



State of New Jersey
Department of Labor & Workforce Development
Request for Response
to Statement of Objectives for
Unemployment Insurance Fraud Detection
Identity Proofing Solution

October 28, 2011



Request for Response

NJ Department of Labor & Workforce Development

Unemployment Insurance Fraud Detection - Identity Proofing Solution

Background

The Division of Unemployment Insurance (the Division) of the New Jersey Department of Labor and Workforce Development (LWD) is responsible for the processing of unemployment insurance claims and the payment of benefits. Over the course of the last 5 years, the Division has placed a greater focus on the prevention of fraudulent claims. Through these increased efforts, in 2010, the Division identified nearly \$25 million in unemployment insurance benefits that were the result of fraudulent claims.

In the past, the Division's emphasis has been on detection and recovery of fraudulent overpayments. More recently, the Division has turned its attention on prevention.

In conjunction with this increased risk mitigation, the Division has also worked to modernize the filing process. Today initial unemployment claims are filed either through a web based application or over an interactive voice response (IVR) telephone application. Since there is no longer an in-person filing mechanism to assist with identity proofing of claimants, the Division is seeking an identity verification solution to help combat an individual from filing a fraudulent claim. An overview of the IVR system can be found in Appendix B.

Objectives

The purpose of this project is to acquire and implement a single-point software as a service (SaaS) solution for front-end identity proofing of web-based and IVR claimant filings for unemployment insurance.

M0003 is New Jersey's term contract based upon the cooperative Massachusetts multiple-vendor contract, ITS42, with three resellers, Dell Marketing, En Pointe Technologies and Software House International (SHI), which the State of New Jersey joined through a participating addendum. The Massachusetts contract allows software vendors, whose software is not presently in the resellers' software catalogs, to add it to one or more of the software resellers' catalogs, which would make the software available to all of the public entities, including New Jersey, who participate in the Massachusetts contract. While this procurement opportunity is open to all vendors, a vendor that intends to submit a response must be included in at least one of the reseller's catalogs prior to the response due date and time. The State will review each of the responses and negotiate with each credible respondent until the State defines the Statement of Work and price that is most favorable to the State. The services related to this RFR will then be purchased from the M0003 contract.

See: The Massachusetts contract information at:

https://www.ebidsourcing.com/displayPublicSearchAdvancedContDocResultList.do?menu_i

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<d=2.4.3.1&org.apache.struts.taglib.html.TOKEN=6c0450ebeb342c6ac19733bc35552942&docType=CONTRACT>

Scope and Requirements

The proposed identity proofing solution must meet the following **technical** requirements:

- The solution must be a commercially-available SaaS solution that is currently being used by public or private clients.
- The solution must be completely hosted and maintained by the respondent or a third party provider.
- The solution will only require standard configuration for the web-based component.
- The solution will be able to interact with the Division's current web-based application and its Avaya-based IVR application. See Appendix A for a high-level overview of the LWD IVR environment.

The proposed proofing solution must meet the following **business** requirements:

- Through a search application/software already developed, the solution will provide a new claimant with a series of questions after the claimant provides predetermined identity-related information.
- The service provider shall assist the State in establishing this identify proofing content for the claimant. This content must be based on available public information.
- The proofing content must be provided to the claimant in a random sequence for a response.
- Based on the responses to the questions, the solution shall determine if the claimant has successfully verified his/her identity and transmit this information through the existing unemployment insurance benefit application.
- Both successful and unsuccessful identity verification claimants will be alerted to the final results but will still be permitted to proceed with the completion of their claims.

The Division shall be notified of those claims filed over the Internet that have unsuccessful identity verification. The solution must pass information about the unsuccessful verification to the LWD filing system. LWD will modify the filing system to use that information in its processing so that the claimant will receive a contact from the Division that additional proof of identity will be required prior to the

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issuance of any benefit payment. The vendor is not responsible for the modifications to the filing system that will use the verification status information.

Those claimants filing over the telephone via the IVR application will be immediately transferred to an agent and given instructions regarding the submission of additional proof of identity prior to the issuance of a benefit payment.

- The solution will ensure that appropriate security precautions are maintained both by the service provider and any third party vendors used to obtain the personal information data from claimant information provided by the State. Security information must be detailed in the “Technical Response, Technical Environment” portion of the vendor response.
- The solution will provide management reports which will enable the Division to make appropriate modifications based on its experience with the application.
- The solution must be fully operational by May 31, 2012.

Proposal Contents

Vendors and suppliers must submit responses outlining their approach to addressing the objectives. As stated in the “Scope and Requirements”, LWD is only interested in a total vendor-hosted-and-supported, commercially-available SaaS solution that can be procured from State Contract M0003. The solution must have a proven track record that can be verified through reference checks and shall only require standard configuration that is performed for all clients.

The response package must include a certification from one or more resellers on Contract M0003 that the services being offered are available via the reseller’s catalog.

In order to be considered for this project, the responses should address the following topics.

- A. Technical Response
 - a. Introduction
 - b. Background
 - c. Understanding of Requirements and Expected Outcomes
 - d. Scope of Work
 - e. Technical Environment - Because LWD is seeking a software as a service solution, the response should also provide information on the following components of the existing application
 - i. Hosting environment

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- ii. Interfaces to third party providers
 - iii. System Security
 - iv. System Management
 - v. System Performance & Reliability
 - vi. Client Requirements – what are the requirements for LWD and potential applicants (e.g., data format, minimum browser, etc.)
 - f. Documentation
 - g. Training
 - i. Initial Training
 - ii. Supplemental/Ongoing Training
 - h. Deliverables
 - i. System Acceptance
- B. Section 2 – Management Overview
- a. Project Management
 - b. Project Schedule
 - c. Change Control Procedure
- C. Section 3 – Organization Support and Experience
- a. Organization Chart
 - b. Project Management
 - c. References
- D. Section 4 – Costs (responses are to include pricing for a three year term)

Respondent must reference in its response how it intends to bill the State for goods and/or services rendered. The respondents billing payment schedule must be structured and tied directly to the satisfactory completion and acceptance by LWD of each deliverable, task and/or subtask as detailed in the response. The response's bill frequency shall be no more than once per calendar month.

Third Party Agreement

Once a solution has been accepted, the respondent will be required to enter into a third party agreement with the State and the software contract reseller from whom the software service will be available. The required third party agreement is included as Appendix A.

The language in the Third Party Agreement will not be negotiated. The terms and conditions in the State's Standard Terms and Conditions included as Exhibit B to the Third Party Agreement will not be negotiated or modified. Should a Respondent refuse to agree to the terms and conditions contained in the Third Party Agreement its service will not be eligible for purchase.

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Question and Answer Process

Any questions about this RFR must be emailed to Ann Timmons at ann.timmons@dol.state.nj.us by no later than 12 noon eastern standard time on Monday, November 7, 2011. Questions and answers will be posted in a document added to this website as well as through an additional special notice. All vendors must watch the Division of Purchase and Property's Special Notice page on the website to obtain the questions and answers document. The questions and answers should be posted by close of business on Thursday, November 10, 2011.

Response Due Date

All responses must be submitted no later than 5:00 pm eastern time on November 15, 2011. Proposals should be emailed to Ann Timmons at ann.timmons@dol.state.nj.us.

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APPENDIX A - Third Party Agreement

Third Party Agreement

THIS THREE PARTY AGREEMENT is entered into between **(insert Software Reseller Name)** a software reseller with principal offices at **(insert Software Reseller Address)**, **(insert Software Publisher Name)** a software publisher, with principal offices at **(insert Software Publisher Address)**, and the New Jersey Department of the Treasury, Division of Purchase and Property, ("State") with principal offices at 33 West State Street, Box 230, Trenton, NJ 08625-0230, as of this _____ day of _____, 201X.

WHEREAS, the State via New Jersey Contract M0003, and **(insert Software Publisher Name)** are parties to Massachusetts Contract ITS42 under which **(Software Reseller Name)** is a reseller of software, maintenance and associated software and configuration services; and

WHEREAS, **(Software Publisher Name)** is a software publisher with whom **(Software Reseller Name)** has contracted to provide software, maintenance and associated software and configuration services; and

WHEREAS, **(Software Reseller Name)** is not a manufacturer or provider of **(Software Publisher's Name)** software or services but is a "reseller," and the State wishes to purchase from **(Software Reseller Name)** software that **(Software Publisher Name)** has manufactured and associated software and configuration services that **(Software Publisher Name)** provides as more particularly described on Exhibit A hereto (the "software and services");

WHEREAS, the State does not have a direct contractual relationship with the software publishers under Massachusetts Contract ITS42 and/or New Jersey Contract M0003, including without limitation **(Software Publisher Name)**; and

WHEREAS, Massachusetts Contract ITS42 contemplates a separate agreement between the Participants to Massachusetts Contract ITS42 and a software publisher who is not a party to Massachusetts Contract ITS42;

NOW, THEREFORE, the parties wish to memorialize their rights and responsibilities under this arrangement as follows:

1. The State is purchasing the software and services set forth in Exhibit A via this Agreement, for the amount set forth in Exhibit A.
2. **(Software Publisher Name)** acknowledges that it shall be responsible for and assume liability for the software and services purchased by the State and acknowledges that **(Software Publisher Name)** shall be directly liable to the State for such software and services, notwithstanding the fact that this Agreement does not create a contractual

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relationship between the State and **(Software Publisher Name)** for the sale and delivery of such software and services.

3. In addition, **(Software Reseller Name)** shall continue to be liable for all services to be provided by **(Software Reseller Name)** under the terms of New Jersey Contract M0003 and Massachusetts Contract ITS42.
4. The State shall pay **(Software Reseller Name)** for the software and services provided by **(Software Publisher Name)** in accordance with New Jersey Contract M0003 and **(Software Reseller Name)** shall be responsible for paying **(Software Publisher Name)** for such software and services in accordance with the agreement(s) between **(Software Reseller Name)** and **(Software Publisher Name)**, to which the State is not a party.
5. **Software Publisher Name** acknowledges that it is bound by State's Standard Terms and Conditions which are included in Massachusetts Contract ITS42 and New Jersey Contract M0003.
6. The documents listed below shall govern the liability of **(Software Publisher Name)**, **(Software Reseller Name)** and the State for the software and services being provided by **(Software Publisher Name)** in the following order of precedence:
 - a. New Jersey's Standard Terms and Conditions, attached hereto as Exhibit B, pursuant to Massachusetts Contract ITS42 §6.3.6,
 - b. New Jersey's Participating Addendum, New Jersey Contract M0003, attached hereto as Exhibit C
 - c. The RFP for, available at: www.
 - d. This Agreement including Exhibit A.
7. This Agreement is the entire agreement between the State, **(Software Reseller Name)** and **(Software Publisher Name)**, and shall not be modified except by a writing executed by all of the parties. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their proper and duly authorized officers as of the date first written above.

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(SOFTWARE RESELLER NAME)

STATE OF NEW JERSEY
DIVISION OF PURCHASE AND PROPERTY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

(SOFTWARE PUBLISHER NAME)

By: _____

Name: _____

Title: _____

Date: _____

Paula T. Dow
Attorney General of the State of New Jersey
Approved as to Form

By: _____

Deputy Attorney General

Date: _____

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EXHIBIT "A"

(To be attached when finalized)

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EXHIBIT "B"

NEW JERSEY'S STANDARD TERMS AND CONDITIONS

Applicable to all advertised DPP Procurements unless otherwise indicated

STANDARD TERMS AND CONDITIONS:

I. Unless the bidder is specifically instructed otherwise In the Request for Proposal, the following terms and conditions will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in the Request for Proposal (RFP) and should be read in conjunction with same unless the RFP specifically indicates otherwise. If a bidder proposes changes or modifications or takes exception to any of the State's terms and conditions, the bidder must so state specifically in writing in the bid proposal. Any proposed change, modification or exception in the State's terms and conditions by a bidder will be a factor in the determination of an award of a contractor purchase agreement.

II. All of the State's terms and conditions will become a part of any contract(s) or order(s) awarded as a result of the Request for Proposal, whether stated in part, in summary or by reference. In the event the bidder's terms and conditions conflict with the State's, the State's terms and conditions will prevail, unless the bidder is notified in writing of the State's acceptance of the bidder's terms and conditions.

III. The statutes, laws or codes cited are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.

IV. If awarded a contract or purchase agreement, the bidder's status shall be that of any independent principal and not as an employee of the State.

1. STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS

1.1 BUSINESS REGISTRATION –Effective September 1, 2004, pursuant to an amendment to N.J.S.A. 52:32-44, State and local entities (including the Division of Purchase and Property) are prohibited from entering into a contract with an entity unless the contractor has provided a copy of its business registration certificate (or interim registration) as part of its bid submission. Failure to submit a copy of the Business Registration Certificate within the bid proposal may be cause for rejection of the bid proposal.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the "Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all their sales of tangible personal property delivered into the State. This requirement shall apply to all contracts awarded on and after September 1, 2004. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.htm>

1.2 ANTI-DISCRIMINATION - All parties to any contract with the State of New Jersey agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued there under.

1.3 PREVAILING WAGE ACT - The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.26 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The bidder's signature on this proposal is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by this proposal has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his guarantee that he and any subcontractors he might employ to perform the work covered by this proposal will comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

1.3(a) PUBLIC WORKS CONTRACTOR REGISTRATION ACT - The New Jersey Public Works Contractor Registration Act requires all contractors, subcontractors and lower tier subcontractors who bid on or engage in any contract for public work as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey

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Department of Labor and Workforce Development. Any questions regarding the registration process should be directed to the Division of Wage and Hour Compliance at (609) 292-9464 or <http://www.nj.gov/labor/lssc/lspubcon.html>.

1.4 AMERICANS WITH DISABILITIES ACT - The contractor must comply with all provisions of the Americans With Disabilities Act (ADA), P.L 101-336, in accordance with 42 U.S.C. 12101 et seq.

1.5 THE WORKER AND COMMUNITY RIGHT TO KNOW ACT - The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to this contract. Therefore, all goods offered for purchase to the State must be labeled by the contractor in compliance with the provisions of the Act.

1.6 OWNERSHIP DISCLOSURE - Contracts for any work, goods or services cannot be issued to any corporation or partnership unless prior to or at the time of bid submission the bidder has disclosed the names and addresses of all its owners holding 10% or more of the corporation or partnership's stock or interest. Refer to N.J.S.A. 52:25-24.2.

1.7 COMPLIANCE - LAWS - The contractor must comply with all local, state and federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.

1.8 COMPLIANCE - STATE LAWS - It is agreed and understood that any contracts and/or orders placed as a result of this proposal shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the STATE OF NEW JERSEY.

1.9 COMPLIANCE - CODES - The contractor must comply with NJUCC and the latest NEC70, B.O.C.A. Basic Building code, OSHA and all applicable codes for this requirement. The contractor will be responsible for securing and paying all necessary permits, where applicable.

2. LIABILITIES

2.1 LIABILITY - COPYRIGHT - The contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of his contract.

2.2 INDEMNIFICATION - The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith on account of the loss of life, property or injury or damage to the person, body or property of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or materials supplied under this contract. This indemnification obligation is not limited by, but is in addition to the insurance obligations contained in this agreement.

2.3 INSURANCE - The contractor shall secure and maintain in force for the term of the contract liability insurance as provided herein. The Contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof, naming the State as an Additional Insured and shall contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after thirty days written notice to:

STATE OF NEW JERSEY
Purchase Bureau – Bid Ref. #

The insurance to be provided by the contractor shall be as follows:

a. Comprehensive General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Comprehensive General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as Additional Insureds. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic, unamended, and unendorsed Comprehensive General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage.

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b. Automobile liability insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.

c. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

- \$1,000,000 BODILY INJURY, EACH OCCURRENCE
- \$1,000,000 DISEASE EACH EMPLOYEE
- \$1,000,000 DISEASE AGGREGATE LIMIT

3. TERMS GOVERNING ALL PROPOSALS TO NEW JERSEY PURCHASE BUREAU

3.1 CONTRACT AMOUNT - The estimated amount of the contract(s), when stated on the Advertised Request for Proposal form, shall not be construed as either the maximum or minimum amount which the State shall be obliged to order as the result of this Request for Proposal or any contract entered into as a result of this Request for Proposal.

3.2 CONTRACT PERIOD AND EXTENSION OPTION - If, in the opinion of the Director of the Division of Purchase and Property, it is in the best interest of the State to extend a contract entered into as a result of this Request for Proposal, the contractor will be so notified of the Director's Intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director's request to extend the contract. If the contractor agrees to the extension, all terms and conditions of the original contract, including price, will be applicable.

3.3 BID AND PERFORMANCE SECURITY

a. Bid Security - If bid security is required, such security must be submitted with the bid in the amount listed in the Request for Proposal, see N.J.A.C. 17: 12- 2.4. Acceptable forms of bid security are as follows:

1. A properly executed individual or annual bid bond issued by an insurance or security company authorized to do business in the State of New Jersey, a certified or cashier's check drawn to the order of the Treasurer, State of New Jersey, or an irrevocable letter of credit drawn naming the Treasurer, State of New Jersey as beneficiary issued by a federally insured financial institution.
2. The State will hold all bid security during the evaluation process. As soon as is practicable after the completion of the evaluation, the State will:

- a. Issue an award notice for those offers accepted by the State;
- b. Return all bond securities to those who have not been issued an award notice. All bid security from contractors who have been issued an award notice shall be held until the successful execution of all required contractual documents and bonds (performance bond, insurance, etc. If the contractor fails to execute the required contractual documents and bonds within thirty (30) calendar days after receipt of award notice, the contractor may be found in default and the contract terminated by the State. In case of default, the State reserves all rights inclusive of, but not limited to, the right to purchase material and/or to complete the required work in accordance with the New Jersey Administrative Code and to recover any actual excess costs from the contractor. Collection against the bid security shall be one of the measures available toward the recovery of any excess costs.

b. Performance Security - If performance security is required, the successful bidder shall furnish performance security in such amount on any award of a term contractor line item purchase, see N.J.A.C. 17: 12- 2.5. Acceptable forms of performance security are as follows:

1. The contractor shall be required to furnish an irrevocable security in the amount listed in the Request for Proposal payable to the Treasurer, State of New Jersey, binding the contractor to

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provide faithful performance of the contract.

2. The performance security shall be in the form of a properly executed individual or annual performance bond issued by an insurance or security company authorized to do business in the State of New Jersey, a certified or cashier's check drawn to the order of the Treasurer, State of New Jersey, or an irrevocable letter of credit drawn naming the Treasurer, State of New Jersey as beneficiary issued by a federally insured financial institution.

The Performance Security must be submitted to the State within 30 days of the effective date of the contract award and cover the period of the contract and any extensions thereof. Failure to submit performance security may result in cancellation of contract for cause pursuant to provision 3.5b,1, and nonpayment for work performed.

3.4 VENDOR RIGHT TO PROTEST - INTENT TO AWARD - Except in cases of emergency, bidders have the right to protest the Director's proposed award of the contract as announced in the Notice of Intent to Award, see N.J.A.C. 17:12-3.3. Unless otherwise stated, a bidder's protest must be submitted to the Director within 10 working days after receipt of written notification that its bid has not been accepted or that an award of contract has been made. In the public interest, the Director may shorten this protest period, but shall provide at least 48 hours for bidders to respond to a proposed award. In cases of emergency, stated in the record, the Director may waive the appeal period. See N.J.A.C. 17: 12- 3 et seq.

3.4 TERMINATION OF CONTRACT

a. For Convenience

Notwithstanding any provision or language in this contract to the contrary, the Director may terminate at any time, in whole or in part, any contract entered into as a result of this Request for Proposal for the convenience of the State, upon no less than 30 days written notice to the contractor.

b. For cause:

1. Where a contractor fails to perform or comply with a contract, and/or fails to comply with the complaints procedure in N.J.A.C. 17: 12-4.2 et seq., the Director may terminate the contract upon 10 days notice to the contractor with an opportunity to respond.

2. Where a contractor continues to perform a contract poorly as demonstrated by formal complaints, late delivery, poor performance of service, short-shipping etc., so that the Director is repeatedly required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq. the Director may terminate the contract upon 10 days notice to the contractor with an opportunity to respond.

c. In cases of emergency the Director may shorten the time periods of notification and may dispense with an opportunity to respond.

d. In the event of termination under this section, the contractor will be compensated for work performed in accordance with the contract, up to the date of termination. Such compensation may be subject to adjustments.

3.6 COMPLAINTS - Where a bidder has a history of performance problems as demonstrated by formal complaints and/or contract cancellations for cause pursuant to 3.5b a bidder may be bypassed for this award. See N.J.A.C. 17:12-2.8.

3.7 EXTENSION OF CONTRACT QUASI-STATE AGENCIES - It is understood and agreed that in addition to State Agencies, Quasi-State Agencies may also participate in this contract. Quasi-State Agencies are defined in N.J.S.A. 52:27B-56.1 as any agency, commission, board, authority or other such governmental entity which is established and is allocated to a State department or any bi-state governmental entity of which the State of New Jersey is a member.

3.8 EXTENSION OF CONTRACTS TO POLITICAL SUBDIVISIONS, VOLUNTEER FIRE DEPARTMENTS AND

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FIRST AID SQUADS, AND INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION - N.J.S.A. 52:25-16.1

permits counties, municipalities and school districts to participate in any term contract(s), that may be established as a result of this proposal.

N.J.S.A. 52:25-16.2 permits volunteer fire departments, volunteer first aid squads and rescue squads to participate in any term contract(s) that may be established as a result of this proposal.

N.J.S.A. 52:25-16.5 permits independent institutions of higher education to participate in any term contract(s) that may be established as a result of this proposal, provided that each purchase by the Independent Institution of higher education shall have a minimum cost of \$500.

In order for the State contract to be extended to counties, municipalities, school districts, volunteer fire departments, first aid squads and independent institutions of higher education the bidder must agree to the extension and so state in his bid. proposal. The extension to counties municipalities, school districts, volunteer fire departments, first aid squads and Independent Institutions of higher education must be under the same terms and conditions, including price, applicable to the State.

3.9 EXTENSIONS OF CONTRACTS TO COUNTY COLLEGES - N.J.S.A. 18A:64A - 25. 9 permits any college to participate in any term contract(s) that may be established as a result of this proposal.

3.10 EXTENSIONS OF CONTRACTS TO STATE COLLEGES - N.J.S.A. 18A:64- 60 permits any State College to participate in any term contract(s) that may be established as a result of this proposal.

3.11 SUBCONTRACTING OR ASSIGNMENT - The contract may not be subcontracted or assigned by the contractor, in whole or in part, without the prior written consent of the Director of the Division of Purchase and Property. Such consent, if granted, shall not relieve the contractor of any of his responsibilities under the contract.

In the event the bidder proposes to subcontract for the services to be performed under the terms of the contract award, he shall state so in his bid and attach for approval a list of said subcontractors and an Itemization of the products and/or services to be supplied by them.

Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the State.

3.12 MERGERS, ACQUISITIONS - If, subsequent to the award of any contract resulting from this Request for Proposal, the contractor shall merge with or be acquired by another firm, the following documents must be submitted to the Director, Division of Purchase & Property.

- a. Corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices.
- b. State of New Jersey Bidders Application reflecting all updated information including ownership disclosure, pursuant to provision 1.5.
- c. Vendor Federal Employer Identification Number.

The documents must be submitted within thirty (30) days of completion of the merger or acquisition. Failure to do so may result in termination of contract pursuant to provision 3.5b.

If subsequent to the award of any contract resulting from this Request for Proposal, the contractor's partnership or corporation shall dissolve, the Director, Division of Purchase & Property must be so notified. All responsible parties of the dissolved partnership or corporation must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment should be made until all parties to the dissolved partnership or corporation submit the required documents to the Director.

3.13 PERFORMANCE GUARANTEE OF BIDDER - The bidder hereby certifies that:

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- a. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice.
- b. All equipment supplied to the State and operated by electrical current is UL listed where applicable.
- c. All new machines are to be guaranteed as fully operational for the period stated in the Request For Proposal from time of written acceptance by the State. The bidder will render prompt service without charge, regardless of geographic location.
- d. Sufficient quantities of parts necessary for proper service to equipment will be maintained at distribution points and service headquarters.
- e. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice.
- f. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract.
- g. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

3.14 DELIVERY GUARANTEES - Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the Request for Proposal.

The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice.

Items delivered must be strictly in accordance with the Request for Proposal.

In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the Request for Proposal, the using agency may be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor failing to meet his commitments.

3.15 DIRECTOR'S RIGHT OF FINAL BID ACCEPTANCE - The Director reserves the right to reject any or all bids, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or contracts to the vendor or vendors best meeting all specifications and conditions in accordance with N.J.S.A. 52:34-12. Tie bids will be awarded by the Director in accordance with N.J.A.C.17:12-2.1D.

3.16 BID ACCEPTANCES AND REJECTIONS - The provisions of N.J.A.C. 17:12-2.9, relating to the Director's right, to waive minor elements of non-compliance with bid specifications and N.J.A.C. 17: 12- 2.2 which defines causes for automatic bid rejection, apply to all proposals and bids.

3.17 STATE'S RIGHT TO INSPECT BIDDER'S FACILITIES - The State reserves the right to inspect the bidder's establishment before making an award, for the purposes of ascertaining whether the bidder has the necessary facilities for performing the contract.

The State may also consult with clients of the bidder during the evaluation of bids. Such consultation is intended to assist the State in making a contract award which is most advantageous to the State.

3.18 STATE'S RIGHT TO REQUEST FURTHER INFORMATION - The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the

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bidder's financial capabilities to perform the contract. Further, the Director reserves the right to request a bidder to explain, in detail, how the bid price was determined.

3.19 MAINTENANCE OF RECORDS - The contractor shall maintain records for products and/or services delivered against the contract for a period of three (3) years from the date of final payment. Such records shall be made available to the State upon request for purposes of conducting an audit or for ascertaining information regarding dollar volume or number of transactions.

3.20 ASSIGNMENT OF ANTITRUST CLAIM(S) - The contractor recognizes that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the ultimate purchaser. Therefore, and as consideration for executing this contract, the contractor, acting herein by and through its duly authorized agent, hereby conveys, sells, assigns, and transfers to the State of New Jersey, for itself and on behalf of its political subdivisions and public agencies, all right, title and interest to all claims and causes of action it may now or hereafter acquire under the antitrust laws of the United States or the State of New Jersey, relating to the particular goods and services purchased or acquired by the State of New Jersey or any of its political subdivisions or public agencies pursuant to this contract.

In connection with this assignment, the following are the express obligations of the contractor;

a. It will take no action which will in any way diminish the value of the rights conveyed or assigned hereunder.

b. It will advise the Attorney General of New Jersey:

1. in advance of its intention to commence any action on its own behalf regarding any such claim or cause(s) of action;

2. immediately upon becoming aware of the fact that an action has been commenced on its behalf by some other person(s) of the pendency of such action.

c. It will notify the defendants in any antitrust suit of the fact of the within assignment at the earliest practicable opportunity after the contractor has initiated an action on its own behalf or becomes aware that such an action has been filed on its behalf by another person. A copy of such notice will be sent to the Attorney General of New Jersey.

Furthermore, it is understood and agreed that in the event any payment under any such claim or cause of action is made to the contractor, it shall promptly pay over to the State of New Jersey the allotted share thereof, if any, assigned to the State hereunder.

4. TERMS RELATING TO PRICE QUOTATION

4.1 PRICE FLUCTUATION DURING CONTRACT - Unless otherwise noted by the State, all prices quoted shall be firm through issuance of contract or purchase order and shall not be subject to increase during the period of the contract.

In the event of a manufacturer's or contractor's price decrease during the contract period, the State shall receive the full benefit of such price reduction on any undelivered purchase order and on any subsequent order placed during the contract period. The Director of Purchase and Property must be notified, in writing, of any price reduction within five (5) days of the effective date.

Failure to report price reductions will result in cancellation of contract for cause, pursuant to provision 3.5b.1.

4.2 DELIVERY COSTS - Unless otherwise noted in the Request for Proposal, all prices for items in bid proposals are to be submitted F.O.B. Destination. Proposals submitted other than F.O.B. Destination may not be considered. Regardless of the method of quoting shipments, the contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's using agency or designated purchaser.

F.O.B. Destination does not cover "spotting" but does include delivery on the receiving platform of the ordering agency at any destination in the State of New Jersey unless otherwise specified. No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at contractor's convenience

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when a single shipment is ordered. The weights and measures of the State's using agency receiving the shipment shall govern.

4.3 C.O.D. TERMS - C.O.D. terms are not acceptable as part of a bid proposal and will be cause for rejection of a bid.

4.4 TAX CHARGES - The State of New Jersey is exempt from State sales or use taxes and Federal excise taxes. Therefore, price quotations must not include such taxes. The State's Federal Excise Tax Exemption number is 22-75-0050K.

4.5 PAYMENT TO VENDORS - Payment for goods and/or services purchased by the State will only be made against State Payment Vouchers. The State bill form in duplicate together with the original Bill of Lading, express receipt and other related papers must be sent to the consignee on the date of each delivery. Responsibility for payment rests with the using agency which will ascertain that the contractor has performed in a proper and satisfactory manner in accordance with the terms and conditions of the award. Payment will not be made until the using agency has approved payment.

For every contract the term of which spans more than one fiscal year, the State's obligation to make payment beyond the current fiscal year is contingent upon legislative appropriation and availability of funds.

The State of New Jersey now offers State contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State Agency's use of the p-card, however, is optional. P-card transactions do not require the submission of either a contractor invoice or a State payment voucher. Purchasing transactions utilizing the p-card will usually result in payment to a contractor in three days. A Contractor should take note that there will be a transaction processing fee for each p-card transaction. To participate, a contractor must be capable of accepting MasterCard. For more information, call your bank or any merchant services company.

4.6 NEW JERSEY PROMPT PAYMENT ACT - The New Jersey Prompt Payment Act N.J.S.A. 52:32-32 et seq. requires state agencies to pay for goods and services within sixty (60) days of the agency's receipt of a properly executed State Payment Voucher or within sixty (60) days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the state prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest will not be paid until it exceeds \$5.00 per properly executed invoice.

Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

4.7 RECIPROCITY - In accordance with N.J.S.A. 52:32-1.4 and N.J.A.C. 17: 12- 2. 13, the State of New Jersey will invoke reciprocal action against an out-of-State bidder whose state or locality maintains a preference practice for their bidders.

5. CASH DISCOUNTS - Bidders are encouraged to offer cash discounts based on expedited payment by the State.

The State will make efforts to take advantage of discounts, but discounts will not be considered in determining the lowest bid.

a. Discount periods shall be calculated starting from the next business day after the recipient has accepted the goods or services received a properly signed and executed State Payment Voucher form and, when required, a properly executed performance security, whichever is latest.

b. The date on the check issued by the State in payment of that Voucher shall be deemed the date of the State's response to that Voucher.

6. STANDARDS PROHIBITING CONFLICTS OF INTEREST - The following prohibitions on vendor activities shall apply to all contracts or purchase agreements made with the State of New Jersey, pursuant to Executive Order No. 189 (1988).

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- a. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52: 13D-13g.
- b. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards.
- c. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of N.J.S.A. 52: 130-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
- d. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
- e. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the vendor or any other person.
- f. The provisions cited above in paragraph 6a through 6e shall not be construed to prohibit a State officer or employee or Special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate under paragraph 6c.

7. NOTICE TO ALL BIDDERS SET-OFF FOR STATE TAX NOTICE

Please be advised that, pursuant to P.L 1995, c. 159, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act.

The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c.184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

8. APPLICABLE LAW - This contract and any and all litigation arising therefrom or related thereto shall be

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governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles.

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EXHIBIT "C"

NEW JERSEY'S PARTICIPATING ADDENDUM – NEW JERSEY CONTRACT M0003

(To be attached when the reseller is determined)

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Appendix B – LWD Unemployment Interactive Voice Response System (IVR) Overview

The Department's telephony IVR infrastructure is, for the most part, a recently upgraded Avaya System. A hardware and software refresh was completed within the past 6 months. The only part of the infrastructure that is not on the upgraded platform is the Initial Claims IVR application. The Initial Claims IVR is a standalone, custom-developed VB6 application running on Windows servers. It uses screen scrape technologies to connect with the mainframe. The Continued Claims and Inquiry IVR applications are in the voice portal and use MQ transactions to complete all backend mainframe connectivity. The Continued Claims application uses an Oracle database to store the claimant's responses.

- Private Branch Exchange (PBX) - Avaya 88xx running CM 5.2
- Application Enablement Services (AES) – version 5.2
- Voice Portal – version 5.1
 - Application servers – Linux 5, Tomcat
 - Offsite Backend IBM mainframe connectivity via MQ
 - Automated Speech Recognition (ASR)
 - Nuance Recognizer 9
 - Windows 2k3 and 2k8 servers
 - Text to speech (TTS)
 - Nuance speech server 5
 - Windows 2k3 and 2k8 servers
 - Oracle RAC – version 10.2 r2
- Standalone Initial Claims IVR
 - Application servers – Windows 2k3
 - Visual Basic 6 (VB6) custom application
 - Offsite Backend IBM mainframe connectivity via screen scrape