



Lexington-Fayette Urban County Government

Request for Proposal

The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #13-2017 Federal Tax Information Management System** to be provided in accordance with terms, conditions and specifications established herein.

Sealed proposals will be received in the Division of Central Purchasing, Room 338, Government Center, 200 East Main Street, Lexington, KY, 40507, until **2:00 PM**, prevailing local time, on **April 25, 2017**.

Proposals received after the date and time set for opening proposals will not be considered for award of a contract and will be returned unopened to the Proposer. It is the sole responsibility of the Proposer to assure that his/her proposal is received by the Division of Central Purchasing before the date and time set for opening proposals.

Proposals must be sealed in an envelope and the envelope prominently marked:

RFP #13-2017 Federal Tax Information Management System

If mailed, the envelope must be addressed to:

Todd Slatin - Purchasing Director
Lexington-Fayette Urban County Government
Room 338, Government Center
200 East Main Street
Lexington, KY 40507

Additional copies of this Request For Proposals are available from the Division of Central Purchasing, Room 338 Government Center, 200 East Main Street, Lexington, KY 40507, (859)-258-3320, at no charge.

Proposals, once submitted, may not be withdrawn for a period of sixty (60) calendar days.

The Proposer must submit one (1) master (hardcopy), (1) electronic version in PDF format on a flashdrive or CD and six (6) duplicates (hardcopies) of their proposal for evaluation purposes.

The Lexington-Fayette Urban County Government reserves the right to reject any or all proposals, and to waive technicalities and informalities when such waiver is determined by the Lexington-Fayette Urban County Government to be in its best interest.

Signature of this proposal by the Proposer constitutes acceptance by the Proposer of terms, conditions and requirements set forth herein.

Minor exceptions may not eliminate the proposal. Any exceptions to the specifications established herein shall be listed in detail on a separate sheet and attached hereto. The Lexington-Fayette Urban County Government shall determine whether any exception is minor.

The Lexington-Fayette Urban County Government encourages the participation of minority- and women-owned businesses in Lexington-Fayette Urban County Government contracts. This proposal is subject to Affirmative Action requirements attached hereto.

Please do not contact any LFUCG staff member or any other person involved in the selection process other than the designated contact person(s) regarding the project contemplated under this RFP while this RFP is open and a selection has not been finalized. Any attempt to do so may result in disqualification of the firm's submittal for consideration.

Laws and Regulations

All applicable state laws, municipal ordinances and regulations of all authorities having jurisdiction over the project shall apply to the contract, and shall be deemed to be incorporated herein by reference.

Equal Employment Opportunity

The Entity (regardless of whether construction contractor, non-construction contractor or supplier) agrees to provide equal opportunity in employment for all qualified persons, to prohibit discrimination in employment because of race, color, creed, national origin, sex or age, and to promote equal employment through a positive, continuing program from itself and each of its subcontracting agents. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

Kentucky Equal Employment Opportunity Act

The Kentucky Equal Employment Opportunity Act of 1978 (KRS 45.560-45.640) requires that any "county, city, town, school district, water district, hospital district, or other political subdivision of the state shall include in directly or indirectly publicly funded contracts for supplies, materials, services, or equipment hereinafter entered into the following provisions:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin;
- (2) The contractor will state in all solicitations or advertisements for employees placed by or on behalf of the contractors that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin;
- (3) The contractor will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provision of the nondiscrimination clauses required by this section; and
- (4) The contractor will send a notice to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the contractor's commitments under the nondiscrimination clauses."

The Act further provides:

"KRS 45.610. Hiring minorities -- Information required

- (1) For the length of the contract, each contractor shall hire minorities from other sources within the drawing area, should the union with which he has collective bargaining agreements be unwilling to supply sufficient minorities to satisfy the agreed upon goals and timetables.
- (2) Each contractor shall, for the length of the contract, furnish such information as required by KRS 45.560 to KRS 45.640 and by such rules, regulations and orders issued pursuant thereto and will permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the department for purposes of investigation to ascertain compliance with KRS 45.560 to 45.640 and such rules, regulations and orders issued pursuant thereto.

KRS 45.620. Action against contractor -- Hiring of minority contractor or subcontractor

(1) If any contractor is found by the department to have engaged in an unlawful practice under this chapter during the course of performing under a contract or subcontract covered under KRS 45.560 to 45.640, the department shall so certify to the contracting agency and such certification shall be binding upon the contracting agency unless it is reversed in the course of judicial review.

(2) If the contractor is found to have committed an unlawful practice under KRS 45.560 to 45.640, the contracting agency may cancel or terminate the contract, conditioned upon a program for future compliance approved by the contracting agency and the department. The contracting agency may declare such a contractor ineligible to bid on further contracts with that agency until such time as the contractor complies in full with the requirements of KRS 45.560 to 45.640.

(3) The equal employment provisions of KRS 45.560 to 45.640 may be met in part by a contractor by subcontracting to a minority contractor or subcontractor. For the provisions of KRS 45.560 to 45.640, a minority contractor or subcontractor shall mean a business that is owned and controlled by one or more persons disadvantaged by racial or ethnic circumstances.

KRS 45.630 Termination of existing employee not required, when

Any provision of KRS 45.560 to 45.640 notwithstanding, no contractor shall be required to terminate an existing employee upon proof that employee was employed prior to the date of the contract.

KRS 45.640 Minimum skills

Nothing in KRS 45.560 to 45.640 shall require a contractor to hire anyone who fails to demonstrate the minimum skills required to perform a particular job."

It is recommended that all of the provisions above quoted be included as special conditions in each contract. In the case of a contract exceeding \$250,000, the contractor is required to furnish evidence that his workforce in Kentucky is representative of the available work-force in the area from which he draws employees, or to supply an Affirmative Action plan which will achieve such representation during the life of the contract.

LFUCG Non-Appropriation Clause

Contractor acknowledges that the LFUCG is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are unavailable and not appropriated for the performance of the LFUCG's obligations under this contract, then this contract shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the LFUCG shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations.

In the event of a change in the LFUCG's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects the LFUCG's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to the LFUCG upon written notice to Contractor of such limitation or change in the LFUCG's legal authority.

Contention Process

Vendors who respond to this invitation have the right to file a notice of contention associated with the RFP process or to file a notice of appeal of the recommendation made by the Director of Central Purchasing resulting from this invitation.

Notice of contention with the RFP process must be filed within 3 business days of the bid/proposal opening by (1) sending a written notice, including sufficient documentation to support contention, to the Director of the Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his/her contention with the RFP process. After consulting with the Commissioner of Finance the Chief Administrative Officer and reviewing the documentation and/or hearing the vendor, the Director of Central Purchasing shall promptly respond in writing findings as to the compliance with RFP processes. If, based on this review, a RFP process irregularity is deemed to have occurred the Director of Central Purchasing will consult with the Commissioner of Finance, the Chief Administrative Officer and the Department of Law as to the appropriate remedy.

Notice of appeal of a RFP recommendation must be filed within 3 business days of the RFP recommendation by (1) sending a written notice, including sufficient documentation to support appeal, to the Director, Division of Central Purchasing or (2) submitting a written request for a meeting with the Director of Central Purchasing to explain his appeal. After reviewing the documentation and/or hearing the vendor and consulting with the Commissioner of Finance and the Chief Administrative Officer, the Director of Central Purchasing shall in writing, affirm or withdraw the recommendation.

SELECTION CRITERIA:

See complete list of selection criteria on page 38.

Proposals shall contain the appropriate information necessary to evaluate based on these criteria. A committee composed of government employees as well as representatives of relevant user groups will evaluate the proposals.

Questions shall be addressed to:

Todd Slatin, Director
Division of Central Purchasing
tslatin@lexingtonky.gov

Affirmative Action Plan

All vendors must submit as a part of the proposal package the following items to the Urban County Government:

1. Affirmative Action Plan for his/her firm;
2. Current Work Force Analysis Form;

Failure to submit these items as required may result in disqualification of the submitter from award of the contract. All submissions should be directed to:

Director, Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street, 3rd Floor
Lexington, Kentucky 40507

All questions regarding this proposal must be directed to the Division of Central Purchasing, (859)-258-3320.

AFFIDAVIT

Comes the Affiant, Tomasz Wardega, and after being first duly sworn, states under penalty of perjury as follows:

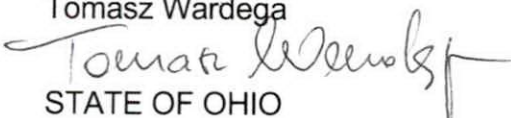
1. His/her name is Tomasz Wardega and he/she is the individual submitting the proposal or is the authorized representative of Wardega Consulting Inc., the entity submitting the proposal (hereinafter referred to as "Proposer").
2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.
3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.
4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.
5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.
6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance

defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

Tomasz Wardega

STATE OF OHIO

COUNTY OF CUYAHOGA

The foregoing instrument was subscribed, sworn to and acknowledged before me by Tomasz Wardega on this the 17TH day of April, 2017.

My Commission expires: _____

NICHOLE ALLEN-BANKS
Notary Public - Ohio
Cuyahoga County
My Commission Expires 09-28-19



NOTARY PUBLIC, STATE AT LARGE

EQUAL OPPORTUNITY AGREEMENT

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability.

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

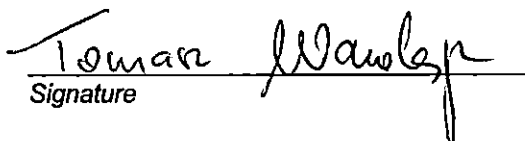
The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.


Signature


Name of Business

WORKFORCE ANALYSIS FORM

Name of Organization: **Wardega Consulting Inc.**

Categories	Total	White (Not Hispanic or Latino)		Hispanic or Latino		Black or African-American (Not Hispanic or Latino)		Native Hawaiian and Other Pacific Islander (Not Hispanic or Latino)		Asian (Not Hispanic or Latino)		American Indian or Alaskan Native (not Hispanic or Latino)		Two or more races (Not Hispanic or Latino)		Total	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Administrators																	
Professionals		1															
Superintendents																	
Supervisors																	
Foremen																	
Technicians																	
Protective Service																	
Para-Professionals																	
Office/Clerical																	
Skilled Craft																	
Service/Maintenance																	
Total:																	

Prepared by: **Tomasz Wardega, President**
(Name and Title)

Date: 9/18/2017
Revised 2015-Dec-15

Lexington-Fayette Urban County Government
MWDBE PARTICIPATION GOALS

A. GENERAL

- 1) The LFUCG request all potential contractors to make a concerted effort to include Minority-Owned (MBE), Woman-Owned (WBE), Disadvantaged (DBE) Business Enterprises and Veteran-Owned Businesses as subcontractors or suppliers in their bids.
- 2) Toward that end, the LFUCG has established 10% of total procurement costs as a Goal for participation of Minority-Owned, Woman-Owned and Disadvantaged Businesses on this contract.
- 3) **It is therefore a request of each Bidder to include in its bid, the same goal (10%) for MWDBE participation and other requirements as outlined in this section.**
- 4) The LFUCG has also established a 3% of total procurement costs as a Goal for participation for of Veteran-Owned Businesses.
- 5) **It is therefore a request of each Bidder to include in its bid, the same goal (3%) for Veteran-Owned participation and other requirements as outlined in this section.**

B. PROCEDURES

- 1) The successful bidder will be required to report to the LFUCG, the dollar amounts of all payments submitted to Minority-Owned or Woman-Owned subcontractors and suppliers for work done or materials purchased for this contract. (See Subcontractor Monthly Payment Report)
- 2) Replacement of a Minority-Owned or Woman-Owned subcontractor or supplier listed in the original submittal must be requested in writing and must be accompanied by documentation of Good Faith Efforts to replace the subcontractor / supplier with another MWDBE Firm; this is subject to approval by the LFUCG. (See LFUCG MWDBE Substitution Form)
- 3) For assistance in identifying qualified, certified businesses to solicit for potential contracting opportunities, bidders may contact:
 - a) The Lexington-Fayette Urban County Government, Division of Central Purchasing (859-258-3320)
- 4) The LFUCG will make every effort to notify interested MWDBE and Veteran-Owned subcontractors and suppliers of each Bid Package, including information on the scope of work, the pre-bid meeting time and location, the bid date, and all other pertinent information regarding the project.

C. DEFINITIONS

- 1) A Minority-Owned Business Enterprise (MBE) is defined as a business which is certified as being at least 51% owned and operated by persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan Native Heritage.
- 2) A Woman-Owned Business Enterprise (WBE) is defined as a business which is certified as being at least 51% owned and operated by one or more Non-Minority Females.
- 3) A Disadvantaged Business (DBE) is defined as a business which is certified as being at least 51% owned and operated by a person(s) that are economically and socially disadvantaged.
- 4) A Veteran-Owned Business is defined as a business which is certified as being at least 51% owned and operated by a veteran and/or a service disabled veteran.
- 5) Good Faith Efforts are efforts that, given all relevant circumstances, a bidder or proposer actively and aggressively seeking to meet the goals, can reasonably be expected to make. In evaluating good faith efforts made toward achieving the goals, whether the bidder or proposer has performed the efforts outlined in the Obligations of Bidder for Good Faith Efforts outlined in this document will be considered, along with any other relevant factors.

D. OBLIGATION OF BIDDER FOR GOOD FAITH EFFORTS

- 1) **The bidder shall make a Good Faith Effort to achieve the Participation Goal for MWDBE subcontractors/suppliers. The failure to meet the goal shall not necessarily be cause for disqualification of the bidder; however, bidders not meeting the goal are required to furnish with their bids written documentation of their Good Faith Efforts to do so.**
- 2) Award of Contract shall be conditioned upon satisfaction of the requirements set forth herein.
- 3) The Form of Proposal includes a section entitled "MWDBE Participation Form". The applicable information must be completed and submitted as outlined below.
- 4) **Failure to submit this information as requested may be cause for rejection of bid.**

E. DOCUMENTATION REQUIRED FOR GOOD FAITH EFFORTS

- 1) Bidders reaching the Goal are required to submit only the MWDBE Participation Form.” The form must be fully completed including names and telephone number of participating MWDBE firm(s); type of work to be performed; estimated value of the contract and value expressed as a percentage of the total Lump Sum Bid Price. The form must be signed and dated, and is to be submitted with the bid.
- 2) Bidders not reaching the Goal must submit the “MWDBE Participation Form”, the “Quote Summary Form” and a written statement documenting their Good Faith Effort to do so. If bid includes no MWDBE participation, bidder shall enter “None” on the subcontractor / supplier form). In addition, the bidder must submit written proof of their Good Faith Efforts to meet the Participation Goal:
 - a. Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms to participate.
 - b. Included documentation of advertising in the above publications with the bidders good faith efforts package
 - c. Attended LFUCG Central Purchasing Economic Inclusion Outreach event
 - d. Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs of subcontracting opportunities
 - e. Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms
 - f. Requested a list of MWDBE subcontractors or suppliers from LFUCG Economic Engine and showed evidence of contacting the companies on the list(s).
 - g. Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms to work on this project. Those contacted and their responses should be a part of the bidder’s good faith efforts documentation.
 - h. Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.
 - i. Followed up initial solicitations by contacting MWDBEs to determine their level of interest.

j. Provided the interested MWDBE firm with adequate and timely information about the plans, specifications, and requirements of the contract.

k. Selected portions of the work to be performed by MWDBE firms in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE participation, even when the prime contractor may otherwise perform these work items with its own workforce

l. Negotiated in good faith with interested MWDBE firms not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

m. Included documentation of quotations received from interested MWDBE firms which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

n. Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE goals.

o. Made an effort to offer assistance to or refer interested MWDBE firms to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

p. Made efforts to expand the search for MWBE firms beyond the usual geographic boundaries.

q. Other--any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE participation.

Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement. Documentation of Good Faith Efforts are to be submitted with the Bid, if the participation Goal is not met.



MINORITY BUSINESS ENTERPRISE PROGRAM

Sherita Miller, MPA
Minority Business Enterprise Liaison
Division of Central Purchasing
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507
smiller@lexingtonky.gov
859-258-3323

OUR MISSION: The mission of the Minority Business Enterprise Program is to facilitate the full participation of minority and women owned businesses in the procurement process and to promote economic inclusion as a business imperative essential to the long term economic viability of Lexington-Fayette Urban County Government.

To that end the city council adopted and implemented resolution 167-91—Disadvantaged Business Enterprise (DBE) 10% Goal Plan in July of 1991. The resolution states in part (a full copy is available in Central Purchasing):

“A Resolution supporting adoption of the administrative plan for a ten percent (10%) Minimum goal for disadvantaged business enterprise participation in Lexington-Fayette Urban County Government construction and professional services contracts; Providing that as part of their bids on LFUCC construction contracts, general Contractors shall make a good faith effort to award at least ten percent (10%) of All subcontracts to disadvantaged business enterprises; providing that divisions of LFUCC shall make a good faith effort to award at least ten percent of their Professional services and other contracts to disadvantaged business enterprises...”

A Disadvantaged Business Enterprise is defined as a business that has been certified as being at least 51% owned, operated and managed by a U.S. Citizen of the following groups:

- African-American
- Hispanic-American
- Asian/Pacific Islander
- Native American/Native Alaskan
- Non-Minority Female
- Economically and Socially Disadvantaged

In addition, to that end the city council also adopted and implemented resolution 167-91—Veteran-owned Businesses, 3% Goal Plan in July of 2015. The resolution states in part (a full copy is available in Central Purchasing):

“A resolution adopting a three percent (3%) minimum goal for certified veteran-owned small businesses and service disabled veteran-owned businesses for certain of those Lexington-Fayette Urban County contracts related to construction for professional services, and authorizing the Division of Purchasing to adopt and implement guidelines and/or policies consistent with the provisions and intent of this resolution by no later than July 1, 2015.”

We have compiled the list below to help you locate certified MBE, WBE and DBE certified businesses. Below is a listing of contacts for LFUCG Certified MWDBEs in Economic Engine (<https://lfucg.economicengine.com>)

Business	Contact	Email Address	Phone
LFUCG	Sherita Miller	smiller@lexingtonky.gov	859-258-3323
Commerce Lexington – Minority Business Development	Tyrone Tyra	TTYRA@commercelexington.com	859-226-1625
Tri-State Minority Supplier Diversity Council	Sonya Brown	sbrown@tsmsdc.com	502-625-0137
Small Business Development Council	Dee Dee Harbut UK SBDC	ddharbut@uky.edu	859-257-7668
	Shirie Mack	smack3@email.uky.edu	859-257-7666
Community Ventures Corporation	James Coles	jcoles@cvckv.org	859-231-0054
KY Department of Transportation	Melvin Bynes	Melvin.bynes2@ky.gov	502-564-3601
	Shella Eagle	Shella.Eagle@ky.gov	502-564-3601
Ohio River Valley Women’s Business Council (WBENC)	Rea Waldon	rwaldon@gcul.org	513-487-6534
Kentucky MWBE Certification Program	Yvette Smith, Kentucky Finance Cabinet	Yvette.Smith@ky.gov	502-564-8099
National Women Business Owner’s Council (NWBOC)	Janet Harris-Lange	janet@nwbo.org	800-675-5066
Small Business Administration	Robert Coffey	robertcoffey@sba.gov	502-582-5971
LaVoz de Kentucky	Andres Cruz	lavozydeky@yahoo.com	859-621-2106
The Key News Journal	Patrice Muhammad	paatricem@keynewsjournal.com	859-373-9428



LFUCG MWDBE PARTICIPATION FORM
Bid/RFP/Quote Reference #RFP_13-2017

The MWDBE subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately.

MWDBE Company, Name, Address, Phone, Email	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1. NONE			
2.			
3.			
4.			

The undersigned company representative submits the above list of MWDBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Wardge Consulting Inc
 Company

Tommy Wardge
 Company Representative

8/18/2017
 Date

President
 Title



LFUCG MWDBE SUBSTITUTION FORM
Bid/RFP/Quote Reference # RFP_13-2017

The substituted MWDBE subcontractors listed below have agreed to participate on this Bid/RFP/Quote. These substitutions were made prior to or after the job was in progress. These substitutions were made for reasons stated below and are now being submitted to Central Purchasing for approval. By the authorized signature of a representative of our company, we understand that this information will be entered into our file for this project.

SUBSTITUTED MWDBE Company Name, Address, Phone, Email	MWDBE Formally Contracted/ Name, Address, Phone, Email	Work to Be Performed	Reason for the Substitution	Total Dollar Value of the Work	% Value of Total Contract
1. NONE					
2.					
3.					
4.					

The undersigned acknowledges that any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Wardles Consulting Inc. Toman W. Wardles
 Company Company Representative
4/18/2017 President
 Date Title



MWDBE QUOTE SUMMARY FORM
Bid/RFP/Quote Reference # RFP_13-2017

The undersigned acknowledges that the minority subcontractors listed on this form did submit a quote to participate on this project.

Company Name Wardega Consulting Inc.	Contact Person: Tomasz Wardega
Address/Phone/Email 8650 Bradford Lane, Brecksville, OH 44141 216-647-7965, tomck@wardega.com	Bid Package / Bid Date 4/18/2017

MWDBE Company Address	Contact Person	Contact Information (work phone, Email, cell)	Date Contacted	Services to be performed	Method of Communication (email, phone meeting, ad, event etc)	Total dollars \$\$ Do Not Leave Blank (Attach Documentation)	MBE * AA HA AS NA Female	Veteran
NONE								

(MBE designation / AA=African American / HA= Hispanic American/AS = Asian American/Pacific Islander/ NA= Native American)

The undersigned acknowledges that all information is accurate. Any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Wardega Consulting Inc.
Company

Tomasz Wardega
Company Representative

4/18/2017
Date

President
Title



LFUCG SUBCONTRACTOR MONTHLY PAYMENT REPORT

The LFUCG has a 10% goal plan adopted by city council to increase the participation of minority and women owned businesses in the procurement process. In order to measure that goal LFUCG will track spending with MWDBE vendors on a monthly basis. By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentation may result in termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims. Please submit this form monthly to the Division of Central Purchasing/ 200 East Main Street / Room 338 / Lexington, KY 40507.

Bid/RFP/Quote # RFP_13-2017

Total Contract Amount Awarded to Prime Contractor for this Project _____

Project Name/ Contract #	Work Period/ From: _____ To: _____
Company Name:	Address:
Federal Tax ID:	Contact Person:

Subcontractor Vendor ID (name, address, phone, email)	Description of Work	Total Subcontract Amount	% of Total Contract Awarded to Prime for this Project	Total Amount Paid for this Period	Purchase Order number for subcontractor work (please attach PO)	Scheduled Project Start Date	Scheduled Project End Date
NONE							

By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

Wardley Consulting Inc.
Company

Tommy Wardley
Company Representative

4/18/2017
Date

President
Title

LFUCG STATEMENT OF GOOD FAITH EFFORTS
Bid/RFP/Quote # RFP_13-2017

By the signature below of an authorized company representative, we certify that we have utilized the following Good Faith Efforts to obtain the maximum participation by MWDBE business enterprises on the project and can supply the appropriate documentation.

_____ Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms to participate.

_____ Included documentation of advertising in the above publications with the bidders good faith efforts package

_____ Attended LFUCG Central Purchasing Economic Inclusion Outreach event

_____ Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs of subcontracting opportunities

_____ Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms

_____ Requested a list of MWDBE subcontractors or suppliers from LFUCG Economic Engine and showed evidence of contacting the companies on the list(s).

_____ Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.

_____ Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not

less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.

_____ Followed up initial solicitations by contacting MWDBEs to determine their level of interest.

_____ Provided the interested MWDBE firm with adequate and timely information about the plans, specifications, and requirements of the contract.

_____ Selected portions of the work to be performed by MWDBE firms in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE participation, even when the prime contractor may otherwise perform these work items with its own workforce

_____ Negotiated in good faith with interested MWDBE firms not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

_____ Included documentation of quotations received from interested MWDBE firms which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

_____ Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE goals.

_____ Made an effort to offer assistance to or refer interested MWDBE firms to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

_____ Made efforts to expand the search for MWDBE firms beyond the usual geographic boundaries.

X Other - any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE participation.

Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement. Documentation of Good Faith Efforts are to be submitted with the Bid, if the participation Goal is not met.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

<u>Wardapa Consulting Inc.</u> Company	<u>Tamar Lawby</u> Company Representative
<u>4/18/2017</u> Date	<u>President</u> Title

To Whom It May Concern:

Regarding MWDBE participation goal for the project requested in RFP_13-2017:

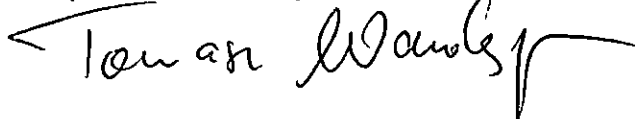
The FTI Software project requested in RFP_13-2017 requires a single software consulting resource over the period of 10 months, with expertise in the area of FTI data processing. I am submitting my proposal for this project because I have 7 years of experience with FTI data processing and developing applications for analyzing FTI data. I have been working on the custom FTI software (called FedTax) for the Regional Income Tax Agency (RITA) in Ohio since 2009 and I am FTI Certified for handling IRS data. The software that I have been developing helped RITA to collect about fourteen million dollars in 2016 for over 250 RITA communities by analyzing data from about three million tax payers in Ohio.

I am not able to meet the MWDBE participation goals because the scope of this particular project does not warrant subcontracting work to additional resources.

However, my business, Wardega Consulting Inc., has an affirmative action plan focusing on people with disabilities. I am manufacturing tools that allow people who are blind and visually impaired to read printed documents and books aloud using portable devices. I sub-contracted manufacturing of my scanning stands for the blind and visually impaired to Vocational Guidance Services in Elyria, OH. I worked with the Cleveland Sight Center on improvements for the 2nd generation of my products. I am also looking into creating job opportunities for people who are blind and visually impaired. I can provide more information regarding this area of my business activity upon request.

Best regards,

Tomasz Wardega
(President, Wardega Consulting Inc.)

A handwritten signature in black ink that reads "Tomasz Wardega". The signature is written in a cursive style and is positioned below the typed name and title.

GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, 29 U.S.C. 650 *et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or

attempted to bribe an officer or employee of the LFUCG.

9. **Additional Information:** While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. **Ambiguity, Conflict or other Errors in RFP:** If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. **Agreement to Bid Terms:** In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. **Cancellation:** If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.

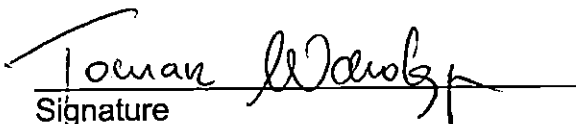
- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
 - (a) Failure to perform the contract according to its terms, conditions and specifications;
 - (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
 - (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
 - (d) Failure to diligently advance the work under a contract for construction services;
 - (e) The filing of a bankruptcy petition by or against the contractor; or
 - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

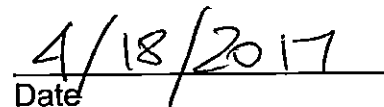
B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. **Assignment of Contract:** The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. **No Waiver:** No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.

15. **Authority to do Business:** The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.
16. **Governing Law:** This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. **Ability to Meet Obligations:** Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.


Signature


Date

Firm Submitting Proposal: Wardega Consulting Inc.

Complete Address: 8650 Bradford Ln., Brecksville, OH 44141
Street City Zip

Contact Name: Tomasz Wardega Title: President

Telephone Number: 216-647-7965 Fax Number: _____

Email address: tomek@wardega.com

**RISK MANAGEMENT PROVISIONS
INSURANCE AND INDEMNIFICATION**

INDEMNIFICATION AND HOLD HARMLESS PROVISION

- (1) It is understood and agreed by the parties that Consultant hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Consultant or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "Consultant") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) Consultant shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by Consultant's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the Consultant; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) Notwithstanding, the foregoing, with respect to any professional services performed by Consultant hereunder (and to the fullest extent permitted by law), Consultant shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of Consultant in the performance of this agreement.
- (4) In the event LFUCG is alleged to be liable based upon the above, Consultant shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.

- (5) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.
- (6) LFUCG is a political subdivision of the Commonwealth of Kentucky. CONSULTANT acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the CONSULTANT in any manner.

FINANCIAL RESPONSIBILITY

CONSULTANT understands and agrees that it shall, prior to final acceptance of its proposal and the commencement of any work or services, demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions.

INSURANCE REQUIREMENTS

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AAND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Required Insurance Coverage

CONSULTANT shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services hereunder by CONSULTANT. The cost of such insurance shall be included in any bid:

<u>Coverage</u>	<u>Limits</u>
General Liability million aggregate (Insurance Services Office Form CG 00 01) limit	\$1 million per occurrence, \$2 or \$2 million combined single limit
Commercial Automobile Liability per occurrence (Insurance Services Office Form CA 0001)	combined single, \$1 million
Professional Liability million aggregate	\$1 million per occurrence, \$2
Worker's Compensation	Statutory

Employer's Liability : \$500,000.00

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky. LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall include a Products and Completed Operations endorsement or Premises and Operations Liability endorsement and a Products Liability endorsement unless they are deemed not to apply by LFUCG.
- d. The General Liability Policy shall have a Professional Liability endorsement (including Errors and Omissions) for any services performed pursuant to the contract, and/or a separate Professional Liability Policy shall be obtained unless it is deemed not to apply by LFUCG.
- e. The Professional Liability policy shall be maintained for a minimum of three years beyond the completion date of the project, to the extent commercially available. If not commercially available, CONSULTANT shall notify LFUCG and obtain similar insurance that is commercially available and acceptable to LFUCG.
- f. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- g. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

Deductibles and Self-Insured Programs

IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE.

Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon review of evidence of CONSULTANT's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage. If CONSULTANT satisfies any portion of the insurance requirements through deductibles, self-insurance programs, or self-insured retentions, CONSULTANT agrees to provide Lexington-Fayette Urban County Government, Division of Risk Management, the following data prior to the final acceptance of bid and the commencement of any work:

- a. Latest audited financial statement, including auditor's notes.
- b. Any records of any self-insured trust fund plan or policy and related accounting statements.
- c. Actuarial funding reports or retained losses.
- d. Risk Management Manual or a description of the self-insurance and risk management program.
- e. A claim loss run summary for the previous five (5) years.
- f. Self-Insured Associations will be considered.

Safety and Loss Control

CONSULTANT shall comply with all applicable federal, state, and local safety standards related to the performance of its works or services under this Agreement and take necessary action to protect the life, health and safety and property of all of its personnel on the job site, the public, and LFUCG.

Verification of Coverage

CONSULTANT agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

Right to Review, Audit and Inspect

CONSULTANT understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

DEFAULT

CONSULTANT understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available, including but not limited to purchasing insurance and charging CONSULTANT for any such insurance premiums purchased, or suspending or terminating the work.

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FEDERAL TAX INFORMATION MANAGEMENT SYSTEM

The Lexington-Fayette Urban County Government (LFUCG) is accepting proposals for a software application to decrypt federal tax information received by the Division of Revenue and load into a database. The information will then be compared to the division's information to locate and assess non-filers and under reporters of the Net Profit License Fees.

System Scope

The Federal Tax Information Management Software will be used to locate noncompliant taxpayers. The software will compare Federal Tax Information (FTI) to Division of Revenue records to identify non-filers and under reporters. The system will be used to generate letters, track responses and track the overall dollars received from the program. System must meet Federal, State and Local laws that govern confidentiality of tax information.

System Requirements

The federal tax information management software needs to be able to read and decrypt the files received from the IRS (extracts). These extracts are received on an annual basis and must be processed each year according to specifications received from the IRS. This data must then be used to compare to the Division's tax information in order to locate non-filers and under reporters. The cases created by this comparison should be trackable throughout the entire collections process. The software must be able to generate first and second letters to taxpayers and track any responses received. The system must also be able to track dollars received from the program. The system must meet the IRS' stringent safeguards requirements.

- Vendor must have or maintain certification from the IRS in order to work with Federal Tax Information
- System must keep a log of all users' activities
- Reliable system that can be upgraded as technology changes/improves
- Can be customized to fit LFUCG business needs
- Software that can add, edit, search, retrieve and update records
- Easy to learn report generation
- Provide reports that specify timeline of destruction for System that can provide reconciliation
- Have the ability to place holds, redaction, etc. on records if needed for legal purposes.
- Input and output devices i.e. hardware, printers.

Response Instructions

- Address the system requirements above and your solution's ability to meet these requirements
- Alternative solutions will be considered but must be described in detail in your response
- Provide a business profile describing your company's history/background
- Provide at least three references (customer name, telephone, email and agency name) for work performed over the last three years for projects relevant to this one (i.e., comparable functionality for similar sized government agency)
- Describe your company's approach to user training and vendor support
- Describe your major and minor software update cycle including a schedule of updates past and planned.
- Provide all-inclusive pricing (implementation, license, storage, maintenance, etc.) in the table below

Pricing Table

1 st Year All-Inclusive Cost	\$ 52,000
2 nd Year All-Inclusive Cost	\$ 10,000
3 rd Year All-Inclusive Cost	\$ 10,000
4 th Year All-Inclusive Cost	\$ 10,000
5 th Year All-Inclusive Cost	\$ 10,000
6 th Year All-Inclusive Cost	\$ 10,000

Tawan Decrobya

Selection Criteria

- Cost of Services 20 points
- Proposed solutions' fulfillment of the requirements 30 points
- Vendor Support 10 points
- Client References 10 points
- Business Profile 10 points
- Familiarity with the details of the project 10 points
- Training Approach 5 points
- Degree of local employment 5 points

Proposal for Federal Tax Information Management System

Executive Summary

Wardega Consulting Inc. is proposing to develop COTS-FTI application for LFUCG using modern software development tools and technologies. The first year all-inclusive cost is \$52,000 and all-inclusive cost in the following years is \$10,000 per year. Wardega Consulting Inc. will market COTS-FTI to other local government entities in order to keep consistent all-inclusive maintenance cost year after year.

The functionality and design of COTS-FTI will reflect Wardega Consulting's 7 years of experience working with FTI data. COTS-FTI will be an easy system to use and learn – COTS-FTI is going to be a targeted application for FTI audits as opposed to a vast tax system application tailored to FTI audits (and therefore containing a lot extraneous, unused functionality). COTS-FTI will allow FTI personnel at LFUCG to audit potential non-filers and under-reporters. The application will prioritize FTI audits based on estimated potential collections and send 1st letters (with a request for information regarding audited years) and, after at least 30 days, 2nd letter with tax, penalty and interest assessments.

The application will implement security measures required for handling IRS extracts. The application will run on a stand-alone network to prevent from co-mingling of FTI and non-FTI data. It will implement an audit trail of FTI data access. The application will create reports of access violations. FTI and sensitive data about Tax Payers will be securely stored.

This application will implement LFUCG 'rules-of-the-road' for crediting collections to actions of FTI department. The application will generate a monthly FTI action report with aggregated summary of the number of letters sent, liabilities established, and payments received following FTI letter campaigns.

In the 1st year, Wardega Consulting Inc. will deliver software in 5 phases. Wardega Consulting will conduct user training after the 3rd phase (when the software will start generating letter campaigns) and after the 5th phase (when all reporting is available).

In the following years, Wardega Consulting Inc. will deliver a major upgrade once a year near the time when IRS IMF/IRTF extracts become available (September or October). The major upgrades will contain new functionality and will support for latest format of IRS extracts.

Wardega Consulting will deliver minor upgrades, if LFUCG logs a work order that requires a software fix.

FTI Data Processing Experience and Certifications

Tomasz Wardega has 7 years of software development experience related to processing and using FTI data:

- In 2009 started designing and developing a custom software application for the Regional Income Tax Agency in Ohio (called FedTax) for creating letter campaigns for non-filers and under-reporters identified by comparing FTI to local returns.

- Between 2009 and 2012 worked with STAX and loading IRS extracts into STAX every year.
- In 2012, once STAX was no longer available, implemented modules for loading FTI extracts from IRS (IMF/IRTF and IRMF) directly to FedTax application
- Over time developed several modules for the FedTax application: Legal, Exemption Letters, and Subpoena Program Alternative.
- FedTax application helped the FTI department at RITA to collect \$14M in 2016 on behalf of 250 RITA Municipalities after analyzing FTI for over 3 million Tax Payers.

Tomasz Wardega is FTI-certified at the Regional Income Tax Agency in Ohio. However, the FTI department at LFUCG should confirm with their IRS liaison if a separate authorization is necessary to load LFUCG specific FTI extracts.

Business Profile

Tomasz Wardega established Wardega Consulting Inc. in 2002. The focus of the business is Siebel consulting (CRM application and phone system integration) and custom software applications. Wardega Consulting Inc. also develops software for scanning using digital cameras and manufactures scanning stands for mobile devices and tablets.

Processing of FTI became about 50% of Wardega Consulting Inc. business in the last 7 years. Wardega Consulting Inc. would like to develop a commercial off-the-shelf software application for managing FTI and grow the business around the expertise in handling FTI and helping local government entities to increase tax collections and enforce local tax compliance. Based on experience at RITA, local governments can expect returns many times over the cost of COTS-FTI management software within the first year of using the application.

Tomasz Wardega holds a B.Sc. equivalent in Computer Science from the Technical University of Gdansk, Poland and M.Sc. in Software Systems Technology from the Sheffield University, UK.

Proposed Solution

Wardega Consulting Inc. will develop a commercial off-the-shelf application for processing and managing FTI extracts – COTS-FTI. The application will be developed using modern software technologies, utilizing relational databases and, for the most parts, Microsoft development tools and programs.

Software development will take about 10 months. Wardega Consulting Inc. will deliver the application in 5 phases.

After the initial software development, Wardega Consulting Inc. will deliver major releases with new functionality once a year, around the time when IRS IMF/IRTF extracts become available (September/October of each year). Each new major release will add support for the latest format of IRS extracts (IMF/IRTF and IRMF, or its future equivalents).

Wardega Consulting Inc. will market COTS-FTI to other local government entities, since it provides generic functionality for identifying non-filers and under-reporters. Wardega

Consulting Inc. will keep yearly maintenance costs consistent (allowing for inflation fluctuations). Yearly maintenance payments will cover the cost of major/minor software releases, application support and loading of latest IRS extracts.

Wardega Consulting will deliver minor releases with bug fixes if customers discover problems that require a software fix.

Please see the section **Update Cycle (Major and Minor Releases)** for details about the initial 5 phases of software deployments, and major and minor releases afterwards.

COTS-FTI will allow loading all IMF/IRTF and IRMF extracts from IRS into a secure staging area. Only authorized users will be able to access the data in the staging area. Data will be encrypted, to protect FTI data in case theft of the equipment.

Wardega Consulting will furnish the equipment to run COTS-FTI application on a stand-alone network, in order to protect from co-mingling of FTI with non-FTI data. For more details, please see the section below: **Hardware and 3rd Party Software**.

Wardega Consulting Inc. will develop code for retrieving extracts of LFUCG local returns from the core tax system - in order to compare to FTI and identify non-filers and under-reporters. FTI department personnel will run these extracts periodically and move extracts on a flash-drive to FTI stand-alone network in order to load to COTS-FTI application.

COTS-FTI will identify potential non-filers and under-reporters by comparing FTI to local returns for LFUCG Tax Payers. For tax years before the migration to the latest LFUCG core tax system, where the information allows to check whether tax forms were filed but the exact amounts are not known, LFUCG will be able to indicate that COTS-FTI should look for non-filers only. Therefore, LFUCG will be able to utilize all FTI extracts that are available, within the statute of limitations.

COTS-FTI application will load data about potential non-filers and under-reporters from the secure staging area to the FTI-Audit database in order to carry out FTI audits. COTS-FTI will implement data analysis routines to prioritize FTI audits by unreported amounts.

COTS-FTI will provide functions to assign accounts to FTI auditors. The application will maintain an audit trail for each access of FTI records. FTI supervisor will be able to run reports to monitor account access and to verify that FTI auditors access accounts assigned to them. The audit trail report will be available for IRS audit of FTI data usage.

In the initial part of the FTI audit, COTS-FTI will generate the first FTI letter for identified action years of non-filing or under-reporting. The first letter will request additional information from Tax Payers for tax years in question.

COTS-FTI will generate the second Tax Liability letter to Tax Payers who failed to respond to the first letter within 30 days. The Tax Liability letter will indicate estimated unpaid tax, penalty and interest. COTS-FTI will assess the total due amount automatically, but FTI auditors will have the option to re-assess unpaid tax, penalty and interest and reprint selected Tax Liability letters.

COTS-FTI will implement tax, penalty and interest calculator to allow automatic calculation of tax, penalty and interest based on unreported amounts for each action year.

The application will provide mail-merge functionality to print batches of letters. The application will allow choosing the maximum number of letters to print; it will also allow selecting accounts assigned to a specific FTI auditor. As a result, COTS-FTI will allow throttling FTI audits based on the availability of FTI auditors to respond to calls and letters from Tax Payers. Letter templates will be created and maintained in Microsoft Word.

COTS-FTI will provide screens to view details for each audited account and show which tax years are under audit, and for what unreported amounts.

COTS-FTI will provide account management functions, for instance: posting comments on audited accounts, changing mail address on the account, altering unreported amounts for each audited year based on feedback from Tax Payer, and changing the account status. Each account change will create an audit trail record and auto-generate a comment on the account.

COTS-FTI will allow marking accounts for which mail came back as undeliverable and to indicate through account status and status change date the destruction of mailed letters. COTS-FTI will provide a report of Undeliverable Mail – Shredded mail for the purpose of IRS audit. COTS-FTI will provide functionality for re-opening accounts if a newer Mail-To address is available.

COTS-FTI will provide functions to mark accounts in bankruptcy or where legal action is taken outside of the FTI department - that will put the FTI audit of this account on hold (no new letters generated). COTS-FTI will use a different screen color when showing accounts in legal status or in bankruptcy.

COTS-FTI will mark FTI items on the screen in a different color to alert FTI auditors that marked pieces of information are FTI.

COTS-FTI will allow rendering federal 1040, Schedules and W2 information for each year where FTI is available.

Wardega Consulting Inc. will document the 'rules of the road' for actions and collections that can be credited to FTI department activity. After LFUCG signs-off on the 'rules of the road', Wardega Consulting Inc. will implement the FTI Action report – a monthly aggregate report that can be shown outside of the FTI department, containing the number of accounts loaded, letters printed, liabilities established and payments received that can be credited to FTI actions.

COTS-FTI will allow creating tickler notes and dates on accounts and running account tickler reports for selected date ranges and selected FTI auditor. Tickler reports will open in Microsoft Excel and serve as a reminder system for accounts that need intervention on specific dates.

Hardware and 3rd Party Software

Wardega Consulting Inc. will supply hardware and 3rd party software for the stand-alone network running COTS-FTI application. This stand-alone network will comprise:

- A fast, multi-core desktop system capable of running a database server and

- COTS-FTI application, 64-bit Window 10 Pro OS (\$1000 estimate).
- Battery backup (\$100 estimate)
- HP laser printer with Ethernet connection (\$200 estimate).
- MS Office Pro 2016 license for one PC (\$200 estimate).
- Gigabit Ethernet switch (\$100 estimate).
- NAS backup with Ethernet connection, with a large hard drive and encryption software for backups (\$300 estimate).
- Cables and accessories (\$100 estimate).

In total: \$2000 of the 1st year all-inclusive price is allocated for hardware and 3rd party software purchases.

Update Cycle (Major and Minor Releases)

Wardega Consulting will develop COTS-FTI application in 5 phases and it will take about 10 months:

- In Phase 1: FTI extracts will be loaded to staging databases. In the same phase, Wardega Consulting Inc. will generate test files to facilitate off-site software development. LFUCG will need to contact their IRS liaison to verify if Wardega Consulting needs a special certification to handle FTI loads at LFUCG. **Phase 1** will take about **6 weeks**.
- In Phase 2: Wardega Consulting Inc. will develop software for creating extracts with LFUCG local returns from the core tax system. LFUCG address verification for COTS-FTI will use ZIP codes. The code for identifying non-filers and under-reporters, and scoring of accounts based on unreported amounts will be also developed in this phase. **Phase 2** will take about **10 weeks**.
- In Phase 3: First and second letter templates will be prepared and verified with LFUCG. In this phase, all account management functions, the Accounts screen, and Mail-Merge functions for mass mailing will be developed. At the end of this phase: users in the FTI department will receive training on COTS-FTI. **Phase 3** will take about **12 weeks**.
- In Phase 4: FTI extracts for 2017 will be loaded to COTS-FTI. **Phase 4** will take about **4 weeks**.
- In Phase 5: FTI Action report development after LFUCG signs-off the 'rules of the road' for giving credit to FTI actions. Also in this phase: the development of 1040, Schedules and W2 viewers. **Phase 5** will take about **12 weeks**.

First year all-inclusive cost is \$52,000, out of which \$50,000 cover the initial software application fees and \$2,000 are reserved for supplying hardware and 3rd party software licenses.

Wardega Consulting Inc. will deliver major releases with new functionality with support for the latest IRS extracts once a year, around September/October. Minor releases with bug fixes will be scheduled as needed. COTS-FTI software updates, modules for loading latest IRS extracts, and support for loading IRS extracts are included in the yearly maintenance cost of \$10,000.

Training and Support

Training will be performed after Phase 3 (when the application will be functional and FTI auditors may start sending 1st and 2nd letters). The second training session will be conducted after Phase 5 (to cover reports and custom queries).

In the first year, Tomasz Wardega will visit LFUCG FTI department at least at the end of each development phase.

After the 1st year, training documentation will accompany each major software release to highlight new functions available in COTS-FTI. Software support will be available by phone and email.

'In person' visits after the 1st year will be done around the time new IRS extracts are available for loading to COTS-FTI.

Benefits

COTS-FTI will be easy to use and it will provide functionality to give at-a-glance information about FTI audit for all action years with unreported amounts.

COTS-FTI will automate tax, penalty and interest calculations and allow to print batches of 1st and 2nd letters with minimal input from users. As a result, a small FTI department will be able to analyze FTI and audit all non-filers and under-reporters.

COTS-FTI will help LFUCG to enforce compliance for filing local tax returns.

COTS-FTI will score FTI audit accounts to prioritize accounts with highest potential returns.

COTS-FTI will generate simple FTI Action Report based on the 'rules-of-the-road' approved by LFUCG to document collections and actions of FTI department.

References

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