda requirements for automating tax return processing;
- Implementation and support services; and,
- Software customization services.

Pursuant to the procurement requirements of the Government of Puerto Rico, all server hardware, client hardware, scanning devices, monitors, network devices, and other equipment necessary to implement this Solution will be acquired through a separate bid process. Participation in this RFP will not prevent Proposers from bidding for the hardware if they are otherwise eligible to participate.

1.2 Basic Guidelines

With the issuance of this RFP, Hacienda announces its intent to acquire certain technologies and associated services to provide a Solution for expediting tax processing, reducing data entry errors, improving management control of tax processing, and improving the Department’s service level to its constituents.

Hacienda’s goal is to accurately state its requirements in this RFP and to encourage Proposers to provide their solutions in response to this solicitation. Hacienda’s requirements will fall into two categories – Mandatory Requirements and desirable capabilities. Proposers’ Solutions must provide all Mandatory Requirements stated in this RFP. Hacienda recognizes that there are numerous combinations of technologies that may meet the needs stated in this RFP. To encourage Proposer creativity and flexibility, Hacienda will accept alternative Proposer capabilities if they are deemed to be “functionally equivalent” to the requirements stated in this RFP. If Proposer presents one or more “functionally equivalent” responses to Hacienda’s requirements, the Proposer must provide evidence that Proposer’s alternative is “functionally equivalent” to the Hacienda requirement. Case studies, references, customer testimonials, and independent product evaluations may be used to establish Proposer’s position.

The RFP will also require Proposers to describe certain functions and capabilities that are not required to be responsive to the RFP, but are functions and capabilities that will add value to Proposers’ Solutions. Hacienda encourages Proposers to fully describe their Solutions’ capabilities in these areas. Proposers are also encouraged to describe

additional features, functions, and capabilities or their Solutions that Proposers believe would be of interest to Hacienda in accomplishing the goals of this initiative.

Hacienda will accept responses from Proposers that are presented in Spanish, English, or a combination of the two languages. The responses of all Proposers will receive full and unbiased consideration independent of the language(s) of the response.

Hacienda encourages participation in this RFP and assures Potential Proposers that award will be based totally on the evaluation criteria described in this RFP. Hacienda will award this contract to the Proposer whose Solution provides the best value to the Department and to the People of Puerto Rico based on the stated evaluation criteria.

1.3 Schedule of Events

This section contains the schedule of events that are critical for response to this RFP.

Event/Format	Completion Date
Release of the RFP	September 18, 2002
Last Date for Proposer Questions <i>[Electronic Transmission Accepted]</i>	September 27, 2002
Submission of Letter of Intent to Bid <i>[Electronic Transmittal and Fax Transmittal Accepted]</i>	September 27, 2002
Submission of Phase 1 Hardware Configuration <i>[Electronic Transmittal Accepted]</i>	September 27, 2002
Submission of Good Faith Negotiation <i>[Electronic Transmittal and Fax Transmittal Accepted]</i>	September 27, 2002
Responses to Proposer Questions	October 2, 2002
RFP Responses Due	October 16, 2002 at 5:00 PM local time
Announce Finalists	October 23, 2002
Demos and Interviews with Finalists (as required)	October 28- November 8, 2002
Announcement of Successful Proposer	November 15, 2002
Complete Contract Negotiation	November 21, 2002
*** Contract Signing ***	November 22, 2002
Begin Phase 1 Implementation	December 2, 2002

Event/Format	Completion Date
End Phase 1 Implementation	February 14, 2003
Begin Phase 1 Prototype Production	February 17, 2003
End Phase 1 Prototype Production	May 2, 2003

Hacienda is currently considering holding a Bidder’s Conference but has not finalized plans. If Hacienda decides to hold a Bidder’s Conference, we will issue an Amendment to the RFP that will present the time and location of the conference and will clearly state if attendance at this conference is mandatory for participation in the RFP. RFP Amendments will be sent to all companies that responded to Hacienda’s RFI. The Amendment will also be posted on Hacienda’s web site.

1.4 Letter of Intent to Bid

To be eligible for award consideration, each Potential Proposer must submit a Letter of Intent to Bid on or before the date specified in *Subsection 1.3, Schedule of Events*. This letter should be submitted on the letterhead of the Potential Proposer and must indicate the intent of the Proposer to submit a response to Hacienda’s Tax Process Automation Initiative Request for Proposal.

The Letter of Intent to Bid must:

- Reference Proposer’s desire to comply with all Mandatory Requirements and other required terms and conditions of this offering.
- Include the name, address, telephone number, fax number, and e-mail address of an employee of Proposer’s company who will serve as the contact point for all official communication regarding this RFP. The individual designated in this role will receive the electronic transmission of Hacienda’s response to all Potential Proposers’ questions.
- Indicate that the Potential Proposer will serve as Prime Vendor if selected.

The Letter of Intent to Bid must be signed by a representative of Proposer’s company in a position to commit Proposer to financial commitments, performance conditions, and delivery of scopes of work.

The signed letter must be faxed to Hacienda on the date indicated in *Subsection 1.3, Schedule of Events*. Potential Proposers should fax the signed *Letter of Intent to Bid* to the attention of Sr.Rene Pietri Rodriquez at:

787-721-6401

The original copy of the signed letter must be included in the Technical Proposal.

1.5 Hardware Configuration

To be eligible for award consideration, each Potential Proposer must submit a detailed description of the hardware resources that will be required to support the Potential Proposer's Solution. Hacienda's intent is to acquire hardware resources that match or exceed the requirements presented by all of the Potential Proposers in a separate Hardware Procurement. The Hardware Procurement and the RFP process will run concurrently so that Hacienda can provide the Successful Proposer with the hardware resources necessary to begin implementation as soon as possible. Purchasing regulations prevent the inclusion of hardware in the RFP because the hardware resources can be obtained through a structured bid process.

As part of the cost evaluation of each proposal, Hacienda will calculate the cost of all hardware resources required by each Solution. This information will be incorporated with other cost components to provide a basis for comparing the relative costs all Solutions.

Potential Proposers will submit their *Phase 1 Hardware Configurations* electronically to Hacienda at the following e-mail address:

TaxInitiative@hacienda.gobierno.pr

Potential Proposers are encouraged to send their responses with a "return receipt requested" designation to provide proof of receipt by Hacienda. All configuration information should be incorporated into a document, in either Microsoft Word or PDF format, attached to the e-mail transmittal. The e-mail and the document must identify the Potential Proposer submitting the response, a person that Hacienda may contact if there are issues about the response, and relevant contact information for the designated individual.

1.5.1 Network Connectivity Assumptions

Hacienda will supply a dedicated 1GB Ethernet segment to support most of the services required by the Solution. Potential Proposers must configure all hardware servers with network cards that can connect to the network and take full advantage of the available network bandwidth.

The cost of providing network connectivity to support this initiative is a cost that will be incurred by Hacienda regardless of the Solution selected. Therefore, these costs will not be included in the cost evaluation process.

1.5.2 Resources Provided by Hacienda

The following items and services will be provided by Hacienda and should not be included in the hardware configuration:

- Storage Server. Hacienda will acquire a separate Storage Server that will provide shared storage services for applications. The Potential Proposer may utilize this Storage Server to provide storage services for any application that is part of the Solution.
- Database Server. Hacienda will acquire a separate Database Server that will provide common database services for applications. The Potential Proposer may utilize the Database Server to provide database services for any application that is part of the Solution.

The cost of providing a Storage Server and a Database Server to support this initiative is a cost that will be incurred by Hacienda regardless of the Solution selected. Therefore, these costs will not be included in the cost evaluation process.

1.5.3 Resource Responsibility of Prime Vendor

The Potential Proposer must provide in *Phase 1 Hardware Configuration* a listing of the hardware resources that will be required to utilize the services (Storage Server and Database Server) and network infrastructure to support Potential Proposer's Solution.

At a minimum, Potential Proposers should provide:

- A detailed description of each application server required and the software applications, software modules, and software components supported on each server. The description should include the type of processor(s) and speed of processor(s), required memory capacity, local storage capacity, network interface requirements, and any other relevant specifications that are critical to the successful implementation of the Solution.
- A general description of the types of scanners supported for both production document scanning (>150 images per minute, duplex, automatic document feed) and rescan functions (> 25 pages per minute, simplex, automatic document feed and flatbed scanning capabilities). Hacienda anticipates purchasing two production scanners for Phase 1 of this initiative and two rescan scanners. Hacienda requires that each Potential Proposer include general scanner compatibility specifications that will allow Hacienda to select scanners that will integrate with Potential Proposer's Solution. Additionally, Hacienda encourages the Potential Proposer to provide specific recommendations (scanner manufacturer and scanner model number) and the reasons for the recommendations for Hacienda's consideration. Factors that are important in the selection of production scanners include: rated speed; simplicity of user maintenance; frequency of scheduled maintenance; duty cycle; availability of local maintenance support; simple paper path; frequency of jams and misfeeds; ease of clearing paper jams; and, overall reliability.
- A description of minimum requirements for client stations that support production scanning, document rescan, document quality review, and data validation/key-from-image.

- A description of monitor requirements for all individuals that will be intensive users of the Solution. This recommendation should include: minimum recommended screen size; minimum screen refresh rate; and, recommended screen image resolution. Potential Proposers are encouraged to provide additional specifications that would enhance the productivity of employees involved in these functions. Potential Proposers are also encouraged to recommend specific monitors by manufacturer and model number that have provided exceptional service in similar environments.

1.6 Good Faith Negotiation Letter

To be eligible for award consideration, each Potential Proposer must accept and sign the *Commitment to Negotiate in Good Faith*, incorporated into this RFP as Attachment A-7. A representative of the Potential Proposer's company that can commit the company to contractual relationships must sign this letter. This signed letter will indicate the willingness of the Potential Proposer to enter into Good Faith negotiations with Hacienda if chosen as the Successful Proposer.

The signed letter must be faxed to Hacienda on the date indicated in *Subsection 1.3, Schedule of Events*. Potential Proposers should fax the signed Commitment to Negotiate in Good Faith to the attention of Sr. Rene Pietri Rodriguez at:

787-721-6401

The original copy of the signed letter must be included in the Technical Proposal.

1.7 Restriction on Communication

Beginning with the *Release of the RFP* (see Section 1.3, Schedule of Events) and continuing through the *Announcement of Successful Proposer*, communication will be limited between:

- Potential Proposers, Proposers' Business Affiliates, Proposers' Business Partners, and Proposers' subcontractors, and
- Hacienda employees and representatives involved in this RFP.

During this period, informal communications concerning the RFP, any element of the RFP, or the RFP process or status shall not be initiated by individuals in either group.

During the first nine (9) days after release of the RFP, all Potential Proposers may compile their questions concerning the RFP and must electronically submit those questions in written form to Hacienda on or before the date indicated as *Last Date for Proposer Questions* in *Section 1.3, Schedule of Events*. Hacienda will answer all questions submitted in accordance with the conditions of this RFP in writing on or before the date indicated as *Responses to Proposer Questions* in the schedule of events.

Potential Proposers will submit their list of questions electronically to Hacienda at the following e-mail address:

TaxInitiative@hacienda.gobierno.pr

Potential Proposers are encouraged to send their responses with a “return receipt requested” designation to provide proof of receipt by Hacienda. All questions should be posed in a document, in either Microsoft Word or PDF format, attached to the e-mail transmittal. The e-mail and the document must identify the Potential Proposer submitting the questions, a person that Hacienda may contact if there are issues about the questions, and relevant contact information for the designated individual.

All questions posed by all vendors will be answered by Hacienda and Hacienda’s response, in its entirety, will be communicated to all Proposers that submitted a Letter of Intent to Bid. Additionally, this information will be posted to the Department’s web site. The Responses to Proposer Questions will not identify the actual name of the Proposer that asked the question. All Proposers will be referenced generically using names such as “Proposer 1”, “Proposer 2”, etc.

1.8 Acronyms and Definition of Terms

In preparing this RFP, Hacienda has attempted to use standard phrasing, descriptions and terms. *Appendix A-1: Glossary of Terms* lists terms and expressions used in this proposal and provides definitions of those terms and expressions to assist Potential Proposers in understanding the requirements of this RFP.

Throughout this RFP, Hacienda has attempted to reference defined terms and expressions with leading caps.

1.9 Contract Term

The Contract for Phase 1 activities resulting from this RFP will commence on or before December 2, 2002 if Hacienda and the Successful Proposer negotiate the Award of the Contract on or before November 29, 2002. The Phase 1 Contract will consist of two Stages. The Implementation Stage that will begin on December 2, 2002 and continue through February 14, 2003. The Prototype Production (Conference Room Pilot) Stage will begin of February 17, 2003 and continue through May 2, 2003. Unless it is modified by Contract Extension or Contract Amendment, the Contract Term will be five (5) months. Software maintenance agreements executed as part of Phase 1 may require support from the Successful Proposer, its Business Affiliates, Business Partners, or subcontractors beyond the term of this Contract.

2 Background Information

2.1 Overview of Hacienda

The Departamento de Hacienda is the Treasury Department for the Commonwealth of Puerto Rico. The mission of the Department includes ensuring the fair and equitable collection of revenue from the taxpayers of Puerto Rico. Its goal is to help maintain the financial stability of government services that contribute to the economic and social welfare of the citizens.

In executing its responsibilities to the People of Puerto Rico, Hacienda is committed to:

- Fairly administering all public funds;
- Executing its responsibilities with integrity, ethical behavior, efficiency and fiscal discretion;
- Respecting the opinions of others;
- Focusing of results;
- Encouraging continuous improvement and innovation;
- Delivering rapid, effective, and excellent service; and,
- Supporting the welfare and professional development of its employees.

2.2 Hacienda Facilities

The Headquarters for Hacienda is located at:

Edificio Intendente Ramirez
10 Paseo Covadonga
San Juan, P.R. 00901

Most of the major administrative and operational functions of the Department are directed from this office.

Additionally, Hacienda has other distributed facilities and offices located throughout Puerto Rico that provide various taxpayer services. These facilities include approximately one hundred tax offices, or Colecturias, and approximately one dozen District Offices that provide comprehensive taxpayer support and assistance and function as receiving locations for tax filings.

Another Hacienda facility that participates in the business processes described in this RFP is the Carolina Document Archive Facility. This facility provides the primary storage for all tax-related documents retained by Hacienda. Normally, most tax documents are stored at Hacienda Headquarters for two years and then moved to the archival facility.

2.3 Hacienda As-Is Process

A number of functional areas in the Hacienda organization provide the services required to process tax returns. The following chart provides an overview of those areas and the services that they provide.

Functional Area	Tax Processing Services
<p>Mailroom – <i>Administrative Area</i></p>	<p>The Mailroom is responsible for the receipt, handling, and distribution of all tax-related documents. Personnel open all tax returns and separate them into groups of long forms and short forms. The receipt date is stamped on each filing. The documents in the filing are placed in proper order and stapled. All returns submitted with a check are grouped and sent to the Payment Processing Section. Returns are placed in mail trays for transport to either the Numbering Section or the Payment Processing Section.</p>
<p>Payment Processing Section</p>	<p>This section receives all tax returns that were submitted with a check. The staff removes the check stapled to the tax return and enters the Taxpayer’s Social Security Number and the amount of the check into an automated system. The receipt of the check is denoted on the tax filing as an imprint that shows the date the check was recorded and the amount of the check. Completed returns are placed in mail trays for transport to the Numbering Section.</p>
<p>Numbering Section – <i>Tax Processing Division</i></p>	<p>The Numbering Section receives trays of tax returns from the Mailroom and the Credit Processing Section. Next, the staff further divides the tax forms into sub-groups. For individual short forms, these sub-groups include: short forms with refund; short form with debt (50% payment); short form with debt (no payment); short form with debt (<50% payment); and, Others (short form with debt (full payment) and short form with no debt). The staff checks all filings to make sure that they have proper receipt stamps and, if applicable, check credit stamps. If there are problems, the returns are sent to the Director of the Colecturias for resolution.</p> <p>All returns that do not have errors are stamped with a sequential number from a numerical series assigned to each sub-group. Within each short form sub-group, 50 returns are assembled into a batch and seven batches are placed into a box. Each box is labeled and staged for transport to the Indexing Group.</p>
<p>Indexing Group (Data Entry Section) – <i>Tax Processing Division</i></p>	<p>The Indexing Section is the first functional group to interface with REFO, the automated tax system for processing individual tax returns. The first task of the Indexing Group is to prioritize returns for processing. Normally returns with refunds are processed first, followed by returns with debt and returns with payment of 50% of debt.</p> <p>Next, the staff enters the following fields into REFO: serial number (document control number); taxpayer alive/dead status; language of return; date of receipt; Taxpayer Social Security Number; marital code status; and, for Internet filings, confirmation number.</p> <p>The Indexing Group is also responsible for checking for duplicate Social Security Numbers. If a duplicate number exists in REFO (indicating another tax filing for the same taxpayer), a form is completed and sent to</p>

Functional Area	Tax Processing Services
	<p>Account Administration for resolution.</p> <p>If the taxpayer’s Social Security Number is incomplete or omitted on the filing, the Indexing Group staff enters a temporary SSN into REFO and sends a form to Account Administration that describes the problem. Account Administration corresponds with the taxpayer, resolves the problem, and corrects the entry in REFO.</p> <p>If the taxpayer is to receive a refund and has indicated a direct deposit reimbursement, the Indexing Group enters the Bank Routing/Transit Number, Account Number, Account Type (checking or savings), Names on the Account. The Bank Routing/Transit Number and Account Number require double entry by the processor and supervisory approval.</p> <p>Finally, the Indexing Section enters information from all the W-2s submitted with each return. The filings are returned to their boxes and transported to Preliminary Revision.</p>
<p>Preliminary Revision – Tax Processing Division</p>	<p>The Preliminary Revision Section reviews the completeness and accuracy of the tax returns and enters taxpayer information on returns.</p> <p>The first function of this section is to verify that there are 50 returns in each batch of short forms. After verifying that all forms are available, employees write their Employee ID on each form for accountability. Next, the employees enter the City Code that corresponds to the residence of the taxpayer, the Taxpayer’s and Taxpayer’s Spouse’s Profession Code (if applicable), and relationship codes for each claimed dependent.</p> <p>The employees also verify that the W-2’s have been included in the filing and that there is evidence of the educational status of any dependent for which it is required. If any evidence is missing, a form is sent to Account Administration for coordination and resolution. Processing of the return continues.</p> <p>If the return requires the submission of an attachment and it is missing, the Preliminary Revision Section will complete an attachment as a service to the taxpayer. This is only done if there is enough information for the staff to accurately complete the attachment. The staff also verifies that the Social Security Numbers on the W-2’s match the Social Security Numbers of the Taxpayer and the Taxpayer’s Spouse (if applicable). Additionally, they verify that the filing has all required signatures.</p> <p>After all processing is completed, the returns are placed into their assigned boxes and transported to Data Entry.</p>
<p>Data Entry – Tax Processing Division</p>	<p>After tax returns have passed through Preliminary Revision, they are available for entry into the REFO tax processing system. The Data Entry Section has the responsibility for entering this information into the system.</p> <p>The Data Entry Section enters information in two stages. The first stage is entry of biographical information. This information includes the Taxpayer’s Name, Date of Birth, Taxpayer’s Spouse’s Name, Spouse’s Date of Birth, Taxpayer’s Address, and Telephone Number.</p> <p>The second stage of the process is the entry of the statistical data. Employees in this section enter all taxpayer-provided information entered on the short form and all attachments into the REFO system. The entry system requires that a screen number and line number must be associated</p>

Functional Area	Tax Processing Services
	with each entered value. These related fields ensure that the receiving program properly recognizes the information.
Data Perfection – Tax Processing Division	<p>The Data Perfection Section is responsible for reviewing all errors identified on taxpayers’ filings by the REFO tax system. These errors generally fall into three categories: mathematical mistakes and data entry errors made by taxpayers; data entry errors made by the Data Entry Section; and, entries recorded by taxpayers that do not comply with tax law limits (e.g., deduction exceeds allowable maximum).</p> <p>This section is also the focal point for correcting and resolving these errors. The staff corrects errors and resubmits erroneous returns to REFO for reprocessing. This iterative procedure continues until returns pass the audit checks in the REFO system.</p> <p>Under certain circumstances, Data Perfection may not be able to resolve problems without corresponding with taxpayers. Account Administration provides this function. Additionally, Account Administration may also send correspondence to taxpayers informing them of the actions taken by Data Perfection.</p>
Account Administration – Tax Processing Division	Account Administration coordinates all taxpayer correspondence regarding problems identified in processing their tax returns. Problems are identified during staff reviews of the returns and from taxpayer return validations performed by the REFO tax system. REFO originates all correspondence based on parameters passed to the system. Account Administration receives responses from taxpayers, evaluates if the responses address the issues or substantiate taxpayers’ positions, and makes appropriate changes to taxpayers’ filings.

2.4 Description of Infrastructure

Hacienda provides a high-speed switched Novell network to serve the processing needs of employees at Hacienda Headquarters. The network consists of a 1 Gbps backbone that includes one Extrasys 8600 switch for the ground floor and 8 Extrasys 6000 switches, each providing services for the other floors of the facility. The network supports IPX/SPX, TCP/IP, and Ethernet protocols.

Currently, Hacienda maintains all servers in a central computer room located on the ground floor. All servers connect to the network through the 8600 switch at 100 Mb using UTP connections. A 1 Gbps backbone connects the 8600 and the eight 6000 switches on each floor. 100 Mbps UTP connections provide the link from the desktop to switch that serves that floor.

Users are provided Internet access through a shared service utilized by other Government agencies. This service provides an aggregate bandwidth of 4.5 Mbps to support all Internet traffic.

Hacienda provides client server systems, web-enabled systems, and mainframe access for its users. An IBM 390 mainframe running MVS 2.6 provides mainframe application support. Users access these services by running Attachmate Extra terminal emulation

sessions on their desktops. Microsoft Exchange provides e-mail services and the Outlook client provides user access to the service.

Hacienda would prefer to support all servers required by the Solution in the current computer room facility for ease of maintenance and security. Due to the high demand that these systems will place on the network, Hacienda plans to dedicate a network segment to the Tax Processing Initiative. Hacienda also plans to provide 1Gbps connectivity from the backplane to these servers.

2.5 Tax Filing Volumes

The following table provides representative numbers of tax forms and tax-related documents processed by Hacienda. All numbers are expressed as annual volumes.

Tax Document	Average # Of Pages	Average # Of Images	Annual Document Volume
Individual Filings			
<i>Short Forms</i>	8	10	500,000
<i>Long Forms</i>	12	16	500,000
<i>Individual Extensions</i>	2	1	20,000
<i>Individual Split Payments</i>	1	1	-To Be Determined-
<i>Inheritance Filings (Short)</i>	2	3	25,000 (Long & Short)
<i>Inheritance Filings (Long)</i>	5	6	
Corporate Filings			
<i>Corporate Tax Filings</i>	8	13	40,000
<i>Withholding Filings</i>	1	2	200,000
<i>Excise Tax Filings</i>	1	2	500,000

Of greatest importance in Phase 1 of this initiative is volume and arrival rate of Individual Short Forms. History indicates that 20% of the total short forms arrive in February, 25% in March, and 40% in April. The remaining 15% of the annual volume arrives during other months.

Phase 1 will also include the processing of Individual Extensions. Most of these forms are submitted during the middle of April.

3 General Scope of Services

3.1 Introduction

In this RFP, Hacienda describes its requirements for software and services to improve the processing of tax filings and to enhance the level of customer service that the Department provides its constituents. Hacienda's goal is to describe its requirements using easy to understand and unambiguous language.

Hacienda does not desire to subject Proposers to a "creative writing" exercise in responding to this RFP. Hacienda encourages Proposers to respond with clear, concise, and accurate descriptions of their Solutions and the value that their Solutions offer. Proposals will be evaluated based on the stated evaluation criteria presented in this RFP. Proposal volume and expensive proposal preparation will not be factors in the award of this RFP.

In this RFP, Hacienda presents its requirements for improving tax processing efficiency and customer service. These requirements may be classified as either mandatory requirements or desirable functionality. Mandatory requirements are those functional capabilities that must be present in the Solution. All functional capabilities that are not required may be classified as desirable functionality.

To better communicate required functionality, Hacienda has attempted to describe all mandatory requirements using consistent language. Descriptions of functions using the words "will", "shall", "must", or "is required" indicates mandatory functionality. Similarly, non-required functions are described using the words "can", "may", or "should".

Although Proposers must propose Solutions that address all mandatory requirements, Hacienda does not want to discourage Proposers that meet most, but not all, mandatory requirements. In this situation, Hacienda encourages the Proposer to respond to the RFP and to offer alternative solutions for the mandatory requirements not provided. Hacienda will accept Solutions that provide alternative functionality that is materially equivalent to mandatory functional requirements. Proposers must fully substantiate their claim that the proposed capability is equivalent to the mandatory requirement.

Proposers are further encouraged to fully describe additional functional capabilities of their Solutions that exceed the mandatory requirements and desired functionality identified in this RFP. The full functional capabilities of each Solution will be a factor in the award of this RFP.

3.2 Responsibilities of Selected Vendor

Hacienda understands that the scope of the Solution may require Proposers to team with software providers, software integrators, or other service providers. Proposers may

submit Proposals that include product(s) and/or service(s) supplied by other Business Affiliates as long as a Prime Vendor is identified.

The Proposer will perform as the Prime Vendor and must perform the duties of a general contractor. All additional personnel utilized by the Selected Vendor that are not employees of the Selected Vendor shall perform duties as a subcontractor to the Selected Vendor. The Selected Vendor must function as a single point of contact for Hacienda for all issues of management, scheduling, contracting, and performance.

The Prime Vendor must assume full responsibility for delivery and performance of all products and services detailed in its Proposal, whether provided by itself, by subcontractors, Business Affiliates, or Business Partners.

The Proposer must indicate compliance with the requirements of this paragraph.

3.3 Objective of Procurement

The overall objective of this procurement is to contract with a vendor to acquire various software products and associated services to improve the efficiency, accuracy and timeliness of tax return processing and to enhance the overall level of taxpayer services. The Solution must provide the ability to:

- Scan paper returns into an electronic workflow process.
- Enhance and improve image quality using standard image enhancement features.
- Automatically recognize taxpayer information that has been printed electronically or that is hand printed on standard forms that have been defined to the Solution.
- Index documents using both automatic and manual techniques.
- Develop and implement comprehensive electronic workflow solutions.
- Interface with external databases and applications to validate information and to export data.
- Store documents in an organized structure to facilitate document access, document management, and document administration (document repository).

Hacienda wants all Proposers to provide clear, concise, accurate, and well-organized responses to this RFP. Simple answers that are responsive to each issue will be preferred over longer responses that add little additional value over a more concise response. If Proposers want to provide detailed information, they are encouraged to summarize the relevant points of the information in their responses to the RFP and provide links to more detailed presentations.

3.4 Phase 1 Scope

Hacienda typically structures procurements and executes new initiatives to minimize risk. To achieve this goal, Phase 1 is basically a “proof of concept” for the Tax Process Automation Initiative.

Phase 1 of the Tax Process Automation Initiative includes the automated processing of Individual Short Forms and Individual Tax Filing Extensions. Hacienda requires that the Solution, as implemented in Phase 1, be capable of processing 100,000 Individual Short Form filings and 25,000 Individual Tax Filing Extensions. The Individual Short Form filings will be processed over a period of approximately seventy-five (75) days (February 17, 2003 – May 2, 2003). Individual Tax Filing Extensions will be processed over a period of approximately two weeks (April 7, 2003 – April 18, 2003). Refer to the information provide in *Appendix A-2: Phase 1 Configuration Guidelines*, for a more detailed presentation of Phase 1 requirements.

The number of forms that will be processed is dependent upon the effectiveness of the Solution and the rate of acceptance of the new business processes by Hacienda staff. If the Solution meets all requirements and if Hacienda staff enthusiastically accepts it, a higher percentage of Individual Short Forms may be processed. Hacienda may increase the capacity of the Solution by extending the work hours of staff or by increasing software licensing and number of participants in the Solution. Functional extensions of the Phase 1 configuration of the Solution may require either Contract Amendments or Contract Extensions.

3.5 Proposed Phase 2 Scope

Phase 2 scope will consist of extending the use of the Solution to support other key tax processes. These processes will include:

- Expansion to include all Individual Short Form filings
- Individual Long Form filings
- Corporate Tax Filings
- Filings of Estimated Taxes
- Informative Filings
- Corporate Excise Tax Filings
- Inheritance Filings
- Miscellaneous Filings and Support Processes

Filings and processes incorporated into Phase 2 will expand the number of filings supported by the solution from 125,000 to 525,000 anticipated for Phase 1 to approximately two million. Phase 2 may include various customer support initiatives that are not connected with one particular type of filing.

Phase 2 will also extend the benefits of the Solution into other areas beyond those that support tax return processing operational functions. Hacienda plans to fully utilize the capabilities of the Solution to support initiatives in customer service, adjudication of returns, and legal review of taxpayer filings.

3.6 Project Oversight and Staffing

The Prime Vendor will report to:

Rene Pietri Rodriquez

Director de Operaciones y Control
Negociado de Tecnologia de Informacion
787-721-2020 x2057 or x2058
rpietri@hacienda.gobierno.pr

or to a Project Manager designated by Hacienda that reports to Sr. Pietri.

3.7 Office Space and Support

Within one week of Contract Signing, the Prime Vendor must officially submit a request for office space and other administrative and logistical needs. The request should include:

- A list of Prime Vendor's employees and other subcontractors that will participate on the project.
- Office space requests for the participants. The request should clearly indicate which participants will need dedicated office/cubicle facilities and which can utilize shared cubicles.
- Requests for network access.
- Requests for other items needed by Prime Vendor's staff.

Hacienda will attempt to comply with all reasonable requests by the Prime Vendor in a timely manner.

3.8 Products and Services Requested

The products and services requested from Proposers in this RFP are fully described in other sections of this solicitation. As a convenience to Potential Proposers, the products and services are summarized below:

[Note: As a Phase 1 requirement, all server-based software products, modules, or components must operate on Intel hardware and Microsoft Windows 2000 operating systems.]

Software Products, Modules, or Components:

- Document Scanning and Capture
Support of multiple high-speed production scanners
Support of multiple mid- to low-speed scanners for rescan tasks
Support of multiple image quality validation stations
Image Enhancement
 - Deskew*
 - Despeckle*
 - Forms removal*
 - Automatic thresholding*
- Forms Management
Definition of multiple forms to system
Recognition of forms defined in Forms Library
Extraction of field and character information from forms
- Electronic Forms
Maintenance of forms in Forms Library
Capability to design intelligent forms
Ability to capture information from completed forms in standard formats
- Recognition Technologies
Optical Character Recognition (OCR)
Intelligent Character Recognition (ICR)
Optical Mark Recognition (OMR)
Barcode Recognition
Patch Code Recognition (for Document Capture)
- Data Validation and Key-from-Image Capability
Visual validation of recognized fields with field images
Database lookup
Support for key-from-image fields
- Electronic Workflow
Graphical workflow development
Database and e-mail integration
Management, status, and exception reporting
- Document and Content Management
Full object management capabilities
Folder-based storage model
Automated and manual indexing
- Records Management Functionality
Capability to manage document groups based on record retention requirements
- Document Web Enablement
Support for document web viewing
Support for workflow participation for web clients

- PDF Rendering
Ability to render native format files and TIFF files in PDF format

Required Services:

- Installation of all software products, modules, and components required to provide the Solution's functionality. *Hacienda will provide database services, network services, and hardware implementation services.*
- Configure software to conform with Phase 1 requirements.
- Integrate software components into a functionally integrated system.
- Provide a structure for common security administration.
- Provide required information to import into legacy systems.
- Provide interfaces with Industry Standard ODBC-compliant interfaces.
- Creation of testing and production environments and utilization of change management disciplines between the environments.
- Technical, system administration, and functional ("train-the-trainer") training.
- Development of required functional, technical, and procedural documentation.
- Development and execution of test plans.

3.9 General Project Scope

3.9.1 Functionality

Hacienda desires to implement a Solution that is compatible with the phased implementation described herein and does not distract from primary business functions that may be conducted using traditional methods. The Solution must address the Mandatory Requirements of this RFP. Hacienda desires to implement a Solution that does not impose complicated features and functionality at the desktop. The Solution should provide the capability for users to easily access documents and participate in electronic workflow processes. No elements of the Solution should compromise the current functionality of the desktop nor require significant training of end-users in order to take advantage of the Solution's functionality.

3.9.2 Rapid and Flexible Integration

Hacienda provides many automated systems to support the mission of the department. It is our intent to utilize components of the Solution – document and content management, forms management, and electronic workflow – to add value to other automated systems.

These systems include mainframe-based applications delivered via terminal emulation software, client/server applications delivered by a thick client environment, browser-based applications, and other stand-alone applications. Hacienda will evaluate Proposers' Solutions based on their capability to integrate with and flexibility to conform to Hacienda's application environment.

3.9.3 Scalability

Phase 2 of this initiative and other anticipated projects will extend the functionality provided by the Solution to most operational areas of Hacienda. To meet these future requirements, the Solution must utilize technologies that have a demonstrated track record of addressing functional requirements across departments. The Solution must also have a demonstrated track record for servicing a base of users that could ultimately expand into the thousands.

3.9.4 Non-Proprietary

Hacienda fully understands the advantages of using non-proprietary technologies in establishing an application environment in which application integration is required. Although many systems and software products have elements that may be categorized as proprietary, Hacienda will not implement a Solution that relies on major components that are proprietary. Proprietary approaches to the storage of documents or proprietary database formats would severely limit the functional extension of the Solution. Therefore, all proposed Solutions incorporating either proprietary storage strategies or proprietary database structures will not be considered responsive to this RFP.

3.9.5 Independence from Prime Vendor and Software Vendors

Hacienda desires to implement a Solution that will provide the organization with flexibility in determining who performs integration and implementation services. Hacienda will reserve the right to expand the Solution to address additional processes or to provide functionality to new sections without significant reliance on either the Prime Vendor or other software vendors that supply software products for the Solution. Hacienda will not implement a Solution that requires the organization to depend exclusively on the technical resources of the Prime Vendor, Business Associates, Business Partners, or subcontractors to expand the Solution.

3.10 Schedule of Project Deliverables

The following work products are considered to be Project Deliverables. As Project Deliverables, these documents must be prepared by the Prime Vendor and presented to Hacienda based on the schedule indicated in this subsection. Project Deliverables for this project include:

Project Plan. The Prime Vendor, working with Hacienda's Project Manager, will develop and officially present a detailed project plan to Hacienda within one week of Contract Signing. This document will address the Scope of Work described as Phase 1 and will divide the work into tasks, sub-tasks, and activities and arrange those in chronological order. The Project Plan will be built using task dependencies and will indicate those dependencies both in visual representations and in data representations.

The Project Plan will be based upon the proposed work plan included in the Successful Proposer's Proposal. When completed, the Prime Vendor's Project Manager will officially submit the Project Plan. Hacienda will review the Project Plan and accept it or reject it with comment. If rejected, the Prime Vendor and Hacienda will continue work until a mutually agreeable plan can be formulated.

Bi-Weekly Status Reports. Bi-weekly, the Prime Vendor will submit a status report that presents the following information:

- Project activities conducted during the previous two weeks.
- Tasks and major activities completed during the previous two weeks.
- A summary of overall project status. Status should address if the project is on time and on budget.
- A summary of issues that have arisen over the course of the project and their status. Issues that have arisen during the previous two weeks must be flagged. Each issue must be accompanied by a description of the issue's status and a list of all individuals assigned to tasks focused on resolving the issue.
- A risk assessment summary that describes the major elements of risk to the project and a brief description of contingency activities.

Bi-Weekly Status Reports will cover two-week periods beginning on Monday of week 1 (Day 1) and extending through Sunday of week 2 (Day 14). The Status Report must be delivered to Hacienda by the close of business of the first Tuesday after the completion of the reporting period.

Monthly Invoices. The Prime Vendor must submit a detailed monthly invoice that provides summaries of the acquisition costs of software products installed, maintenance, technical support, and Software Subscription costs, and costs for labor services during the billing period. Monthly Invoices will be due the fifth business day after the end of the monthly billing period. The format and level of detail for the Monthly Invoice will be negotiated with the Prime Vendor and determined no later than one week after Contract Signing.

Testing and Quality Assurance Plan. The Prime Vendor must develop and submit a comprehensive testing plan that addresses the independent testing of components of the Solution and the integrated testing of full functionality of the Solution. This plan should also describe the change control methodology that will

be used by the Prime Vendor and its subcontractors to reliably promote tested modules from the test environment into the production environment.

The Testing and Quality Assurance Plan will be due 30 days after Contract Signing.

During the period of delivery of products and services for Phase 1, Hacienda and the Prime Vendor may identify other Project Deliverables that may be added to this initial list of deliverables.

3.11 Proposer's Approach for Delivering Products and Services

Hacienda strongly encourages Proposer to describe its approach for delivering the software products and services described in this RFP. Hacienda expects Proposer to include:

- A concise description of its approach to delivering both products and services in a manner that is fully compliant with the Mandatory Requirements of this RFP.
- Proposed methodology for evaluating performance in achieving this goal. This methodology should address both verification of delivery of functional requirements and adherence to proposed timelines and schedules.
- A prototype work plan with sufficient detail to convey to Hacienda that Proposer understands the scope of work and will logically structure its activities to achieve the scope of work. This prototype work plan will serve as the starting point for formulating the Project Plan, described in Section 3.10 of this RFP.

3.12 Considerations

Proposers are encouraged to approach this project in a very open and creative manner. Hacienda encourages Proposers to present their unique ideas and approaches that exceed the Mandatory Requirements of this RFP. These ideas and approaches may incorporate:

- The use of advanced technology tools to enhance the value of Proposer's Solution.
- The use of commercial software packages and the licensing of software customizations developed for other clients in lieu of software development activities.
- Recommendations of alternative approaches that may more effectively utilize the functionality of the Solution to achieve the Mandatory Requirements and desired functionality described in this RFP.

3.13 Project Cost

Proposers must provide a fixed value *Cost Proposal* for the products and services described in the Phase 1 Scope of Work. Proposers should present their cost summaries in an easy-to-understand format. The *Cost Proposal* must provide enough information so that Hacienda can evaluate the cost implications of any desired changes in software configuration or level of service.

3.13.1 Software Costs

Proposers must provide detailed cost information about all software products, modules, or components that are cost items. For each item, Proposers must provide:

- Name of the software product, module, or component
- Release or version number, if applicable
- Software manufacturer's product/item number designation
- Description of item
- Number or quantity proposed
- Manufacturer's list price at the time of submission of the Cost Proposal
- Discount extended to Hacienda by Proposer on the item (%)
- Proposer's unit price (Manufacturer's list price * Discount)
- Extended price (Proposer's unit price * quantity proposed)

The costs listed in this Subsection must be totaled and clearly labeled as **Total Software Cost**.

The format of this section should make it easy for Hacienda to determine the cost of increasing licensing for various software products.

3.13.2 Software Subscription and Technical Support

Proposers must provide detailed cost information about the annual cost for Software Subscription and Technical Support. For each item, Proposers must provide:

- Name of the software product, module, or component
- Release or version number, if applicable
- Software manufacturer's product/item number designation
- Description of the item
- Number or quantity proposed
- Manufacturer's list price at the time of submission of the Cost Proposal
- Discount extended to Hacienda on the item by Proposer (%)

- Proposer's unit price (Manufacturer's list price * Discount)
- Extended price (Proposer's unit price * quantity proposed)

The costs listed in this Subsection must be totaled and clearly labeled as **Total Software Subscription and Technical Support Cost**.

3.13.3 Costs for Services

In this section, Proposer must include the fixed costs for the personnel utilized to accomplish the Scope of Work. The presentation of costs must be sub-divided into the major tasks and activities defined in Proposer's work plan presented in the Technical Proposal.

Proposer's are strongly encouraged to define Labor Categories that include all of the work to be performed in execution of the Scope of Work. Proposer's are further encouraged to assign an hourly billing rate to each of the Labor Categories. This billing rate should be in line with the value of the services, the experience and expertise required to execute the responsibilities, and the overall contract responsibilities of the position. The labor rates presented in this section must include all costs associated with travel, lodging, per-diem expenses, and other travel-related expenses.

The cost matrix should provide a breakdown of all major tasks and activities identified in Proposer's work plan. Each task or activity should be further divided into the Labor Categories required to successfully complete the task or activity. For each Labor Category, the Proposer must include the number of hours allocated, the hourly billing rate for the Labor Category, and the total cost for that Labor Category. All labor costs should be totaled for each task or activity.

The costs listed in this Subsection must be totaled and clearly labeled as **Total Cost for Services**.

Proposers are again reminded that their Cost Proposal must be a fixed price Proposal for all products and services requested.

3.14 Performance Bond

Hacienda reserves the right to request a Performance Bond from the Successful Proposer to be posted before Contract Signing. The amount of this Performance Bond will be equal to or less than the total cost for Phase 1 activities.

3.15 Payment for Services

Hacienda will negotiate a payment schedule with the Successful Proposer as part of contract negotiations. The payment schedule will tie payments to the successful completion of tasks, activities, milestones, and deliverables.

The Prime Vendor will present an invoice for products and services on a monthly basis. This invoice should be submitted to Hacienda no later than the fifth working day after the end of the monthly billing period.

Hacienda reserves the right to require a pre-determined percentage of the monthly billing to be “retained” until the successful completion of the project to protect Hacienda interests.

4 Detailed Technical and Functional Requirements

4.1 General Requirements

The purpose of this section is to provide the Proposer a means to document the extent to which its proposed Solution meets Hacienda functional and technical requirements. The functional requirements have been divided into six (6) Functional Areas:

- Training and Knowledge Transfer
- Solution Security Model
- Management and Status Reporting
- Business Continuity Planning
- Hardware Acquisition Strategy
- Infrastructure Requirements

Technical requirements are provided for thirteen (13) areas:

- Document Capture
- Image Enhancement
- Forms Recognition and Management
- Electronic Forms
- Barcode Recognition
- Optical Character Recognition
- Intelligent Character Recognition
- Data Verification
- Electronic Workflow
- Document Management
- Optical Storage Options
- Document Web Enabling
- Records Management
- Process Metrics

4.2 Functional Requirements

The following sections provide lists of Mandatory Requirements and desired functional capabilities of the Solution. Hacienda strongly encourages Proposers to directly and concisely respond to each item listed and to convey to Hacienda, in an open and unambiguous manner, the capability of Proposer's Solution to address the functionality described. Reference numbers are provided for all items to assist Proposers in responding concisely, accurately, and completely to these sections.

Proposer’s must fully differentiate between functionality provided by the Solution “as configured and priced” for Phase 1 and functionality that is provided by the Solution only if Hacienda acquires additional software licenses or licenses additional software modules or components. If there is ambiguity in Proposer’s response, Hacienda will interpret the response to indicate that the described functionality will be available in the Solution, as delivered in Phase 1 under the terms and conditions of the Agreement resulting from this RFP. As Selected Vendor, Proposer will be expected to deliver that functionality as a Phase 1 deliverable function.

4.2.1 Training and Knowledge Transfer

Reference Number	Training and Knowledge Transfer Requirements
TRAIN.01	Proposer must provide training in all functional, technical, and administrative areas of the Solution to Hacienda’s designated staff and representatives. Training must include end-user functional training delivered in a “train-the-trainer” manner. Additionally, Proposer’s training must include technical and systems administrative training. Proposer must provide training that is adequate to convey basic understanding of the technologies, system configuration, system administration, problem diagnosis, and problem correction.
TRAIN.02	Hacienda requires that functionally, technical, and system administrative training will be conducted by qualified personnel either employed by the Proposer , Business Associate of the Proposer, Business Partner of the Proposer, or subcontractor to the Proposer. Unless the Proposer and Hacienda agree to an alternative training approach, this training will be delivered as a combination of lecture and hands-on training.
TRAIN.03	Proposer must provide technical/systems administration training for each of the following subsystems or functions: document capture and scanning; recognition subsystem (OCR, ICR, barcode); data validation and key from image; workflow; document and content management; forms management; electronic forms; web-enablement; and, document rendering. Hacienda understands that a technical and system administration course may cover more than one functional area.
TRAIN.04	Proposer must provide “train the trainer” sessions that cover end-user needs. These training sessions must utilize personnel employed by the Proposer, Business Associate of the Proposer, Business Partner of the Proposer, or subcontractor to the Proposer. End-user training must comprehensively cover all end-user functions required to utilize the Solution in support of Phase 1 activities.
TRAIN.05	Hacienda will not require Proposer to deliver all end-user training required for users of the Solution. Proposer must deliver “train the trainer” sessions for all components of the Solution. These training sessions will be delivered to Hacienda employees and non-Hacienda employees who will be responsible for delivering the training to all end-users.
TRAIN.06	Proposer must provide end-user training for each of the following end-user functions: document scanning; document quality review; document rescan; field and character validation; key from image; workflow participation; and, document and content management.
TRAIN.07	Proposer must provide training documentation for each training session conducted. Training documentation must include paper-based documentation that will be distributed to each student. Proposer must provide electronic copies of all training materials distributed.

Reference Number	Training and Knowledge Transfer Requirements
TRAIN.08	Proposer must provide training materials that can be freely used by Hacienda and Hacienda’s designated representatives to support Hacienda training needs. Proposer must ensure that these materials can be reproduced in whole or in part to support training and education needs associated with the Solution.
TRAIN.09	Proposer , Proposer’s Business Partner, Proposer’s Business Affiliate, or Proposer’s, subcontractor must provide all end-user training at Hacienda’s offices. The cost for providing all end-user training must be included as part of Proposer’s cost proposal.
TRAIN.10	Proposer , Proposer’s Business Partner, Proposer’s Business Affiliate, or Proposer’s, subcontractor must provide all technical and system administration training at Hacienda’s offices. The cost for providing technical and system administration training must be included as part of Proposer’s cost proposal.
TRAIN.11	Proposer may recommend additional technical and system administration training that will be conducted at an off-site facility (e.g., System Administration Training offered at a software vendor’s training facility). If this type of training is recommended, Proposer’s cost proposal must include the cost for two Hacienda employees to attend each recommended training course. Proposer’s Cost Proposal should not include travel, lodging, and other travel-related expenses for the Hacienda employees.
TRAIN.12	Proposer is encouraged to identify additional training options that would facilitate the training of Hacienda staff in the use of the Solution. These training options include but are not limited to audio-visual training materials and computer-based-training (CBT) courses.

4.2.2 Solution Security Model

Proposer’s Solution must incorporate sufficient security features to allow Hacienda to develop, implement, and enforce multi-level security that is consistent with the confidentiality of the documents and information that will be processed. At a minimum, the Proposer’s security model must provide:

Reference Number	Solution Security Model Requirements
SECURITY.01	The Solution must provide a single point of security administration that provides control over user access to all applications, modules, and functionality provided by the Solution.
SECURITY.02	The Solution must provide the capability to log users off the system after a pre-determined period of inactivity.
SECURITY.03	The Solution must provide User-ID and password authorization. the capability to require users to change their passwords after a pre-determined period of time.
SECURITY.04	The Solution must provide the capability to implement forced password changes after a pre-determined number of days.

Reference Number	Solution Security Model Requirements
SECURITY.05	The Solution must provide the capability generate a security/audit log that captures the details of attempts to access the system, successful logins, logoffs and details of operations performed on documents. The level of detail captured in the security/audit log must be configurable by the System Administrator.
SECURITY.06	The Solution must provide the capability to administer security on an individual basis, on a role basis, and through individual membership in a group.
SECURITY.07	The Solution must provide the capability for users to be members of multiple security groups as long as membership in those groups is consistent with the uniform administration of security.
SECURITY.08	The Solution must provide the capability of implementing security at the document level.
SECURITY.09	The Solution must support the capability of administering security for annotations and document notes. The Solution must provide the capability to support separate security levels for documents and for notes on a document. The Solution must provide the capability for an authorized user to view documents and not view notes, to view documents and to view selected notes, and to view documents and view all attached notes and annotations.
SECURITY.10	The Solution must provide security control over the following document functions: view document; view document lists that are filtered based on viewer’s security rights; print document; delete document; add pages to document; remove pages from document; enter and modify document index values; annotate document; view annotations.
SECURITY.11	Proposer must describe its Solution’s capability to implement security at levels below the document level. Can page level security be implemented? Can the Solution provide redaction of critical information? If so, can Proposer’s Solution provide both an original view and a redacted view of documents?
SECURITY.12	The Solution must provide the capability for authorized users to query both the workflow system and the document management system for the status of individual filings.
SECURITY.13	The Solution must provide the capability for an authorized user to rearrange the pages in a document. This functionality should be implemented using “drag-and-drop” functions on page thumbnails.
SECURITY.14	The Solution must provide the capability to annotate documents using various capabilities. The use of annotations must not compromise the integrity or ability to view the original document.
SECURITY.15	The Solution must provide the ability to highlight sections of a document using selected colors.
SECURITY.16	The Solution must provide the ability to electronically “stamp” a document with imprints of words such as “DRAFT”, “CONFIDENTIAL”, “FAXED”, etc.
SECURITY.17	The Solution must provide the capability of attaching “sticky notes” to page locations throughout the document to provide additional information about the document and its processing. These notes should support the inclusion of short informative messages strategically attached to the document.
SECURITY.18	The Solution must provide the means for an authorized viewer of a note to determine the author and the date and time that the note was posted.

Reference Number	Solution Security Model Requirements
SECURITY.19	The Solution must provide annotation security that is equivalent to the level of security provided for documents.
SECURITY.20	The Solution must provide the capability to transmit documents and forms over the Internet as encrypted transmissions.

4.2.3 Management and Status Reporting

Proposer must provide a Solution that offers the capability to query the Solution for status of individual taxpayer filings, provides the real-time capability to view work queues, and offers the capability to download performance and throughput statistics into a standard report writer. At a minimum, this functionality will consist of:

Reference Number	Management and Status Reporting Requirements
MANAGE.01	The Solution must provide the capability to report on production metrics. This function must include the capability to report: the number of pages and documents scanned; the number of pages rescanned; the number of documents and pages committed to the document repository.
MANAGE.02	The Solution must provide the capability to create or script simple queries that can be submitted by authorized employees to provide status of taxpayer filings. This capability should allow a user to use a taxpayer Social Security Number to determine the status of the workflow for his or her filing.
MANAGE.03	The solution must provide the capability to establish “exception conditions” at designated steps of a process. If work instances exceed the “exception condition” threshold, the Solution must support automatic notification of designated employees. “Exception condition” thresholds would include pre-established maximum timeframes for a work instance to be in a queue. This capability would provide the ability, for example, to notify a supervisor when a work item remains in an employee’s work queue for over two hours without any activity.
MANAGE.04	The Solution must provide the capability for both owners and managers to view the contents of individual and shared work queues.
MANAGE.05	The Solution must provide the capability to report on performance of groups and/or individuals that participate in tax processing roles. These reports should allow Hacienda to monitor performance of individuals against established standards.
MANAGE.06	The Solution must provide the capability of supplying information to an ODBC-compliant reporting system such as Crystal Reports.
MANAGE.07	The Solution must provide event logging that can be used to report document history. The Solution must be capable of producing a full audit history for each document.

4.2.4 Business Continuity Planning

Hacienda plans to utilize the Solution to process individual tax returns, corporate tax returns, and other tax revenue-related documents for the Government of Puerto Rico. The revenue derived from these processes provides a significant amount of the funding

for governmental services. Any interruption in this processing may result in funding issues that negatively impact services required by the People of Puerto Rico.

To ensure that the business processes that utilize the Solution are reliable, Hacienda encourages Proposers to describe how their Solutions ensure reliable processing, maximum availability, and timely recovery in the event of processing failures. As an example, Proposers may describe how their Solutions support the replication of electronic documents and database structures in physically separated locations. Proposers may also describe the recovery capabilities of their software components including how the Solution utilizes the native database recovery capabilities of the recommended database software.

4.2.5 Hardware Acquisition Strategy

Hacienda will use this RFP to acquire the software and services necessary to acquire, implement, and configure the Solution. The hardware (servers, scanners, monitors, and network connectivity hardware) required to support the Solution will be obtained through standard bid processes.

Hacienda has decided to standardize on the Microsoft Windows 2000 operating system for all server applications required for Phase 1. By doing this, Hacienda anticipates receiving Hardware Configurations from Potential Proposers that will be similar in their requirements. Hacienda will then evaluate the configurations and develop a set of hardware requirements that are sufficient for all Potential Proposers. This configuration will be acquired by Hacienda and will be available to the Prime Vendor early in the project.

Potential Proposers are reminded that participation in this RFP has not effect on the eligibility to bid for the hardware component.

4.3 Technical Requirements

4.3.1 General Requirements

Reference Number	General Requirements
GENERAL.01	The Proposer must provide three distinct environments for support of Hacienda. These environments are: test environment; training environment; and, production environment. Each environment should be configured using separate database tables and must be capable of being administered separately from the other environments.
GENERAL.02	Proposer must agree to utilize standard change management discipline in coordinating changes to and modification of software components of the Solution. The change management discipline may be either procedures utilized previously by the Proposer and fully agreed upon by Hacienda or procedures developed jointly by Proposer and Hacienda.

GENERAL.03	Proposer must offer both named and concurrent licensing options.
GENERAL.04	If available, Proposer must also offer “site” or “enterprise” licensing for software components of the Solution.
GENERAL.05	Proposer’s licensing must not require additional license utilization to support a single user in the three environments. Licensing shall be enforced only in the production environment.
GENERAL.06	The Solution must provide the capability to split supporting databases to improve overall Solution performance or to facilitate backup.

4.3.2 Document Capture

Reference Number	Document Scanning and Capture Requirements
<i>Scanner Interface</i>	
CAPTURE.01	Solution must support a wide range of scanners that fall into three categories: High speed (>150 images per minute); mid speed (80 to 150 images per minute); and low speed (<80 images per minute).
CAPTURE.02	Solution must provide the capability to support high-speed, mid-speed, and low-speed scanning devices that utilize automatic document feeders.
CAPTURE.03	Solution must provide the capability to support the concurrent use of multiple scanning configurations.
CAPTURE.04	The Solution must be capable of supporting scanners that incorporate either pre-scan or post-scan endorers.
CAPTURE.05	Solution must support scanners that operate in both simplex and duplex modes. Duplex scanning must require only a single pass of the paper through the scanner to capture the front and back images.
CAPTURE.06	Solution must support variable scanning resolutions. At a minimum, these will include multiple resolution settings from 100 dots per inch to 300 dots per inch in both the horizontal and vertical directions
CAPTURE.07	Solution must support scanners that are capable of scanning documents up to 8 1/2” x 14” (legal size)
CAPTURE.08	Solution must support variable length documents up to 14”. Solution should sense the end of the paper that is scanned and should generate an electronic image that has a comparable length
CAPTURE.09	Scanner must have the capability to capture documents as bitonal images and grayscale images (16 shades, 256 shades, 16 bit). The capture setting must be configurable by the System Administrator
CAPTURE.10	The Proposer must describe the Solution’s capability to support color scanners
CAPTURE.11	Proposer must specify the scanner settings that typically provide the best image quality and OCR, ICR, and OMR accuracies
CAPTURE.12	Does Proposer’s Solution support both ISIS configured scanners and TWAIN scanners? If so, provide the advantages of scanning under each configuration

Reference Number	Document Scanning and Capture Requirements
CAPTURE.13	The Solution must support image enhancement capabilities. Vendor must describe the capabilities supported by the Solution and must indicate if these enhancement capabilities are provided by the Solution or by hardware (scanners and interface boards). Typical image enhancement capabilities are deskewing, dynamic image enhancement, and edge enhancement.
CAPTURE.14	The Solution must provide an “automatic threshold” capability that can adjust scanner settings as documents are processed to obtain superior image quality.
CAPTURE.15	Proposer must specify a typical configuration that achieves near rated throughput for high-speed scanners. Does the Solution require hardware acceleration cards to drive high-speed scanners or can vendor’s software solution drive high-speed scanners at near rated speed using only a software interface?
CAPTURE.16	The Solution must provide the capability to detect multi-page feeds. If providing this capability requires specific scanners, Proposer must indicate those scanners that provide this capability.
<i>Production Processing</i>	
CAPTURE.17	Solution must save bitonal and grayscale electronic images captured through the scanning process in Tag Image File Format (TIFF). The Solution must also be capable of storing TIFF images using CCITT (Comite Consultatif Internationale de Telegraphie et Telefonie) Fax Group 3 and 4 compression techniques.
CAPTURE.18	Proposer must indicate other image file types and compression algorithms that are available in Proposer’s Solution to store bitonal, grayscale, and color image files. If Proposer utilizes a patented file type or compression algorithm (e.g., LZW color TIFF compression algorithm patented by Unisys), Proposer must have clear legal rights to use the patented component in the Solution.
CAPTURE.19	The Solution must provide the capability to process faxed documents in a similar manner to scanned documents. Proposer must indicate the additional software components required to incorporate this capability into the Solution. Proposer must indicate the compatibility of its Solution with popular electronic fax server software options.
CAPTURE.20	Solution must provide the capability to reject “blank pages”. This capability must be implemented in a manner that senses the size of the resultant TIFF image and treats all TIFF images below the customer-specified size as blank pages. The Solution must have the capability of utilizing different business rules in addressing blank pages. As an example, the Solution must provide the capability of using blank pages as a document separator and it must have the ability to reject a blank page during duplex scanning when the Solution detects an image on the other side of the scanned page.
CAPTURE.21	Solution must provide the capability to establish default scanner settings based on the classification of documents to be scanned. Additionally, the Solution must provide the capability for authorized users to change the scanner settings from their default values to improve image quality and clarity.
CAPTURE.22	Solution must recognize certain conditions as “end-of-document” and “end-of-batch” indicators. These conditions may consist of blank pages (front and back), barcode indicators, and patch code sheets

Reference Number	Document Scanning and Capture Requirements
CAPTURE.23	The capture component of the Solution must provide the capability to: capture documents either as a single batch or as a batch of individual documents; manually parse batches and define documents; the capability to flag images as unsatisfactory and to rescan those images into the appropriate document/batch at separate rescan stations
CAPTURE.24	Proposer must describe the Solution’s capability to support remote document capture in addition to centralized document capture. Does Proposer’s Solution provide the capability to capture images using a browser-based capture solution
CAPTURE.25	The Proposer’s Solution, as delivered for Phase 1, must have the capability to capture paper documents through a centralized scanning operation. The Solution must be expandable to incorporate the processing of faxed documents and electronic documents
CAPTURE.26	Proposer’s Solution must have the capability to resume batch processing if there is an interruption (e.g., paper jam).
CAPTURE.27	The Solution must have the capability to support multiple rescan stations. The Solution must allow quality control staff to flag specific pages in documents for rescanning and automatically route documents that require rescanning to a rescanning queue.
CAPTURE.28	The Solution must log the user-id of the scanner and the date and time that the document scanning occurred.
CAPTURE.29	The Solution must provide the capability to scan batches of documents to pre-determined Document Types.

4.3.3 Image Enhancement

Reference Number	Image Enhancement Requirements
IMAGE.01	Solution must provide the capability to automatically deskew images to assist in the proper registration of forms for character and field recognition
IMAGE.02	Solution must provide the capability to automatically remove isolated groups of pixels that may have been introduced onto electronic images due to the scanning process. This is typically referred to as “noise” removal or despeckling. Solution must provide the capability to turn this feature on and off and to set variable thresholds and conditions for recognizing “noise” in the generated image
IMAGE.03	Proposer must describe the Solution’s capability to automatically sense and apply the type of image enhancements needed to improve the readability of images
IMAGE.04	Solution must have the capability to automatically recognize forms that have been described to the Solution. When the Solution automatically recognizes a form, it must have the ability to electronically remove the form from the background of the captured image, leaving only the variable information supplied by the taxpayer or processor. The Solution must have the capability to turn form removal on or off for individual form types defined to the Solution
IMAGE.05	Proposer must describe Solution’s capability to automatically detect and correct orientation of documents that are fed into scanner without proper orientation.

Reference Number	Image Enhancement Requirements
IMAGE.06	Proposer must indicate the preferred capture configuration to provide the highest quality recognition. This information must include the preferred setting for image resolution (dpi) and the preferred setting for image capture - bitonal, grayscale (with bit depth), or color (with bit depth)
IMAGE.07	Proposer’s Solution must provide the capability of automatically extracting and processing taxpayer-supplied characters and field values using various image enhancement features that improve the accuracy of the process. However, the Solution must provide the capability to store documents in a document or content management system in a format specified by the customer. For example, automatic recognition may require the capture of a document as a grayscale image, but Hacienda may require that the document be stored as a bitonal image to conserve storage space and to minimize bandwidth requirements for document transmissions

4.3.4 Forms Recognition and Management

Reference Number	Forms Management and Recognition Requirements
FORMS.01	Proposer’s Solution must have the capability to recognize multiple forms defined to system. The Solution must have the capability to recognize forms based on unique form layout characteristics, barcode identification, or OCR techniques
FORMS.02	Proposer must indicate the maximum number of recognition areas that can be defined to Proposer’s Solution per image. This capability must be adequate to enable processing of typical tax forms and associated attachments and schedules
FORMS.03	Proposer’s Solution must provide the capability to automatically recognize defined forms and automatically populate one of more index fields with form-specific information.
FORMS.04	Proposer’s Solution must have the capability to recognize either character-delimited or field-delimited entries.
FORMS.05	Proposer’s Solution must provide the capability to properly register forms. Hacienda will attempt to redesign forms to provide registration alignment marks; however, Proposer’s Solution must be capable of accurate alignment on forms that have not been redesigned
FORMS.06	Proposer’s Solution must provide optical character recognition (OCR) functionality. The Solution must have the capability to define areas on the form in which machine-printed variable character(s) may exist and must have the capability of recognizing character(s) in that area of the form
FORMS.07	Proposer’s Solution must provide intelligent character recognition (ICR) functionality. The Solution must have the capability to define areas on the form in which handwritten character(s) may exist and must have the capability of recognizing character(s) in that area of the form
FORMS.08	Proposer’s Solution must have the capability of automatically determining the appropriate recognition technology to use on each field. Proposer’s Solution must be capable of processing forms that may contain both machine-printed and hand-printed characters and fields

Reference Number	Forms Management and Recognition Requirements
FORMS.09	Proposer’s Solution must provide optical mark recognition (OMR) functionality or optical mark sensing capability. Proposer’s Solution must be capable of applying business rules to the recognition of optical marks and to indicate to Data Validation if those rules have been violated.

4.3.5 Electronic Forms

Reference Number	Electronic Forms Requirements
<i>Forms Design</i>	
eFORMS.01	The Solution must provide the capability to create fill-in boxes for electronic forms.
eFORMS.02	The Solution must provide the capability of creating checklists in electronic forms.
eFORMS.03	The Solution must be capable of creating pull down menus to facilitate selections in electronic forms.
eFORMS.04	The Solution’s form design capability must also incorporate free-form text input boxes.
eFORMS.05	The Solution must have the capability to build database-driven electronic forms.
eFORMS.06	The Solution must provide a graphical electronic forms creation capability that can be used to develop electronic forms and to identify paper forms for the forms recognition component.
eFORMS.07	The Solution must provide the capability to import previously developed forms from common forms development applications and Microsoft Office applications.
eFORMS.08	The Solution’s forms development component must provide tools to facilitate the conversion of paper-based forms to electronic forms.
eFORMS.09	The Solution’s forms development component must provide the capability to scan existing paper forms into the forms library.
eFORMS.10	The Solution must be capable of providing drop-down selections based on a response or previous responses to questions.
eFORMS.11	The Solution must be capable of performing basic entry verification (character length check, numeric validation, etc.) on fields as they are entered.
eFORMS.12	The Solution must support the designation of certain fields as mandatory completion fields. The Solution must not allow electronic submission of forms that do not have all mandatory fields completed.
eFORMS.13	The Solution must provide the capability to automatically fill certain fields that do not need user interaction to complete. An example of this type of field would be a date and time field for the completion or submission of the form.
eFORMS.14	The Solution must provide the capability to automatically calculate basic mathematical relationships among fields. The Solution should be able to perform basic addition, subtraction, multiplication, and division and it should be able to incorporate basic if-then-else logical constructs into its analytical capabilities.

Reference Number	Electronic Forms Requirements
eFORMS.15	The Solution must provide the capability to extract information from multiple ODBC-compliant databases and populate designated fields of an eForm.
eFORMS.16	The Solution must provide design aids to assist in the development of eForms.
eFORMS.17	The Solution must provide conversion aids that allow a forms designer to scan paper forms, capture the design criteria and efficiently develop eForms that are identical or similar to the original paper forms.
eFORMS.18	The Solution must provide conversion aids that allow a forms designer to capture the design criteria for Microsoft Office forms templates and efficiently convert those forms and templates to versions that are compatible with the Solution.
eFORMS.19	The Solution must provide an eForms design capability that: supports multiple fonts, font colors, and font sizes; allows graphical images to be embedded into eForms; provides the capability to resize and reposition graphics and text; provides the capability to insert, position and size various barcodes symbols; and, provides basic drawing capabilities to create lines, boxes, and other basic form components.
<i>General</i>	
eFORMS.20	The Solution must automatically capture completed electronic forms (eForms).
eFORMS.21	The Proposer must describe the Solution’s eForm capability to incorporate electronic and/or digital signatures into the solution scheme.
eFORMS.22	The Solution must provide security over the forms creation process. It must provide a secure environment in which multiple forms can be managed at the Department, Bureau, and Section levels.
eFORMS.23	The Solution must provide the capability to link instructions on how to complete forms with the forms template.
eFORMS.24	The Solution must provide the capability to request and utilize electronic forms over the Internet.
eFORMS.25	The Solution must provide a notification capability that will alert users of attempts to use retired or superseded forms. The notification must contain a link to the currently utilized form or instructions on alternative procedures.
eFORMS.26	The Solution must provide a capability to notify all users of the Solution that forms have been retired or superseded by another form.
eFORMS.27	The Solution must provide the capability to distribute electronic forms via the Internet or the Department’s intranet.
eFORMS.28	The Solution must allow electronic forms to be completed and submitted electronically and it must support the printing of the forms template and the completion of the form as a paper-based form.
eFORMS.29	The Solution must provide an eForms completion capability that allows forms users to easily navigate fields using the tab function.
eFORMS.30	The Solution must provide an intuitive help function to assist forms users in completing forms. Hacienda would prefer this help module to provide context sensitive assistance.

Reference Number	Electronic Forms Requirements
eFORMS.31	Proposer must describe Solution’s capability to provide tutorial assistance to users. This assistance may include asking the user questions and the mapping of the user answers into proper field responses for the form.
eFORMS.32	The Solution must provide the capability to navigate electronic forms based on business rules activated by user responses.
eFORMS.33	The Solution must be capable of validating entries against databases and generating automated responses that are derived from user entries and database relationships.
eFORMS.34	The Solution must support the capability for users to request forms and associated help files, procedural documents, and completion instructions to be delivered in English or Spanish.
eFORMS.35	The Solution must provide the capability to capture information from the Workflow component and to insert it into designated fields of an eForm.
eFORMS.36	The Solution must provide the capability to generate completed eForms and to file those forms as documents in designated folders or document containers.
eFORMS.37	The Solution must provide the capability to route eForms using the full functionality provided by the Solution’s workflow component.
eFORMS.38	The Solution must provide the capability to add annotations to eForms. The addition of annotations to eForms shall not alter the integrity of or the ability to view the original underlying eForms.
eFORMS.39	The Solution must provide annotation authorization rights for various classes of eForms and the security model must support the capability to authorize or prevent viewing of eForm annotations.
eFORMS.40	The Solution must provide the capability to produce a full audit trail of actions performed on a eForm. This audit log record must include the user-id of the person acting on the form, the nature of the interaction, and the date and time that the activity occurred.
eFORMS.41	The Solution must provide the capability for other external applications or Solution components to access individual field values in completed eForms.
eFORMS.42	The Solution must provide the capability to store completed eForms in repositories and to search the eForms in individual repositories for common values.
eFORMS.43	Proposer must describe the Solution’s capability to support eSignatures. At a minimum, the Proposer’s Solution must be capable of inserting raster images of signatures into an eForm. Proposer must briefly describe its Solution’s capability to control the eSignature insertion process.
eFORMS.44	Proposer may describe other capabilities of its Solution to provide authentication of approval processes.
eFORMS.45	The Solution must have the capability to support the insertion of multiple eSignatures into an eForm or electronic letter.
eFORMS.46	The Solution must have the capability of recording the date, time, and user-id of individuals that incorporate eSignatures into eForms or electronic letters.
eFORMS.47	The Solution must have the capability of retaining completed eForms and electronic letters in an unalterable form.

Reference Number	Electronic Forms Requirements
eFORMS.48	The Solution must provide the capability to render an eForm as a PDF file and to maintain the PDF rendering of the eForm on a web site or transmit it as an email attachment.
<i>Forms Library</i>	
eFORMS.49	The Solution must maintain a library of all electronic forms utilized and all paper-based forms that have been defined to the forms management component.
eFORMS.50	The Solution must manage forms and forms templates in a similar manner as documents are managed. Only authorized users may have the ability to develop new forms, modify existing forms, and retire superseded forms from the active forms library.
eFORMS.51	The Solution’s forms library must provide the capability to manage groups of forms based on function or owner.
eFORMS.52	The Solution must provide the capability to maintain a library of signatures that can be inserted into eForms or electronically generated letters.

4.3.6 Recognition Technologies

Reference Number	Recognition Technology Requirements
<i>Barcode Technology</i>	
BARCODE.01	Proposer’s Solution must be capable of accurately recognizing alphanumeric character information represented in a properly rendered Code 39 one-dimensional (linear) barcode.
BARCODE.02	Proposer’s Solution must be able to recognize Code 39 barcodes regardless of orientation.
BARCODE.03	Proposer must provide recommended guidelines for printing Code 39 barcodes in the following areas: minimum vertical size of barcode; maximum characters per linear inch at a 200 dpi resolution; recommended “quiet zone” (in pixels) on the left and right of the barcode symbol; and, recommended “quiet zone” (in pixels) on the top and bottom of the barcode.
BARCODE.04	Proposer must list all one-dimensional (linear) barcode symbologies that can be recognized by Proposer’s Solution.
BARCODE.05	Proposer’s Solution must have the capability to recognize multiple barcodes on an image.
BARCODE.06	Proposer’s Solution must have the capability to recognize barcodes in specified zones on an image and it must also have the capability to search for and read specified barcodes that may be located anywhere on an image.
BARCODE.07	Proposer must list all two-dimensional barcode symbologies that can be recognized by Proposer’s Solution.
<i>Optical Character Recognition Technology</i>	

Reference Number	Recognition Technology Requirements
OCR.01	Proposer’s Solution must provide the capability to process multiple zones on a document by coordinates and to perform optical character recognition processes to the print images contained in these zones.
OCR.02	Proposer’s Solution must provide the capability to recognize the content from both “character-delimited” zones and “multiple character” zones.
OCR.03	Proposer must identify the OCR processing engine(s) provided in the Solution.
OCR.04	Proposer must describe if the Solution provides for use of a voting algorithm that utilizes different recognition engines.
OCR.05	Proposer must describe Solution’s capability to perform full text OCR on pages of documents and complete documents.
<i>Intelligent Character Recognition Technology</i>	
ICR.01	Proposer’s Solution must provide the capability to process multiple zones on a document by coordinates and to perform intelligent character recognition processes to the images contained within these zones.
ICR.02	Proposer’s Solution must provide the capability to recognize “hand printed” characters.
ICR.03	Proposer’s Solution must provide the capability to recognize the hand-printed content from both “character-delimited” and “multiple character” zones.
ICR.04	Proposer must identify the ICR processing engine(s) provided in the Solution.
ICR.05	Proposer must describe if the Solution provides for use of a voting algorithm that utilizes different recognition engines.
ICR.06	Proposer must describe the Solution’s capability to recognize cursive handwriting.
ICR.07	Proposer’s Solution must recognize characters used in the Spanish Language such as á, é, í, ó, ú, ñ, ü.
<i>Optical Mark Sensing</i>	
MARK.01	Proposer’s Solution must provide the capability to

4.3.7 Data Verification and Key-from-Image

Reference Number	Data Verification Requirements
VERIFY.01	The Solution must provide the capability for human review of character and field values determined by each automated recognition component – barcode, OCR, ICR, and optical mark sensing.
VERIFY.02	The Solution must provide the System Administrator with the capability of setting thresholds for requiring human data verification. The Solution must provide a configurable setting that requires all automatically recognized characters and fields to be reviewed.

Reference Number	Data Verification Requirements
VERIFY.03	The Solution must provide the capability to establish “confidence thresholds” for the automated recognition of character and field data. If the recognition technology determines that its confidence in correctly recognizing the character or field exceeds the “confidence threshold”, the Solution must provide one of two options. For all characters and fields in which the Solution is confident that it correctly recognized the data, the Solution may either not present those fields for human verification or present them with an indication that there is a high level of confidence in those values. An example of this would be to present “high confidence” fields in one color and “lower confidence” fields in another color. The data verification operator could then focus on the “lower confidence” fields.
VERIFY.04	The Solution must provide a data verification component that presents data verification operators with the character or field values determined by automatic recognition and the corresponding “picture” of the character or field area from the form.
VERIFY.05	The Solution must provide the capability to alter the recognized values if the data verification operator disagrees with the recognition decisions of the Solution’s technology.

4.3.8 Electronic Workflow

Reference Number	Electronic Workflow Requirements
WORK.01	The Solution’s workflow component must support the WfMC standards for application interfaces and audit specifications.
WORK.02	The Solution’s workflow component must be capable of interacting with standard e-mail systems.
WORK.03	The Solution’s workflow component must comply with Open Database Industry Standards.
WORK.04	The Solution’s workflow component must support web clients and be fully functional using standard web protocols.
WORK.05	The Solution’s workflow component must be able to access documents and other objects stored in the Solution’s document repository as work items.
WORK.06	The Solution’s workflow component must maintain secure logs of all activities performed on work items.
WORK.07	The Solution’s workflow component must provide security control for the ability to create workflows and modify work rules.
WORK.08	The Solution’s workflow component must provide graphical workflow development tools to facilitate the efficient and accurate creation and modification of workflows.
WORK.09	The Solution’s workflow component must provide the capability for authorized users to modify standard workflows for work instances that require special or exception processing.

Reference Number	Electronic Workflow Requirements
WORK.10	The Solution’s workflow component must provide the capability to designate managers for specific workflow activities. Managers must be provided with the capability and authorization to reallocate resources supporting the workflow activity.
WORK.11	The Solution’s workflow component must provide workflow activity managers and other designated supervisory personnel real time status reports and summary management reports. These status reports and management reports must provide process details relevant to process efficiency, individual productivity, and exception management.
WORK.12	The Solution’s workflow component must support the definition of roles within workflow activities and the assignment of users to roles.
WORK.13	The Solution’s workflow component must be capable of automating processes that are “document-centric” and “task-oriented”. The Solution must be able to automate work processes that involve steps that are related directly to the content of the work item and tasks that involve interaction with external systems.
WORK.14	The Solution’s workflow component must be capable of producing graphical representations of automated work processes that can be used in process documentation.
WORK.15	The Solution’s workflow component must be capable of establishing time thresholds for the completion of tasks. These thresholds may be established based on any time reference captured in a process instance. For example, thresholds such as “task 3 must be completed within two hours of receipt of the work item” and “task 4 must be completed within two working days of initiation of the work activity” should be easily incorporated in the workflow script.
WORK.16	The Solution’s workflow component must support individual queues for role members and also shared queues that can be accessed by employees performing the same role.
WORK.17	The Solution’s workflow component must have the capability to evaluate system variables for individual work instances and make routing and processing decisions based on the evaluation of these variables against process business rules.
WORK.18	The Solution’s workflow component must allow users to configure their in-boxes based on personal preferences.
WORK.19	The Solution’s workflow component must provide the capability for individual users to utilize multiple in-boxes if required by their role.
WORK.20	The Solution’s workflow component must allow users to view all work items in their work queues (in-boxes).
WORK.21	The Solution’s workflow component must provide the capability for users to select a work item from their in-box to work. The Solution must also provide the capability for System Administrators to deactivate this feature.
WORK.22	The Solution’s workflow component must support the generation of both manual and automated alerts and notifications. These alerts and notifications can be sent to designated users and will appear in the users’ in-boxes.

Reference Number	Electronic Workflow Requirements
WORK.23	The Solution’s workflow component must have the capability to prioritize work items in each work queue or in-box. The Solution must be capable of managing work items on a first-in first-out (FIFO) basis. The Solution must have the capability to override FIFO processing by manually designated “high priority” work items. Proposer must describe the Solution’s capability to support other types of priority processing such as automatic assignment of priority based on key field indicators (e.g., value, dollar amount, transaction type). Proposer must also indicate if its Solution supports the calculation of a priority value based a combination of system values, dates, times, etc.
WORK.24	The Solution’s workflow component must have the capability to route notifications and alerts to individuals not involved in the work process via e-mail routing to another MAPI-compliant in box.
WORK.25	The Solution’s workflow component must provide the capability for a user to pend a work item in an in-box for processing at a later time.
WORK.26	The Solution’s workflow component must provide the capability to view work lists based on a FIFO view or sorted by the age of the work items.
WORK.27	The Solution’s workflow component must provide the capability to establish pre-defined timeframes for work activities to be completed. The Solution must support two functions if the established timeframe is exceeded on work items. The Solution must be capable of routing the non-compliant work item to another queue for special processing or the Solution must automatically generate alert notices to designated in-boxes.
WORK.28	The Solution’s workflow component must provide a general capability to support automated informative routing of status information concerning individual work instances (tickler information).
WORK.29	The Solution’s workflow component must provide the capability to automatically route specific form types and document types to designated routing queues to initiate automated workflow processing.
WORK.30	The Solution’s workflow component must provide the capability for a workflow user to route a work item to a personal in-box or to re-route it to another workflow user.
WORK.31	The Solution’s workflow component must provide the capability to route a specified percentage of work items to an audit queue for evaluation and review.
WORK.32	The Solution’s workflow component must provide the capability to automatically route a work instance to the next activity when a designated set of documents has been completed (Suspense file function).
WORK.33	The Solution’s workflow component must provide the capability to attach directions and informative information to the work item.
WORK.34	The Solution’s workflow component must provide workload balancing and work allocation facilities.
WORK.35	The Solution’s workflow component must be able to communicate with external ODBC-compliant databases using SQL queries.
WORK.36	The Solution’s workflow component must support the concurrent routing of a work item to multiple queues or in-boxes.
WORK.37	The Solution’s workflow component must provide the capability for authorized users to suspend and resume workflow activity instances.

Reference Number	Electronic Workflow Requirements
WORK.38	The Solution’s workflow component must provide the capability to initiate workflow instances based on various “trigger” events. These events include: insertion of scanned documents into an initiation queue; manual initiation of a workflow; automatic initiation of a workflow at a set time period after completion of an event; and, recurring scheduled events (initiate on an hourly, daily, weekly, monthly basis).
WORK.39	The Solution’s workflow component must support the capacity to implement an escalation procedure based on the evaluation of the status of work items against sets of business rules.
WORK.40	The Solution’s workflow component must support the maintenance of group and individual work schedules. The Solution must utilize the appropriate schedules when evaluating the aging of work items.
WORK.41	The Solution’s workflow component must support the inclusion of descriptive index information in notifications to facilitate ease of understanding.
WORK.42	The Solution’s workflow component must provide the capability for authorized users to query the workflow system and determine the status of individual work instances. This status information must be presented in an easy-to-understand format and must facilitate timely and accurate responses to customer inquiries.
WORK.43	The Solution’s workflow component must generate an audit log of all activities performed within the workflow system. The data recorded in this log must be sufficient to evaluate the overall effectiveness of all automated work processes and must provide audit trails of individual work instances to substantiate processing history.
WORK.44	The Solution’s workflow component must support data and information exchange between external application systems, databases, and the workflow system.
WORK.45	The Solution’s workflow component must provide the capability for authorized users (system administrators) to define roles in work processes and to assign roles to workflow participants.
WORK.46	The Solution’s workflow component must provide the capability to process log files utilizing filters established by the System Administrator.
WORK.47	The Solution’s workflow component must provide the capability for the System Administrator to terminate specific workflow instances.
WORK.48	The Solution’s workflow component must provide the capability for the System Administrator to “activate” new versions of process definitions.
WORK.49	The Solution’s workflow component must provide the capability to report of the current status of all workflow processes. This information must include, at a minimum, the number of workflow instances queued for each activity that comprises the process.
WORK.50	The Solution’s workflow component must provide the capability to provide workflow instance exception reporting. For example, the Solution must provide the capability to report all workflow instances that have been inactive (no “event” logging) for specified periods of time.

4.3.9 Document Management

Reference Number	Document and Content Management Requirements
DOC.01	The Solution must allow the appropriate grouping of pages into documents.
DOC.02	The Solution must provide the capability to store electronic documents in a hierarchy of electronic structures that represents physical document filings. The Solution must have the capability to store related documents in sub-folders and store both documents and sub-folders in folders.
DOC.03	The Proposer must describe the depth of the document hierarchy supported by the Solution. As an example, a Solution could support a hierarchy consisting of: Fileroom; File Cabinet; File Drawer; Master Folder; 1 st Level Sub-Folder; 2 nd Level Sub-Folder; Document.
DOC.04	The Solution must provide the capability of storing scanned documents in either a single multi-page TIFF file or storing the document as a series of single-page TIFF images stored in a linked file structure.
DOC.05	The Solution must provide the capability for authorized users to rearrange pages in documents, add pages, and remove pages. The Solution must log all of these document changes in a secured log file. The logged information must include the user-id of the person making the change, the nature of the change, and a date and time stamp for the change.
DOC.06	The Solution must provide a true object management capability. The Solution must be capable of managing and administering any file type as an object. Proposer must fully disclose any inability of its Solution to administer files as objects.
DOC.07	The Solution must provide a capability to convert popular file types, such as Microsoft Office files, into TIFF images and store those converted documents in the Solution’s document repository.
DOC.08	The Solution must allow the customer to define multiple Document Types. These Document Types will facilitate the grouping of similar documents and will allow the customer to establish index structures appropriate for each category of documents.
DOC.09	The Solution must utilize an Open Industry Standard Database to store system-generated and user-defined document indices. The Solution must be capable of utilizing all database maintenance tools and recovery tools in support of the Solution.
DOC.10	The Solution must provide the capability for the customer to establish multiple indices for Document Types. The maximum number of indices must exceed twenty (20). The Solution must support date, numeric-only, and alphanumeric index fields. Index field size must be fully definable by the customer. The Solution must support index field sizes of at least 64 characters.
DOC.11	The Solution must provide the capability to search for any document utilizing any combination of index fields that support search and retrieval. Proposer must disclose if its Solution supports any type of index that may not be utilized in a search.
DOC.12	The Solution must provide the capability to edit index values based on index field characteristics and flag entries that do not conform to index field characteristics.

Reference Number	Document and Content Management Requirements
DOC.13	The Solution must provide customer-configurable capabilities to improve the efficiency of manual document indexing. At a minimum, the Solution must support the capability to define valid entries in a table or database and to present those options to the indexer as a pull-down menu.
DOC.14	The Solution must provide functionality that allows authorized users to override index information for documents already committed to the Solution’s database.
DOC.15	The Solution must support the automated entry of index values using the following techniques: barcode recognition; optical character recognition; intelligent character recognition; and, database lookup.
DOC.16	The Solution must provide the capability to manually or automatically apply indexing values to customer-defined batches of documents.
DOC.17	The Solution must provide the capability to index documents in Spanish and English.
DOC.18	The Solution must provide the capability to utilize data stored in any ODBC-compliant database to populate indices. For example, the Solution must have the capability to use the Taxpayer Social Security Number (either entered manually or automatically recognized from a tax form) and query an ODBC-compliant database for Taxpayer Name, Taxpayer Address, and other taxpayer-specific information that may be required for document indexing.
DOC.19	The Solution must provide the capability of recording the user-id, date, and time of all indexing operations in a log file.
DOC.20	The Solution must provide support for multiple indexing stations. Each indexing station must be capable of supporting both manual and automated indexing of documents. Each index station must be able of performing the following index operations: manual entry of index values; automated entry of index values from OCR, ICR, barcode recognition, batch level index propagation; automated population of indices through database lookup; and, manual validation of automatically captured indices.
DOC.21	Solution must have the capability to store digital images from digital cameras.
DOC.22	Solution must have the capability to store video clips in native .AVI format.
DOC.23	Solution must have the capability to store audio files.
DOC.24	Solution must have the capability to store AutoCad files in native .DWG format.
DOC.25	Proposer must describe Proposer’s Solution’s capability to support document version control. Does Proposer’s Solution support, versioning, collaborative editing, publishing, and audit tracking for document management?
DOC.26	The Solution must provide the capability to store an object (document) or a group of objects (folder) in multiple hierarchies. As an example, a taxpayer’s short form return for Tax Year 2002 may reside in a master file for that taxpayer. It may also be under review for audit or adjudication purposes in a separate folder structure that supports the review.
DOC.27	The Solution must provide the capability to store a document in multiple containers while requiring only one real instance of the document in the document imaging repository. All additional references to the document in other locations should be implemented through links to the single instance of the document.

Reference Number	Document and Content Management Requirements
DOC.28	The Solution must provide the capability to allow authorized users to move documents and/or folders from one container to another.
DOC.29	The Solution must provide the capability for the customer to build nested parent-child relationships between documents and various types of electronic storage containers (file rooms, file cabinets, file drawers, folders, sub-folders, etc.). This capability provides the flexibility to build solutions that use electronic equivalents of widely understood physical filing schemes.
DOC.30	The Solution must allow the nesting of lower-tiered objects into any upper-tiered container structure. As an example a file drawer (or equivalent container in Proposer’s Solution) may contain documents, documents within a folder, and documents within a sub-folder contained in a folder.
DOC.31	The Solution must provide the capability for authorized users to move documents and groups of documents from one container to another.
DOC.32	The Solution must store all documents in a standard non-proprietary file format
DOC.33	The Solution must provide the capability for an unlimited number of users to view the same document concurrently.
DOC.34	The Solution must provide a document viewing capability that allows the user to size the document based on the user’s personal preferences and the nature of the work that is performed.
DOC.35	The Solution must provide the capability for a user to simultaneously view different pages of the same document. Proposer must indicate if this capability can be provided utilizing only one instance of the Proposer’s viewer or if two instances (two concurrent viewing sessions) are required.
DOC.36	The Solution must provide the option to view thumbnail representations of the pages of a document.
DOC.37	The Solution must provide the capability to uniformly customize the user interface for groups of users performing similar functions.
DOC.38	The Solution must provide the flexibility for individual users to customize their user interface to address specific work requirements or individual viewing preferences. The Solution must provide the capability to retain the configuration across multiple sessions.
DOC.39	The Solution must provide the System Administrator or other authorized user with the capability to allow designated users to customize their user interfaces and to provide a standardized and non-customizable interface to other users.
DOC.40	The Solution must provide the capability to pan an image in both the horizontal and vertical directions if the image size is too large to be viewed in its entirety on the screen.
DOC.41	The Solution must provide the capability for a user to easily zoom-in and zoom-out on an image.
DOC.42	The Solution must provide the capability for a user to rotate an image for viewing purposes. This rotation must not change the orientation of the image as stored in the document repository.
DOC.43	The Solution must provide the capability for a user to scale an image. The scaling options should include “scale to width”, “scale to height”, and “view full page”.

Reference Number	Document and Content Management Requirements
DOC.44	Proposer’s Solution must include the ability to view documents with the full functionality described in this RFP through the utilization of a web browser. Proposer must indicate all web browsers (brand name and version numbers) that are certified by the Vendor of the Document and Content Management software. Proposer must also indicate any client operating system or client hardware (PC, Mac, Unix) limitations on supporting its browser-based viewing capability. Proposer’s Solution must support viewing functionality across commonly used versions of Microsoft Internet Explorer and Netscape Navigator. It is highly desirable for Proposer’s Solution to support viewing in other browsers.
DOC.45	The Solution must have the capability to support wild card searches.
DOC.46	The Solution must provide the capability to construct and execute complex searches that span multiple index fields and utilize Boolean operators.
DOC.47	The Solution must provide the capability to execute primary searches across the entire document database or across a defined container within the database (file cabinet, file drawer, folder, sub-folder, etc.).
DOC.48	The Solution must provide the capability to execute secondary searches that are limited to the documents returned by a previous search.
DOC.49	The Solution must provide the capability to print full documents and selected pages within documents.
DOC.50	The Solution must provide the capability for an authorized user to attach a document from the document repository as an attachment to an email.
DOC.51	The Solution must provide the capability to store and access images grouped as documents.
DOC.52	The Solution must provide the capability to insert a document into parent objects (containers) that include nested folders, file drawers, file cabinets, file rooms, etc.
DOC.53	The Solution must provide the capability for an authorized user to reassign documents to new Document Type classifications. This function will allow a quality control user to identify and corrected erroneous Document Type assignments that may occur.
DOC.54	The Solution must provide the capability for authorized users to add initial index values and change index values as needed.
DOC.55	The Solution must provide the capability to retain images of documents scanned into the system in an unalterable form. Hacienda will consider this condition satisfied by any Solution that saves scanned images in a TIFF format and provides a secure history of all functions performed on that document. The security provided by the Solution and implemented by Hacienda and the audit trail of document activity must provide reasonable substantiation that documents have been maintained in a secure environment with sufficient security control to ensure the reliability of the record.
DOC.56	The Solution must provide the capability to print documents in original form with annotations or without annotations. The Solution must provide the capability to print documents with annotations in a way that does not prevent the viewing of any sections of the original documents.

4.3.10 Optical Storage Options

Reference Number	Optical Storage Requirements
OPTICAL.01	The Solution must provide the capability of storing documents on optical storage devices. Proposer’s Solution must provide the customer with the capability of migrating documents from magnetic storage to optical storage based on pre-defined conditions. The Proposer’s Solution may also provide the capability to maintain documents concurrently on optical storage and magnetic storage.
OPTICAL.02	The Solution must provide the capability to store documents on Write-Once, Read_Many (WORM) storage media.
OPTICAL.03	The Solution must have the capacity to reconstruct its databases from the information contained n the optical media or metadata stored in optical and associated with the document.
OPTICAL.04	The Solution must provide the capability, at the option of the administrator, to generate sets of Optical Storage platters that contain copies of the documents for off-site storage.

4.3.11 Document Web Enabling

Reference Number	Document Web Enabling Requirements
WEB.01	The Solution must provide the capability to support fully functional workflow clients and document imaging clients through a web browser.
WEB.02	The Solution must be compatible with Microsoft’s Internet Information server (ISS) or IBM’s Websphere.
WEB.03	Hacienda requires that all documents exchanged through the web must be presented to the end user in PDF format. The PDF should be configured to provide a view and print only capability. Hacienda must also have the capability to overlay a watermark, transaction number, validity number, or barcode.

4.3.12 Records Management

Reference Number	Records Management Requirements
RECORDS.01	Solution must provide the capability of defining multiple Records Management categories. Solution must also be capable of automatically assigning a Records Management category to documents based on indexing information (e.g., Tax Year and Document Type).
RECORDS.02	The Solution must provide a storage structure for documents and forms that can be configured to support the management of electronic records based on an approved Records Retention Schedule. At a minimum, the Solution must provide the capability to manage documents and forms in on-line storage, near-line storage, and archival or permanent storage.

Reference Number	Records Management Requirements
RECORDS.03	The Solution must provide the capability to migrate documents and forms by Document/Form Type from one storage type to another based on a migration strategy that is consistent with the Records Retention Schedule.
RECORDS.04	The Solution must also provide the capability to destroy all references to documents and forms that have reached the end of their life cycle.
RECORDS.05	The Solution must provide the capability to group Document Types in Record Series for administration of records retention.
RECORDS.06	The Solution must be capable of managing documents in both the active and inactive (archival) stages of their life cycles.
RECORDS.07	The Solution must provide the capability of altering a record or document’s retention period based on changing legal requirements or clarification of the Department’s record keeping requirements.
RECORDS.08	The Solution must provide the capability to reassign documents from one Record Series to another based on legal requirements. For example, Hacienda must be able to reassign any document that is relevant to pending litigation from its actual Record Series to a series that prevents destruction until the litigation has been resolved.
RECORDS.09	The Solution must be capable of establishing retention periods based upon significant trigger events. As examples, these trigger events may include: the completion of tax processing for an individual taxpayer; the settlement of a legal action; and the approval of a payment plan.
RECORDS.10	The Solution must be capable of producing a report of all documents that have exceeded their legal life.

4.4 Overview of Desired Solution

Section 4.4 describes an approach to utilizing the technologies delivered as part of the Solution to address Phase 1 requirements. Proposers may recommend alternative processes or methodologies to accomplish the functions that more effectively utilize the capabilities of their Solutions. This proposed work process is presented as a convenience to Proposers in formulating their approaches to accomplishing the Scope of Work.

Responsible Department	Process/ Task ID	Process/Task Name	Description
Mailroom	1.0	Document Preparation	Perform all tasks associated with receiving tax forms and preparing for scanning.
	1.1	<i>Open Mail</i>	
	1.2	<i>Group Individual Short Forms</i>	Separate both Spanish and English Individual Short Forms from other incoming correspondence.

Responsible Department	Process/Task ID	Process/Task Name	Description
	1.3	<i>Receive Documents</i>	Stamp documents as received.
	1.4	<i>Remove Fasteners</i>	Remove staples, clips, and fasteners.
	1.5	<i>Repair Page Damage</i>	Observe condition of paper documents. Tape any tears in paper and smooth wrinkles and creases to facilitate scanning.
	1.6	<i>Orient Pages</i>	Orient pages uniformly for scanning.
	1.7	<i>Order Pages</i>	Place filing documents in standard order: Short Form (3 pages) Check (if submitted) stapled to front of short form W-2s (1 or more pages) Evidence (variable number of pages) Attachment A-1 (1 page) Attachment CH (1 page) Attachment H (1 page) Attachment I (2 pages) Change of Address (1 page) Envelope (1 page) Staple all documents together. [Note: Envelope is retained as evidence of date of submission. We may not retain envelope for returns submitted before Tax Filing Date (April 15).]
	1.8	<i>Process Returns with Checks</i>	Returns with checks are separated from other short form filings and placed in mail trays. These trays are transported to the Record Payment Office to apply the payment. This Office removes the check and records the payment to the primary tax filer's Social Security Number. An automated system imprints the short form with the check amount and the current date. The tax returns are returned to mail trays and transported to the Numbering Section.
	1.9	<i>Prepare for Numbering</i>	The opened and reorganized tax forms are placed into mail trays and transported to the Numbering Section.
Numbering	2.0	Serialize Tax Returns	

Responsible Department	Process/ Task ID	Process/Task Name	Description
	2.1	<i>Separate Tax Forms</i>	Short Form Filings are divided into the following groups: Short form with refund Short form with debt (50% payment) Short form with debt (no payment) Short form with debt (<50% payment) Others – Short form with debt (full payment)
	2.2	<i>Remove Checks</i>	If returns have checks not removed by the Mailroom, the Numbering Section staff pulls the filing and sends it to the Record Payment Office for processing.
	2.3	<i>Error Identification</i>	If errors are encountered such as a bad date stamp on the receipt of the filing, the tax filings with errors are sent to the Director of Colecturias and the Director sends it to the Colecturia that received the filing for correction. [The value of this process needs to be determined.]
	2.4	<i>Numbering</i>	A sequential number is stamped on each tax filing that is not in error. Sequential numbering ranges are reserved for each classification indicated in Task 2.1.
	2.5	<i>Batch Assembly</i>	The numbered returns are grouped into batches of 50 filings. Seven batches are placed into a box. The boxes are now ready for scanning.
Data Entry	3.0	Scan Documents	Data Entry personnel will be responsible for scanning documents into the Solution. Personnel will also be responsible for monitoring scanner performance, performing standard maintenance, and reporting scanner problems to System Administrator.
	3.1	<i>Remove Staples</i>	Remove staples from tax returns.
	3.2	<i>Verify Batch Integrity</i>	Visual verification of batch integrity. Verify presence of batch header page.
	3.3	<i>Feed Documents</i>	Use Automated Document Feeder to scan documents. Monitor document feed process to ensure quality scanning.

Responsible Department	Process/Task ID	Process/Task Name	Description
	3.4	<i>Capture Batch Serial Number</i>	The batch serial number is captured from the barcode on the batch header page. These numbers are assigned in groups of 50 and represent the starting Document Control Number for the 50 tax filings in the batch.
	3.5	<i>Capture Date and Time</i>	The scan date and time are captured and assigned to the batch as attributes.
	3.6	<i>Identify Tax Filings</i>	Automatically segment the batch into 50 tax filings by recognizing the first page of the short form (by a distinguishing form characteristic).
	3.7	<i>Image Enhancement</i>	System Administrator-specified image enhancement techniques applied to scanned images.
	3.8	<i>Verify Batch Completion</i>	Verify that the batch was accepted into the Solution.
	3.9	<i>Scan Output – 50 tax folders per batch</i>	The output of the scan process should be batches of 50 tax folders. At this stage, each tax folder consists of 50 tax folders.
Data Entry	4.0	Image Quality and Folder Integrity Review	
	4.1	<i>Batch Assignment</i>	Operator logs out a physical batch of tax documents. Operator enters the batch number and electronically accesses the scanned images.
	4.2	<i>Image-to-Paper Comparison</i>	Operator compares paper image to electronic image. Operator marks images that are poor quality and images that are missing.
	4.3	<i>Batch Validation</i>	
	4.31	<i>Validated Batch</i>	If all images in the batch are present and readable, the electronic batch is approved and it moves to Automated Recognition. The physical batch is sent to the Document Staging Area.
	4.32	<i>Errors in Batch</i>	If there are problems with the images or with image quality, the problem images are flagged or marked and both the electronic batch and the physical batch move to Rescan.
Data Entry	5.0	Rescan	

Responsible Department	Process/ Task ID	Process/Task Name	Description
	5.1	<i>Identify Pages for Rescan</i>	Using the automatic notification capabilities of the Solution, the Rescan operator positions the batch for the rescan operation.
	5.2	<i>Rescan Marked Pages</i>	The physical pages that did not scan properly are scanned into the Solution. Poorly scanned pages are replaced and missed pages are inserted at appropriate locations in documents.
	5.3	<i>Verify Image Quality</i>	The Rescan operator examines each image that is rescanned for satisfactory quality. Poor quality images are rescanned until satisfactory quality is achieved.
	5.4	<i>Verify Document Integrity</i>	Each document that has rescanned images is verified to ensure all pages are present.
	5.5	<i>Rescan Complete</i>	As each batch is completed, the electronic batch of documents moves to Automatic Recognition. Paper batches are sent to the Document Staging Area.
Mailroom	6.0	Document Staging	
	6.1	<i>Label Boxes</i>	Label boxes to contain 350 tax filings.
	6.2	<i>Receive Completed Batches</i>	Document Batches are received from Image Quality and Folder Integrity Review and Rescan.
	6.3	<i>Complete Boxes</i>	When all batches assigned to a box are available in Document Staging, complete the box, verify all batches, and close box.
	6.4	<i>Transport to Archive</i>	Periodically transport completed boxes from Document Staging Area to Archival Storage in Carolina. [Note that there is no business requirement to store documents for two years at Hacienda's Office.]
Data Entry	7.0	Automated Recognition	This is an automated process that is owned by Data Entry.
	7.1	<i>Assign Folder Attributes</i>	The date and time attributes of the batch are assigned to each tax folder. The Document Control Number is assigned to each folder by OCRing the Serial Number stamped on the first page of the tax filing.

Responsible Department	Process/ Task ID	Process/Task Name	Description
	7.2	<i>Automated Forms Recognition – Assign Form-ID</i>	Process each page in each taxpayer folder. Using barcode recognition, identify each page of the Short Form and associated Attachments. This process will not be able to recognize W-2s, other statements of income, or supporting evidence documents.
	7.3	<i>Form Background Removal</i>	If required by the Selected Solution, electronically remove the form background on all recognized standard forms. Use the resulting image of the variable data for automated recognition purposes and retain the original image for retention purposes.
	7.4	<i>OMR Processing</i>	Process all forms in the Taxpayer Folder through the Optical Mark Recognition engine. This process recognizes all check boxes and bubble marks on the forms.
	7.5	<i>Determine Form Completion Technique</i>	Automatically determine if the Taxpayer or Taxpayer’s Processor completed the forms using machine print or hand printing and handwriting. [Can we assume that if one form is either machine printed or completed by hand that other forms are the same? If not, this determination must be made for each page of each standard form in the Taxpayer Folder.]
	7.51	<i>Machine Print</i>	If a laser jet, ink jet, or comparable printer has printed Taxpayer’s standardized forms, send the forms to the OCR Engine for recognition.
	7.52	<i>Hand Print</i>	If Taxpayer’s standardized forms have been completed by hand, send the forms to the ICR Engine for recognition.
	7.6	<i>Document Assembly</i>	Assemble all standardized forms into documents with the Taxpayer’s Folder. The Short Form, each attachment, and all W-2s should be stored as individual documents. All remaining images should be assembled into one document designated as Evidence.

Responsible Department	Process/Task ID	Process/Task Name	Description
	7.7	<i>Assign Document Attributes</i>	Automatically assign each document within the Taxpayer's Folder standard attributes. Assign Tax Year based on the year that is being processed (default). Propagate the Scan Date, Scan Time, and Document Control Number from the Taxpayer's Folder's attributes. Assign Document Type based on the form designation.
Data Entry	8.0	Data Validation and Key-From-Image	
	8.1	<i>Validate Fields</i>	The Solution should allow two levels of human validation of automatically recognized characters. The first option is a complete review of all characters. The second option is a review of only those characters for which the recognition engine's confidence level falls below a pre-determined threshold. The Data Validation operator has the capability to override any recognized values.
	8.2	<i>Key-From-Image</i>	The Solution will present fields that do not pass through a recognition engine for the Data Validation operator to enter. The field image will be presented beside the key field display. The Data Validation operator will enter the information from the image field into key field. An example of this type of entry would be entering the names of dependents.
	8.3	<i>Database Lookup</i>	The Solution will also provide the capability to automatically recognize a critical field on a Taxpayer form and use that value to extract information from external databases to populate other fields. For example, OCR and ICR engines may recognize the Primary Taxpayer's SSN. This number may be used to extract Taxpayer Name, Address, City, Residential Telephone, Office Telephone, information about spouse, etc.

Responsible Department	Process/Task ID	Process/Task Name	Description
	8.4	<i>Biographical Information transmitted to REFO</i>	The Taxpayer information that is necessary to create a tax record in REFO is automatically upload to the system. This information is extracted from REFO by the PRITAS system and is used to determine if a taxpayer’s return has been received.
Data Perfection	9.0	Business Rules Validation	At this point in the process, all data fields have been resolved either using automated recognition, key-from-image, or database lookup. The Business Rules Engine evaluates the extracted data for consistency based on mathematical relationships among fields, and the tax laws governing use of the short form. This validation does not replace the more thorough evaluation in the REFO tax processing system, but it provides earlier identification of problems and results in cleaner submissions to REFO. This check will allow Data Perfection to resolve situations in which the taxpayer has failed to complete a required field and that field’s value can be determined without the need to correspond with the taxpayer.
	9.1	<i>Evaluate Extracted Data</i>	The Business Rules Engine processes the data extracted from the tax forms.
	9.2	<i>Generate Error Log</i>	The Business Rules Engine generates an Error Log that describes each inconsistency encountered within the Taxpayer’s Folder. The Error Log is saved as a document in the Taxpayer’s Folder. The folder is then routed to Data Perfection.
Data Perfection	10.0	Data Perfection – Preliminary Review	Data Perfection performs standard review of taxpayer filings.
	10.1	<i>Review of Support and Evidence</i>	Data Perfection reviews the supporting documentation and evidence to ensure that the taxpayer has adequate substantiation for information on the tax forms.

Responsible Department	Process/ Task ID	Process/Task Name	Description
	10.2	<i>Review of Error Log</i>	Data Perfection reviews the Error Log to determine the action required to resolve each issue. Some issues may be corrected by the reviewer (mathematical errors, etc.). Other issues will require Hacienda to request additional information or clarification from the taxpayer.
	10.3	<i>No Additional Information Required</i>	If no additional information is required from the taxpayer, the taxpayer information is ready for submission to REFO.
	10.4	<i>Taxpayer Information / Clarification Required</i>	If additional information must be provided by the taxpayer, the Taxpayer Folder is routed to Repair. The required information is appended to the tax folder as Working Note.
Repair	11.0	Taxpayer Intervention	The Repair Section is responsible for requesting additional information from taxpayers to substantiate their tax position. Tax filing issues may be identified at this stage (pre-REFO) or after entry into REFO.
	11.1	<i>Filing Review</i>	The Working Note is opened and the type of information needed from the taxpayer is determined.
	11.2	<i>REFO Coding</i>	The Repair operator keys a code into the REFO system that will automatically generate the request letter.
	11.3	<i>File Suspended</i>	The taxpayer file is suspended in the Repair Section awaiting the taxpayer's written response.
	11.4	<i>Receive Response</i>	Repair Section receives response.
	11.5	<i>Response Evaluation</i>	Repair Section evaluates the response to determine if it adequately addresses the issue.
	11.6	<i>Adequate Response</i>	If the response is adequate, the document is scanned into the Taxpayer's Folder, proper adjustments are made, and the processing hold is removed.
	11.7	<i>Inadequate Response</i>	Additional clarification from the taxpayer may be solicited and the hold maintained or processing may be resumed and the questionable tax assumptions rejected.

Responsible Department	Process/ Task ID	Process/Task Name	Description
Data Perfection	12.0	REFO Data Submission	The REFO Data Submission Module receives input taxpayer files that do not require any taxpayer correspondence from Data Perfection and taxpayer files that have been processed through the Repair Section. These files are reformatted into a structure that can be processed by REFO and submitted to the REFO System.
	12.1	<i>Build REFO Entry File</i>	The REFO Data Submission Module builds the REFO Entry File.
	12.2	<i>Update REFO</i>	Periodically (Nightly) the REFO Entry Files generated are entered into the REFO System. The entry mechanism has already been developed to handle Internet-based electronic submission so no coding is anticipated for this module.
Data Perfection	13.0	Data Perfection – Final Review	
	13.1	<i>REFO Validation</i>	REFO evaluates the tax return information for each filing against a database of business rules. All inconsistent information is flagged for manual review.
	13.2	<i>Data Perfection Correction</i>	Data Perfection is charged with correcting all error conditions at this point. Staff makes corrections to the filings and resubmits the corrected information to REFO for re-evaluation. This is an iterative process.
	13.3	<i>Successful REFO Validation</i>	When the taxpayer information has successfully passed all data checks in REFO, the return is considered to be correct.
	13.4	<i>Commit to Document Repository</i>	After REFO successfully processes the return without errors, Data Perfection staff completes the workflow packet (Taxpayer Folder). The parent folder and all documentation in the folder are committed to the Document Repository for storage.
	13.5	<i>Tax Processing Complete</i>	After all manual checks of tax filing completeness and REFO validation that the taxpayer-supplied information is compliant, the tax processing activity is complete.

5 Proposal Submission

5.1 Proposal Format and Content

Proposers must submit separate Technical and Cost Proposals that comply with the format, organization, and content described in this section of the RFP. Proposers should structure their Proposals to ensure that their numbering convention should match the subsection numbers in this section.

Proposers must submit the following:

- One (1) original copy of the Proposer's Technical Proposal with original signatures.
- Five (5) additional copies of the Proposer's Technical Proposal
- One (1) electronic copy of Proposer's Technical Proposal submitted on CD in either Microsoft Word format or PDF format.
- One (1) original copy of Proposer's Cost Proposal with original signatures
- Five (5) additional copies of the Proposer's Cost Proposal
- One (1) electronic copy of Proposer's Cost Proposal submitted on CD in either Microsoft Word format or PDF format.

All materials submitted in response to this RFP must be enclosed in envelopes or sealed in their entirety and distinctly labeled as either "**TECHNICAL PROPOSAL**" or "**COST PROPOSAL**". Each envelope (or sealed item) must have the following identification information:

RFP: Tax Process Automation Initiative
Proposal Due Date and Time: October 16, 2002 at 5:00PM Local San Juan Time
Prime Vendor: [Prime Vendor Company's Name]

5.2 Technical Proposal

5.2.1 Cover Letter

The Technical Proposal must contain a Cover Letter as its first section. The Cover Letter must be written on the Prime Vendor's letterhead and signed by an official of the organization with the authority to contractually commit the Prime Vendor to perform all services described in the Proposal. The Cover Letter must include the following:

- A statement indicating that the Prime Vendor will be the prime contractor for all activities and that all other participants shall be designated as subcontractors.
- Identification of all subcontractors and a brief description of their roles.
- Acknowledgement of receipt of receipt of the RFP and, if applicable, all Amendments to the RFP.
- Certification that the information provided in the Proposal has been reviewed for accuracy and completeness.
- Stipulation that the Proposal will remain valid for sixty (60) days from the Proposal Due Date.
- Confirmation that no cost information has been included in the Technical Proposal.
- A statement that the Prime Vendor has no conflicting interests that could influence the performance on this Contract or the cost of services provided and will not employ, in the performance of this Contract, any person having such conflict.
- Statement that the person signing the Proposal is authorized to commit the Prime Vendor to the pricing, resources, and services described in the Proposal.

5.2.2 Executive Summary

The Executive Summary should briefly summarize the Prime Vendor's qualification and approach to providing the products and services that constitute the Solution. The Executive Summary should also describe the primary benefits of the Solution from a functional perspective. The summary should concisely present:

- Prime Vendor's approach
- Summary of relevant experience
- Presentation of key personnel
- Staffing overview
- Key issues and success factors

5.2.3 Prime Vendor's Team

This section must describe the organization of the Prime Vendor's staff, including all subcontractors. In this section, the Prime Vendor must designate an employee of the Prime Vendor to serve as Project Manager for this engagement. A detailed summary of the Project Manager's qualifications must be presented.

Additionally, the Prime Vendor must provide the names and roles of other Key Personnel involved in this engagement. These individuals may be employed either by the Prime Vendor or by one of the participating subcontractors. The section must include detailed summaries of the qualifications of all Key Personnel to perform their designated roles.

This section must also describe the functional responsibilities of each subcontractor (if applicable).

5.2.4 Proposed Solution

The Proposed Solution section should provide a detailed description of the services proposed by the Prime Vendor. This section has been structured to facilitate consistent structure in all proposals. Proposers are encouraged to expand their responses to provide a full understanding of all value components of their Solutions. Hacienda will attempt to evaluate each Proposal to accurately determine its true value. Concise, accurate, and easy-to-understand presentations will facilitate this goal.

At a minimum, Proposals must contain the following sections:

5.2.4.1 General

- 5.2.4.1.1 A statement confirming that the Prime Vendor will provide, at a minimum, the mandatory services requested in this RFP.
- 5.2.4.1.2 A clear and concise summary of the software components that comprise the Solution. This section should provide the name of each major software component, its manufacturer, and software version.
- 5.2.4.1.3 A succinct description of the Prime Vendor's vision for using the Solution's functional capabilities to achieve the Mandatory Requirements and desired functionality described in this RFP. This description should demonstrate the Prime Vendor's understanding of our needs and its ability to creatively merge disparate systems into a cohesive integrated system. Proposers are encouraged to reference previous experiences with other clients that are relevant to the requirements of this RFP.
- 5.2.4.1.4 A clear and concise explanation of all specific assumptions underlying the Proposer's approach.
- 5.2.4.1.5 A description of all hardware needed to support the Solution. In general, the Proposer should specify standards-based, open system hardware components. Unless required, all hardware components should be specified in a manner that will allow Hacienda to solicit hardware bids from multiple vendors. Hacienda will be responsible for

acquiring all necessary hardware to support the Solution. This description must include any interface devices like SCSI cards, Kofax accelerator cards, and required cabling.

5.2.4.1.6 Descriptions of server operating systems and database systems that are compatible with Proposer's Solution. This section must provide version and release information for each operating system and database instance.

5.2.4.1.7 Proposer will be responsible for the installation of all software components of the Solution as described in section 5.2.4.1.2. Additionally, Proposer will be responsible for the configuration, integration, customization, and testing of all software components of the Solution.

5.2.5 Project Approach

The Project Approach must include descriptions of tasks, deliverables, Prime Vendor and subcontractor responsibilities, Hacienda responsibilities, proposed staffing levels, and project time schedule. If Proposer becomes the Successful Proposer, the information provided in these sections will be the basis for the development of the Project Plan (deliverable).

Proposer's Proposal must include:

5.2.5.1.1 Target Dates. Hacienda has determined that the project should be completed within seventy-five (75) days from the signature of the contract. Proposer must include reasonable interim target dates that support the completion of the project in the desired timeframe.

5.2.5.1.2 Project Team. The Secretary of the Treasury will assign a Hacienda Project Manager and will appoint a Project Executive Committee to represent Hacienda's interests in this project. The Hacienda Project Manager may be either an employee of Hacienda or a consultant retained by Hacienda to perform this role. Members of the Project Executive Committee will consist of representatives from the Internal Revenue and Information Systems areas of Hacienda.

This section of the proposal must include:

An organization chart for the project that identifies the principal individuals assigned to this project. Additionally, the chart should indicate projected staffing levels for the project.

A clear and concise description of the roles that all individuals assigned

to the project will fulfill and clear descriptions of the skill sets that all team members offer.

A clear and concise description of the resources required from Hacienda and the roles that Hacienda must provide to achieve the goals of the project.

A clear description of the working relationships between the Prime Vendor's team and the client.

- 5.2.5.1.3 Detailed Work Plan. This section of the proposal must present a detailed workplan that specifies:

All major tasks required to successfully complete this project, the objectives of the tasks, and Proposer's approach to executing them.

A staff-day estimate, by labor category, for each task.

A concise description of the deliverables, work products, or completion criteria for each task and their quality measure.

Resources required from Hacienda.

Assumptions used to formulate the timeframe and the staffing level for the task.

- 5.2.5.1.4 Technical Assumptions. This section must present the major assumptions of the Proposer in developing the technical solution.

- 5.2.5.1.5 Capacity Planning and Service Level Determination. Proposers must describe the model that they have used to size the Solution and ensure adequate responsiveness of the Solution. Proposers must clearly present the assumptions of their model and its relevance to future expansions.

- 5.2.5.1.6 Testing. This section must include detailed descriptions of:

Proposer's testing methodology and philosophy.

The level of detail incorporated into Proposer's testing methodology.

The procedure used to identify, report, and resolve problems that arise during testing.

The change control procedures used to manage the test and production

environments.

Resources required from Hacienda to maintain the test environment.

5.2.5.1.7 Project Management and Quality Assurance. This section should present a detailed discussion of Proposer's approach to the management of the project and quality assurance of the deliverables and the Solution. The section must address:

Project status reporting.

Access required to Hacienda staff.

Project control tools preferred by the Prime Vendor.

Project documentation.

Sign-off procedures to obtain Hacienda acceptance of deliverables and completion of milestones.

Procedures for negotiating and executing change orders.

Test plans to be used in assuring functional compliance of the Solution.

5.2.6 Vendor Qualifications

The Vendor Qualification Section must present the following information for the Proposer and all subcontractors utilized on this project:

- A brief overview of each organization, its length of time in business, number of employees, and primary services offered.
- The financial status of the Proposer and evidence that the Proposer can successfully perform all the requirements of Phase 1. A copy of the Proposer's most recent audited financial statements is highly recommended.
- Detailed resumes for each of the key members of the project team including staffs of the Proposer and subcontractors.
- Language skills of key staff. Business interaction on this project will be conducted in both Spanish and English. It is strongly suggested that Spanish speaking staff should be available on the project at all times.

In the event that a named member of the key staff is unable to perform his or her duties on this project, the Prime Vendor must commit to providing another individual with equal or greater qualifications. Any substitution of key staff is subject to Hacienda review and approval. Hacienda reserves the right to remove individuals from the project staff that are not performing to Hacienda's expectations.

5.2.7 Relevant Experience and References

The Proposer must provide three business references that can attest to the Proposer's competency, integrity, professionalism, commitment to quality, and working style. At least one of the references must be from a client engagement that either involved a similar scope of work to this project or demonstrates the Proposer's ability to integrate disparate technologies into a cohesive system.

Proposers are encouraged to provide additional references that can attest to the viability of subcontractors and to the performance of major applications incorporated into the Solution.

Each reference must provide the following information:

- The name of the client and the location(s) where the referenced work was performed.
- The timeframe of the referenced engagement.
- The magnitude of the work performed in terms of staff-hours, revenue, or other relevant measure.
- The name, telephone number, and e-mail address of a key contact person who was directly involved in the engagement and can provide first-hand answers to questions about Proposer's, or subcontractor's, performance.

5.3 Cost Proposal

Proposers must submit one (1) original and five (5) copies of the *Cost Proposal*. The *Cost Proposal* must be submitted separately from the *Technical Proposal*. The *Cost Proposal* must include a brief cover letter signed by the same person that signs the *Technical Proposal*. The person signing this letter must be in a position in Proposer's organization to commit the organization to perform a defined scope of work under specific financial terms. The cover letter must provide complete contact information for the individual in the Proposer's organization who will serve as the Proposer's Contract Representative.

The Cost Proposal must be **fixed price**. Labor rates utilized in the Cost Proposal must be **inclusive of all travel, lodging, meals, per diem allowances, and incidental expenses**. The Cost Proposal will be interpreted as a commitment to provide defined products and services to Hacienda at a fixed price.

The *Cost Proposal* must include information presented in *Section 3.13, Project Cost*. Additionally, the Proposer must agree to:

- Extend all software licensing and software maintenance discounting for all products purchased during either Phase 1 or Phase 2 of this initiative or two years, whichever period is longer.
- Maintain the quoted maintenance cost on software for a period of three years after the initial installation.
- Provide a Performance Bond, negotiated as a condition of Contract Award, to serve as a guarantee to cover the non-compliance of the system or services awarded.

6 Proposal Evaluation

6.1 Evaluation Factors

All Proposals that are compliant with the terms and conditions of the RFP and are received on or before the date and time due, will receive fair and unbiased consideration from Hacienda.

Hacienda will evaluate each Proposal based on the total benefit that the Proposal offers and the total cost for providing the products and services required. Hacienda’s goal is to factor benefits and costs and determine a value offered to Hacienda by each Proposal and to make its decision based on this criterion.

Hacienda will evaluate each Proposal based on a system of 100 points. 100 points will be maximum that any Proposal may receive. These points will be allocated in the following manner:

Evaluation Criteria	Maximum Points
Functional Capability	25
Vendor Viability	20
Project and Technical Approach	20
Scalability	20
Total Cost	15

The following factors will be used to evaluate Proposals in each Evaluation Category:

Functional Capability

- Meets all Mandatory Requirements
- Extent that Solution addresses Desired Functionality described in RFP
- Ability of the Solution to function as an integrated system and not as a grouping of disparate, linked systems
- Ability of the Solution to extend into other functional areas and address additional business issues

Vendor Viability

- Financial stability of Prime Vendor
- History of Prime Vendor’s performance as verified by reference checks
- Prime Vendor’s and partner’s aggregate technical experience in projects with similar scopes of work to this project

- Strength and experience of Key (Named) Staff

Project and Technical Approach

- Methodology proposed to accomplish the Scope of Work in the required timeframe, using allocated resources
- Prime Vendor's clear understanding of the Scope of Work
- Prime Vendor's recommendations for interacting with Hacienda's staff during the project
- Prime Vendor's suggestions for better ways to utilize the technologies to accomplish Hacienda's goals.

Scalability

- Ability of the Proposed Solution to handle growth in workload and expansion into other functional areas

Total Cost

- Total cost of ownership for the Solution as configured in Phase 1
- Additional costs anticipated for modifying Solution to provide anticipated Phase 2 needs

6.2 Administrative Review of Proposals

Hacienda will form a Proposal Evaluation Committee to review all compliant Proposals received in response to this RFP. This Committee will consist of individuals from the Information Technology Department, the Internal Revenue Service, and other Hacienda employees or representatives that can contribute to this effort. The Proposal Evaluation Committee will evaluate the Proposals and determine which of the Proposals become Finalists. This decision will be announced to all Proposers on the date indicated in *Subsection 1.3, Schedule of Events*.

The Committee will further evaluate all Proposals that are Finalists. This evaluation may include more detailed reference checks, financial and technical due diligence, vendor demonstrations, and site visits.

The Committee will make its decision and will extend its recommendation to the management of the Information Technology Department and the Internal Review Service. If they concur with the recommendation, a letter will be sent to the Secretary of the Treasury recommending award. If the Secretary concurs, he will issue a Letter of Intent to Award to the Successful Proposer.

6.3 Waiver of Minor Non-Compliance

In the event that Proposer's response does not fully and completely comply with all Mandatory Requirements or other mandatory terms and conditions of this RFP, Hacienda

may, at its sole discretion, determine to waive these Minor Violations if said action is determined by Hacienda to be in the best interest of Hacienda. If Proposer's Proposal is otherwise responsive to, and in compliance with, the terms and conditions of the RFP, Proposer's Proposal shall be deemed responsive and provided full consideration under the conditions described in this section of the RFP.

Hacienda will use this waiver authority with discretion and only in situations in which the best interests of Hacienda are served. This authority will be applied uniformly and consistently in the evaluation of all Proposals.

6.4 Basis for Award

Award will be made to the Proposer whose Proposal conforms to the Mandatory Requirements of the RFP and is evaluated to represent the "best value" to Hacienda. In using this "best value" approach, Hacienda seeks to award to the Proposer who gives the greatest confidence that it will meet or exceed the requirements affordably. This award may be made to a higher rated, higher priced Proposer, if the decision is consistent with the evaluation factors and evaluation methodology described in this Section.

7 Terms and Conditions

7.1 Vendor Registration/Intent to Propose

Vendors that respond to this RFP in a Prime Vendor capacity must be licensed to do business in Puerto Rico. All Prime Vendors must indicate that they are licensed to conduct business in Puerto Rico on the date that they submit a *Letter of Intent to Bid* or they must indicate that they are in the process of obtaining the required licensing.

Hacienda will not issue an Intent to Award to any Vendor that cannot provide reasonable assurance that the Vendor will be licensed to conduct business in Puerto Rico on or before the anticipated Contract Signing Date.

7.2 RFP Amendments

Hacienda reserves the right to modify this RFP with Addenda or Amendments at any time before the Proposal Submission Date. Hacienda may make allowances in the proposal timeline to allow Vendors additional time to develop or alter their proposals.

All Addenda or Amendments to this proposal will be submitted to each Vendor that submitted a *Letter of Intent to Bid* in compliance with the terms and conditions of this RFP. Additionally, all Addenda and Amendments will be posted on the Hacienda web site at:

www.hacienda.gobierno.pr

7.3 Proposal Withdrawals

Prior to the Proposal Due Date, a Vendor may withdraw a proposal that has been submitted by submitting a written request to Hacienda. A person authorized to sign on behalf of the Proposer must sign all requests for the withdrawal of proposals.

After the Proposal Due Date, Hacienda, at its sole discretion, may permit withdrawal of a proposal if Proposer submits a written withdrawal request and if the best interests of Hacienda would be served. Typically, withdrawal of a proposal after the Proposal Due will only be approved in cases where the Vendor's Proposal includes erroneous information that resulted from an honest mistake.

7.4 Cost of Preparing Proposals

The Proposer will assume all costs for the development of Proposer's Proposal. Hacienda will not reimburse any Proposer for these costs.

7.5 Contract

The contract which Hacienda intends to use with the Successful Proposer is attached to this RFP as Appendix A-3, Standard Contract. All potential Proposer's are urged to carefully review this contract document prior to submitting their Proposals. Proposer must indicate any conditions in the Standard Contract with which they do not agree and submit the standard contract with Proposer's modifications with the Proposal. Failure to note any exceptions will be deemed by Hacienda to indicate Proposer's acceptance of the Standard Contract.

Hacienda reserves the right to add, modify, and delete provisions of the Standard Contract to facilitate negotiations with the Successful Proposer as long as such changes:

- Do not affect the evaluation criteria;
- Comply with the all legal and purchasing guidelines; and,
- Protect the interests of the Department and the People of Puerto Rico.

Prior to Contract Award, Hacienda and the Successful Proposer will enter into negotiations to resolve any contractual differences between the parties. To comply with the Phase 1 project timeline, these discussions must be finalized, all issues resolved, and the contract signed within one (1) week of Successful Proposer's receipt of Intent to Award. Failure to comply with this schedule may result in rejection of the Successful Proposer's Proposal and commencement of negotiations with the second highest scoring Proposer.

7.6 Contract Extensions and Amendments

During the course of Phase 1 activities, the project timeframe and the scope of the project may need to be modified from the original definition in the Contract. For minor changes, Hacienda will expect the Successful Proposer to make a good faith effort to accomplish the modified scope of work within the terms and conditions of the Agreement.

If significant changes must be made to the timeframe or scope of the project, Hacienda will issue Contract Extensions or Contract Amendments. A Contract Extension changes the period of service or performance and the project cost without materially altering requested services. A Contract Amendment changes the scope of a project and its cost. Hacienda and the Successful Proposer will negotiate Contract Extensions and Contract Amendments in good faith.

Contract Extensions and Contract Amendments must be accepted and signed by authorized parties representing Hacienda and the Successful Proposer before work can be authorized. The fully executed documents will be incorporated as addenda to the Agreement.

7.7 Contract Termination

This Agreement may be terminated on the following bases:

- **By mutual agreement between Hacienda and the Successful Proposer.**
- **By Hacienda whenever it determines that the Successful Proposer has materially breached the terms and conditions of the Agreement.**
Hacienda must provide the Successful Proposer with written notification of its intent to terminate the Agreement and a cure period during which the Successful Proposer may correct the failures documented in the written notification.
- **Best interest of Hacienda.** Hacienda must provide written notice of intent to terminate the Agreement at least thirty (30) days prior to the Termination Date. The Successful Proposer will be entitled to compensation for all services provided through the Termination Date and may be entitled to other payments and penalties as detailed in the Agreement.
- **Withdrawal or reduction of funding.** If project funding is withdrawn, limited, or restricted, Hacienda may, at its sole discretion, terminate the Agreement with thirty (30) days notice to the Successful Proposer. Alternatively, Hacienda and the Successful Proposer may negotiate a new scope of work that is consistent with available funding and agreeable to both parties.
- **Financial instability of the Successful Proposer.** If Hacienda determines that instability in the financial condition of the Successful Proposer threatens the successful delivery of services, Hacienda shall give written notice to the Successful Proposer of termination of the Agreement. This notice must provide at least thirty (30) days notice before the Termination Date. The Successful Proposer will have the opportunity to cure the financial instability during this period. If the Successful Proposer demonstrates to Hacienda's satisfaction that the conditions causing the financial instability have been materially corrected, Hacienda, at its sole discretion, may withdraw the notice to terminate.

7.8 Conflict of Interest

Proposer must fully disclose any relationship(s) with any clients that would prevent the services provided under this Agreement from being objective and unbiased.

Additionally, Proposer must fully disclose any known relationship(s) that may exist between the proposed Business Affiliates, Business Partners, and subcontractors and any clients that would prevent their products and services from being objective and unbiased.

Both Hacienda and the Proposer must agree that, to the best of their knowledge, no employee or official of Hacienda or other agency of the Government of Puerto Rico has an interest in or stands to benefit financially from the awarding of this contract to the Proposer.

Proposer must certify that it will comply with all applicable professional standards with respect to conflicts of interest. Proposer must agree to immediately inform Hacienda in writing of any potential conflicts of interest as soon as the information is discovered.

7.9 Confidentiality Requirements

In performing the services described in this RFP, the Successful Proposer will have access to data, documents, and other information that is considered to be Confidential. Hacienda will require that the Successful Proposer, its Business Affiliates, Business Partners, and subcontractors will make their best efforts to ensure the privacy and confidentiality of confidential information.

To support this requirement, Hacienda will require that:

- All staff members working either directly or indirectly for the Successful Proposer will attend a Confidentiality Briefing conducted by Hacienda within two (2) days of beginning work.
- All staff members working either directly or indirectly for the Successful Proposer will sign a Non-Disclosure Agreement that has been reviewed and approved by the Successful Proposer.

If a staff member working either directly or indirectly for the Successful Proposer compromises the confidentiality of any information obtained as part of this project, Hacienda may, at its sole discretion, direct the Successful Proposer to immediately remove the employee in question from the project.

7.10 Financial Information

In response to this RFP, please provide sufficient information to substantiate the Proposer's financial stability and capability to perform the requirements stated herein. Hacienda reserves the right to perform additional due diligence to verify Proposer's financial stability prior to the award of the contract.

7.11 Subcontractor Payment Reports

Hacienda reserves the right to request periodic documentation from the Prime Vendor that payments have been made to Prime Vendor's subcontractors, Business Affiliates, and Business Partners.

Appendices

Appendix A-1: Glossary of Terms

Term	Definition
Agreement	The executed Contract between the Prime Vendor and Hacienda that describes the Scope of Work, products that will be provided, and the terms and conditions under which they are provided.
Annotations	Markings, attachments, stamps, notes, and free hand drawings applied to various pages of documents.
Bitonal	Black and white. Description of a document stored in electronic form in which small areas of the document are represented as either white areas or black areas.
Business Affiliate	A company that provides software products, maintenance services, programming services, professional services, or other services for this initiative through the Prime Vendor. The relationship with the Prime Vendor may be less formal than a Business Partner arrangement.
Business Partner	A company that provides software products, maintenance services, programming services, professional services, or other services for this initiative through the Prime Vendor. A Business Partnership arrangement is typically a formal business arrangement.
Code 39	A one-dimensional barcode symbology that widely utilized in different applications and very easy to read.
Contract Amendments	Official contract documents that define a new or expanded Scope of Work, additional products, or additional support services not provided in the Contract. A Contract Amendment must be agreed upon and executed by both Hacienda and the Prime Vendor before it becomes effective.
Contract Extensions	Official contract document that extends the term of the contract without altering the Scope of Work described in the Contract. A Contract Extension must be agreed upon and executed by both Hacienda and the Prime Vendor before it becomes effective.
Contract Signing	The execution of the Contract or Agreement by both Hacienda and the Prime Vendor.
Contract Term	The period of time that services will be provided by the Prime Vendor and Prime Vendor's subcontractors. For Phase 1 activities, Hacienda anticipates that the contract term will be for five months, commencing on December 2, 2002 and concluding on May 2, 2003).

Term	Definition
Cost Proposal	A summary of all costs associated with providing software products and performing services to successfully execute the Scope of Work. The Cost Proposal is a mandatory component of the Proposal and it must be delivered separately from the Technical Proposal.
Database Server	A server and associated database software that provides database services for the applications comprising the Solution.
Deliverable	A named document that must be produced by the Prime Vendor to comply with the terms and conditions of this initiative. Deliverable documents are defined in the RFP and additional Deliverables may be defined during the course of the project by mutual agreement of Hacienda and the Prime Vendor.
Desirable Capability	Desirable Capability refers to functional software capabilities that are not required to comply with this RFP but are capabilities that Hacienda desires in the Solution.
Deskew	An image enhancement operation that senses any misalignment of an image and corrects the misalignment. Most image alignment problems result from improper paper registration in the scanning system’s automatic document feeder.
Despeckle	A mathematical correction that identifies individual pixels or individual groups of pixels that are not part of the image and removes them from the electronic image. This process is used to remove the random “noise” added to an image as it is scanned. It can also remove background irregularities from processing documents that have been copied one or more times. Despeckle increases the readability of documents and decreases the file size of the image.
Document Type	A grouping of documents that have common characteristics and are managed by the Document and Content Management System in a uniform manner.
eForm	Electronic form. A form that provides an electronic template for entry of information. An electronic form may be a form specifically designed for collecting electronic information or it may be designed identically to a paper form.
eSignature	An authenticated marking that provides a similar function to a signature on a paper document. eSignatures may utilize a secure representation of a physical signature or they may use other secure methodologies that do not involve application of a “signature-like” marking.
Finalist	One or more Prime Vendors whose Proposals were received in accordance with the terms and conditions of the RFP and were judged in an initial evaluation to be worthy of more detailed evaluation.

Term	Definition
Functionally Equivalent	Equal to or exceeding in functional capacity a stated requirement. To achieve the best value, Hacienda will consider alternative capabilities provided by Proposer’s Solution if they offer “functionally equivalent” capabilities for Mandatory Requirements.
Good Faith Negotiation Letter	A Letter, submitted with the Letter of Intent to Bid, that indicates the Proposer will negotiate in good faith with Hacienda to reach an Agreement in the allocated timeframe.
Implementation Stage	The first stage of Phase 1, beginning on or about December 2, 2002 and extending until the Solution has been accepted for production (mid-February, 2003).
Intelligent Character Recognition (ICR)	Technology that can process selected areas on an electronic image and identify hand-printed characters
Intent to Award	Official written notification to the Successful Proposer that its Proposal was rated the highest in the evaluation process and that Hacienda desires to enter into contract negotiations.
Key Personnel	Key individuals that are employees of the Prime Vendor or subcontractors who will have major responsibilities in performing the Scope of Work. Key Personnel, also referred to as Named Personnel, may not be substituted on the resulting contract unless agreed upon by Hacienda.
Key-from-Image	The process of keying field values from images of documents.
Letter of Intent to Bid	A letter, submitted by a Potential Proposer to Hacienda, that states that the Potential Proposer intends to submit a response to the Tax Processing Automation Initiative.
Mandatory Requirement	A requirement presented in this RFP that must be directly addressed by the Solution or addressed in a “functionally equivalent” way. If a Solution fails to address a Mandatory Requirement in one of the two ways indicated above, the Proposal may be deemed as non-responsive to the RFP.
Minor Non-Compliance	A small, minor, or non-material failure to comply with Mandatory Requirements or other mandatory terms and conditions of the RFP. Hacienda, at its sole discretion, may deem to waive issues of Minor Non-Compliance if it is in the best interest of Hacienda to do so.
Non-Disclosure Agreement	An agreement between two parties in which one of the parties, or both parties mutually, acknowledge that they will come into contact with private or confidential information owned by the other party in the normal course of business. The party or parties signing the agreement commit to not releasing the information to any third-parties.
ODBC-compliant	Open Data Base Connectivity (ODBC)-compliant. An ODBC-compliant database or application is one that conforms to this standard method of database access developed by Microsoft.

Term	Definition
Optical Character Recognition (OCR)	OCR is a technology that provides the capability to translate printed text, normally on forms or documents that have been scanned into a document management system, into a usable and editable form.
Optical Mark Recognition (OMR)	OMR is a technology that allows automated systems to recognize hand printed or machine printed marks in selection areas.
Patch Code	A printed sheet that uses standard symbologies to identify batches of documents, individual documents, and groups of related documents as they are scanned.
PDF	Portable Data Format. A file format developed by Adobe that supports standard presentation of documents.
Phase 1 Hardware Configuration	The hardware configurations recommended by Potential Proposers that will allow their Solutions to perform the Scope of Work described in Phase 1. Hacienda will consider all hardware configurations submitted by Potential Proposers and acquire a configuration that meets or exceeds the most stringent requirements.
Prime Vendor	The vendor to which Hacienda awards the contract. The Prime Vendor will perform as the primary coordinator for all activities and will function in a general contractor capacity for any subcontractors that are used to provide products or services.
PRITAS	Puerto Rico Integrated Tax Application System. This is one of two tax systems utilized by Hacienda to process tax returns and provide taxpayer services. For Individual filings, REFO manages most of the automated processing requirements. PRITAS provides debt management services for the individual taxpayer.
Production Stage	The second stage of Phase 1. The Production Stage will begin in mid-February 2003 and continue through May 2, 2003. During this stage, Hacienda staff will utilize the Solution for productional tax filing processing.
Proposer	A company that has submitted a Proposal in response to this RFP.
Proposer's Contract Representative	An individual of Proposer's company who is designated as a contact point for all contract activities and is empowered to either negotiate contract terms or facilitate the negotiation of terms.
Records Retention Schedule	An approved classification of business documents that presents the legal retention requirements of documents by document category. A Records Retention Schedule is used by organizations to manage their documents uniformly and in accordance with legal regulations and business guidelines.
Records Series	A group of business documents that have common content and the same legal and regulatory retention requirements.

Term	Definition
REFO	A tax processing system utilized by Hacienda to process individual tax returns.
Requests for Proposal (RFP)	An official solicitation for products and services. An RFP indicates the intent of an organization to acquire stated products and services and provides the guidelines that interested vendors must follow to obtain consideration.
RFP Amendments	An RFP Amendment is an official change, expansion, or clarification of the Scope of Work or the terms and conditions of an RFP. RFP Amendments may be issued by the originating agency and must be acknowledged by responders.
Scope of Work	A reference to the acquisition of all products and the execution of all services described in the RFP.
Selected Vendor	The vendor that: 1) is judged to offer the best value based on the evaluation criteria, and 2) successfully negotiates an Agreement for providing Phase 1 products and services is the Selected Vendor.
Software Component	A component of a software system that provides distinctive functions and can be licensed.
Software Module	A module, or grouping of components, that provides a higher-level software function and can be licensed.
Software Product	A software application that consists of modules and/or components and can be licensed.
Solution	A reference to the complete offering of software products, software subscription services, technical support, and implementation services.
Standard Contract	A basic contract document for professional services that has been developed by Hacienda and will serve as the starting point in negotiations to establish an Agreement.
Storage Server	A server that provides storage services to all applications in the Solution.
Subcontractor	A Business Affiliate, Business Partner, or other service provider that will provide services described in this RFP through a contractual relationship with the Prime Vendor.
Successful Proposer	The Proposer whose Proposal is judged to offer Hacienda the “best value” based on the evaluation criteria presented in this RFP.
Tag Image File Format (TIFF)	A standard file format for storing scanned documents.
Technical Proposal	A mandatory part of the Proposal in which the Proposer describes the technical and functional characteristics and capabilities of the Solution.

Term	Definition
WfMC	Workflow Management Coalition.
WORM	Write once, read many. A category of electronic storage media that uses a permanent writing mechanism to create files on a removable platter that can be read but not altered. WORM media is often used to store archival documents on a media that does not allow the documents to be altered.

Appendix A-2: Phase 1 Configuration Guidelines

Category	Description
Business Processes	<p>Individual Short Form Filings</p> <ul style="list-style-type: none"> • <u>Form 481</u> – <i>Individual Short Form</i> • <u>Schedule A-1</u> – <i>Dependents and Beneficiaries of Educational Contribution Accounts</i> • <u>Schedule CH</u> – <i>Release of Claim to Exemption for Child (Children) of Divorced or Separated Parents</i> • <u>Schedule H</u> – <i>Income from Annuities or Pensions</i> • <u>Schedule I</u> – <i>Ordinary and Necessary Expenses</i> • <u>Schedule SC-2898</u> – <i>Change of Address</i> • <u>W-2s</u> • <u>Evidence (Miscellaneous)</u> <p>Individual Extension Form Filings</p>
Annual Volumes	<p>Individual Short Form Filings – 500,000 Individual Extension Form Filings – 25,000</p>
Phase 1 – Mandatory Volumes	<p>Individual Short Form Filings – 100,000 (20%) Individual Extension Form Filings – 25,000 (100%)</p>
Phase 1 – Mandatory Daily Volumes	<p>Individual Short Form Filings – 5,000 filings/day Individual Extension Form Filings – 2,500 filings/day [Based on one 10-hour shift per day]</p>

Category	Description
Production Scanners	License must specify support for two high-speed production scanners. If licensing is based on speed, these licenses should support the fastest category of scanners.
Rescan Scanners	License must support two mid-speed scanners.
Quality Control Review Stations	License must support five Quality Control operators working concurrently.
Workflow Clients	License must support forty named workflow clients or twenty concurrent workflow clients.
Document Management Clients	License must support forty named document management clients or twenty concurrent document management clients.

Appendix A-3: Standard Contract

**ESTADO LIBRE ASOCIADO DE PUERTO RICO
DEPARTAMENTO DE HACIENDA**

CONTRATO DE SERVICIOS PROFESIONALES

COMPARECEN

DE LA PRIMERA PARTE: El Departamento de Hacienda del Estado Libre Asociado de Puerto Rico, representado en este acto por Juan A. Flores Galarza, en su carácter de Secretario de Hacienda, mayor de edad, casado y vecino de Aguas Buenas, Puerto Rico, en adelante denominado la **PRIMERA PARTE**.

DE LA SEGUNDA PARTE: _____, una corporación organizada bajo las leyes del Estado Libre Asociado de Puerto Rico, Cuenta Patronal ____-____-____, con oficinas en San Juan, representada en este acto por su _____, el Sr. _____, mayor de edad, _____ (estado civil), vecino de _____, Puerto Rico, según consta en la Resolución Corporativa de ____ de _____ de 2002, en adelante denominada la **SEGUNDA PARTE**.

Las partes aseguran estar capacitadas para realizar este otorgamiento, lo cual se comprometen a acreditar cuando fuere necesario, y en tal capacidad:

EXPONEN

La **PRIMERA PARTE**, en el ejercicio de las facultades y deberes que le han sido conferidas por la Constitución del Estado Libre Asociado de Puerto Rico y por las leyes fiscales que el Departamento de Hacienda administra, en particular el Código de Rentas Internas de Puerto Rico de 1994, según enmendado, desea contratar los servicios profesionales de la **SEGUNDA PARTE** para que

_____.

La **SEGUNDA PARTE** afirma que tiene la capacidad, recursos y experiencia necesarias para cumplir las obligaciones y responsabilidades que asume mediante este contrato y conviene prestar a la **PRIMERA PARTE** los servicios profesionales que se indican más adelante sujeto a las siguientes:

CLAUSULAS Y CONDICIONES

PRIMERA: La **SEGUNDA PARTE** se compromete a prestar a la **PRIMERA PARTE**, los servicios profesionales que se indican en esta Cláusula, así como aquellos otros servicios que sean incidentales a su labor o que le fuesen requeridos en relación con la misma. Los servicios contratados incluyen, sin que ello constituya una limitación, lo siguiente:

- 1.
- 2.
- 3.

SEGUNDA: La **SEGUNDA PARTE** realizará los estudios, rendirá los informes y redactará los documentos que sean necesarios para el buen desempeño de las funciones que se le encomienden bajo las disposiciones de este contrato. Se dispone que todo material escrito, incluyendo informes, expedientes, minutas de reuniones, datos y otros que resulten de los estudios, proyecciones y gestiones que lleve a cabo la **SEGUNDA PARTE** en cumplimiento de las disposiciones de este contrato, pasarán a ser propiedad de la **PRIMERA PARTE** sin que esto conlleve compensación adicional para la **SEGUNDA PARTE**. La **SEGUNDA PARTE** no podrá divulgar, publicar, distribuir o de alguna manera utilizar la información contenida en dichos documentos o información que conozca como resultado de sus gestiones en virtud de este contrato, sin la autorización previa por escrito de la **PRIMERA PARTE**.

La **SEGUNDA PARTE** reconoce su deber y obligación de entregar o devolver a la **PRIMERA PARTE** todo escrito, expediente, documento, informe o materiales que se produzcan en relación con este contrato o que estén en su poder como resultado de su relación contractual con la **PRIMERA PARTE** tan pronto concluyan sus encomiendas, al serle requeridos los mismos, o al terminar la relación contractual, según corresponda

en cada caso. Si la **SEGUNDA PARTE** no entrega o devuelve a la **PRIMERA PARTE** los mencionados escritos o documentos la **PRIMERA PARTE** podrá solicitar la entrega de dichos documentos a la **SEGUNDA PARTE** o a sus sucesores mediante el procedimiento o acción judicial que proceda.

TERCERA: La **SEGUNDA PARTE** someterá a la **PRIMERA PARTE** al final de cada mes un informe escrito que comprenderá la labor realizada durante ese mes, especificando las deficiencias encontradas y las sugerencias que la **SEGUNDA PARTE** estime apropiadas. El informe correspondiente al último mes de vigencia del contrato deberá ser sometido por la **SEGUNDA PARTE** al someter las facturas correspondientes a dicho mes.

CUARTA: La **SEGUNDA PARTE** coordinará y se reunirá con la **PRIMERA PARTE**, con su representante autorizado, con representantes de otras agencias o ramas del Estado Libre Asociado de Puerto Rico, o con cualquier otra persona cuando fuere necesario, para llevar a cabo las gestiones encomendadas bajo este contrato.

QUINTA: La **SEGUNDA PARTE** no podrá subcontratar la realización de los servicios estipulados en la cláusula **PRIMERA** de este contrato. La **SEGUNDA PARTE** tampoco podrá ceder o traspasar cualquier derecho, crédito o reclamación que surja en virtud de este contrato.

SEXTA: Las partes contratantes hacen constar que ningún funcionario o empleado del Departamento de Hacienda tiene interés pecuniario directo o indirecto en este contrato. Se hace constar, además, que ningún funcionario o empleado de la Rama Ejecutiva tiene algún interés en las ganancias o beneficios producto de este contrato, según dispuesto en el Artículo 3.3 (d) y (e) de la Ley de Etica Gubernamental.

SEPTIMA: La **SEGUNDA PARTE** certifica que ninguno de sus accionistas, directores o empleados es funcionario o empleado de agencia, dependencia, junta o corporación pública alguna del Estado Libre Asociado de Puerto Rico, ni de sus municipios y que ninguno de ellos se encuentra en disfrute de licencia regular, de enfermedad o militar de las mencionadas agencias o dependencias ni recibe pensión del Gobierno durante la vigencia de este contrato.

OCTAVA: La **SEGUNDA PARTE** hace constar que a la fecha de la firma de este contrato tiene relaciones contractuales con las siguientes agencias o dependencias gubernamentales: _____, _____, _____.

La **SEGUNDA PARTE** afirma y certifica que no existe conflicto o incompatibilidad entre las obligaciones contraídas por ella en virtud de este contrato y las obligaciones previamente contraídas con las agencias antes mencionadas o con otras personas o corporaciones públicas o privadas.

NOVENA: La parte contratada reconoce que en el desempeño de su función profesional tiene un deber de lealtad completa hacia el Departamento de Hacienda, lo que incluye el no tener intereses adversos a dicho organismo gubernamental. Estos intereses adversos incluyen la representación de clientes que tengan o pudieran tener intereses encontrados con la parte contratante. Este deber, además, incluye la obligación continua de divulgar al Departamento de Hacienda todas las circunstancias de sus relaciones con clientes y terceras personas y cualquier interés que pudiere influir en la agencia al momento de otorgar el contrato o durante su vigencia.

La parte contratada representa intereses encontrados cuando, en beneficio de un cliente, es su deber promover aquello a que debe oponerse en cumplimiento de sus obligaciones para con otro cliente anterior, actual o potencial. Representa intereses en conflicto, además, cuando su conducta es descrita como tal en las normas éticas reconocidas a su profesión, o en las leyes y reglamentos del Estado Libre Asociado de Puerto Rico.

En contratos con sociedades o firmas constituirá una violación de esta prohibición el que alguno de sus directores, asociados o empleados incurra en la conducta aquí descrita. La parte contratada evitará aun la apariencia de la existencia de intereses encontrados.

La parte contratada reconoce el poder de fiscalización del Secretario de Hacienda en relación con el cumplimiento de las prohibiciones aquí contenidas. De entender el Secretario que existen o han surgido intereses adversos para con la parte contratada, le notificará por escrito sus hallazgos y su intención de resolver el contrato en el término de

treinta (30) días. Dentro de dicho término, la parte contratada podrá solicitar una reunión a la **PRIMERA PARTE** para exponer sus argumentos a dicha determinación de conflicto, la cual será concedida en todo caso. De no solicitarse dicha reunión en el término mencionado o de no solucionarse satisfactoriamente la controversia durante la reunión concedida, este contrato quedará resuelto.

DECIMA: De conformidad con los criterios expresados en la cláusula anterior, la **PRIMERA PARTE** advierte y requiere a la **SEGUNDA PARTE** como condición necesaria al otorgamiento de este contrato y la **SEGUNDA PARTE** acepta y se compromete a no contratar directa ni indirectamente con persona natural o jurídica alguna que sea empleada de carrera o que preste servicios por contrato al Departamento de Hacienda. El incumplimiento de esta condición por la **SEGUNDA PARTE** conllevará la cancelación inmediata de este contrato y el pago de una indemnización equivalente al quince (15%) por ciento de los pagos efectuados a la **SEGUNDA PARTE** de acuerdo con este contrato y con cualquiera otro contrato con la **SEGUNDA PARTE** que esté en vigor. La cantidad

correspondiente a la indemnización se deducirá de las cantidades facturadas pendientes de pago bajo el (los) contrato(s) con la **PRIMERA PARTE**.

UNDECIMA: Las partes acuerdan con respecto al pago de honorarios las siguientes tarifas y condiciones:

Uno: La **PRIMERA PARTE** pagará a la **SEGUNDA PARTE** a razón de _____ dólares (\$) por cada hora de servicios prestados, sin exceder la cantidad de _____ dólares (\$) por un máximo de _____ (____) horas de servicios durante la vigencia de este contrato. Se dispone, además, que la cantidad mensual autorizada a pagar por los servicios que preste la **SEGUNDA PARTE** no excederá de dos _____ dólares (\$) por un máximo de _____ (____) horas de servicios al mes.

Dos: Los honorarios establecidos en este contrato se pagarán por la **PRIMERA PARTE**, previa presentación de factura mensual en la que la **SEGUNDA PARTE** hará constar las fechas, horas y naturaleza de los servicios prestados. Dichas facturas deberán estar certificadas y aprobadas por el Secretario de Hacienda o su representante autorizado.

Tres: Las facturas además, deberán cumplir con el Boletín Administrativo Núm. OE 2001-73, aprobado el 29 de noviembre de 2001. El mismo dispone que todas las facturas que se le sometán a los jefes de las agencias y departamentos de la Rama Ejecutiva para el cobro de bienes o servicios personales o profesionales suministrados, incluyendo facturas relacionadas con obras y proyectos de construcción, deben contener la siguiente certificación:

“Bajo pena de nulidad absoluta certifico que ningún servidor público del Departamento de Hacienda es parte o tiene algún interés en las ganancias o beneficios producto del contrato objeto de esta factura y de ser parte o tener interés en las ganancias o beneficios producto del contrato ha mediado una dispensa previa. La única consideración para suministrar los bienes o servicios objeto del contrato ha sido el pago acordado con el representante autorizado de la agencia. El importe de esta factura es justo y correcto. Los servicios han sido prestados y no han sido pagados.”

Cuatro: El pago de los servicios de la **SEGUNDA PARTE** se efectuará de la Partida de _____,
Cuenta _____.

Cinco: Entre la **PRIMERA PARTE** y la **SEGUNDA PARTE** no existe una relación de patrono-empleado. Por tanto, la **SEGUNDA**

PARTE no es acreedora a los beneficios y derechos que corresponden a los empleados que ocupan puestos de Gobierno.

DECIMOSEGUNDA: A la **SEGUNDA PARTE** no se le efectuarán retenciones ni descuentos de sus honorarios para el pago del Seguro Social Federal.

La **PRIMERA PARTE** podrá retener del pago debido a la **SEGUNDA PARTE** por servicios prestados hasta el 7% que dispone la Sección 1143 del Código de Rentas Internas de Puerto Rico de 1994, según enmendado. En el caso de un ciudadano de Estados Unidos no residente, se retendrá un 20% y si el receptor fuera un extranjero, se retendrá un 29% de las ganancias. La **SEGUNDA PARTE** se obliga, como condición necesaria a este contrato, a presentar las certificaciones, relevos y otros documentos que acrediten su situación contributiva, que sean requeridos por la **PRIMERA PARTE** o su representante autorizado. La **SEGUNDA PARTE** se obliga, como condición necesaria a este contrato, a presentar las certificaciones, relevos y otros documentos que acrediten su situación contributiva, que sean requeridos por la **PRIMERA PARTE** o su representante autorizado.

La **SEGUNDA PARTE** es responsable de rendir sus planillas y pagar las aportaciones correspondientes, al Seguro Social Federal y al Departamento de Hacienda por cualquier cantidad tributable como resultado de los ingresos devengados bajo este contrato. La **PRIMERA PARTE** notificará al Negociado de Procesamiento de Planillas los pagos y reembolsos que sean efectuados a la **SEGUNDA PARTE**.

DECIMOTERCERA: La **SEGUNDA PARTE**, certifica y garantiza que: 1. Al momento de firmar este contrato ha rendido su planilla contributiva durante los cinco (5) años previos al mismo y no adeuda contribuciones ni arbitrios al Estado Libre Asociado de Puerto Rico. Certifica además, que tampoco adeuda contribuciones sobre propiedad mueble o inmueble al Centro de Recaudación de Ingresos Municipales (CRIM).

2. La parte contratada certifica asimismo y garantiza que al momento de suscribir este contrato ha pagado las contribuciones de seguro por desempleo, de incapacidad temporal y de seguro social para choferes (la que aplique); o se encuentra acogida a un plan de pago, con cuyos términos y condiciones está cumpliendo.

Expresamente se reconoce que las certificaciones contenidas en esta Cláusula son condiciones esenciales de este contrato y de no ser correctas las mismas en todo o en parte, ello será causa suficiente para que la parte contratante pueda dejar sin efecto el contrato y la parte contratada tendrá que reintegrar a la parte contratante toda cantidad de dinero recibida bajo el mismo.

LA SEGUNDA PARTE renuncia a presentar la defensa de enriquecimiento injusto en caso de que se comprobare que la **SEGUNDA PARTE** ha certificado falsamente o con error la información sobre su situación contributiva contenida en esta Cláusula. La **SEGUNDA PARTE reconoce**, que la veracidad y corrección de la información que ha certificado es un elemento **esencial** al otorgamiento de este Contrato por la **PRIMERA PARTE**.

DECIMOCUARTA: La **SEGUNDA PARTE** Certifica que no ha sido convicta por delitos contra el erario público, la fe y la función pública, o, que envuelvan fondos o propiedad pública ya sea a nivel estatal o federal. Expresamente reconoce que el resultar convicto por alguno de los delitos antes mencionados será causa suficiente para la cancelación del presente contrato.

La **SEGUNDA PARTE** Certifica que no es objeto de investigación o procedimiento civil o criminal por hechos relacionados con delitos contra el erario público, la fe y la función pública, o, que envuelvan fondos o propiedad pública ya sea a nivel estatal o federal. La **SEGUNDA PARTE** expresamente reconoce que tiene un deber continuo de informar a la **PRIMERA PARTE** durante todas las etapas de la contratación y ejecución del contrato, de cualquier situación que surja relacionada con los delitos antes mencionados.

En caso de que la **SEGUNDA PARTE** resulte convicta por delitos contra el erario público la fe y la función pública, ya sea a nivel estatal o federal, será causa suficiente para dar por terminado este contrato sin necesidad de notificación previa.

DECIMOQUINTA: Es política pública del Estado Libre Asociado de Puerto Rico desalentar el uso ilegal de sustancias controladas en el sector público, por lo que el Departamento de Hacienda ha establecido un programa de detección de uso ilegal de

sustancias controladas para todo su personal, de acuerdo al Reglamento del Programa de Pruebas para la Detección de Sustancias Controladas en Funcionarios y Empleados del Departamento de Hacienda (el Reglamento) del 21 de marzo 1999, según enmendado. A tenor con ello el Contratista llevará a cabo a su cuenta y costo en aquel personal que vaya a ser asignado a trabajar y para el que ya está trabajando en el Departamento, pruebas de detección de uso ilegal de sustancias controladas y someter una certificación negativa. Para las personas asignadas el certificado no debe tener más de diez (10) días desde la fecha en que se hizo el examen, previo a su llegada al Departamento. La prueba podrá ser coordinada con el Oficial de Enlace a cargo del Programa en el Departamento, para ser llevada a cabo en un laboratorio bajo contrato con el Departamento o en cualquier otra entidad, pública o privada, que se dedique a realizar análisis clínicos o forenses, debidamente autorizada y licenciada por el Secretario de Salud de Puerto Rico, que procese pruebas para la detección de sustancias controladas usando las guías y parámetros establecidos por el National Institute of Drug Abuse (NIDA). Para el personal trabajando en el Departamento a la fecha de este Contrato, éstos se someterán a las pruebas siguiendo el procedimiento antes descrito, según aplique. La negativa de cualquiera del personal antes referido a someterse a dicha prueba, o un resultado positivo en la misma, así certificado por el laboratorio, será causa suficiente para que la persona no pueda ser asignada o sea removida del Departamento según sea el caso. El Departamento podrá requerir pruebas periódicas adicionales según lo requiera el Departamento para su propio personal, de acuerdo con el proceso implantado en el Reglamento adoptado.

DECIMOSEXTA: La **SEGUNDA PARTE** acuerda relevar y exonerar de responsabilidad, e indemnizar, a la **PRIMERA PARTE**, por todos los gastos y costos de cualquier naturaleza (incluyendo honorarios de abogado) en que esta incurra y que se originen o surjan con relación a reclamaciones de terceras personas por daños personales, incluyendo la muerte, o por daños a la propiedad, pero cuyos daños hayan sido ocasionados por acciones u omisiones de la **SEGUNDA PARTE** en el cumplimiento o incumplimiento de sus obligaciones bajo el contrato. Además, releva de responsabilidad

de cualquier daño que pueda ocasionar la **SEGUNDA PARTE** o sus empleados, asociados, agentes o representantes, a cualquier tercera persona, natural o jurídica.

DECIMOSEPTIMA: Este contrato estará en vigor desde el _____ hasta el _____. La vigencia y la validez del contrato están supeditadas a la aprobación de las agencias que por ley o reglamento deban intervenirlo. El mismo podrá darse por terminado antes de la fecha de expiración por cualquiera de las partes previa notificación por escrito a la otra parte con treinta (30) días de antelación, sin derecho a compensación adicional alguna, salvo lo devengado bajo el mismo hasta esa fecha.

En caso de que se resuelva el contrato antes de la fecha de vencimiento estipulada en el mismo, la entrega de los documentos que se indican en la Cláusula **SEGUNDA**, deberá efectuarse inmediatamente después de la fecha de notificación de la determinación de resolver el contrato, no más tarde de cinco (5) días, contados a partir de dicha notificación.

DECIMOCTAVA: La negligencia o incumplimiento de las disposiciones de este contrato, o conducta impropia de la **SEGUNDA PARTE**, constituirá causa suficiente para dar por terminado el mismo inmediatamente, en la misma fecha de la notificación. Si la **PRIMERA PARTE** opta por la resolución de este contrato, la **SEGUNDA PARTE** se abstendrá de realizar cualquier gestión ulterior, a no ser que su inacción pueda perjudicar a la **PRIMERA PARTE** o implique conducta profesional inadecuada, en cuyo caso notificará a la **PRIMERA PARTE** de tal gestión.

DECIMONOVENA: Cualquier cambio o modificación sustancial que las partes acuerden con respecto a los términos y condiciones de este contrato, deberá incorporarse al mismo mediante enmienda formal, de acuerdo con las normas que rigen la contratación de servicios profesionales por las agencias del Gobierno.

En testimonio de su aceptación, las **PARTES** firmamos este contrato en San Juan, Puerto Rico, hoy ____ de _____ de 2002.

SEGUNDA PARTE

JUAN A. FLORES GALARZA
SECRETARIO DE HACIENDA
PRIMERA PARTE

Appendix A-4: Good Faith Negotiation

**Proposer’s Commitment to Negotiate in Good Faith
Departamento de Hacienda
Tax Process Automation Initiative**

I, **[NAME OF AUTHORIZING REPRESENTATIVE]**, **[TITLE OF AUTHORIZING REPRESENTATIVE]**, by my signature affixed below, do acknowledge that:

- If my company is determined to be the Successful Proposer and if an Agreement for delivery of products and services is executed, my company will be the Prime Vendor for this project.
- I am an Authorized Representative of my company and I am empowered to commit my company to both scope of work and financial conditions.
- I have reviewed the Standard Contract presented as Attachment A-6 of the Tax Process Automation Initiative Request for Proposal issued by the Departamento de Hacienda.
- I understand the terms and conditions of the Standard Contract.
- I acknowledge the intent of the Departamento de Hacienda to utilize the Standard Contract as the basis for contracting for products and services described in this RFP.

I further state that:

- I acknowledge **[PROPOSER’S COMPANY’S]** acceptance of the terms and conditions of the Standard Contract subject to any exceptions explicitly presented in **[PROPOSER’S COMPANY’S]** submitted response to this RFP.
- I acknowledge the Departamento de Hacienda’s desire to determine a Successful Proposer and execute an Agreement for products and services in an expeditious manner.

I pledge that all individuals that represent **[PROPOSER’S COMPANY]** in contract negotiations will negotiate in Good Faith and will make every reasonable effort to develop an Agreement in the timeframe specified in the RFP.

Signature/Date _____
 Name _____
 Title _____
 Company _____