

State of Texas

Department of Information Resources



Texas.gov Payment Services Procurement

Request for Offer (RFO)
Texas.gov Payment Services

DIR-CPO-TMP-569

Version 1.0

Class	Item
915	96
920	02, 03, 04, 05, 14, 27, 40, 45, 63
946	25, 35, 49, 70

Issued: April 27, 2023

Responses Due June 27, 2023, 2 p.m. CT

SOLICITATION CONTENTS

This Request for Offer (RFO) issued by DIR consists of the following documents:

Texas.gov 3.0 Payment Services Procurement RFO (this document)

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Attachment B: HUB Subcontracting Plan (HSP)
Attachment C: Policy Driven Adoption for Accessibility (PDAA) - Vendor Self-Assessment
Attachment D: Voluntary Product Accessibility Template® (VPAT®)
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1.0 INTRODUCTION

1.1 Objective

Through this Request for Offer (RFO), the Texas Department of Information Resources (DIR) seeks to Transition from the current payment processing model and Solution to a new payment processing model and Solution. DIR invites interested parties that meet the qualifications listed in this RFO to submit a Response regarding their product and related Service offerings. All information shall be submitted in the format stipulated in this RFO.

DIR intends to procure a modern payment processing Solution for Texas.gov that meets DIR's functional and technical requirements, and associated Solution implementation and Transition Services. Key Solution capabilities include but are not limited to digital transactions, payment gateway services, payment processing, settlement processing, and reporting.

The Successful Respondent shall be responsible for providing all implementation and Transition Services necessary to Transition Texas.gov from the current payment processing model and Solution to a new payment processing model and Solution. Post-Transition, the Successful Respondent shall be responsible for steady state support, ongoing support and maintenance, and participating in the DIR Shared Technology Services (STS) program and operating model. The full scope of Solution requirements and Services to be provided are identified in Exhibit 1 – Statement of Work and related attachments.

As a result of this RFO, DIR expects to receive and evaluate proposal Responses and select one (1) Service Component Provider (SCP) for Payment Services with whom to enter into a Contract. Section 4 Evaluations, Negotiations and Award contains more information regarding the Response evaluation and vendor selection process.

1.2 Statutory Authority

DIR has authority to complete the objectives of this procurement. This procurement fulfills the objectives of [Chapter 2054](#) of the Texas Government Code, specifically including Sections 2054.0565 and Subchapters F and I, of Chapter 2054.

This RFO is **not** a solicitation for professional or consulting services as defined in [Chapter 2254](#), Texas Government Code.

1.3 Background

1.3.1 Introduction

As stated above, DIR seeks a Successful Respondent to serve as the STS Texas.gov Payment Services SCP, enabling the Transition from the current payment processor Solution and model to a new payment processor Solution and model. This RFO defines requirements the Successful Respondent must meet to achieve the objectives of this procurement.

1.3.2 Texas.gov Background & Overview

DIR manages the STS program, which offers shared information resources technologies, including Data Center Services, Managed Security Services, the Texas Open Data Portal, and Texas.gov Services.

For the past 20 years, Texas.gov has been the official website for the State of Texas providing an online portal with Payment Services for Texas governmental organizations to conduct business with their Constituents. As technology transitions to more mobile-friendly, integrated Solutions, Texas.gov has evolved the program's operating model and the vision for how Constituents use the website portal.

In September 2018, the Texas.gov program changed from a public-private partnership to a program that is funded and managed by the State. Control of the revenue, expenses, and Services became the State's sole responsibility, and the Legislative Budget Board (LBB) appropriated to DIR an operating budget out of the transaction fee revenue.

A wide range of consumer Services and business-facing agencies are supported through the Texas.gov payment processing Services. Texas.gov provides Services to over three hundred state and local customers, processing Constituent requests for items such as license renewals, registrations, and vital records.

Texas.gov payment processing current state statistics include the following:

- Annual volume: approximately \$2B in 2022
- Number of annual transactions exceeds 26M, the majority of which are made online and by card

1.3.3 Current Environment

1.3.3.1 Solution Overview

All Payment Services transactions processed through Texas.gov are managed by Texas.gov Payment Services, the State's official Payment Card Industry-Data Security Standards (PCI-DSS) Level 1 compliant payment processing Solution.

All DIR Customers including state agencies, institutions of higher education, and local government entities are eligible to use the Texas.gov Payment Services Contract. State agencies must use Texas.gov Payment Services by law.

The Payment Services SCP is responsible for providing payment processing Services in support of Applications developed and maintained by the Texas.gov Services provider (Deloitte Consulting LLP (Deloitte)), as well as Applications developed and maintained by DIR Customers, including state agencies and local governments. There are currently approximately 300 DIR Customers using Texas.gov Payment Services.

The Texas.gov Payment Services Solution offers complete transaction management that specifically meets the unique needs of Texas government. Constituents can pay for government services via credit card, debit card, and eCheck (Automated Clearing House (ACH)) transactions

online, at the Point-Of-Sale (POS) over the counter, through a mobile device, and Interactive Voice Response (IVR). Additionally, the Solution provides extensive financial reporting and integrates State government payments with the Texas Comptroller of Public Accounts' (CPA) accounting system.

Additional information regarding the full scope of the Solution to be provided by the Successful Respondent is described in Section 2. Texas.gov Payment Services of Exhibit 1 Statement of Work.

Sample Transaction Flow

The diagram below provides an overview of the current state payment processing ecosystem of Texas.gov.

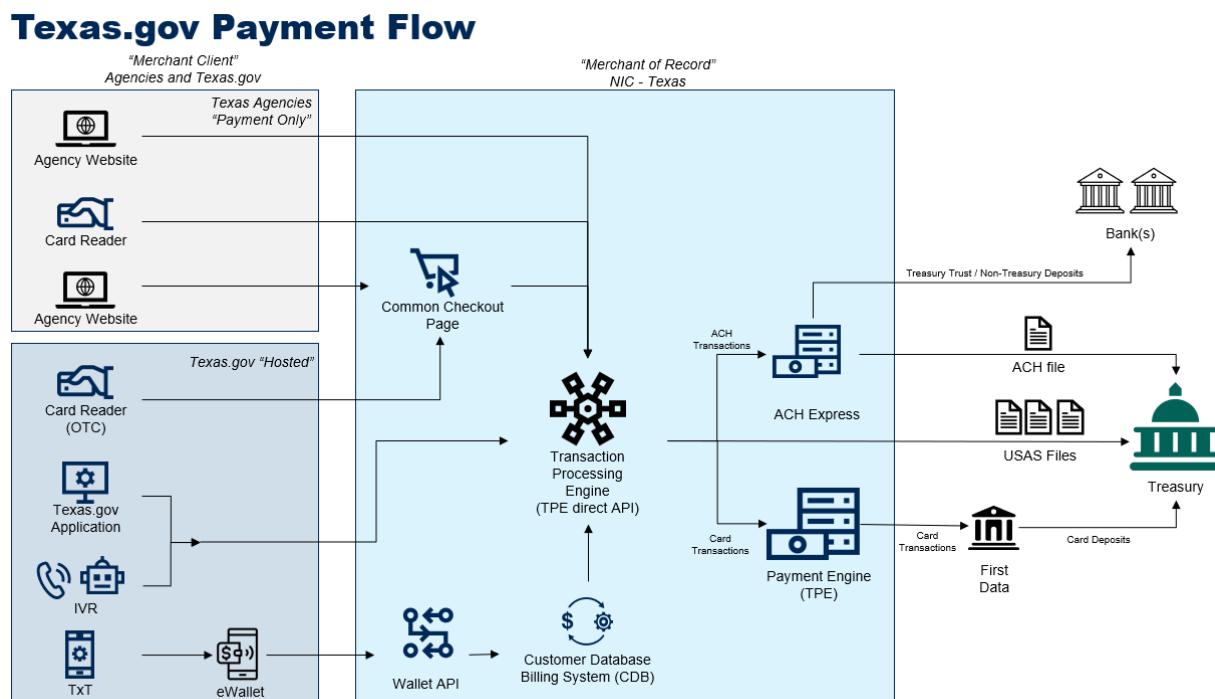


Figure 1. Current State Texas.gov Payment Transaction Flow

Hosting Options

As discussed above, Texas.gov Payment Services supports both Applications developed and maintained by the Texas.gov Services provider, as well as Applications developed and maintained by DIR Customers. Additional information on these options is provided below:

1. DIR Customer Application is hosted by the Texas.gov Services provider
 - a. The DIR Customer's Application is developed and managed by DIR's Texas.gov Application Services provider with infrastructure in the Data Center Services (DCS) public or private Cloud (~25% of total transactions)

2. DIR Customer Application is Non-Hosted (e.g., Payment Only)
 - a. DIR Customer maintains their own Application and only needs Payment Services (~75% of total transactions)
 - b. Common Check-out Page (CCP): DIR Customer has their own Application, but sends transaction data to Incumbent Payment Processor's Common Check-out interface, which collects and processes all payment information
 - c. Transaction Processing Engine (TPE): DIR Customer has their own check-out screens that integrate with the Incumbent Payment Processor's Payment Management Engine. (Note: This method uses Application Programming Interfaces (APIs) available to developers who write Applications that include their own secure check-out screens)

USAS & Transaction Processing

The Comptroller of Public Accounts' (CPA) Universal Statewide Accounting System (USAS) captures accounting activities supplied by State agencies and institutions of higher education, therefore Texas.gov online payments and any additional fees incurred are accounted for in USAS (unless otherwise provided by law). Texas.gov strictly adheres to CPA's [APS 029](#) for USAS payment processing.

There is currently an automated Secure File Transfer Process (SFTP) between Texas.gov and USAS. Texas NICUSA, LLC (NIC) has partnered with First Data, who currently serves as the credit card processor for Texas.gov. First Data integrates directly with USAS to deposit money into the State Treasury. NIC sends accompanying files, described further below, that provide USAS codes to enable automated reconciliation by the Treasury so that money is deposited into the appropriate state accounts. Additional information regarding the USAS codes is provided below:

- Texas.gov hosted and payment only Applications send transaction-level USAS details as part of payment processing.
 - The DIR Customer application passes the appropriate USAS code block to the Payment Processor's Solution
 - USAS codes are used to determine the way transaction expenditures are posted to financial tables and general ledger accounts
- The Payment Processor aggregates the USAS codes from the transaction data received from the Customer applications and provides the daily files to the CPA Treasury
 - Includes data that enables downstream reconciliation by the Treasury (Credit Card transactions, ACH transactions) and USAS code blocks
 - The Payment Processor's Solution does not correct, adjust, or interpret the data received from the calling Application; it only passes the attributes which it receives

1.3.4 Texas.gov Fees

1.3.4.1 Overview

NIC is the current Payment Services Incumbent SCP, and Texas.gov Payment Services has a current Contract with NIC (now a fully owned subsidiary of Tyler Technologies, Inc.) through August 2025. Per the current Contract, the compensation for the Payment Services provider, occurs through:

- a percentage of the daily Total Transaction Revenue, less ACH transaction amounts (excluding chargebacks, refunds, and returns), processed and paid by the Incumbent Payment Services vendor and
- a fixed per transaction rate of daily credit card transactions assessed, invoiced, processed, and paid by the Incumbent Payment Services vendor.

The DIR Board approves Texas.gov fees to recover costs associated with Payment Services and administering the Texas.gov program. DIR has published the "FY23 Texas.gov Fee Schedule," which details payment fees, unit of measure, fee, and percent charged for payments processed by DIR Customers and constituents. The following high-level points are relevant to the current RFO:

- DIR Board approves fees for Texas.gov [Fees](#)
- The Legislative Budget Board (LBB) appropriates funding to DIR to administer the Texas.gov program from Texas.gov transaction revenue

1.3.5 Relevant Initiatives – Current and Future

In 2021, DIR launched a new mobile digital assistant called Texas by Texas (TxT) to provide Texans with a secure, centralized Application to conduct business with Texas government. Currently, TxT offers users the ability to create an account, verify their identity once, and establish a profile with their name, address, and payment information. TxT offers a mobile-first experience that is designed and optimized specifically for mobile users. TxT also includes a native mobile Application allowing Texans to complete their government business from their mobile device. It is critical for Texans to be able to access Texas government services anytime, anywhere, and on any device easily and securely without having to maintain multiple accounts and applications. The Successful Respondent shall provide the digital wallet for TxT.

1.3.6 Operating Model

DIR has defined and established an operating model aimed at achieving the overall Texas.gov program objectives through leveraging Multi-sourcing Services Integrator (MSI) capabilities. The current state operating model for Texas.gov is illustrated and further described below. The figure below provides context for the Texas.gov Solution and outlines general responsibility boundaries between DIR, the MSI, the Texas.gov Service Component Providers (SCPs), and other supporting SCPs and State Services.

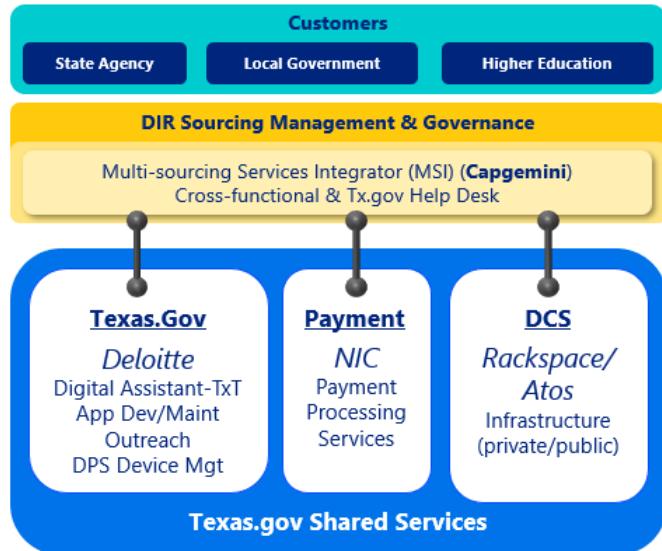


Figure 2. Texas.gov Operating Model

- Capgemini America, Inc. (Capgemini) currently serves as the MSI, supporting cross-functional Services, and the Texas.gov Constituent Help Desk
- Deloitte currently provides Texas.gov Application development and maintenance Services for TxT, Texas.gov, and also provides Department of Public Safety (DPS) Device Management Services
- Rackspace & Atos currently provide public and private Cloud infrastructure
- NIC, a subsidiary of Tyler Technologies, is currently responsible for providing Payment Services in support of Applications developed and maintained by the Texas.gov Services provider, Deloitte, as well as Applications developed and maintained by DIR Customers, including state agencies and local governments. NIC also ensures Payment Card Industry Data Security Standard (PCI DSS) compliance. The NIC Contract may be viewed here: <https://dir.texas.gov/Contracts/dir-ess-tgov-pmnt-254>
 - First Data (not pictured) is a subcontractor to NIC and provides credit card processing Services and integrates with USAS, as described in Section 1.3.3 Current Environment.

1.3.7 Stakeholders

The Successful Respondent shall work with the appropriate Parties to provide the Services outlined in this SOW. A summary of key stakeholders the Successful Respondent shall engage with as part of this SOW is provided in the table below.

Table 1. Stakeholder Overview

#	Stakeholder	Description
1	DIR	As the overall Service owner, DIR operates a sourcing management and governance organization that performs customer relationship leadership, Service and sourcing strategy, Service portfolio management, and Contract and financial management roles.
2	MSI (Capgemini)	The Successful Respondent will leverage and integrate with the MSI-provided capabilities as described in Section 8 Cross Functional Services of Exhibit 1 Statement of Work to deliver supply-side Services. These capabilities include integration with the MSI-provided cross-functional processes and systems, execution of Texas.gov Payment Services scope, integration with the Texas.gov Services scope, and integration with the Texas Comptroller of Public Accounts Treasury Services.
3	Comptroller of Public Accounts (CPA) – Treasury Operations	Treasury Operations manages the incoming and outgoing funds for the State. The division receives and safeguards State money, maintains accounts of all receipts and expenditures, and serves as custodian of securities in trust.
4	CPA Fiscal Management	The Fiscal Management Division website (FMX) helps State agencies and institutions of higher education efficiently and effectively manage their appropriations, financial reporting, purchase and travel expenditures, payrolls and personnel.
5	CPA IT Division	The Successful Respondent will integrate with USAS, managed by the CPA IT Division.
6	State Treasury	Texas.gov contributes revenue to the Texas State Treasury.
7	Texas.gov Services SCP (Deloitte)	Deloitte currently provides Services for Application development, operations, and maintenance Services for Texas.gov.
8	DIR Customers	The Texas.gov program enables DIR Customers such as State agencies, local government, and institutes of higher education the ability to provide simple, accessible, and secure online digital government services to Texans. DIR Customers can link to Texas.gov from their Applications to route Texans to make payment and/or other transactions that can be made from Texas.gov directly.

#	Stakeholder	Description
9	Texas.gov Users (Constituents)	Online Services available to Constituents through Texas.gov include driver license renewal and replacement, print-on-demand driver records, vehicle registration renewal, vital records orders such as birth certificates, and a wide range of professional and occupational licenses and permits.

2.0 SCOPE

2.1 Required Services

DIR intends to Contract with one (1) Successful Respondent to provide Texas.gov Payment Services. The scope of Texas.gov Payment Services includes providing a modern Software-as-a-Service (SaaS) payment processing Solution that meets DIR's functional and technical requirements, and associated implementation and Transition Services, and ongoing support and maintenance.

The Successful Respondent shall also serve as a SCP and participate in all required STS MSI/SCP Program activities.

The full scope of the Payment Services Solution and related Services are documented in Exhibit 1 Statement of Work.

2.2 Electronic and Information Resources (EIR) Accessibility

1. Under Texas Government Code, [Chapter 2054](#), Subchapter M, and DIR implementing rules, DIR's state agency and higher education customers must procure EIR that complies with the accessibility standards defined in the [Texas Administrative Codes 1 TAC 206, 1 TAC 213](#), and in the [Worldwide Web Consortium WCAG 2.0 AA](#) technical standard as applicable, and when such products or Services are available in the commercial marketplace or when such products are developed in Response to procurement solicitations.
2. Accordingly, all Respondents must provide the following accessibility documentation:
 - a. For each commercial product (also referred to as Commercial-Off-The-Shelf or COTS), and service products such as Software as a Service (SaaS), Platform as a Service (PaaS), and any other managed Services that include a user interface, a completed Accessibility Conformance Report (ACR) or the URL to view the ACR online. See RFO Section 2.3, ACR Submission and Review, for detailed requirements.
 - b. For non-product offerings (such as IT related development Services, Services that include user interfaces, managed Services, online components, etc.), a Vendor Accessibility Development Services Information Request (VADSIR),

which documents Respondent's capability or ability to produce or customize accessible EIR (also referred to as Information and Communications Technology (ICT)). Section 2.3, ACR Submission and Review, for detailed requirements.

- c. The Policy Driven Adoption for Accessibility (PDAA) for Vendor Self-Assessment. Section 2.3, ACR Submission and Review, for detailed requirements.
3. Responses with missing or incomplete required accessibility documentation will receive a failing score for the EIR accessibility evaluation and may be disqualified.

2.3 ACR Submission and Review

1. All Respondents must provide ACRs created using the applicable sections of the Voluntary Product Accessibility Template® (VPAT®) Revised Section 508 Edition (version 2.3 or higher) or provide links to ACRs located on manufacturer(s)' websites (where available) for every product (as defined above) or product family (as applicable) included in the submitted pricelist. Instructions on how to complete this document are included in the template itself. ACRs based on earlier versions of the VPAT® template will be accepted if such completed ACRs already exist, and there have been no changes to the product or service since April 18, 2020.
2. Respondents claiming that a proposed product or family of products is exempt from accessibility requirements must specify the product(s) as such in "Notes" located in the product information section of the VPAT v.2.3 or higher, or as an additional note in the product information section of older VPAT versions of the form, specifying each exempt product or product family with a supporting statement(s) for this position.
3. Respondents that do not already have accessibility documentation should complete the form included in the bid package or may obtain the form located here: <http://www.itic.org/public-policy/accessibility>. Resellers should obtain an ACR(s) from the manufacturer or provide links to the manufacturer's accessibility documentation.
4. DIR will review a sample of ACRs for credibility and completeness.
5. Respondents that submit incomplete ACRs or are unable to provide or obtain ACRs for products it manufactures or for products from manufacturers it represents, may be required to submit a letter (Accessibility Statement) stating that some or all product(s) accessibility documentation may be missing, product accessibility is untested, and an explanation of alternate accommodation.

2.4 VADSIR Submission and Review

1. Respondents must ensure that EIR and ICT accessibility criteria are integrated into key phases of the project development lifecycle including but not limited to planning, design, development, functional testing, user acceptance testing, maintenance; and

report accessibility status at key project checkpoints as defined by DIR customers.

2. Respondents must complete a VADSIR Questionnaire to document the Respondent's capability or ability to produce accessible EIR and ICT if the Response includes one or more of the following offerings:
 - a. Website development Services
 - b. Web Application development Services
 - c. Custom development services as part of an integrated Solution
 - d. Client based software Application development Services
 - e. Other software development services containing one or more user interfaces (end user, administrative, etc.)
3. VADSIRs will be evaluated by DIR for credibility and completeness.

2.5 PDAA Submission and Self-Assessment Score

All Respondents must complete the PDAA Self-Assessment Questionnaire for Responses that include EIR or ICT. The PDAA generates a self-assessment score which is an indicator of the extent to which a Respondent's organization has implemented accessibility best practices within operations and integrated accessibility criteria into all phases of a product life cycle. The PDAA is an organizational assessment, not an assessment of products or services.

PDAA score will be included in the evaluation and a missing or blank PDAA will receive a score of 0 (fail) and may disqualify the Response.

2.6 Form of Contract

The final Terms and conditions of any Contract will be agreed upon during negotiation. However, the minimum standard Terms and conditions that will be included in any awarded Contract are contained in the Master Services Agreement (MSA) included with the RFO documents.

2.7 Term of Contract

DIR anticipates that the Term of the Contract will be an estimated four (4) years with optional renewals of up to four (4) years to be exercised by DIR at its discretion. In the event of prolonged Contract negotiations due to the number and/or significance of exceptions taken, lack of responsiveness, or other failure to close Contract negotiations on the part of Respondent that are not due to a failure on the part of DIR, DIR may, in its sole discretion, bypass the Respondent and commence negotiations with the next-highest scoring Respondent, or continue with the current Respondent with a shorter Contract Term.

Section 3.5.12.7 Exceptions to Requirements (including MSA Terms and Conditions) of this RFO contains the format for Respondents to note any exception to any provision, Term, or condition

specified in the RFO. Any objections or exceptions should be noted in keeping with RFO Section 3.5.12.7.

DIR reserves the right to make changes to the MSA if it is in the best interest of the State to do so. Should this occur prior to the award of any Contract as a result of this RFO, any Respondents selected for negotiations will be notified.

3.0 GENERAL INFORMATION

3.1 Point of Contact

Julie Irby, CTCM and CTCD, is the sole point of contact for this procurement. Routine correspondence may be directed to Julie Irby as follows:

Julie Irby CTCM, CTCD
Texas Department of Information Resources
Procurement Services Division
300 W. 15th Street, Suite 1300
Austin, Texas 78701
Internet: Enterprise569@dir.texas.gov

Respondents shall make no contact concerning this RFO with other DIR Personnel, except as permitted by the point of contact. **Failure to comply with this requirement may result in disqualification.**

3.2 Response Integrity

To ensure the integrity of the competitive process, a Respondent may not directly or indirectly communicate any of the contents of its Response to:

1. A competitor of the Respondent; or
2. Any other company, corporation, firm, partnership, individual, or related Entities of the same parent company engaged in the same line of business as the Respondent; or
3. A related Entity of the Respondent engaged in the same line of business as the Respondent.

This prohibition is in effect during the preparation of the Offer and while the Offer is pending with DIR, including the negotiation and finalization of any resulting Contract. The Term "related Entities" includes, but is not limited to, Affiliates, subsidiaries, associates, branches, and divisions. It does not include Entities that may occasionally enter into teaming agreements with one another to provide Services under a Contract with a third party but otherwise have no legal relationship with each other.

When a related Entity of the Respondent (whether related at the time Responses are due or at any time thereafter) submits a competing offer, DIR may require additional information to ensure each separate Response is independent. Failure to provide or fully disclose all such

information may, at DIR's discretion, disqualify Respondent or result in the termination of any resulting Contract. **RESPONDENT HAS AN ONGOING DUTY TO UPDATE ALL INFORMATION INCLUDED IN ITS RESPONSE AT ANY TIME THAT SUCH INFORMATION CHANGES.**

3.3 Schedule of Events

It is DIR's intention to comply with the following schedule for this RFO. These dates represent a tentative schedule of events. DIR reserves the right to modify these dates at any time. Prospective Respondents will be notified of modifications to the schedule via the Electronic State Business Daily (ESBD) website.

Table 2. Schedule of Events

Activity	Date
Deadline for submitting Solicitation Conference questions	May 10, 2023
Solicitation Conference	May 15, 2023, 2:00 p.m. CT
Deadline for Submitting RFO Questions	June 9, 2023
Answers posted to ESBD	May 19, 2023, through June 12, 2023
Deadline for submitting Response	June 27, 2023, 2 p.m. CT
Evaluation, Clarification, and Amended Responses	July through October 2023
Integration sessions, due diligence, final negotiations	October 2023, through March 2024
Award Recommendation	March 2024
DIR Governing Board Authorization to Award	To be determined
Transition	Date of Award through August 31, 2025

3.3.1 Solicitation Conference

DIR will hold a Solicitation Conference and webinar for this procurement on the date and time specified in Section 3.3 Schedule of Events.

DIR will provide attendees the opportunity to submit written questions at the conference through the chat function of the virtual meeting. All questions submitted at the conference must reference the appropriate RFO or Exhibit page and section number.

The Solicitation Conference will provide overview information of the RFO and will provide preliminary answers to questions submitted prior to the Solicitation Conference question deadline as well as questions submitted at the conference itself. Although DIR may provide tentative verbal answers to questions at the conference, only answers provided in writing by DIR shall be considered official. Information in any form other than the materials constituting this RFO and its Exhibits, the Question-and-Answer Document(s), and any Addenda shall not be binding on DIR. DIR reserves the right to amend answers prior to the offer submission deadline.

ATTENDANCE AT THE SOLICITATION CONFERENCE IS HIGHLY RECOMMENDED.

Date: May 15, 2023

Time: 2:00 p.m., CT

Location: Virtual

The Solicitation Conference will be available live via the web. **To participate in this live interactive Webcast, you must register at:**

https://www.zoomgov.com/webinar/register/WN_Oy5TGAQSlqvFSYtRKKgSw

3.3.2 Written Questions and Official Answers

Using Table 3: Questions Template, Respondents shall submit all questions regarding this RFO via email to the Point of Contact listed in Section 3.1 Point of Contact. **Questions regarding this RFO will be accepted until the date and time specified Section 3.3 Schedule of Events.**

Official answers will be posted as an Addendum to this RFO, on the ESBD, available at <http://esbd.cpa.state.tx.us/> .

By submission of a question, vendors acknowledge that the applicable question will be posted with each official answer and therefore vendors should not include any confidential or proprietary information in such questions. DIR will not publish the identity of any vendor that submitted any particular inquiry.

Table 3. Questions Template

#	RFO/Document Location/Cell Reference	Question
<i>Example: 1</i>	<i>RFO Section 3.4 Historically Underutilized Business</i>	<i>What is the HUB goal expected for this procurement?</i>

3.3.3 Digital Data Room

To aid Respondents in preparing to respond to the Payment Services RFO, a Digital Data Room has been created. Respondents may request access to the Digital Data Room once they have executed DIR's Non-Disclosure Agreement (NDA) and have completed the access request available at this location:

<https://dir.texas.gov/texasgov-payment-services-procurement-rfo-dir-cpo-tmp-569>

Upon accessing the above link, prospective Respondents should:

1. Request access to the Digital Data Room via the online form,
2. Download and execute (digitally sign) the NDA, and
3. Send it to the Point of Contact identified in Section 3.1 hereof, by email

DIR will then make a determination and notify the prospective Respondent of its decision.

DIR will continue to add information to the Digital Data Room throughout this procurement. Updates will be announced via Addendum. Check the ESBD regularly to avoid missing important procurement related information.

3.4 Federal and State Requirements

3.4.1 Federal Requirements

State agencies are prohibited from doing business with terrorists and terrorist organizations. Any Respondent listed in the Federal Excluded Persons List System (EPLS) authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, available at <https://www.state.gov/j/ct/rls/other/des/143210.htm>, published by the United States Department of the Treasury, Office of Foreign Assets Control (Terrorism List) shall not be awarded a Contract as a result of this RFO. The Successful Respondent must agree that if at any time during the Term of the Contract the Successful Respondent is listed on the Terrorism List, the Successful Respondent shall promptly notify DIR. As part of DIR's Contract management, periodic checks will be performed to ensure the Successful Respondent remains in compliance with these Federal Requirements. DIR shall have the absolute right to terminate the Contract without recourse in the event the Successful Respondent becomes listed on the Terrorism List.

Should the Successful Respondent become suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM), available at <https://www.sam.gov/>, maintained by the General Services Administration, the Contract may be terminated without recourse, at DIR's sole discretion.

The Successful Respondent shall comply with the requirements of the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA"), and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) hired on or after the Effective Date of the 1996 Act who will perform any labor or Services under this Contract.

3.4.2 Performance and Debarment

In accordance with 34 TAC, Chapter 20, Subchapter G, any vendor that is debarred from doing business with the State of Texas will not be awarded a Contract under this solicitation. The list of debarred vendors is located on the Texas Comptroller of Public Accounts (TCPA) website at

<https://www.comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php> .

3.4.3 Required Successful Respondent and Subcontractor Current and Former State Employee Disclosures

The Respondent shall disclose, for itself and on behalf of all its Subcontractors, the Respondent will certify that they are in compliance with [Texas Government Code, Title 6, Subtitle B, Section](#)

[669.003](#), relating to Contracting with the executive head of a state agency. If [Section 669.003](#) applies, Respondent will complete the following information for the Response:

1. Name of Former Executive;
2. Name of State Agency;
3. Date of Separation for State Agency;
4. Position with Respondent; and
5. Date of Employment with Respondent.

3.5 Response Submission Requirements

3.5.1 Response Deadline

Respondents are required to submit Responses in accordance with the requirements outlined in this document.

Responses must be received by DIR on or before **the date and time specified in RFO Section 3.3 Schedule of Events**. DIR will not accept any Responses received after the Response Deadline. **No late Responses will be reviewed.**

Respondents shall respond electronically via email, providing Responses in an electronic format (i.e., Microsoft Word files submitted together in a .zip folder) at the date and time specified in Section 3.3 Schedule of Events to enterprise569@dir.texas.gov.

3.5.2 Response Instructions

Respondent will follow the instructions set forth in the following Exhibits and Attachments to this RFO.

Each section, Exhibit, and Attachment of this RFO, along with any other associated files, contains individual detailed instructions regarding the required format of the Respondent's Response. The Respondent is required to respond according to the instructions contained in each section of this RFO.

Respondent's Response must be consistent with the structure, sequencing, and terminology used in this RFO. Where provided, the Respondent must use the attachments enclosed with the RFO and/or follow the prescribed format to submit its Response.

Electronic Responses are required. For electronic Responses, Respondents shall follow the specific naming conventions detailed in this section. For electronic files, the Respondent must use a three-letter identifier preceding each named file (e.g., Big Service Company, Inc., "BSC"). This three-letter identifier shall replace the "ABC" referenced in the filenames below. **All files submitted by the Respondent should use the same three-letter identifier.**

Respondents should note that DIR expects each Respondent to comply with the requirements of this RFO as written, and to price its Response accordingly. DIR strongly discourages any Respondent from indicating that it does not agree or does not comply

with a provision because the Respondent is unwilling to price it (for risk, liability, or any other reason).

Non-submission of any of the requested information may disqualify the Respondent's Response from further consideration by DIR.

3.5.3 No Marketing Materials Desired

Unnecessarily elaborate brochures or other presentations beyond those requested and sufficient to present a complete Response are not desired. Respondents are encouraged not to provide materials beyond what is required in the RFO.

3.5.4 Response Format

Respondent's complete Response shall be organized in the four (4) packages as described in Section 3.5.11 Response Organization. The four (4) packages should be submitted as four (4) separate .zip folders with the required files prescribed for each package included in the .zip folder. Each package shall be clearly saved and labeled following the naming conventions identified for that package.

All documents created by the Respondent shall be formatted as follows:

1. Paper size: 8.5 x 11 inch; or 8.5 x 14 inch where appropriate
2. Minimum font size: 11 point (except for footnotes, headers, tables, table titles, table graphics, or footers)
3. Maximum number of pages: as specified for each document in the instructions
4. Ready for printing: all electronic files submitted should be pre-formatted for printing
5. Software: all electronic files submitted should be created (or fully compatible) with the current versions of Microsoft Office 365 or Microsoft Project Software suites or packages. Except for documents that are to be signed, Respondents are encouraged NOT to use PDF files. Respondents shall not submit password protected files.
6. Respondent shall ensure it meets all response requirements described in Sections 3.5.11 – 3.5.14 of the RFO for the Response Packages. In individual responses, do not refer to information elsewhere in the RFO Response or reference website links. Attachments are acceptable and should be clearly marked and referenced. Response requirements must be comprehensive and not merely repeat the requirements of the SOW.

3.5.5 Rejection of Responses

DIR has sole discretionary authority and reserves the right to reject any and all Responses received as a result of this RFO. Responses that do not comply with the mandatory submission requirements may be rejected. In addition, DIR reserves the right to accept or reject, in whole or

in part, any Responses submitted, and to waive minor technicalities when in the best interest of the State.

3.5.6 Right to Amend or Withdraw RFO

DIR reserves the right to alter, amend, or modify any provision of this RFO, or to withdraw this RFO, in whole or in part, at any time prior to the award of a Contract if doing so is in the best interest of the State. DIR reserves the right to re-solicit for like or similar products and Services whenever it determines re-solicitation to be in the best interest of the State.

Any changes or additional information regarding this RFO will be posted as an Addendum on the ESBD, at <http://esbd.cpa.state.tx.us/>. It is the responsibility of Respondents to monitor the website for Addenda. Respondent's failure to periodically check the ESBD will in no way release the Respondent from Addenda or additional information resulting in additional costs to meet the requirements of the RFO.

3.5.7 Pre-agreement Costs

DIR shall not be responsible or liable for any cost incurred by any Respondent in the preparation and submission of its Response to this RFO or for other costs incurred by participating in this procurement process.

3.5.8 Ownership of Responses

All Responses become the property of DIR. DIR reserves the right to use any and all information or materials presented in Response to this RFO. Disqualification of a Respondent's Response does not eliminate this right.

3.5.9 Public Information

DIR is a government agency subject to the Texas Public Information Act. Responses submitted to DIR as a result of this RFO are subject to release as public information. Responses of Successful Respondents will be published on DIR's website after Contracts are executed, and all other Responses are subject to release upon completion of the procurement or if the procurement is terminated. If a Respondent believes that its Response, or parts of its Response, may be exempted from disclosure under Texas law, Respondent must submit both a redacted and unredacted copy of its Response. In the unredacted copy, Respondent must specify page-by-page and line-by-line the parts of the Response that it believes are exempt. Respondent may not mark its complete Response "copyrighted" or mark every page as proprietary or confidential. In addition, the Respondent must specify which exception(s) are applicable and provide detailed reasons substantiating the exception(s). DIR may publish or release the redacted copy of the Response without notice to or consent from Respondent. If a Respondent fails to provide redacted and unredacted copies of its Response, or fails to specifically identify information that Respondent believes to be excepted from disclosure within its Response, then Respondent waives any and all claims against DIR for the release of such information, regardless of whether DIR provided prior notice to Respondent of such release. Pursuant to [Texas Government Code section 2252.907](#), Respondent is required to make any information created,

exchanged with the state pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state.

The Office of the Texas Attorney General (OAG) has the sole authority to determine whether information is confidential and not subject to disclosure under the Public Information Act. DIR shall comply with all decisions of the OAG.

DIR assumes no responsibility for asserting legal arguments on behalf of any Respondent. Respondents are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.

The issuance of this RFO does not imply that DIR is making an offer to do business with any RFO recipient or Respondent. No Agreement or other binding obligation on DIR is implied or will occur unless and until a definitive Agreement is executed. The issuance of this RFO and the submission of the Respondent's Response do not create any obligation upon DIR to purchase goods or Services from the Respondent, or to enter into any binding legal relationship with one (1) or more of the Respondents.

DIR makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFO, its Appendices and Attachments, and in the Data Room. The Respondent is responsible for making its own evaluation of information and data contained in this RFO and in preparing and submitting its Response.

3.5.10 News Release

Respondent-initiated news releases pertaining to this RFO shall not be made without prior written approval of DIR, in its sole and absolute discretion. A minimum of ten (10) Business Days written notice is required for such approval.

3.5.11 Response Organization

For each Response submitted, Respondent shall organize its Response as follows:

1. Response Package 1: Administrative Submission Requirements
2. Response Package 2: Response to Service Requirements
3. Response Package 3: Service Pricing
4. Response Package 4: HUB Subcontracting Plan

Each file within a Response Package should have a title page indicating the title and number of the RFO, name of the Respondent, and the date and version number of the proposal. This information should also be present on the header and/or footer of the proposal Response along with page numbering. Each file within a Response package should have an associated Table of Contents included. Response Package 1: Administrative Submission Requirements

The Respondent must submit the following documents as described in the table and subsections below. Response Package 1 should be labeled "ABC_DIR_RFO_Package 1.zip"

Table 4. Response Package 1 Files

RFO Reference	Maximum Page Count	Form of Response
Transmittal Letter and Executive Summary	5	"ABC_DIR_RFO_Executive_Summary.docx"
Attachment A: Respondent Information Form	No Limit	"ABC_DIR_RFO_Attachment_A.docx"
Qualification Requirements	No Limit	"ABC_DIR_RFO_Qualification_Requirements.docx"
Qualification References	10	"ABC_DIR_RFO_Qualification_References.docx"
Financial Information	No Limit	"ABC_DIR_RFO_Financial_Information.docx"
Addenda to the RFO	No Limit	"ABC_DIR_RFO_Addenda(.docx or .pdf)"
Attachment C: Policy Driven Adoption for Accessibility (PDAA) - Vendor Self-Assessment	No Limit	"ABC_DIR_RFO_PDAA.xlsx"
Attachment D: Voluntary Product Accessibility Template® (VPAT®)	No Limit	"ABC_DIR_RFO_VPAT.docx"
Attachment E: Vendor Accessibility Development Services Information Request (VADSIR)	No Limit	"ABC_DIR_RFO_VADSIR.docx"
Attachment F: Respondent Release of Liability	No Limit	"ABC_DIR_RFO_Release_of_Liability_1.docx" "ABC_DIR_RFO_Release_of_Liability_2.docx" "ABC_DIR_RFO_Release_of_Liability_3.docx" Add additional Attachment F as appropriate per Response

3.5.11.1 Transmittal Letter and Executive Summary

1. Respondent shall submit a transmittal letter on company letterhead, digitally signed by an individual with authority to bind the company in a Contract with DIR. The transmittal letter shall include a statement that the person signing is empowered to Contractually bind the firm, and that the Proposal is valid for three hundred and sixty-five (365) calendar days from the day after the deadline for

submitting Proposals. Any Proposal containing a Term of less than three hundred and sixty-five (365) calendar days for acceptance shall be rejected.

2. The transmittal letter should include an executive summary of the Respondent's Response, including a brief written overview of the Respondent's company and proposed Solution, and key qualifications as to why the Offeror is best qualified to implement and operate the Solution.
 - a. The executive summary shall not exceed five (5) pages in length (excluding title page). No appendices or specific references to additional information will be accepted.
 - b. **The Respondent must not include any pricing information or estimated savings in the Executive Summary.**
3. The Respondent must provide, as a separate Microsoft Word document, a file entitled "ABC_DIR_RFO_Executive_Summary.docx."

3.5.11.2 Attachment A: Respondent Information Form

1. The Respondent shall complete and sign the Certification Statement found in Attachment A: Respondent Information Form of this RFO document. This form must be completed and digitally signed, or the Response may be disqualified as noncompliant.
2. The Respondent must provide, as a separate Microsoft Word document a file entitled "ABC_DIR_RFO_Attachment_A.docx."

3.5.11.3 Respondent Qualifications

1. Respondent must clearly state how its team (**inclusive of prime and/or subcontractor partners**) meets each of the minimum qualifications/requirements set forth in the following [Table 5.](#) Qualification Requirements. Please complete and include in your Response the table below with the Respondent Comment column of the table explaining how the requirements are met, as described below.

Table 5. Qualification Requirements

#	Qualification / Requirement	Respondent Comments
1	Five (5) or more years' experience providing similar Payment Services Solution and Services as stated in Exhibit 1 SOW	<i>Respondent shall explain how the Respondent meets Requirements. Be specific – identify projects and initiatives, with details inclusive of dates. Indicate Respondent's role – prime vs. sub.</i>

#	Qualification / Requirement	Respondent Comments
2	Held a Contract for similar major activities within the last five (5) years with a minimum \$1 billion annually in Payment Services transactions	<i>Respondent shall explain how the Respondent meets Requirements. Be specific – identify projects and initiatives, with details inclusive of dates. Indicate Respondent's role – prime vs. sub.</i>
3	Payment Services Solution is PCI Compliant	<i>Respondent shall explain how the Respondent meets Requirements.</i>

2. The Respondent must complete [Table 5, Qualification Requirements](#), and provide, as a separate Microsoft Word document, a file entitled "ABC_DIR_RFO_Qualification_Requirements.docx."
3. Qualification References

Using [Table 6, Qualification References](#), Respondent shall provide the name, title, contact number and description of Services provided for at least three (3) references for which the Respondent provided Services in [Table 5, Qualification Requirements](#). **Please note: References must have received the same type(s) of Payment Processing Services from Respondent as what Respondent is proposing to provide to DIR.** For each reference provided, Respondent shall provide a signed RFO Attachment F, Respondent Release of Liability.

Table 6. Qualification References

Company or Entity Name and Address	Contract Description (including Contract number, award date, operations start and end dates)	Contact Information
1.		Contact Name: Contact Title: Contact Phone Number: Contact Email:
2.	Respondents may restructure this table provided the specified information is provided in the Response.	Contact Name: Contact Title: Contact Phone Number: Contact Email:
3.		Contact Name: Contact Title: Contact Phone Number: Contact Email:

4. The Respondent must complete [Table 6, Qualification References](#), and provide, as a separate Microsoft Word document, a file entitled "ABC_DIR_RFO_Qualification_References.docx."

3.5.11.4 Financial Information

1. The Respondent must include the following items identified in the subsections below in its Response. Failure to include any of the items listed for the appropriate company type may result in disqualification of the Respondent's Response. If the failure to disclose is not learned until a Contract has been awarded to the Successful Respondent, the Contract may be terminated. In the event of such termination, the Successful Respondent shall be liable for all costs associated with the re-procurement, including any increased costs for the Services originally awarded.
2. The Respondent must provide, as a separate Microsoft Word document, a file entitled "ABC_DIR_RFO_Financial_Information.docx." (A .pdf form is acceptable if it is the only format available).

3.5.11.4.1 Publicly Traded Companies:

1. Respondent Dun and Bradstreet D-U-N-S number;
2. Name of exchange on which common stock is listed (e.g., NYSE, AMEX) and ticker symbol (e.g., XOM);
3. Exact name of the Respondent on title page of the most currently filed SEC forms 10K and 10Q. Fully explain the reason(s) why any reports have not been timely filed within the past three (3) years;
4. For the last three (3) fiscal years most recently ended, audited financial statements prepared in accordance with Generally Acceptable Accounting Practices (GAAP);
5. Debt and commercial paper ratings issued by Moody's Investors Service, Standard & Poor's or Fitch's Investors Service, if applicable;
6. Statement describing all unasserted and asserted legal claims, current status, expected outcomes and/or judgments, and any off-balance sheet liabilities or contingencies;
7. Any official document displaying current proof of authority to conduct business in the State. Examples: State Franchise Tax Certification of Account Status and State Sales Tax Permit, both available from the Texas Comptroller of Public Accounts and the Certification of Fact, which is available from the Secretary of State (SOS Direct), available at: www.sos.state.tx.us .
8. Certificate of Insurance that sets forth limits of liability to include all insurance coverage of the company. If awarded a Contract, the Successful Respondent shall provide a certificate of insurance to protect DIR and its Customers for the coverages and in the amounts as described in Attachment B of the MSA, Insurance and Risk of Loss.

3.5.11.4.2 Privately Owned Companies (C and S corporations, LLCs and similar forms of ownership):

1. Dun and Bradstreet D-U-N-S number for the Respondent;
2. For the last three (3) fiscal years most recently ended, audited financial statements prepared in accordance with GAAP. If audited financial statements are not prepared, un-audited financial statements will suffice as long as Vendor affirms that it is not required to have its financial statements audited and therefore does not currently have audited financial statements to provide in Response to this RFO;
3. Latest two (2) quarters internally prepared financial statements;
4. Debt and commercial paper ratings issued by Moody's Investors Service, Standard & Poor's or Fitch's Investors Service, if applicable;
5. Statement describing all unasserted and asserted legal claims, current status, expected outcomes and/or judgments, and any off-balance sheet liabilities or contingencies;
6. Any official document displaying current proof of authority to conduct business in the State. Examples: State Franchise Tax Certification of Account Status and, State Sales Tax Permit, both available from the Texas Comptroller of Public Accounts and the Certification of Fact, which is available from the Secretary of State. See Section 7.1.9 (Proof of "Good Standing").
7. Certificate of Insurance that sets forth limits of liability to include all insurance coverage of the company. If awarded a Contract, the Respondent shall provide a certificate of insurance to protect DIR and its Customers for the coverages and in the amounts as described in MSA Attachment B Insurance and Risk of Loss.

3.5.11.5 Addenda to the RFO

To acknowledge receipt of all Addenda, the Respondent shall provide a completed and signed version of "page one" of each Addendum.

3.5.11.6 EIR Attachments (Attachment C, Attachment D, Attachment E)

Refer to RFO Section [2.2, Electronic and Information Resources \(EIR\) Accessibility](#), through RFO Section [2.5, PDAA Submission and Self-Assessment Score](#), complete each of the following and include in Response in accordance with [Table 4, Response Package 1 Files](#):

1. Attachment C: Policy Driven Adoption for Accessibility (PDAA) - Vendor Self-Assessment
2. Attachment D: Voluntary Product Accessibility Template® (VPAT®)
3. Attachment E: Vendor Accessibility Development Services Information Request (VADSIR)

3.5.11.7 Attachment F: Respondent Release of Liability

In Response Package 1, per RFO Section 3.5.11.3, Respondent is instructed to provide at least three (3) references for which the Respondent provided Services of the nature described herein. For each reference provided, Respondent shall provide a signed RFO Attachment F: Respondent Release of Liability. All the Respondent's Attachment F forms should be included in Response Package 1. These should be saved individually and labeled as follows:

- "ABC_DIR_RFO_Release_of_Liability_1.docx"
- "ABC_DIR_RFO_Release_of_Liability_2.docx"
- "ABC_DIR_RFO_Release_of_Liability_3.docx"

If the Respondent provides more than three references, number the forms accordingly.

Similarly, in Response Package 2, per RFO Section 3.5.12.5, Respondent is instructed to disclose any terminated contracts. For each company or entity listed, Respondent shall provide a signed RFO Attachment F: Respondent Release of Liability, following the instructions above.

3.5.12 Response Package 2: Response to Service Requirements

3.5.12.1 Response Package 2 Files

The Respondent must submit the following documents as described in the table and subsections below. Response Package 2 should be labeled "ABC_DIR_RFO_Package 2.zip"

Files to be included in Package 2 are summarized in the table below:

Table 7. Response Package 2 Files

RFO Reference	Maximum Page Count	Form of Response
Technical Solution	50	"ABC_DIR_RFO_Technical_Solution.docx"
Transition Approach & Methodology	50	"ABC_DIR_RFO_Transition_Approach.docx"
Transition Project Plan ("MS Project" form)	No Limit	"ABC_DIR_RFO_Transition_Project_Plan.xxx" Please submit in Microsoft Excel or PDF format.
Respondent Experience	10	"ABC_DIR_RFO_Experience.docx"
Terminated Contract Disclosure	No Limit	"ABC_DIR_RFO_Terminated_Contract_Disclosure.docx"
Proposed Account Organization	10	"ABC_DIR_RFO_Proposed_Account_Organization.docx"

RFO Reference	Maximum Page Count	Form of Response
Exceptions	See RFO Section 3.5.12.7, Exceptions to Requirements (including MSA Terms and Conditions)	"ABC_DIR_RFO_Exceptions.docx"
Appendix B	No Limit	"ABC_DIR_RFO_Appendix B.xlsx"

3.5.12.2 Technical Solution

The electronic version shall be in Microsoft Word format and must be entitled "ABC_DIR_RFO_Technical_Solution.docx" and include the sections below (except for Appendix B, which is submitted separately per instructions below).

Respondent must complete Appendix B – Requirements Workbook per instructions provided in Appendix B and include with their Response. This should be submitted as a separate file labeled as follows: "ABC_DIR_RFO_Appendix B.xlsx"

3.5.12.2.1 Solution Overview

1. In their proposal, the Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the requirements defined in this RFO and related exhibits (e.g., Exhibit 1 Statement of Work – Section 2 – Texas.gov Payment Services), as outlined in the Response instructions below.

3.5.12.2.1.1 Payment Processing

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Payment Processing requirements identified in Section 2.1 Payment Processing of Exhibit 1 SOW (e.g., gateway services, payments, card types and digital wallets, ACH payments and returns, deposits, chargebacks, refunds, fees).

3.5.12.2.1.2 Security

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Security requirements identified in Section 2.2 Security of Exhibit 1 SOW. Respondent's proposal must specifically address the following questions:

- a. Describe what information is retained within the Application and how information within the Respondent's Solution is secured, including describing how the Solution handles cardholder data related to both Security and privacy.
- b. Describe the Solution's overall Security Architecture.
- c. Describe the Solution's Security Level Management. For example, describe its role-based access, including data access rights by user roles and permissions.
- d. Describe the Respondent's overall approach to Security Procedures and Protocols and its ability to comply with all Security requirements outlined in Section 8: Cross-Functional Services in Exhibit 1 Statement of Work.
- e. Describe the Respondent's ability to comply with the Texas Risk Authorization Management Program (TX-RAMP) for Cloud computing Services (<https://dir.texas.gov/information-Security/texas-risk-and-authorization-management-program-tx-ramp>). Offeror must comply with TX-RAMP requirements throughout the life of the Contract as applicable.
- f. Respondent's proposal must describe Respondent's overall approach to reducing fraud, including the following:
 - i. Approach and methodology toward mitigating fraud
 - ii. Technology capabilities or tools in use or being proposed to mitigate fraud
 - iii. Any use of AI / ML to identify and disposition potential fraudulent transactions
 - iv. Standard reporting of fraudulent transactions

3.5.12.2.1.3 Risk & Compliance

- 1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Risk & Compliance requirements identified in Section 2.3 Risk & Compliance of Exhibit 1 SOW (e.g., Disaster Recovery, Incident Management & Availability, Regulatory Compliance)
- 2. Describe how Respondent meets PCI compliance requirements

3.5.12.2.1.4 Texas Accounting Integration

There are integrations required as part of this project to support (1) Payment Services, and (2) the STS MSI/SCP Operating Model, as described in Exhibit 1 Statement of Work. As part of its proposal, Respondent shall describe, for both types of integrations, the following:

- 1. Overall integration capabilities and how integrations will be achieved as part of this SOW.
- 2. Identify industry standards for integration that will be followed.

3. Identify any existing Application Programming Interfaces (APIs) that the Respondent already has that can enable integrations with the systems identified in this SOW.
4. Ability to support Texas Accounting Integration requirements identified in Section 2.4 Texas Accounting Integration of Exhibit 1 SOW.
 - a. Proposal must describe Respondent's approach to integrate with USAS through Secure File Transfer
 - b. Proposal must describe Respondent's approach to integrating with DIR Customer Applications to support payment processing

3.5.12.2.1.5 Settlement Processing

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Settlement Processing requirements identified in Section 2.5 Settlement Processing of Exhibit 1 SOW, including specifically addressing at minimum:
 - a. How the Respondent will perform daily collection of all transaction data and deliver it to CPA Treasury via three main files (TP029 File, ACH file, USAS Detail File) for account reconciliation
 - b. How the Respondent will ensure high data quality
 - c. How the Respondent will resolve failed transactions (if they occur)

3.5.12.2.1.6 DIR Customer & Constituent Services

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet DIR Customer and Constituent Services requirements identified in Section 2.6 DIR Customer and Constituent Services of Exhibit 1 SOW, including specifically addressing:
 - a. Proposed Dispute & Resolution Process Support including roles and responsibilities of the Respondent, DIR, and other Parties

3.5.12.2.1.7 DIR Customer Portal

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet DIR Customer Portal requirements identified in Section 2.7 DIR Customer Portal of Exhibit 1, including specifically addressing:
 - a. How the Respondent will support a Customer Portal for Refunds (inclusive of USAS Codes).
 - b. Describe how DIR Customers' data is separated and maintained as separate from other customers' data in the SaaS environment.
 - c. Describe how confidential Agency data will be hosted internally in the SaaS environment.

3.5.12.2.1.8 Reporting

Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Reporting requirements identified in Section 2.8 – Reporting Exhibit 1 Statement of Work, including:

1. Ability to support creation of ad hoc reports.
2. Ability to generate daily USAS batch files.
3. Ability to support the reports identified in Appendix A – Reports.

3.5.12.2.1.9 Data Warehouse

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Data Warehouse requirements identified in Section 2.9 Data Warehouse of Exhibit 1 SOW.
2. Describe how DIR Customers' data is separated and maintained as separate from other customers' data in the SaaS environment.
3. Describe how confidential Agency data will be hosted internally in the SaaS environment.

3.5.12.2.1.10 Hosted Payment Page

1. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the Hosted Payment Page requirements identified in Section 2.10 Hosted Payment Page of Exhibit 1 SOW.

3.5.12.2.1.11 Point of Sale (POS) Device Management

The Incumbent currently provides POS devices to support over the counter payments. Respondent shall provide a description of the technical Solution the Respondent proposes to deploy to meet the POS requirements identified in Section 2.11 Point of Sale Devices, including:

1. Ability to support current POS transaction devices and to Transition POS devices in use at time of implementation.
 - a. If existing POS devices are not compatible with the Respondent's proposed Solution, Respondent must indicate how use of POS devices will be supported (e.g., replacement of POS devices as part of the Project with associated pricing indicated in Attachment 2.1 Pricing, Tab 7 – Transition – Other (specify) with a line item per DIR customer).
2. Approach to accepting transactions through POS devices procured by DIR Customers through other manufacturers (e.g., devices not provided by the Respondent).
3. Approach to procuring, installing, and certifying new POS transaction devices.

4. Respondent's device maintenance and support proposed for this engagement, including approach to periodic hardware refresh.
5. Types of hardware devices proposed for this engagement.
6. Adherence to best practices for:
 - a. PCI Compliance (e.g., Point to Point Encrypted (P2PE) hardware, use of one gateway for online Services to minimize PCI scope and limit reconciliation issues)
 - b. Payment Acceptance (e.g., payment types supported, payment methods supported)
 - c. Integration and Connectivity (e.g., Software integration supported, Software upgrade capability, LTE or Wi-Fi connectivity)
7. Describe whether your Solution provides the following Security capabilities for POS devices:
 - a. EMV-compliant
 - b. Encrypted swipe
 - c. Encrypted key entry
 - d. Electronic signature capture
 - e. Tokenization

3.5.12.2.2 Elective Requirements

1. This section shall contain a description of the elective requirements and features the Respondent proposes to provide, if any. Note: Responses to this section shall not be formally evaluated or scored, and a Respondent shall not have an advantage if it provides a Response to elective requirements, nor shall a Respondent have a disadvantage if no elective requirements are proposed.
 - a. DIR-specified Elective Requirements
 - i. These requirements are identified in Exhibit 1 SOW – Section 2 – Texas.gov Payment Services with an asterisk ("*") for reference:

PMT 1 (g) – Mobile payments made via SMS

PMT 1 (h) – Cryptocurrency Payments

SEC9 - The Solution shall have the ability to provide flexible 3D Secure cardholder verification from Visa, Mastercard, American Express, and Discover
 - ii. Respondent may provide a narrative overview in this section of how it proposes to meet DIR's elective requirements. If a requirement is not available through configuration (e.g., not available "out of the box" and

it would come with an additional price to DIR) then the Respondent must include elective pricing for consideration in Exhibit 2.1 Pricing - Tab 4 - Elective Services, and follow the Response instructions provided in Exhibit 2.1 Pricing accordingly.

- b. Respondent-proposed Elective Features
 - i. Respondent may provide a description of the proposed additional available elective features of its Solution. If a feature is not available through configuration (e.g., not available "out of the box" and it would come with an additional price to DIR) then the Respondent must include elective pricing in Exhibit 2.1 Pricing - Tab 4 - Elective Services, and follow the Response instructions provided in Exhibit 2.1 accordingly.

3.5.12.2.3 Product Roadmap

1. Provide a summary of the Respondent's product roadmap for 2024 – 2028 and identify any key technology investments that the Respondent's organization anticipates making to enhance the relevant products and Service offerings proposed for DIR.

3.5.12.2.4 Technical Architecture

3.5.12.2.4.1 Conceptual Architecture

1. Provide a high-level conceptual design diagram and accompanying narrative that articulates the Respondent's proposal for the technical Solution that is easy to understand. The diagram must provide an overview of the proposed Solution components including but not limited to Software Applications, integration points, data repository(s), and analytics tool(s) that will be deployed to meet the requirements identified in Exhibit 1 Statement of Work.

If appropriate, the diagram can also demonstrate how the Solution will expand and evolve over time to meet the State's needs.

2. This section shall contain a description of the Respondent's plan for supporting the current and future environment and how it will develop and support current technical architecture and standards.

3.5.12.2.4.2 System Architecture

1. Describe the overall system architecture of the proposed Solution. This shall include information about the underlying platform and Software on which the core components are built and supported, and how it will support Security considerations.
2. Describe the benefits of this architecture for the State, as well as any constraints or risks that will need to be addressed to ensure the success of the architectural approach.

3. This section must also include the following information:
 - a. Product Solution and Software Development Tools and Languages
 - b. Database Type and Structure (if applicable)
 - c. Proposed Third Party Software Components (if applicable)
 - d. Proposed Middleware and Frameworks (if applicable)
 - e. Identification of all supported technology platforms (including supported version numbers) using the table structure below.

Table 8. Support Technology Platforms

Technology	Platforms (including version numbers)
Server Operating Systems	<i>Vendor to provide information</i>
Desktop Operating Systems	<i>Vendor to provide information</i>
Databases	<i>Vendor to provide information</i>
Web Browsers	<i>Vendor to provide information</i>
Reporting	<i>Vendor to provide information</i>
Mobile Devices	<i>Vendor to provide information</i>
Mobile Operating Systems	<i>Vendor to provide information</i>

3.5.12.2.5 Hosting

1. Respondents shall describe the hosting Solution proposed. DIR prefers Software-as-a-Service (SaaS).
2. Respondent shall describe their SaaS offering and environment(s), including experience hosting other customers in that environment.

Additional Response requirements are provided in detail below.

3. Describe the method for continuous monitoring and management to optimize performance and system availability.
4. Describe how the Respondent defines and calculates system and support availability.
5. Describe physical and data Security practices for hosted systems and data. If the Respondent intends to propose SaaS, then the Respondent must demonstrate that the Solution clearly meets the National Institute of Standards and Technology

(NIST) standard definition of SaaS (NIST Definition of Cloud Computing SP 800-145).

6. Based on experience, describe Respondent's schedules for regular backup of standard file systems
7. Describe redundancy strategy and restoral procedures, including process to transfer to secondary location and time to restore. Response should provide evidence the System is architected for high availability and automated failover for payment processing and the customer portal (at minimum).
8. Describe communication and escalation procedures related to incident identification and resolution and how the Respondent will comply with the requirements identified for incident management in Section 8: Cross-Functional Services in Exhibit 1 SOW.
9. Describe the approach to application management in areas including, but not limited to, Service package management, application server management, and monitoring and reporting on application processes.
10. Provide information on frequency of upgrades and point releases and the process by which they are tested and rolled out with no, or minimal, disruption to the client.
11. Describe the process for upgrading the system Software (e.g., annual upgrades, etc.).
12. Describe each of Respondent's change management, upgrade, and patch management policies.
13. Describe Respondent's identity management and Help Desk procedures for authenticating callers and resetting access controls, as well as establishing and deleting accounts (if that is part of its Service). Note: Tier 1 support is provided by the MSI (see Section 8: Cross-Functional Services of Exhibit 1 SOW)
14. Describe intrusion detection and prevention capabilities and approaches.
15. Describe procedures for installing Security patches for all applications.
16. Describe how Respondent systematically enforces access controls.
17. Describe how Respondent is able to identify and report on unauthorized releases of Agency data and prevent unauthorized releases of Agency data.
18. Describe how Respondent implements virus protection and ensures all communication between the hosted environment and the Agency is virus free, including files uploaded by customers.
19. Describe the network design, including all protocols, port requirements and transports between the hosted environment and the Agency.
20. If any of the Agency-located clients is not HTTP(S)-based describe the network mechanisms between those clients and the hosted environment.

21. Respondent must provide a procedure for reporting, tracking, fixing, and user acceptance of bug fixes.
22. Describe the configuration management process and how the Respondent will comply with the configuration management requirements identified in Section 8 – Cross-Functional Services of Exhibit 1 SOW.
23. This section must also include the following information:
 - a. The existence of any sandbox environments where users or administrators may experiment with pre-release versions of new Software to ascertain which features may be valuable to share with their users, or to understand what training might be needed;
 - b. Options for choosing when to implement a new version, if there is any choice;
 - c. Security provisions for the data, network, and applications; and
 - d. Disaster recovery (e.g., High Availability and Automated Failover) and network monitoring.

3.5.12.3 Transition (including Integration)

Respondent shall describe its approach and methodology to implement the Payment Services Solution, establish Service operations, migrate DIR Customers to the new Solution, and provide ongoing steady-state Services. Respondent's approach must demonstrate Respondent's experience, expertise, and ability to plan and complete all work required under a Contract arising from this RFO.

Transition is defined in Exhibit 1 Statement of Work.

Respondent shall submit a narrative description of its proposed Transition Plan and initial draft Transition Project Plan (e.g., project schedule) as described in the subsections below.

1. The narrative description addressing the Transition (including Integration) for response requirements in Section 3.5.12.3.1 – 3.5.12.3.8 shall be provided in a Microsoft Word document entitled "ABC_DIR_RFO_Transition_Approach.docx."
2. See Section 3.5.12.3.9 Transition Project Plan regarding the response requirements for the draft Transition Project Plan, which shall be submitted separately in a Microsoft Excel or PDF format.

3.5.12.3.1 Transition Approach & Methodology

Respondent shall describe its approach and methodology for implementing its Payment Services Solution through a phased deployment approach. This section shall include, but is not limited to:

1. A description of Respondent's methodology and plan including, but not limited to:

- a. A narrative description of the Software development life cycle approach that the Respondent will apply to the Project (appropriate to the scope, magnitude, and complexity of the Solution).
 - i. Describe the development methodology and approach (e.g., Iterative Waterfall, Agile, or hybrid), and provide details on each stage of development and their major activities.
 - ii. Document pre-Transition activities that must occur prior to Commencement Date (i.e., date first transactions are processed), how Transition will take place at the Commencement Date and until the Cutover Completion Date, when the Successful Respondent is required to fully migrate all Customers to the Respondent's Solution by 8/31/2025.
- b. Design and Development Approach - The Respondent must define their approach and methodology to System design and development to accomplish the required activities and objectives outlined in Exhibit 1 Statement of Work. This information must include the Respondent's approach to meeting the following activities.
 - i. Review of current-state artifacts, such as existing forms, screens, and reports to ensure accurate inputs and outputs are accounted for in the design of the Solution.
 - ii. Approach to conducting joint application design sessions with DIR and other stakeholders, any prototyping that will occur, and how stakeholders will be exposed early on and throughout the design / development process to how the System will look and function.
 - iii. Approach to documenting conceptual design-level requirements. If the Respondent intends to propose an Agile approach or similar implementation methodology that does not rely on formal design documentation, Respondent should provide examples of how design requirements are managed (e.g., user stories or backlog).
 - iv. Approach to validating and finalizing design specifications as a prerequisite to the Design & Development Phase, or if proposing an Agile approach or similar, describe how the design/prototyping/sprint process shall work.
- c. Development & Configuration Approach
 - i. Describe any development approaches and tools used to script, code, or otherwise "develop" the Solution (outside of configuration) that may be necessary to meet the Agency's requirements.
 - ii. Describe approach to customization for any major components of the Solution that require customization of the proposed base product.

- iii. Identify any major required components of the proposed Solution that are not currently part of the base product (e.g., on the product roadmap) and how the Respondent will ensure that functionality is available for DIR within the required timeframe of implementation.
- d. Testing Approach - The Respondent shall describe their approach and ability to test and validate the functionality of the implemented Solution against the documented requirements and use cases. This section should address proposed approach for:
 - i. Unit Testing
 - ii. System Testing
 - iii. Performance and Reliability Testing (including stress testing)
 - iv. Functional and User Acceptance Testing
 - v. Regression Testing
 - vi. Data Conversion Testing (including testing converted data as part of system testing and UAT)
 - vii. Integration Testing (with both CPA tools / systems and MSI tools / systems)
 - viii. Developing Test Plans and Test Scripts (including approach to test script development and requirements traceability to ensure end-to-end and comprehensive testing of entire Solution prior to Go Live)
 - ix. Issue Management and Resolution (to include Respondent definition of a "defect" and an "enhancement")
 - x. The Respondent shall also describe the entrance and exit criteria for each test phase (e.g., Development/Unit Test, System Test, UAT, Performance Test, etc.).
 - xi. Describe the role(s) Respondent expects the Agency or other stakeholders to perform during each test phase. In this description, Respondents should clearly identify the activities the Agency or other stakeholders will be responsible for performing and avoid generic Terms, such as "jointly" and "collaborate."
- e. Training & Organizational Change Management (OCM)
 - i. Respondent should identify the types of training proposed, such as Initial Product Training, End User Training and Train the Trainer Training, and/or Operational & Process Training
 - ii. Respondent should also describe the types of documentation that the Respondent has that can be leveraged for training and knowledge transfer activities. Pricing should be inclusive of the development of training documentation customized to the Agency's needs.

- iii. For pricing purposes, Respondent should assume that it will be responsible for direct training of all appropriate MSI staff, other SCP staff, CPA & Treasury, DIR, and DIR Customers end users. This can be accomplished through mass virtual training sessions and/or other proposed forums. MSI also supports various training aspects.
- iv. Respondent should describe any constraints and risks that can be a barrier to the success of the training effort, along with the actions that can be taken to address these constraints and risks.
- v. Respondent shall provide an overview of their OCM philosophy for Payment Services
- vi. Respondent shall provide an overview of recommended OCM activities for a project of this nature based on lessons learned from previous experience, specifying whether they are to be conducted by the Respondent or DIR.
- vii. Respondent shall identify any OCM Services included in their proposal.
- viii. Respondent shall provide an overview of how they will support Organizational Change Management activities conducted by the DIR.
- ix. Knowledge Transfer approach to meeting Exhibit 1 – SOW requirements, and associated activities and timing / milestones

3.5.12.3.2 Transition Services

Respondent shall describe its approach for the following:

1. Solution and Service Integration - Respondent shall describe how it will work through the Transition of functions into the MSI operating model to ensure no disruption in Service for DIR and DIR Customers and Constituents. Respondent shall include a listing of integration points expected with MSI tools and processes in order to identify SCP Transition scope of work, including but not limited to, integration with the MSI's IT Financial Management system (ITFM).
2. Service Management Operations – Respondent shall describe how the current Service Management Manual and program management plans (e.g., Service Desk, Constituent Help Desk, Incident, Major Incident Management, etc.) will be Transitioned to the new environment.
3. Policies and Procedures – Respondent shall describe how it will Transition the current Service Management Manual to the proposed SMM content. Respondent shall provide recommendations for phased implementation and identify the timing to complete the sections of the SMM. Respondent shall include a description of how technical runbooks and Technical Recovery Guides will be updated to current requirements and as changes are made to the environment.

4. Service Management Systems – Respondent shall describe how it will conform to the requirements set forth in Attachment 1.4 Service Management Manual (SMM) Content and Organization. Include Respondent's expectations for what systems will be in place at the Commencement Date and what systems or changes will be put in place subsequently.
5. CMDB – Respondent shall describe its approach to updating and maintaining datasets within the MSI's Configuration Management Database (CMDB), including how Respondent proposes to ensure accuracy of data across Service Management areas to ensure accurate and timely invoicing and chargeback to DIR and DIR Customers.
6. Customer Migrations – Approach for ensuring successful and timely customer migrations while minimizing any disruption of Service.
7. Post Cutover Completion Transition Activities – Respondent should describe any functionality and Services that will be provided post-Cutover Completion.

3.5.12.3.3 Transition Timeline

1. Respondent shall describe the overall timeline from the Effective Date through Transition completion (e.g., Cutover Completion) and establishment of predictable, repeatable Service delivery results that meet the requirements of the RFO.
 - a. Respondent shall provide a narrative description of the overall proposed timeline, with key start dates and end dates for major project milestones that corresponds to the draft Transition Project Plan submitted as described in Section 3.5.12.3.9.
 - b. The schedule should include a description of the critical milestones related to Transition efforts. Any critical milestones identified should be included in the Transition Project Plan.
 - c. Timeline should include Transition (e.g., Implementation & Migration) activities necessary to configure and implement the Respondent's Payment Services Solution, as well as integrate into the STS tools and systems, validate Operational Readiness for Commencement, and complete Customer migration activities and timeline to ensure all customers are migrated no later than 8/31/2025.
 - d. Include sufficient detail to give DIR an understanding of how the Respondent's knowledge and approach will:
 - i. Manage the Project;
 - ii. Guide Project execution;
 - iii. Document planning assumptions and decisions;
 - iv. Work with MSI to integrate into MSI's systems as appropriate;
 - v. Facilitate communication among stakeholders;

- vi. Staffing Plan and time commitment;
 - vii. Define key management review as to content, scope, and schedule; and
 - viii. Provide a baseline for progress measurement and Project control.
2. Respondent shall describe its ability to meet DIR's preferred timetable for the Transition to the new Payment Services Solution and model, as described below. If alternative dates are proposed, provide alternative dates with explanation:
 - a. Anticipated Contract Award: March 2024
 - b. Transition Implementation: Date of Award through August 31, 2025
 - c. Begin migrating transactions: Respondent to propose
 - d. Complete migration: No later than August 31, 2025
 - i. The current Contract for Payment Services ends August 31, 2025. This is a key constraint on this engagement, as all DIR Customers must Transition to the new Payment Services model and Solution no later than this date. Respondent shall describe its ability to meet this constraint.
 - ii. The date proposed for the Acceptance of the first payment will be considered the Commencement of Services date in which the Successful Respondent will begin processing transactions and providing operational Services.
3. If the Respondent chooses to use Subcontractors, this part of the Respondent's Proposal must describe its approach to using and managing its Subcontractors (should any be used) effectively.
4. The Respondent must also address the following:
 - a. Performance measurement baselines for technical scope and schedule;
 - b. Major milestones and target date(s) for each milestone that are consistent with this RFO's dates;
 - c. Description of the Respondent's proposed organization(s) and management structure responsible for fulfilling the Contract's requirements and delivering the Work, in Terms of oversight and control;
 - d. Definition of the review processes and reviewers (e.g., MSI, SCP, or DIR Customer as applicable) for each milestone and Deliverable (e.g., mandatory design review) and a description of how the parties will conduct communication and status review;
 - e. Description of the Project issue resolution process including an escalation plan, where the escalation plan includes contact information for each person identified in the proposed problem reporting and escalation procedure and

describes the amount of time elapsed before a problem is escalated within their organization;

- f. Description, plan, and schedule of how the Respondent plans to ensure consistent, regular communications with DIR regarding the status of the Transition activities;
- g. Description of how Respondent plans to ensure Project Management best practices are to be utilized and followed for the Transition, across one or more assigned Project Managers and any additional Project Management Office support staff;

3.5.12.3.4 Transition Assistance Support

Respondent shall describe the support it will require from DIR, the Incumbent, and other SCPs to prepare for and execute a smooth Transition, including the following:

- 1. Personnel Support – Respondent shall describe the personnel and organizational support required from the Incumbent and other SCPs that is critical to planning, preparation, and turnover of Services.
- 2. Critical Information – Respondent shall describe critical information needed from the Incumbent as part of Transition planning, Solution development, Transition readiness assessment, and work turnover, including pre-Commencement knowledge transfer activities.
- 3. Contingency Plans – Respondent shall describe areas for which contingency plans will be developed including under what conditions and in what time frame they would be invoked to address inadequate information or support from the Incumbent.
- 4. Technology Support – Respondent shall describe the technology assistance required from the Incumbent and other SCPs to support in the Transition of toolsets.

3.5.12.3.5 Risks & Critical Success Factors

- 1. Respondent shall describe the three (3) to five (5) key characteristics, conditions, or variables it believes will have a direct and critical impact on the effectiveness, efficiency, and viability of its proposed Solution.
- 2. Identify key Transition (Implementation and Migration) risks and risk mitigation strategies based on prior Respondent experiences.
- 3. The Respondent shall describe its approach to mitigating risks and ensuring these critical factors are successful.

3.5.12.3.6 Additional Information

Respondent may use this section to provide any additional Transition information that may not fit in the other sections that it believes will help the DIR understand its Solution, implementation, and/or Transition approach. Note: This section is not scored or evaluated.

3.5.12.3.7 People, Skills, and Training

Respondent shall describe its overall approach to acquiring and retaining the necessary resources and skills to implement new Services including Transitioning the Services from the Incumbent.

3.5.12.3.8 Assumptions

Respondent shall describe any key assumptions that have been factored into Respondent's plans for implementation & Transition activities that have not been mentioned in other sections.

3.5.12.3.9 Transition Project Plan

1. Respondent must demonstrate a thorough understanding of the nature of the work and Successful Respondent responsibilities. To this end, the Respondent shall submit a Transition Project Plan in Microsoft Project format as part of its proposal with the overall proposed timeline, with key start dates and end dates for major project milestones, that correspond to the Transition Timeline described above in the previous section. The draft Transition Project Plan must include the following:
 - a. Work breakdown structure;
 - b. High-level Project schedule for all Project Deliverables and milestones, defined by Transition Phase 1 and Transition Phase 2;
 - c. Who is assigned responsibility for each Deliverable within the work breakdown structure to the level at which control will be exercised;
2. The file, (which should include timing and milestones) must be in Microsoft Excel or a PDF format and entitled "ABC_DIR_RFO_Transition_Project_Plan."

3.5.12.4 Respondent Experience

3.5.12.4.1 Company Overview

1. Provide a brief overview of your company, describing the history, size, mission, primary line of business, how it is organized, and how its available products and resources will be used to meet this RFO's requirements.
2. Complete the following table to provide an overview of the Respondent's organization. If Respondent will be using multiple vendors to provide any system/Service component items, Respondent must complete the following table for each vendor that will be actively participating in the project. Duplicate the table as needed.

Table 9. Organization Overview

Information Requested	Response
Company Name	
Address	
Telephone Number	
Website Address	
Parent Company	
Subsidiaries or Affiliated Companies	
Date Company Founded	
Number of years Company has been providing the Product or Service specified in this RFO	
Company Ownership Structure (e.g., <i>public, private, joint venture</i>)	
Stock Exchange and Symbol (<i>if publicly traded</i>)	
Locations in the U.S., and total number of staff in each location	

3.5.12.4.2 Respondent Experience

1. In no more than ten (10) pages, describe the Respondent's overall experience providing similar Payment Services as detailed in the RFO. This section must include the following information.
 - a. A brief summary of the Respondent's experience providing Payment Services, including the total number of years providing Payment Services.
 - b. Elaborate on experience holding a contract(s) for similar major Payment Services activities within the last five (5) years with a minimum \$1 billion annually in Payment Services transactions.
 - c. The extent to which the Respondent works with the public sector, including total number of years of experience serving the public sector and the general size of similar projects to Texas.gov Payment Services.
 - d. Identification of the Respondent's significant differentiators – how does your company stand out from the competition.
2. Using Table 10: Business Experience Template below, Respondent shall provide information regarding its past relevant experience.
 - a. Respondent shall duplicate Table 10 as necessary to provide all required experience.
 - i. Respondents may provide additional projects as desired in order to show all relevant experience requested in Table 10.

- ii. Respondents will need to identify each project referenced.
- iii. Table 10 will *not* be counted in the ten (10) page limit stated above.
- iv. Respondent shall use projects reflecting the markets in which it typically works (i.e., state agency, federal government, education, local governments, commercial, etc.). Respondent shall describe and/or demonstrate how the experience supports Respondent qualifications described in this RFO.
- v. Respondent shall respond to each element in the corresponding description column. Respondent may use the comments column to indicate if a listed element/role was not within scope of the project.

Table 10. Business Experience Template

Business Experience (Describe in detail for each element):	Description	Comment
Project Information: Respondent shall provide: <ul style="list-style-type: none"> 1. Client Name and Title 2. Contact Name 3. Contact Phone Number 4. Contact Email 5. Project Name and Scope 6. Project Schedule (start date and end date – mm/yyyy)) 		
7. Describe the client business need and project's overall background		
8. Describe the technical Solution provided by the Respondent		
9. Describe the Respondent's role (prime vs. sub)		
10. Describe the daily and annual number of payment processing transactions and transaction value (e.g., total amount)		
11. Describe the benefits achieved as part of the project		
12. Describe the lessons learned during the project including examples of both positive and negative experiences and how those impacted implementation and delivery of the Services.		

Business Experience (Describe in detail for each element):	Description	Comment
13. Indicate if the project involved integration with an accounting system and the nature of that integration		
14. Describe its role and method of interaction with other vendors regarding major incident management and any similarities to the Governance Model of the DIR STS Program		
15. Describe the Respondent's pricing model for the Solution		
16. Describe deployment type (e.g., on-premises, SaaS, etc.)		
17. Describe if it was a new implementation or a Transition project. If Transition, describe how Respondent executed the Transition.		
18. Respondent shall describe its experience in complying with PCI requirements for the project.		
19. Respondent shall describe its experience in following ITIL processes for the project (if applicable).		
20. Respondent shall describe its experience(s) providing Services within an environment supported by a Multi-sourcing Services Integrator (MSI) or similar Governance Model as the TX DIR STS program (if applicable).		

Respondent must provide a completed Table(s) as one (1) Microsoft Word document entitled, "ABC_DIR_RFO_Experience.docx."

3.5.12.5 Terminated Contract Disclosure

Using [Table 11, Terminated Contract Disclosure](#), Respondent shall provide the name, title, contact number and description of Services provided for any contract that was prematurely terminated in the past five (5) years for contracts valued at over a million dollars per year.

Respondent shall include details on the reason for the termination and the Respondent's position relevant to the termination, including the final resolution of the contract termination. For each company or entity listed, Respondent shall provide a signed RFO Attachment F: Respondent Release of Liability. Respondent shall add additional rows to [Table 11, Terminated Contract Disclosure](#) as necessary to provide all terminated contracts within the required time frame.

Table 11. Terminated Contract Disclosure

Company or Entity Name and Address	Contract Description (including Contract award date, operations start and end dates)	Reason for Termination	Contact Information
1.			Contact Name: Contact Title: Contact Phone Number: Contact email:
2.			Contact Name: Contact Title: Contact Phone Number: Contact email:
3.			Contact Name: Contact Title: Contact Phone Number: Contact email:

Respondent shall provide contact information for individuals able to address questions concerning the termination. The information disclosed, or the failure to fully disclose terminated contracts as required, may result in disqualification or additional required Terms and conditions. If the failure to disclose is not learned until a Contract has been awarded to the Successful Respondent, the Contract may be terminated. In the event of such termination, the Successful Respondent shall be liable for all costs associated with the re-procurement, including any increased costs for the Services originally awarded.

If there are no terminated contracts, the Respondent shall affirm such in this section.

Completed [Table 11, Terminated Contract Disclosure](#), shall be included in a Microsoft Word document entitled, "ABC_DIR_RFO_Terminated_Contract_Disclosure.docx."

Per instructions in Section 3.5.12.5, Respondent must provide a completed Attachment F for each terminated contract disclosure.

3.5.12.6 Proposed Account Organization

Respondent must provide this information required in this section as a separate Microsoft Word document entitled "ABC_DIR_RFO_Proposed_Account_Organization.docx."

1. Respondent shall provide its proposed organization chart for Texas.gov Payment Services, indicating Key Personnel positions, key Project team positions, and describe the roles and responsibilities of those positions.
 - a. The organization chart shall clearly delineate lines of authority and responsibility for all Service areas, and the benefits of such organization.
 - b. Key Personnel - As described in Section 5: Key Service Personnel in Exhibit 1 Statement of Work, Texas.gov Payment Services Key Personnel shall include, but not be limited to:
 - i. Account Director
 - ii. Technical Director
 - iii. Transition Director
 - iv. Security & Fraud Threat Intelligence Director
 - v. Payment Processing Director
 - vi. Other, as the Respondent deems key to the fulfillment of its Contract obligations
 - vii. See Section 5: Successful Respondent Key Personnel of Exhibit 1 Statement of Work for additional information regarding expectations for Key Personnel
 - viii. Upon Contract award, the Successful Respondent shall submit a completed Attachment 1.5 Successful Respondent Key Personnel to DIR
 - c. Key Project Team – Identify the personnel required to design, develop, and implement the Solution, and demonstrate that they possess the relevant background and experience to undertake this effort, including the roles defined below at minimum:
 - i. Project Manager – Responsible for leading the Project team, will be the primary interface with the Agency project manager, and is responsible for day-to-day management of the Project, including overall performance and Contract compliance.
 - ii. Solution Architect — Responsible for ensuring the Solution integrates with all applicable Applications (Software Vendor modules as well as required third-party or legacy components), that overall Security and data architectures are following best practices, and that technical performance is stable and scalable.
 - iii. Technical Lead — Responsible for technical aspects of the implementation and system architecture development, and to provide direct access to product release or development issues and opportunities.

- iv. Functional Lead – Responsible for managing all functional aspects of the implementation such as the analysis, design, configuration, and associated testing activities.

2. Respondent must include in its Response the resumes and qualifications of all proposed Key project personnel, including their specific experience working on related projects.
 - a. Resumes should specifically detail experience working on projects and Services of similar scale and complexity as the Services sought through this RFO, including work on projects used as references.
 - b. Resumes shall not be more than three (3) pages in length, and resumes shall not count against the ten (10) page maximum limit for Vendor Experience.
3. The Response must include actual names of personnel initially assigned to the project and their resumes, not simply generic resumes with the types of skills sought. Should the proposed personnel become unavailable at the time of the Effective Date, the Successful Respondent shall follow the requirements described in Exhibit 1 SOW Section 5: Successful Respondent Personnel to replace personnel.
 - a. The Respondent must provide these resumes as attached pages at the end of the "Proposed Account Organization" document.
 - b. NOTE: Consistent with Section 5 of Exhibit 1 Statement of Work, Key Personnel proposed by Successful Respondent shall be committed to remain in their designated role for no less than twenty-four (24) months post Commencement.
 - i. Respondent shall describe its overall approach to acquiring and retaining the necessary resources and skills to implement new Services including Transitioning the Services from the Incumbent.

3.5.12.6.1 Subcontractors

1. The role of Subcontractors on this Contract must also be described in the proposed organization. Respondent shall complete Table 12: Subcontractors to provide a list of the subcontractors who will provide goods or Services under the Contract.
2. Respondent must also include resumes as described in the section above.

Table 12. Subcontractors

Name of Subcontractor (Company/Individual)	Subcontractor Scope of Work	Location where Subcontractor will Perform Work	Anticipated Duration of Subcontracting Engagement

3.5.12.7 Exceptions to Requirements (including MSA Terms and Conditions)

The Contract(s) resulting from this solicitation fall under the MSI organization. DIR strives to maintain standardized Terms and conditions among all SCPs. As such, Respondents are strongly discouraged from taking exceptions to the standard Terms and conditions residing in the MSA. Any exceptions taken to the standard Terms and conditions may result in a Respondent's proposal not being down-selected for negotiations.

The final Terms and conditions of any Contract awarded as a result of this RFO shall be agreed upon during negotiation. However, the minimum standard Terms and conditions that will be included in any awarded Contract are contained in the Master Services Agreement (MSA) included in the RFO documents.

This section contains the format for Respondents to note any exception to any standard provision, Term, or condition specified in the RFO. An explanation as to why the Respondent cannot comply with the provision, Term, or condition and why the proposed alternative language must be included in the Response. Examples of nonresponsive explanations include:

1. Referencing negotiation of revised language in another DIR or other state agency Contract;
2. Referring to an internal division's need for the revised language without a valid reason as to why the exception is necessary;
3. Indicating the proposed language is "negotiable;" and
4. Referencing an internal Respondent Terms and conditions document.

Exceptions must include:

1. RFO document title (RFO, MSA, Exhibit, Attachment, etc.) section number and section title;
2. Explanation as to why Respondent cannot comply with the Term or condition; and
3. Proposed alternate language (redline).

If Respondent fails to note any exception within its Response, Respondent will not be allowed to request an exception upon award or at some later date.

The column labeled "Location/Specific Section Reference" should be used to identify the specific RFO document and the location(s) (section number or other identifiable reference) within the RFO documents that the language addresses.

The Respondent must provide, as a separate Microsoft Word document, a file entitled "ABC_DIR_RFO_Exceptions.docx."

Respondents are encouraged not to request exceptions to standard Contract Terms and conditions; DIR, in its sole discretion, may or may not accept the Respondent's requested exceptions.

Prior to the final award of a Contract, DIR reserves the right to make changes to the Master Services Agreement. Should this occur, any Respondent selected for negotiations will be notified.

If there are no exceptions, the Respondent shall explicitly state the Respondent takes no exception to any part of this RFO. Any exception may result in the Contract not being awarded to the Respondent.

Table 13. Exceptions

Location/Specific Section Reference	Objection/Issue	Proposed Alternative Language (redline)

3.5.13 Response Package 3: Service Pricing

Respondent shall follow the instructions in Exhibit 2 Financial Provisions and Pricing, and Exhibit 2 attachments, to provide its pricing Response. Respondent shall not alter the format of the pricing templates of any of the Exhibit 2 documents or associated attachments. Should the Respondent want to take exception to Exhibit 1 and/or any of its attachments, Respondent should do so per instructions in Section 3.5.12.7 Exceptions to Requirements.

The Respondent must submit the following document as described in the table below. Response Package 3 should be labeled "ABC_DIR_RFO_Package 3.zip"

Table 14. Response Package 3 Files

RFO Reference	Maximum Page Count	Form of Response
Attachment 2.1 Pricing	No Limit	"ABC_DIR_RFO_Att_2.1_Pricing.xlsx"

3.5.14 Response Package 4: Completed HUB Subcontracting Plan

Respondent shall utilize RFO Attachment B HUB Subcontracting Plan to submit the Respondent's HUB Subcontracting Plan.

The Respondent must submit the following document as described in the table and subsections below. Response Package 4 should be labeled "ABC_DIR_RFO_Package 4.zip"

Table 15. Response Package 4 Files

RFO Document/Section	Maximum Page Count	Form of Response
Attachment B HUB Subcontracting Plan (Completed)	No Limit	"ABC_DIR_RFO_HUB SubContracting_Plan.pdf"

3.5.14.1 HUB Purpose

The purpose of the Historically Underutilized Business (HUB) Program is to promote full and equal business opportunities for all businesses in State Contracting in accordance with the goals specified in the State of Texas Disparity Study. Each state agency must make a good faith effort to meet or exceed the goals identified below and assist HUBs in receiving a portion of the total Contract value of all Contracts that the agency expects to award in a fiscal year in accordance with the following procurement goals/percentages:

1. 11.2% for heavy construction other than building Contracts;
2. 21.1% for all building construction, including general Contractors and operative builders' Contracts;
3. 32.9% for all special trade construction Contracts;
4. 23.7% for professional Services Contracts;
5. 26.0% for all other Services Contracts;
6. 21.1% for commodities Contracts.

It is the policy of DIR to make a good faith effort to achieve the annual program goals by Contracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the [Texas Government Code, Chapter 2161, Subchapter F](#), and HUB Rules promulgated by the [Texas Comptroller of Public Accounts \(TCPA\), 34 TAC, Chapter 20](#).

HUBs are strongly urged to respond to this RFO. Under Texas law, state agencies are required to make a good faith effort to assist HUBs in receiving certain percentages of the total value of Contract awards. Respondents who meet the qualifications are strongly encouraged to apply for certification as HUBs.

3.5.14.2 HUB Subcontracting Plan

DIR has determined that subcontracting is probable under any Contract awarded as a result of this RFO. The HUB Goal for this RFO is 26%.

ALL RESPONDENTS TO THIS RFO, INCLUDING THOSE THAT ARE HUB-CERTIFIED OR THOSE WHO DO NOT PLAN TO SUBCONTRACT, MUST COMPLETE A HUB SUBCONTRACTING PLAN (HSP) IN ACCORDANCE WITH THE STATE'S POLICY ON UTILIZATION OF HUBs. THE HSP MUST BE INCLUDED AS PART OF THE RESPONSE TO THIS RFO. FAILURE TO COMPLETE THE HSP AS INSTRUCTED MAY RESULT IN DISQUALIFICATION OF THE RESPONSE FROM CONSIDERATION.

The State's Policy on Utilization of Historically Underutilized Businesses and HSP forms are attached to this RFO as Attachment B. Please review the HSP forms carefully and allow sufficient time to identify and contact HUBs and allow them to respond. Respondents must demonstrate a good faith effort to Contract with new HUBs if currently proposed HUBs have performed as subcontractors to the Respondent for more than five (5) years. If the Respondent does not plan to subcontract, Respondent must state that fact in its plan. An original, signed paper copy of the HSP must be submitted in an envelope that is separate from the rest of the Response. The completed plan shall become a part of the Contract that may be awarded as a result of this RFO.

3.5.14.2.1 HUB Continuing Performance

Any Contracts awarded as a result of this RFO shall include reporting responsibilities related to HUB subcontracting. The Successful Respondent may not change any subcontractor without submitting a revised HUB Subcontracting Plan (HSP). Any change to a subcontractor and revised HSP must be approved in writing by DIR prior to implementation.

3.5.14.2.2 HUB Resources Available

A list of certified HUBs is available on the Texas Comptroller of Public Accounts (TCPA) website at: <https://mycpa.cpa.state.tx.us/tppasscmlsearch/index.jsp>. For additional information, contact the TCPA's HUB program office at Texas4hubs@cpa.state.tx.us. If Respondents know of any businesses that may qualify for certification as a HUB, they should encourage those businesses to contact the TCPA HUB program office.

4.0 Evaluations, Negotiations, and Award

4.1 Evaluation of Responses

DIR will review Responses to determine responsiveness to this RFO. All determinations about responsiveness to this RFO are final. All Responses determined to be responsive will go through a financial review overseen by the Chief Financial Officer's (CFO's) office. The financial review (here, a review of the financial solvency of the Respondent) and Completed HUB Subcontracting Plan is a pass/fail determination that is final. Only Responses that pass will be considered for award.

At any time during the evaluation process, DIR may ask any or all Respondents to elaborate on or clarify specific points or portions of their Response. DIR's request and Respondent's Response shall be in writing.

4.2 Evaluation Criteria

4.2.1 Pass/Fail Criteria

In addition to the weighted criteria listed below, DIR also reviews additional Pass/Fail criteria as follows:

1. Failure to demonstrate compliance with minimum qualifications identified in RFO Section 3.5.11.3.
2. DUNS Number and report is a Pass/Fail review conducted by the Finance Group (Response Package 1, Section 3.5.11.4);
3. Completion and signing of HUB Subcontracting Plan (Attachment B); and
4. Compliance with applicable provisions of §§2155.074, 2155.075, 2156.007, 2157.003, and 2157.125, Gov't Code. Respondents may fail this selection criterion for any of the following conditions:
 - a. A score of less than C or Legacy Unsatisfactory in the Vendor Performance System. The Vendor Performance Report Search webpage is: www.txsmartbuy.com/vpts;
 - b. Currently under a Corrective Action Plan through the TCPA for having repeated negative Vendor Performance Reports; or
 - c. Having purchase orders that have been terminated in the previous twelve (12) months for non-performance (including but not limited to late delivery, etc.).
5. Compliance with [Texas Government Code 2054, subchapter M, TAC 206, TAC 213](#), and WC3 WCAG 2.0 AA technical standards, as applicable. Respondents may fail this selection criterion for any of the following reasons:
 - a. Missing or incomplete Accessibility Conformance Reports (ACRs) for products listed on the itemized price sheet;
 - b. Missing or incomplete VADSIR for proposed development services on the itemized price sheet or;
 - c. Missing or blank PDAA self-assessment.

4.2.2 Evaluation Criteria

DIR will use the following criteria (listed in order of priority) to determine the best value for the state:

Evaluation Criteria	Percentage
Technical Solution	30
Transition (including Integration)	30
Pricing	25
Experience, Qualifications, and Past Performance	15
Total:	100

4.2.2.1 Score for Technical Solution

Each portion of a Response's Technical Solution (RFO Section 3.5.12.2) that responds to one or more RFO requirements will be assigned a score. Scores for each portion of a Response's Technical Solution will be weighted in the following descending order of corresponding RFP sections:

1. RFO Section 3.5.12.2 Technical Solution
 - a. Scored Equally:
 - i. RFO Section 3.5.12.2.1.1 Payment Processing & Tab A. Payment Processing in Appendix B (Scored Together)
 - ii. RFO Section 3.5.12.2.1.2 Security & Tab B. Security in Appendix B (Scored Together)
 - iii. RFO Section 3.5.12.2.1.4 Texas Accounting Integrations & Tab D. TX Accounting Integrations in Appendix B (Scored Together)
 - iv. RFO Section 3.5.12.2.1.5 Settlement Processing & Tab E. Settlement Processing in Appendix B (Scored Together)
 - v. RFO Section 3.5.12.2.1.7 DIR Customer Portal & Tab G. DIR Customer Portal (Scored Together)
 - b. RFO Section 3.5.12.2.1.3 Risk & Compliance & Tab C. Risk and Compliance in Appendix B (Scored Together)
 - c. Scored Equally:
 - i. RFO Section 3.5.12.2.1.6 DIR Customer & Constituent Services & Tab F. DIR Cust & Constituent Svs (Scored Together)
 - ii. RFO Section 3.5.12.2.1.8 Reporting & Tab H. Reporting in Appendix B (Scored Together)
 - iii. RFO Section 3.5.12.2.1.9 Data Warehouse and Tab I. Data Warehouse in Appendix B (Scored Together)
 - iv. RFO Section 3.5.12.2.1.10 Hosted Payment Page & Tab J. Hosted Payment Page in Appendix B (Scored Together)
 - v. RFO Section 3.5.12.2.1.11 Point of Sale (POS) Device Management & Tab K. Point of Sale Devices in Appendix B (Scored Together)
 - vi. RFO Section 3.5.12.2.3 Product Roadmap
 - vii. RFO Section 3.5.12.2.4 Technical Architecture (Conceptual Arch. + System Arch)
 - viii. RFO Section 3.5.12.2.5 Hosting

4.2.2.2 Score for Transition (including Integration)

Each portion of a Response's Transition (including Integration) (RFO Section 3.5.12.3) that responds to one or more RFO requirements will be assigned a score. Scores for each portion of a Response's Transition (including Integration) will be weighted in the following descending order of corresponding RFP sections:

1. Scored Together:
 - a. RFO Section 3.5.12.3.1 Transition Approach & Methodology
 - b. RFO Section 3.5.12.3.2 Transition Services
2. Scored Together:
 - a. RFO Section 3.5.12.3.3 Transition Timeline
 - b. RFO Section 3.5.12.3.9 Transition Project Plan
3. Scored Together
 - a. RFO Section 3.5.12.3.4 Transition Assistance Support
 - b. RFO Section 3.5.12.3.5 Risks & Critical Success Factors
 - c. RFO Section 3.5.12.3.7 People, Skills, & Training

4.2.2.3 Score for Pricing

Each portion of a Response's Pricing (RFO Section 3.5.13) that responds to one or more RFO requirements will be assigned a score. Scores for each portion of a Response's Pricing will be weighted in the following descending order of corresponding RFP sections:

1. Exhibit 2.1 Pricing

4.2.2.4 Score for Experience, Qualifications, and Past Performance

Each portion of a Response's Experience (RFO Section 3.5.12.4) that responds to one or more RFP requirements will be assigned a score. Scores for each portion of a Response's Experience will be weighted in the following descending order of corresponding RFP sections:

1. Scored Together
 - a. RFO Section 3.5.12.6 Proposed Account Organization
 - b. RFO Section 3.5.12.6.1 Subcontractors
2. Scored Together
 - a. RFO Section 3.5.12.4.1 Company Overview
 - b. RFO Section 3.5.12.4.2 Respondent Experience
3. RFO Section 3.5.11.3 – Table 6 Qualification References

DIR's evaluation of Respondent's history and experience may include consideration of Respondent performance as recorded in the TCPA Vendor Performance Tracking System as described in the [Texas Administrative Code, 34 TAC 20.115](#).

4.3 Discussion and Integration Sessions

The State in its discretion may hold a series of discussion sessions with Respondents to ensure complete and accurate understanding of requirements and Responses to this RFO.

The State in its discretion may also hold a series of integration sessions between select Respondent(s), the MSI and other DIR SCPs, to align the Solutions. To facilitate the sessions, the State may distribute Respondent Technical Solutions to the MSI and other DIR SCPs as appropriate. The purpose of the Integration Sessions is to identify gaps or overlaps between a Respondent's Solution and the Solutions provided by the MSI or other DIR SCPs. Respondents will be requested to provide Revised Offers after Integration Sessions to correct any gaps or overlaps in the Respondent's Solution and price.

NOTE: Technical Solutions or other bid material will not be shared with other Respondents.

This RFO is intended to provide Respondent with enough information to build its Response, but it is the Respondent's responsibility to obtain any additional information deemed necessary for the Respondent to meet its obligations under the Terms of this RFO. Respondents participating in discussion and/or integration sessions may submit a written Due Diligence plan to DIR as part of its amended Response.

4.4 Revised Offer

DIR in its discretion will make the determination whether to request oral presentations and/or engage in a Revised Offer process. The Revised Offer process, if held, may be scored. The Revised Offer process may be iterative. DIR may request more than one revised offer.

DIR reserves the right to continue to evaluate Responses until such point as the best value, as defined by [Texas Government Code, Section 2157.003](#), is obtained for the State.

4.5 Due Diligence

Due Diligence is an activity in which selected RFO bidders are allowed to ask more complex questions regarding DIR's needs and current state. The purpose of the RFO bidders performing due diligence on their scope of work is to remove all financial assumptions such that the RFO bidders' final pricing is firm. DIR will work to answer all relevant questions, allowing RFO bidders to reduce the unknowns in the procurement process thereby submit more accurate revised Responses. Due Diligence generally runs concurrently with MSI Integration Sessions and Negotiations, and is completed prior to Contract award.

4.6 Negotiations

At the conclusion of the evaluation DIR will determine the number of Respondents with which it will start Contract negotiations. Negotiations will continue until DIR, in its sole discretion, determines that the best value for the State has been obtained.

4.7 Award of Contract

DIR Executive Management shall make the decision to award a Contract, if in the best interest of DIR and the State to do so. The decision of Executive Management on any award is final. Any award for this RFO shall be posted under requisition number RFO DIR-CPO-TMP-569 on the ESBD, <http://esbd.cpa.state.tx.us/>, upon execution of a Contract. All Responses and working papers pursuant to this RFO are not subject to disclosure under the Public Information Act until all Contracts resulting from this RFO have been executed.

4.8 Protest Procedures

Any Respondent who is aggrieved in connection with this RFO, evaluation, or award of a Contract may formally protest to DIR in accordance with the Vendor protest procedures posted on the DIR website at:

<http://dir.texas.gov/View-Information-For-Vendors/Pages/Content.aspx?id=21>