

**COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF THE TREASURY**

**REQUEST FOR PROPOSALS # CMI 08-003**

for

**LOCKBOX AND BANKING SERVICES**

**DEPARTMENT OF HEALTH PROFESSIONS**

**J. BRAXTON POWELL  
TREASURER OF VIRGINIA**

Kelley S. Denton, VCO  
Buyer

February 12, 2008

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

**REQUEST FOR PROPOSALS**  
**CMI 08-003**

**ISSUE DATE:** February 12, 2008

**TITLE:** Lockbox and Banking Services

**ISSUING AGENCY:** Attn: Kelley S. Denton VCO, Buyer  
Commonwealth of Virginia  
Department of the Treasury  
P.O. Box 1879  
Richmond, Virginia 23218-1879

**USING AGENCY:** Department of Health Professions, Richmond,  
Virginia

Initial Period Of Contract: On or before July 1, 2008 through June 30, 2010 With Three (3) Additional One (1) Year Renewal Periods in Accordance with the Terms and Conditions herein.

Sealed Proposals Will Be Received Until **1:00 p.m. Friday, February 29, 2008**, For Furnishing Lockbox and Banking Services described herein.

All Inquiries Shall Be Directed To: Kelley S. Denton by phone - (804) 786 - 4741, by fax - (804) 225-3187 or e-mail – [kelley.denton@trs.state.va.us](mailto:kelley.denton@trs.state.va.us). Written (fax or e-mail) inquiries are preferred.

If Proposals Are Mailed, Mail Directly To Issuing Agency Shown Above, Adding One Line To The Top Of The Address As Follows: Proposal for Lockbox and Banking Services, RFP # CMI 08-003.

If Proposals Are Hand Delivered, Deliver To: Proposal for Lockbox and Banking Services, RFP # CMI 08-003, Commonwealth of Virginia, Department of Health Professions, c/o Department of the Treasury, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Kelley S. Denton.

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

Offeror's Name:	By (Signature in Ink):
Complete Address:	Name (please print) and Title:
	Date:
City/State/Zip:	Federal Identification Number:
Telephone Number:	Facsimile Number:

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## **SECTION I PURPOSE**

The purpose of this Request for Proposals ("RFP") issued by the Commonwealth of Virginia, Department of the Treasury, on behalf of the Department of Health Professions, is to establish a contract through competitive negotiation for Lockbox and Banking Services. This will be accomplished by soliciting sealed proposals from qualified financial institutions licensed to do business in the Commonwealth of Virginia.

## SECTION II BACKGROUND

The Commonwealth of Virginia is requesting proposals from financial institutions to provide lockbox and banking services for receipt and processing of fees for the Department of Health Professions. The current mailbox used for this service is a "keyed" box.

The Department of Health Professions' (the "Department") central office provides services to the following thirteen Regulatory Boards:

- Board of Audiology and Speech-Language Pathology
- Board of Counseling
- Board of Dentistry
- Board of Funeral Directors and Embalmers
- Board of Long-Term Care Administrators
- Board of Medicine
- Board of Nursing
- Board of Optometry
- Board of Pharmacy
- Board of Physical Therapy
- Board of Psychology
- Board of Social Work
- Board of Veterinary Medicine

The Department performs administrative services to assist the operation of these boards. This includes the collection of and accounting for all fees paid to each board; the record keeping of the names and qualifications of registered, certified or licensed persons; and the enforcement of statutes and regulations pertaining to the Department and the Health Regulatory Boards.

The general powers and duties of each Board are to establish the qualifications for registration, certification or licensure of each profession; examine or cause to be examined applicants for certification or licensure; register, certify or license qualified applicants; establish schedules for renewals or registration, certification and licensure; levy and collect fees for application processing, examination, registration, certification or licensure; and to promulgate regulations which are reasonable and necessary to effectively administer the regulatory system. The Board also has the duty and the power to revoke, suspend, restrict, or refuse to issue or renew a registration, certification, or license, and to take appropriate disciplinary action for violations.

The Department collects fees for original applications for licensure, examinations, and renewals of licenses, as well as a variety of fees for other licensing services or activities. Through the Department's coding system, all fees collected are identified and accounted for both by type of fee and by Board

The Department has internal systems and procedures currently functioning under a lockbox arrangement, and prefers to continue to utilize those systems and procedures as much as possible so there will be minimal impact on Department operations.

The Department operates on a fiscal year that runs from July 1 through June 30. The volume of fees processed through lockbox averages about 20,000 in a fiscal year. The volume has decreased since the Department

implemented a web-based application for internet payments in July 2003. Only license renewal fees and associated late fees are currently processed through lockbox. The volume consists of check payments. All payments are currently received at a unique post office box maintained by the Department in Richmond, Virginia. While the Department does expect continued growth in the overall number of licensees, we do not expect continued growth in this lockbox activity. The trend is moving toward an increased volume in the internet payments. In addition to normal growth, volume may be impacted by changes in legislation or regulation that alter requirements for a particular occupation or professions, or by legislation that requires new regulation. The Department may add new regulatory programs, which could increase the volume of fees processed; however, the anticipation is that this lockbox will be minimally impacted by an overall trend toward increasing volumes each year.

Of all the fees collected, license renewals are the most stable. Most renewals are collected on a staggered basis throughout the year. The monthly volume is fairly consistent with peaks in the month of June and December. Renewals for some of the Boards with smaller volumes are not staggered. These renewals come due at the same time. Renewal schedules and timeframes are established by regulations, and are subject to change or revision.

### SECTION III STATEMENT OF NEEDS

#### I. DEPARTMENT OF THE TREASURY

The Contractor shall provide the following services:

Lockbox Services:

- 1 The Contractor shall provide an automated lockbox for processing the Department's receipts. Payments received without proper remittance documents should be returned to the Department with all accompanying correspondence.
2. The Contractor shall process all payments for the Department according to lockbox guidelines in Appendix C.
3. The Contractor should provide multiple mail pickups from the Post Office. Currently there is a unique post office box maintained by the Department in Richmond, Virginia. The Department would prefer that the existing post office box be used; however, this is not a requirement. If the existing post office box is not used, the box that is selected by the Offeror must be located in the State of Virginia.
4. All processable payments received shall be deposited on the day of receipt and should be credited to a zero balance account (ZBA).
5. The Contractor shall provide secure imaging and photocopy services to the Department, allowing Department staff to view payment documents, related checks, and correspondence from a secured internet site. Documents shall be available for viewing on-line beginning the day after deposit up to at least 60 days after deposit. Contractor shall provide a method of viewing the images for the period of 60 days up to 7 years after the deposit date.
6. The Contractor shall provide the Department of Health Professions a daily lockbox data file. The preferred method is a file download from a secured internet site. Otherwise, the Contractor shall provide a lockbox data file for transmission directly to the Department of Health Professions. See Appendix E for data file layout. Provide information on the length of time that data is maintained in order to recreate a file if necessary.
- 7 All items returned for non-sufficient funds shall be re-deposited once.
8. The Contractor will not debit the Commonwealth's account for returned items or lost items. The Department shall present a check at an agreed upon branch location to buy back returned checks. The Department will consider having returned deposited items debited against a separate account.
9. The Contractor shall provide a separate monthly account analysis statement for the Department's lockbox activity to the Department of the Treasury.
10. The Department's Lockbox account analysis statement shall be linked to the Commonwealth's General Account consolidated account analysis.
11. The Contractor should provide electronic account analysis capabilities utilizing the most current Treasury Management Association (TMA) service codes.

Commonwealth of Virginia Department of the Treasury

RFP# CMI 08-003 DHP Lockbox

Due: Friday, February 29, 2008 @ 1:00 p.m.

12. The Contractor shall provide daily courier service to the Department for lockbox information and documents to the Department's office at 9960 Mayland Drive, Suite 300, Richmond, Virginia 23233-1463

## SECTION IV PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

### A. GENERAL REQUIREMENTS:

#### 1. RFP Response:

Number of Copies. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original, so marked, and five (5) copies, so marked, of each proposal must be submitted to the Department of the Treasury. Additional copies shall be provided upon request.

#### 2. Proposal Preparation:

- a. Submission of Materials. An authorized representative of the Offeror shall sign proposals. All information requested should be submitted. Failure to submit all information requested may result in the Commonwealth requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. The Commonwealth may reject proposals, which are substantially incomplete or lack key information. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. Small, Women-Owned, and Minority-Owned Business Reports. All information requested by this RFP on the ownership, utilization and planned involvement of small businesses, women-owned businesses, and minority-owned businesses shall be submitted. If an offeror fails to submit all information requested, the Commonwealth may require prompt submission of missing information after the receipt of the vendor proposals.
- c. Clarity of Proposals. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- d. Organization of Proposal. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub-letter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub-letter should be repeated at the top of the next page. Information, which the Offeror desires to present, that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- e. Single Volume. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- f. Ownership of Materials. Ownership of all data, materials and documentation originated and prepared for the Commonwealth pursuant to the RFP shall belong exclusively to the Commonwealth and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protection of Section 11-52D of the *Code of Virginia*, in writing, either before or at the time the data

or other material is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted shall be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **THE CLASSIFICATION OF AN ENTIRE PROPOSAL DOCUMENT, LINE ITEM PRICES AND/OR TOTAL PROPOSAL PRICES AS PROPRIETARY OR TRADE SECRETS IS NOT ACCEPTABLE AND WILL RESULT IN THE REJECTION OF THE PROPOSAL.**

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

#### B. SPECIFIC REQUIREMENTS:

Proposals should be as thorough and detailed as possible so that the evaluation panel may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items, separated by tabs within the proposal, as a complete proposal:

TAB 1. The complete RFP (One Copy **in the Original Proposal Only**), the RFP cover sheet and addenda, if any, filled out as required and signed.

TAB 2. General Qualifications:

1. Submit three references including telephone numbers, addresses and persons whom we may contact. References submitted should be applicable to the specific services requested in this RFP. If you provide this service or a similar service to a state or municipal government, please use that entity(ies) as a reference.
2. Provide an organizational chart.
3. Provide a list of contact personnel including senior level management who will be responsible for the relationship between the contractor and the Commonwealth of Virginia. Provide the actual number of retail lockbox employees that will be assigned to this contract.
4. Provide an escalation hierarchy that identifies the roles, responsibilities, and phone numbers of each contact. Provide separate lists for implementation and the on-going relationship.
5. Provide information on the extent of your commitment to retail lockbox.
  - a. Location of retail lockbox site(s).
  - b. Years of retail lockbox experience.
  - c. Number of retail lockbox employees.
  - d. Number of retail lockbox customers.
  - e. Average monthly and annual volume of retail lockbox transactions.
  - f. Image capabilities.

6. Briefly describe the current lockbox operating environment.
  - a. Hours of operation.
  - b. Hardware and software.
  - c. Level of support afforded the hardware and software.
  - d. Data communications hardware and protocols supported.
  - e. Transmission security.
7. Discuss your commitment to quality. Include quality controls and measures used to evaluate retail lockbox services and data communications. Discuss any unique approaches, which you have.
8. Discuss your approach to transition at the end of a contract. Are you willing to support the Commonwealth during a transition period at the end of a contract if necessary? State how you have historically handled contract extensions to facilitate transitions at the end of a contract.
9. Detail specific issues that may impact transitions.

TAB 3. Specific plans for providing the proposed goods/services including:

1. Address your institution's ability to provide the services noted in SECTION III, STATEMENT OF NEEDS. Please restate each requirement and discuss whether or not you can provide the service, how you will provide the service or the extent to which you can provide the service, any alternatives you would recommend in addition to or in lieu of the stated objective, and reference any reports provided by your system.
2. The Contractor shall meet the REPORTING AND DELIVERY REQUIREMENTS as outlined in SECTION VI. Please restate each requirement and discuss whether or not you can provide the service; how you will provide the service or the extent to which you can provide the service; any alternatives you recommend in addition to or in lieu of the stated objective.
3. Provide the mail pick up schedule at the Virginia post office recommended for lockbox post office boxes and the percentage of mail available with each run. When is this mail available for processing by lockbox?
4. Provide a list of the clearinghouse associations in which your financial institution participates and indicate the times of cash letter exchange.
5. Provide the availability schedule that will apply to this service.
  - a. Does the schedule provide immediate availability for clearinghouse items?
  - b. Which clearinghouses are included in immediate availability?
  - c. What measures are taken to ensure lockbox deposits are processed in order to meet accelerated availability time requirements?
6. Describe your approach to customer service provided. Include the following information:
  - a. Hours of operation.
  - b. Availability of staff capable of resolving lockbox inquiries.
  - c. Turnaround time anticipated for inquiries.
  - d. Toll-free access availability.
7. Contractor must have multiple hot sites capable of providing services. Contractor must provide a well defined systems back up plan for retail lockbox and transmission services. Include your provisions for

processing, hardware, software and communications backup. Provide date of last disaster recovery testing and outcome.

8. The contractor will provide annually at no cost to the Department of the Treasury's contract administrator an SAS 70 Audit Report. The SAS 70 audit reports will be prepared by the contractor's independent external auditors to meet the requirements of SAS 70. Please provide the timing of when the reports would be available on an annual basis.
9. Provide a detailed implementation schedule indicating tasks and number of days for completion of each. Indicate tasks that will occur concurrently. Show the total number of workdays required to complete implementation.

TAB 4. Proposed Price:

1. Complete the price schedules in Section X: Pricing Schedules, showing the cost for each service listed as well as the cost for any service not listed, but your institution expects will be utilized and billed for in the performance of this Contract.
2. Discuss any transition costs related to establishing the services requested.
3. Discuss transition costs that would be assessed at the end of the contract.
4. Discuss any creative pricing or payment options that you can provide.

TAB 5. Creative solutions and alternative suggestions:

All Offerors are encouraged to be as creative as possible in responding to this RFP. Based on your review of the background information, specific needs and requirements, and pertinent Sections of the Code of Virginia discuss any creative approaches to this service which have not been specifically requested or which would enhance efficiency and/or reduce costs.

TAB 6. Small, Women-Owned, and Minority-Owned Business Participation:

The Offeror should submit three sets of data for small business, women-owned business minority-owned business: 1) ownership, 2) utilization of small, women-owned and minority-owned businesses for the most recent 12 months, and 3) planned involvement of small businesses, women-owned businesses and minority owned businesses on the current procurement. Appendix B contains the format for providing this information.

## SECTION V EVALUATION AND AWARD CRITERIA

All proposals received will be reviewed and evaluated by a Selection Committee. The Committee will recommend proposals, which most closely meet the requirements of the RFP. The following will be used in making the selection:

1. Offeror's Qualifications -- This criterion includes the ability of the Offeror to meet the terms of the RFP, the quality controls in place to ensure a high-quality service, and any special processes that the Offeror feels may increase its ability to perform the contract. (Weighted at 20 %)
2. Soundness of Approach -- Emphasis here is on the techniques for providing the services requested, and on the Offeror's capability to deliver the desired services on schedule. (Weighted at 25 %)
3. Pricing -- Charges should be broken down as outlined in Section X, PRICING SCHEDULE. While this area will be weighted heavily, it will not be the primary deciding factor in the selection process. (Weighted at 25 %)
4. Creativity -- The Commonwealth is interested in creative and innovative responses to this RFP. Consideration will be given to suggested alternatives or additional services offered which may not be specifically requested. (Weighted at 10%)
5. Participation of Small, Women-Owned, and Minority-Owned Businesses -- Emphasis is on the past, current, and planned utilization of businesses in the three classes identified. (Weighted at 20 %)

Award of Contract: Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request For Proposals, including price, if so stated in the Request For Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the agency shall select the Offeror that, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request For Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous (Section 11-65D, *Code of Virginia*). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated. See Appendix A.

## SECTION VI REPORTING AND DELIVERY REQUIREMENTS

The Contractor shall meet the following reporting and delivery requirements:

### A. General Services

1. The Contractor will mail the monthly account analysis statement that reports the services provided, items processed, rate and total service charge for lockbox by the tenth business day of the following month directly to the Department of the Treasury, P.O. Box 1879, Richmond, VA 23218-1879, Attn: Manager, Cash and Banking Services. Diskettes capturing this data electronically should be mailed to this same address.
2. The account statement for the ZBA account will be mailed to the Department of Health Professions at 9960 Mayland Drive, Suite 300, Richmond, Virginia 23233-1463, Attn: Finance Division.
3. The Contractor will provide to the Department by 10:00 a.m. each day a returned deposited items report upon occurrence that includes the following:
  - a. Payer name (Optional).
  - b. DHP license # if available (Optional).
  - c. Check amount.
  - d. Total unprocessed amount.
  - e. Date that the item was returned

### B. Lockbox Reports for Annual Renewal Fees.

1. The Contractor will provide a report by 10:00 a.m. each business day to the Department of Health Professions at 9960 Mayland Drive, Suite 300, Richmond, Virginia 23233-1463, Attn: Finance Department, containing the following information:
  - a. Transaction Details
    - Scanline information
    - Board ID
    - Renewal ID
    - Late date
    - Revenue code
    - Fee amount
    - Late revenue code
    - Late fee amount
    - Process date
    - Batch number
    - Serial number
    - Filler
  - b. Board ID Summary Report
    - Total receipts processed by Board (first 2 digits of account number) and Revenue (6 digit) codes.
  - c. Batch Summary Report
    - Batch number
    - Items
    - Amount
    - Tape count
    - Tape total

d. Journal Listing

- Board ID
  - Renewal ID
  - Amount paid
  - Sequence number
  - Batch number
  - Machine number
  - Operator number
  - Batch date
  - Batch count
  - Batch total
2. Lockbox data files shall be available for download or submission by the Contractor by 4:15 p.m. each business day of operation, and include all information listed on the hardcopy report.
  3. Compact Discs and or images of processed checks will be available by the Contractor the day after the deposit.

## SECTION VII GENERAL TERMS AND CONDITIONS

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.dgs.state.va.us/dps](http://www.dgs.state.va.us/dps) under "Manuals."
- B. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

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

1. During the performance of this contract, the contractor agrees as follows:
  - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
  - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- D. **ETHICS IN PUBLIC CONTRACTING:** By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- E. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their proposals, offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- F. **DEBARMENT STATUS:** By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- G. **ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. **MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFPs:** Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. **CLARIFICATION OF TERMS:** If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. **PAYMENT:**
1. **To Prime Contractor:**
    - a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
    - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
    - c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.

- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
    - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
    - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
  - b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

K. **PRECEDENCE OF TERMS:** The following General Terms and Conditions *VENDORS MANUAL*, *APPLICABLE LAWS AND COURTS*, *ANTI-DISCRIMINATION*, *ETHICS IN PUBLIC CONTRACTING*, *IMMIGRATION REFORM AND CONTROL ACT OF 1986*, *DEBARMENT STATUS*, *ANTITRUST*, *MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS*,

CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

- L. **QUALIFICATIONS OF OFFERORS:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
  
- M. **TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
  
- N. **ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
  
- O. **CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:
  - 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
  
  - 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
    - a. By mutual agreement between the parties in writing; or
  
    - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
  
    - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract

price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

- P. **DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- Q. **OMITTED**
- R. **OMITTED**
- S. **OMITTED**
- T. **INSURANCE:** By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

**MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:**

- 1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
  - 2. Employer's Liability - \$100,000.
  - 3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
  - 4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)
- U. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site ([www.eva.virginia.gov](http://www.eva.virginia.gov)) for a minimum of 10 days.

- V. **DRUG-FREE WORKPLACE:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- W. **NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.
- X. **eVA Business-To-Government Vendor Registration:** The eVA Internet electronic procurement solution, website portal [www.eVA.virginia.gov](http://www.eVA.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.
- a. eVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.
  - b. eVA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.
  - c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
  - d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:

- (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
- (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

Y. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

## SECTION VIII SPECIAL TERMS AND CONDITIONS

- A. **ADVERTISING:** In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to the Department of the Treasury will be used in product literature or advertising. The Contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- B. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- C. **AUTHORIZED USERS:** The Department of the Treasury (Treasury) is issuing this solicitation in cooperation with the Department of Health Professions (DHP). Requirements of the DHP have been incorporated within this solicitation. Treasury is responsible for administering the program; therefore, correspondence should be directed to the issuing Agency.
- D. **AWARD:** The Department of the Treasury (Treasury) is issuing this solicitation in cooperation with the Department of Health Professions (DHP). Requirements of the DHP have been incorporated within this solicitation. Treasury is responsible for administering the program; therefore, correspondence should be directed to the issuing Agency.
- E. **BEST AND FINAL OFFER (BAFO):** At the conclusion of negotiations, the offeror(s) may be asked to submit in writing, a best and final offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the offeror(s). The offeror(s) proposal(s) will be rescored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.
- F. **CANCELLATION OF CONTRACT:** The issuing Agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- G. **EXTRA CHARGES NOT ALLOWED:** No additional charges will be allowed under the Contract. Any changes to the scope of services that impact prices must be approved in advance by the Manager of Cash and Banking at the Department of the Treasury.

- H. **INSURANCE, MONEY AND SECURITIES:** Contractor shall maintain a Broad Form Money and Securities Insurance Policy obtained from an insurance company licensed to conduct crime insurance business in the home state of the Contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all money and property entrusted to the Contractor by the Commonwealth of Virginia for Loss Inside the Premises Coverage and for Loss Outside the Premises Coverage, with limits of coverage to be determined by the Contractor and Department of the Treasury. Certificate of such protection must be presented to the purchasing agency prior to the start of the service showing name of insurance company, limits and types of coverage, term of coverage, additional insured provision and name and address of licensed insurance agent. The Contractor agrees to maintain such policy until the completion of the contract and all money and property of the Commonwealth is remitted to the Commonwealth.
- I. **MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING:** Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such business to minority and/or women-owned businesses. Names of firms may be available from the Issuing Agency and/or from the Commonwealth's Department of General Services, Division of Purchases and Supply. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the issuing Agency the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.
- J. **PRIME CONTRACTOR RESPONSIBILITIES:** The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- K. **RENEWAL OF CONTRACT:** At a reasonable time (approximately 60 days prior to the Contract expiration date) and upon written agreement of both parties, this Contract may be extended beyond the initial two-year Contract period by the Commonwealth for a period of three successive one (1) year periods only under the terms and conditions of the original Contract, except as stated in (1) and (2) below.
- (1) If the Commonwealth elects to exercise the option to extend the Contract for an additional one-year period, the Contract price(s) for the additional one year shall not exceed the Contract prices of the original Contract, or the Contract prices of the original Contract increased/decreased by the percentage increase/decrease of the "Other Services" category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.
  - (2) If during any subsequent renewal periods, the Commonwealth elects to exercise the option to extend the Contract for the second Additional one-year period, the Contract price(s) for the second additional one-year period shall not exceed the Contract price(s) of the first one-year extension period, or the Contract price(s) of the first one-year extension period increased/decreased by the percentage increase/decrease of the "Other Services" category of the CPI-W section for the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.

At a reasonable time (approximately 60 days prior to the Contract expiration date) the Commonwealth, may, at its sole option, give written notice to extend the terms of this Contract on a month-to-month basis for a period not to exceed six (6) months after the expiration of the original contract or any renewal period. If necessary, such an extension will serve as a transition period to implement the service with a different service provider. The Contractor will cooperate in any such transition. During such extension all services provided by the Contractor pursuant to the Contract shall continue to be performed in accordance with all applicable federal, State or local laws, ordinances, rules or regulations at the prices last agreed upon.

L. **SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the issuing Agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

M. **SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:**

A. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential offerors are required to submit a Small Business Subcontracting Plan. Unless the offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification. No offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

B. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

C. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution on quarterly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

N. **eVA BUSINESS-TO-GOVERNMENT CONTRACTS AND ORDERS:** The solicitation will result in multiple purchase order(s) with the eVA transaction fee specified below assessed for each order.

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

b. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:

- (i) DMBE-certified Small Businesses: 1%, Capped at \$500 per order.
- (ii) Businesses that are not DMBE-certified Small Businesses: 1%, Capped at \$1,500 per order.

The eVA transaction fee will be assessed approximately 30 days after each purchase order is issued. Any adjustments (increases/decreases) will be handled through eVA change orders.

Internet electronic procurement solution, website portal [www.eva.virginia.gov](http://www.eva.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution and agree to comply with the following:

If this solicitation is for a term contract, failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to reject your bid/offer or terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from [www.eVA.virginia.gov](http://www.eVA.virginia.gov). Contractors should email Catalog or Index Page information to [eVA-catalog-manager@dgs.virginia.gov](mailto:eVA-catalog-manager@dgs.virginia.gov).

## **SECTION IX METHOD OF PAYMENT**

Service charges are to be included in the Contractor's monthly account analysis if the service is provided by a commercial bank. The fees shall be paid through one of the following methods at the Commonwealth's option: compensating balances; a combination of compensating balances and direct fees; or an alternative method as specified in the Contractor's Proposal. If the service is provided by a non-bank provider, invoices shall be presented and will provide a detailed description of the services provided, rates, charges, and amounts due. The Department of the Treasury will provide payment, subject to Section VIII, D, Availability of Funds, within 30 days from the date of receipt of the invoice.

**SECTION X PRICING SCHEDULE**

**LOCKBOX SERVICES ACCOUNT**  
**Department of Health Professions**

SERVICE:	ANNUAL VOLUME <sup>1</sup>	RATE	EXTENSION
Account Maintenance .....	12		
Account Analysis Statements .....	12		
FDIC Insurance .....	12		
Lockbox Maintenance .....	12		
Processing Per Item.....	20,000		
Lockbox Courier .....	12		
Lockbox Photocopies.....	20		
Data Transmission .....	254		
Deposits.....	254		
Deposited Items-Encoded.....	20,000		
Returned Items .....	200		
Other.....			
Other.....			
Other.....			
<b>Implementation/One-Time Set Up Charges</b>			\$ _____
<b>Contract Total</b>			\$ _____

NOTES:

- ANNUAL VOLUME STATISTICS: Please note that volume statistics outlined above are estimated annual volumes and may not correspond to the way you charge for a particular service. If a particular charge is on another basis than noted, make appropriate changes in the "Volume" column. Proposals must estimate volumes for any line items where volume figures are left blank.
- OTHER CHARGES: If there are other charges, they must be noted in "Other" spaces, clearly defined, and extended based on estimated volume. **THIS IS A REQUIREMENT. ANY CHARGE FOR SERVICES NOT ADDRESSED IN THE "STATEMENT OF CHARGES" IN YOUR PROPOSAL WILL NOT BE ALLOWED DURING THE COURSE OF THE CONTRACT.**
- NC: If there is no charge for any of the services listed, notate with a "N/C" in the "Extension" column.

**SECTION XI APPENDICES and DEFINITIONS**

**APPENDIX A**  
**FORM OF COMMONWEALTH OF VIRGINIA CONTRACT**

Department of the Treasury  
LOCKBOX SERVICES  
Contract Number CMI 08-003

This Contract is entered into this \_\_\_ day of \_\_\_\_\_, 2008, by \_\_\_\_\_, hereinafter called the "Contractor", and the Commonwealth of Virginia Department of the Treasury, hereinafter called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises, and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Commonwealth as set forth in the Contract Documents.

PERIOD OF CONTRACT: From July 1, 2008 to June 30, 2010, **with three (3) successive one-year options to renew the Contract in accordance with the terms and conditions noted in the Contract.**

COMPENSATION AND METHOD OF PAYMENT: If the vendor is a commercial bank, service charges are to be included in the bank's monthly account analysis. If the vendor is not a commercial bank, invoicing and payment will be made in accordance with the Virginia Prompt Payment Act (please refer to Section VII, Par. J).

CONTRACT DOCUMENTS: The Contract Documents shall consist of:

- (1) This signed contract;
- (2) The following portions of the Request For Proposals dated February 1, 2008:
  - (a) The Statement of Needs
  - (b) The General Terms and Conditions
  - (c) The Special Terms and Conditions, together with any negotiated modifications of those Special Conditions
- (3) The Contractor's proposal dated February 25, 2008 and all written modifications to the Proposal, **including all written vendor responses**, all of which documents are incorporated herein.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in Section 7.15 of the Commonwealth of Virginia's *Vendor's Manual*.

IN WITNESS WHEREOF the parties have caused this Contract to be duly executed intending to be bound thereby, and certify they are authorized to sign this Contract for the Contractor or the Commonwealth.

**CONTRACTOR**

**COMMONWEALTH OF VIRGINIA**  
**Department of the Treasury**

By: \_\_\_\_\_  
(Signature in Ink)

By: \_\_\_\_\_  
(Signature in Ink)

Name: \_\_\_\_\_  
(Printed)

Name: J. Braxton Powell

Title: \_\_\_\_\_

Title: Treasurer of Virginia

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX B**  
**Small Business Subcontracting Plan**

**Definitions**

**Small Business:** "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: This shall not exclude DMBE-certified women- and minority-owned businesses when they have received DMBE small business certification.

**Women-Owned Business:** Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

**Minority-Owned Business:** Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

**All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at [www.dmbv.virginia.gov](http://www.dmbv.virginia.gov) (Customer Service).**

Offeror Name: \_\_\_\_\_

Preparer Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Instructions**

- A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.
- B. If you are not a DMBE-certified small business, complete Section B of this form. For the offeror to receive credit for the small business subcontracting plan evaluation criteria, the offeror shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in this section. Points will be assigned based on each offeror's proposed subcontracting expenditures with DMBE certified small businesses for the initial contract period as indicated in Section B in relation to the offeror's total price.

**Section A**

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a (check only one below):

- \_\_\_\_\_ Small Business
- \_\_\_\_\_ Small and Women-owned Business
- \_\_\_\_\_ Small and Minority-owned Business

Certification number: \_\_\_\_\_ Certification Date: \_\_\_\_\_

**Section B**

Populate the table below to show your firm's plans for utilization of DMBE-certified small businesses in the performance of this contract. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.

**B. Plans for Utilization of DMBE-Certified Small Businesses for this Procurement**

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
<b>Totals \$</b>					

**APPENDIX C**  
**LOCKBOX PROCEDURES**

Department of Health Professions

Lockbox payments are received along with fee cards used by the Department as remittance documents. The fee cards currently contain both printed and Optical Character Recognition (OCR) encoded information; however, DHP is compatible with all Microsoft Windows and can provide records or layouts necessary for the vendor requirements. For vendors with OCR equipment the storage character amount will not exceed 48 digits. The current scan line information on the remittance card is as follows:

A. Board	2 digits-Numeric
B. Renewal Id	8 digits-Numeric
C. Empty field	1 digit-Numeric
D. Late Date	6 digits-Numeric
E. Revenue Source Code	6 digits-Numeric
F. Renewal Amount	6 digit-Numeric
G. Late Revenue Code	6 digits-Numeric
H. Late Amount Due (late fee only-not total)	6 digits-Numeric
I. License/Certification Next Renewal Date	6 digits-Numeric
J. Check Digit	1 digit-Numeric

I. Definitions:

- A. Acceptable Payees:
  - 1. Treasurer of Virginia (fee card will indicate this as payee)
  - 2. State of Virginia
  - 3. Commonwealth of Virginia
  - 4. The following Boards or Programs:
    - Department of Health Professions
    - Board of Health Professions
    - Board of Audiology and Speech-Language Pathology
    - Board of Counseling
    - Board of Dentistry
    - Board of Funeral Directors and Embalmers
    - Board of Long-Term Care Administrators
    - Board of Medicine
    - Board of Nursing
    - Board of Optometry
    - Board of Pharmacy
    - Board of Physical Therapy
    - Board of Psychology
    - Board of Social Work
    - Board of Veterinary Medicine

- B. Processable Payments
  1. Check and renewal card(s) enclosed and amounts agree.
  2. Check and renewal card enclosed and the check amount is different from the amount on the renewal remittance.
  3. Date missing, process with current date.
  4. Post dated check.
  5. Drafts or money orders.
  6. Checks without restrictive notations.
  7. Currency and coins processed in accordance with bank's internal control procedures - Provide a receipt showing payer name, license number, and amount.
  8. Unsigned preprinted checks.
  
- C. Unprocessable Payments:
  1. Renewal notice without check.
  2. Restrictions and conditional notations (use best efforts to identify and segregate any checks bearing restrictive notations, such as "Payment in Full", "Balance on Account", or Account to Date").
  3. Checks drawn on foreign banks.
  4. Checks payable in foreign currency.
  5. Check received without the renewal card, return to DHP.
  6. Check received for multiple renewal cards, and the total of the renewal cards do not equal the total of the check, return to DHP.
  
- D. Correspondence:
  1. Correspondence: letters, notes, etc.
  2. Correspondence received with processable payment, note the license number on the correspondence.

II. Processing Procedures:

- A. Open envelopes and sort:
  1. Processable Payments
  2. Unprocessable payments, place contents back in envelope and return to the Department of Health Professions.
  3. Correspondence Only, place contents back in envelope and return to the Department of Health Professions. The license number must be recorded on all correspondence.
  
- B. Process processable payments and remittance advices through lockbox equipment sorting the processable items into two groups as defined below using distinguishable code types:
  - a. Renewal cards not indicating name, address.
  - b. Renewal cards indicating name, address.
  
- C. The processed date should be included on the data file for the current day's work.
  
- D. The check number and renewal documents must be kept in the same order for processing.
  
- E. All checks in the batch must balance to encoded remittance documents.

- F. The total of each reconciled batch must balance to the computerized record to verify the deposit amount.
- G. All checks must be endorsed with the proper restrictive endorsement stamp. The following endorsement stamp would be appropriate:
  - Treasurer of Virginia
  - Department of Health Professions – Agency 223
  - (Name of Bank)
  - (The ZBA's Account Number)
- H. The following must be delivered to the Department of Health Professions by 10:00 am the following business day:
  - 1. Compilation of remittance documents
  - 2. Unprocessed items
  - 3. Correspondence
  - 4. Deposit slips
  - 5. Lockbox detail journal listing
  - 6. Lockbox summary report
- I. Lockbox data files shall be available for download or submission by the Contractor by 4:15 p.m. each business day of operation.

### III. Preparation of Deposit

- A. Prepare a deposit reflecting all processed items, included in the Lockbox transmission.
- B. Prepare Department of Health Professions for the items deposited.

**IMPORTANT**

*New Renewal Information*

0101000000

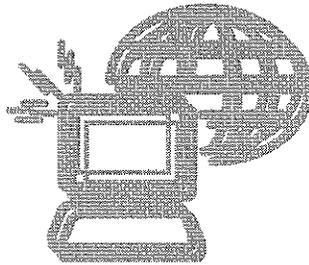
Please renew at least 10 days prior to 01/31/2008.

**Online License Renewal with Credit Card Now Available**

M1 Test  
Data Center  
Perimeter Center  
9960 Mayland Drive, Suite 300  
Richmond Va 23233

Presorted  
First-Class Mail  
US Postage Paid  
Richmond, VA  
Permit No. 1902

*APPENDIX D  
Sample Fee Card*



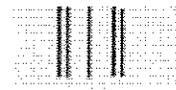
**Online License Renewal with Credit Card Now Available**

**Disclosure of Addresses**

Some licensees have expressed concern that their residence address is accessible. Consistent with Virginia law and the mission of the Department of Health Professions addresses of licensees are made available to the public only upon request. Addresses of record are **not** published as part of the license record available through our website.

In most cases it is permissible for an individual to provide an address of record **other than** a residence, such as a Post Office Box or a practice location. Changes of address may be made at the time of renewal or at anytime by written notification to the appropriate health regulatory board. Please be advised that all notices from the board, to include renewal notices, licenses, and other legal documents, will be mailed to the address provided.

- Name/Address Change Enclosed*
- Licensure Status Change Enclosed*



Place  
Postage  
Stamp  
Here

Department of Health Professions  
P.O. Box 26566  
Richmond, VA 23261-6566



RECEIPT—KEEP THIS PORTION FOR YOUR RECORDS—

DO NOT RETURN

ML Test	Renewal Fee—Amount \$337.00
Current Active Medicine & Surgery - 0101000000	
Renewal Period: 02/01/2008 to 01/31/2012	Current Expiration Date: 01/31/2008
Please take this opportunity to renew this license online and pay with a Visa or MasterCard. In doing so you will have the opportunity to sign up for future e-mail notifications to assist you in maintaining your professional license in good standing, obtain duplicate licenses and keep informed about your profession. By renewing your license this way you will be able to save money and keep abreast of important changes that will affect your practice. Please visit: <a href="http://www.license.dhp.state.va.us">www.license.dhp.state.va.us</a> and enter your Virginia License Number (0101000000), and the temporary Pin Number (4011a205).	
RECEIPT—KEEP THIS PORTION FOR YOUR RECORDS—DO NOT RETURN	

Please fold and tear on perforated line

<b>Renewal Form for Current Active Medicine &amp; Surgery</b>		<b>Amount Due:</b>
0101000000	Renewal Period: 02/01/2008 to 01/31/2012	\$337.00
ML Test		
Data Center, Perimeter Center, 9960 Mayland Drive, Suite 300 Richmond VA 23233		
<input type="checkbox"/> I wish to renew in an <b>active</b> status and enclose the fee of \$337 and attest that I have obtained at least 60 hours of continuing education in accordance with Board of Medicine regulation 18 VAC 85-20-235, and that these hours were obtained in the two years since my last renewal. <input checked="" type="checkbox"/> You are required by law to disclose to the Board if, in your practice of medicine, you or your staff mix, dilute or reconstitute (MDR) sterile manufactured drug products for administration to patients. <input type="checkbox"/> YES, MDR is performed. <input type="checkbox"/> NO, MDR is not performed. <input type="checkbox"/> I have reviewed my profile for accuracy and completeness. <input type="checkbox"/> I wish to renew in an <b>inactive</b> status and enclose fee of \$168( <i>No practice authorized – No CE required</i> )		
A practitioner are exempt from the CE requirements for the first biennial renewal following the date of initial licensure in Virginia. For more detailed information about CE and physician profiling visit our website <a href="http://www.dhp.virginia.gov">www.dhp.virginia.gov</a> and <a href="http://www.vahealthprovider.com/edit">www.vahealthprovider.com/edit</a>		
<b>If Payment for active licensure is received by Board After 01/31/2008, Amount Due \$452.00</b> <b>If Payment for inactive licensure is received by Board After 01/31/2008, Amount Due \$223.00</b>		
<i>Do not staple check to renewal form or fold renewal form.</i>		

0001367408 0131080024060337000024210115000130106

Law requires your profile to be current and accurate. Make revisions at [www.vahealthprovider.com/edit](http://www.vahealthprovider.com/edit) Call (804) 662-9999 for assistance.

1. If you are unable to renew online, detach "renewal form" portion and return completed form with your check in attached return envelope.
2. Make checks payable to "Treasurer of Virginia."
3. For name changes, cross out any incorrect information on the front of the renewal form, write the correct name and check the box on return envelope. Enclose a copy of your marriage license or court order for name changes.
4. Address changes, cross out any incorrect information on the front of the renewal form, write the correct address and check the box on return envelope.

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## APPENDIX E

### DATA RECORD LAYOUT

#### Document Specifications

##### Scan line Definition

Board ID	2 positions
Renewal ID	8 positions
Empty Field	1 position
Renewal Late Date	6 positions (MMDDYY)
Renewal Revenue Code	6 positions
Renewal Fee	6 positions
Late Renewal Revenue Code	6 positions
Reinstatement Date	6 positions (MMDDYY)
Renewal Check Digit	1 position

The check digit routine is a mod 11. Using weighted values of 2, 3,4,5,6,7,8,9 in the direction of right to left and subtract results. The check digit is for all fields in the scan line and any spaces are considered to have a value of zero. If the result is either 11 or 10 then the check digit is 1 or 0 respectively.

The scan line is an OCR A font, 10 characters per inch. It starts 9/16" from the right hand side of the document and stops 5 3/8" from the right hand side of the document. It is 1/4" from the bottom of the document.

##### File Specifications

Regular work is processing in batch ranges from 1-899 and work with address changes are processed in batch ranges 900-999.

##### Output file:

Board ID	2 positions
Renewal ID	8 positions
Empty Field	1 position
Renewal Late Date	6 positions
Revenue Code	6 positions
Amount due	6 positions
Late Revenue Code	6 positions
Late amount due	6 positions
Next Reinstatement Date	6 positions
Check digit	1 position
Amount applied	8 positions
Date processed	6 positions
Batch number	5 positions
Serial Number	5 positions
Filler	14 positions

**APPENDIX F**

**Department of Health Professions  
Calendar Year 2007 Lockbox Activity**

<b>Month</b>	<b>Volume</b>
<b>January</b>	<b>1,117</b>
<b>February</b>	<b>733</b>
<b>March</b>	<b>1,990</b>
<b>April</b>	<b>742</b>
<b>May</b>	<b>962</b>
<b>June</b>	<b>1,935</b>
<b>July</b>	<b>757</b>
<b>August</b>	<b>633</b>
<b>September</b>	<b>617</b>
<b>October</b>	<b>640</b>
<b>November</b>	<b>562</b>
<b>December</b>	<b><u>2,381</u></b>
<b>Total Lockbox 2007</b>	<b><u><u>13,069</u></u></b>