

Alliance for Toll Interoperability



INTEROPERABILITY HUB

Request for Proposal

March 1, 2011



Table of Contents

- 1. NOTICE OF REQUEST FOR PROPOSALS 7
- 1.1 Introduction 7
- 1.1.1 *Part I - Interoperability Network Pilot Program*..... 7
- 1.1.2 *Part II - HUB Operator* 8
- 1.2 Background 9
- 2. OBJECTIVES 12
- 2.1 INPP Objectives 12
- 2.2 HUB Operator Objectives..... 12
- 3. PART I – INTEROPERABILITY NETWORK PILOT PROGRAM 13
- 3.1 ATI INPP Operational Concept 13
- 3.1.1 *Transaction Creation by Toll Facility Operator (Agency “A”)*..... 13
- 3.1.2 *Transaction Processing at the Pilot Hub* 15
- 3.1.3 *Transaction Management by Agency “B” CSC (Home Agency TAM)*..... 16
- 3.2 Schedule..... 16
- 3.3 Qualification Requirements 18
- 3.4 Scope of Services 18
- 3.4.1 *INPP ATI Participants* 18
- 3.4.2 *System Establishment* **Error! Bookmark not defined.**
- 3.4.3 *System (Pilot Hub) Operation*..... 20
- 3.4.4 *System Accessibility* 20
- 3.4.5 *System Scalability*..... 20
- 3.4.6 *System Availability*..... 21



3.4.7 *Financial Reconciliation* 21

3.4.8 *System Security* 21

3.4.9 *Program Length and Schedule* 21

3.4.10 *Supplemental Services* 22

3.4.11 *Data Set Schedule* 22

3.4.12 *Data Set Requirements* 22

3.4.13 *API/PCI Conformity* 23

3.4.14 *Performance Measures* 23

3.4.15 *Summary Reports*..... 23

3.5 Administrative..... 23

3.5.1 *RFP Disbursement/Response to Inquires/Information Posting*..... 23

3.5.2 *Proposal Outline and Requirements in Response to the INPP* 24

3.5.3 *Determination of INPP Participants*..... 26

3.6 INPP Proposal Evaluation and Scoring 26

3.7 *INPP Exceptions to Terms and Conditions*..... 27

4. PART II - HUB OPERATOR..... 27

4.1 Schedule..... 29

4.2 Final Synopsis 29

4.3 Performance During Pilot Program..... 30

4.4 Best and Final Offers (BAFO)..... 30

4.5 Pricing 31

4.6 HUB Operator Submittal Evaluation and Scoring 31

4.7 Best Value Procurement 32

4.8 Submittal Outline and Requirements in Response to the HUB Operator Award 33



4.8.1 *General*..... 33

4.7.2 *Packaging and Delivery*..... 34

4.7.3 *Proposal Contents/Outline*..... 35

5. SUBMITTAL TERMS AND CONDITIONS FOR PART I AND PART II 35

5.1 Policy Statement 36

5.2 Non-Solicitation Provision..... 36

5.3 Cost Incurred Responsibility 36

5.4 Right to Reject..... 36

5.5 Responsiveness of Proposals 36

5.6 Right to Cancel or Withdraw..... 37

5.7 Right to Amend 37

5.8 Clarifications 37

5.9 Oral or Referenced Explanations 37

5.10 Proposal Submittal Deadline 37

5.11 Submittal Responsibility 38

5.12 Waivers 38

5.13 Proposal Disposition 38

5.14 Confidential Information 38

5.15 Modification or Withdrawal of Proposals..... 39

5.16 Contractual Obligations 40

5.17 Procurement Information..... 40

5.18 Oral Presentations and Interviews..... 41

5.19 Proposer’s Bid 41

5.20 Notification of Award..... 41



5.21 Disqualification 42

5.22 Protest Procedures 42

APPENDIX A – ACRONYMS, TERMS AND DEFINITIONS 44

APPENDIX B – TERMS AND CONDITIONS 48

APPENDIX C – CONFIDENTIALITY /OPEN RECORDS RULES BY STATE 79

APPENDIX D– DISPUTE MEDIATION PROCESS 80

APPENDIX E – QUESTIONS FORM 85

APPENDIX F – EXECUTION OF REQUEST FOR PROPOSAL (INPP) 86

APPENDIX G – EXECUTION OF REQUEST FOR PROPOSAL (HUB) 87



List of Tables

Table 1-1	Principle RFP Information	7
Table 3-1	INPP Schedule	17
Table 3-2	INPP Participating ATI Member Agencies	19
Table 3-3	INPP Proposal Scoring	27
Table 4-1	Potential ATI HUB Operator Participants	28
Table 4-2	HUB Operator Submittal Scoring	31

List of Figures

Figure 1-1	RFP Elements	9
Figure 1-2	US Toll Facilities	11
Figure 3-1	Toll System Flow Chart	14
Figure 3-2	Interoperability Network Pilot Program Process	15



1. NOTICE OF REQUEST FOR PROPOSALS

Table 1-1	
PRINCIPAL RFP INFORMATION	
RFP Title	Interoperability HUB
RFP Issuing Organization	Alliance for Toll Interoperability (herein referred to as ATI)
RFP Issuing Date	Tuesday, March 1, 2011
Proposal Due - Date	Monday, May 2, 2011
Proposal Due - Time	5:00 PM EST
Proposal Submittal Location	5400 Glenwood Avenue, Suite 400, Raleigh, NC 27612
RFP Contact Person	J.R. Fenske, Alliance for Toll Interoperability
Contact Address	5400 Glenwood Avenue, Suite 400, Raleigh, NC 27612
Contact Phone Number	919-510-4374
Contact E-Mail Address	jr.fenske@tollinterop.org
Information Web Site	http://tollinterop.org/docs/view/C14

1.1 Introduction

The Alliance for Toll Interoperability (ATI), a membership organization representing over 40 North American toll authorities is exploring the development of potential interoperability networks. This Request for Proposals (RFP) is comprised of two Parts which are defined below and presented graphically in **Figure 1-1**.

1.1.1 Part I - Interoperability Network Pilot Program

The Interoperability Network Pilot Program (INPP) consists of the development and implementation of a Pilot Interoperability Hub (Pilot Hub) for the exchange of account holder license plate information and account holder identification. Proposers will submit proposals based on a defined scope of services provided in this RFP. ATI reserves the right to select at least three (3) Proposers for the INPP all of which will serve as independent Pilot Hub Operators (PHO) and will connect to up to nine (9) ATI member



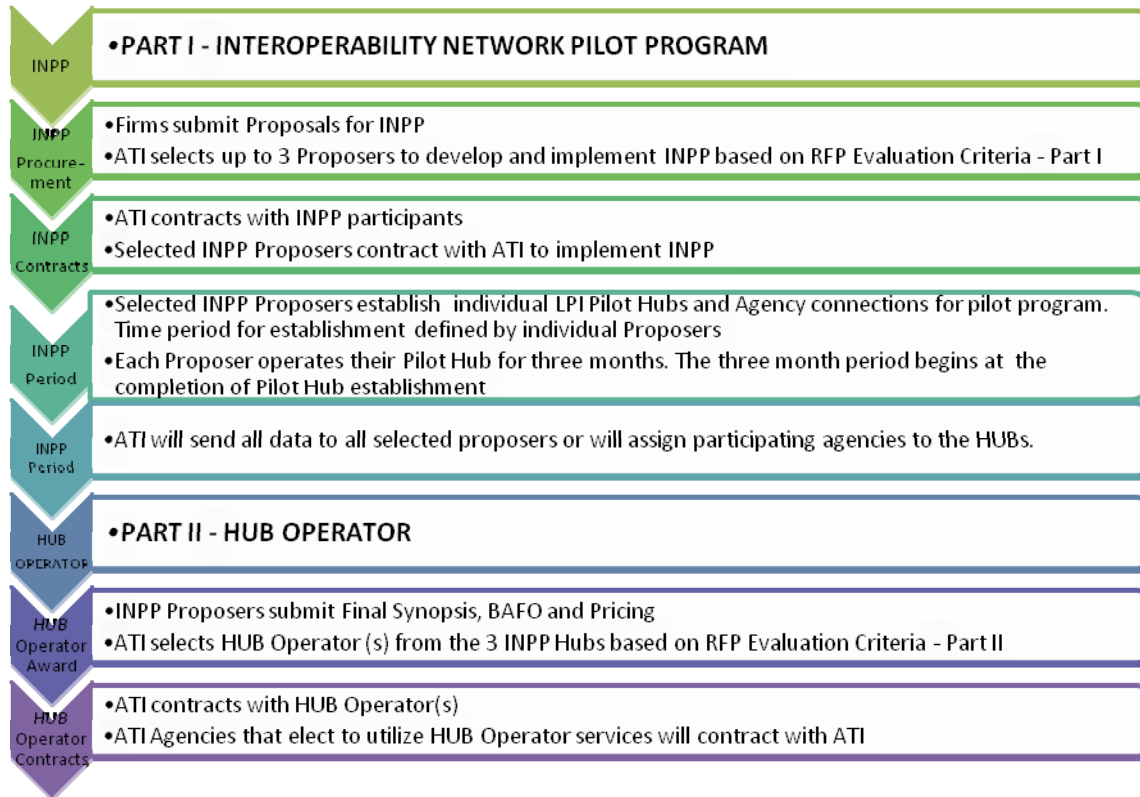
agencies who will be participating in the INPP. Upon the PHOs' establishment of their Pilot Hub, the Pilot Hub will operate for a period of three (3) months with an option to extend the INPP an additional three (3) months if deemed necessary by ATI. The INPP portion of this RFP will be provided by the selected Proposers at no cost to ATI or the participating agencies.

1.1.2 Part II - HUB Operator

If at the end of the INPP, ATI member agencies deem the INPP as successful and/or warranting continuation by additional or all ATI agencies, then ATI will proceed with Part II of this RFP. Part II will begin with the PHOs submitting their Final Synopsis of the INPP, which includes INPP results and recommendations regarding the program; a Best and Final Offer (BAFO); and pricing. ATI will evaluate the information submitted by the PHOs based on the evaluation criteria presented in this RFP and select at least one (1) PHO to serve as the HUB Operator for ATI. ATI reserves the right to contract with multiple vendors if deemed appropriate for the HUB Operator Selection. A final contract will be negotiated with the selected PHO(s) at which time Terms and Conditions will be finalized. If ATI is not successful in negotiating a contract with the selected PHO(s), they will begin negotiation proceedings with the next ranked PHO. The initial contract period for the HUB Operator is anticipated to be three (3) years with two (2) possible three (3) year extensions.



**Figure 1-1
RFP ELEMENTS**



1.2 Background

In the course of the last decade the toll industry trend is leading to the implementation of All Electronic Tolling (AET) and migrating away from cash collection and toll booth infrastructure, whether by new toll facility implementation or retrofitting existing cash collection to AET. The change in revenue collection, through AET, will open the door for full North American interoperability as a means for motorists to travel non-stop across the nation on any toll facility using either a single electronic device or utilizing video invoicing. Interoperability has become a hot topic of discussion not only within the tolling community, but financial institutions, legal entities, fleet management companies, cellular providers, etc.



Currently however, interoperability in the U.S. is a patchwork of different technological groups utilizing systems that are inherently incapable of working together. The few groups that do allow the capability of sharing data and transferring funds among their members include the E-ZPass Group, Florida toll authorities, Texas toll operators, and California toll operators (Reference **Figure 1-2**). These organizations have spent two decades and significant effort and costs to develop Back Office Systems (BOS), business rules, and Customer Service Centers (CSC) that operate substantially in the same fashion to provide interoperability for their customer base; yet lack the ability to be interoperable from group to group outside of the currently established networks. All of these toll operators also employ Electronic Toll Collection (ETC) systems based on Radio Frequency Identification (RFID) technology to identify vehicles and associate those vehicles with pre-paid toll accounts. Unfortunately, the current RFID ETC systems employ non-uniform technology.

Over the long-term, adoption of a uniform, standard, automatic vehicle identification technology would make universal interoperability possible. The toll industry is gradually adopting standard non-proprietary RFID or multi-protocol detecting devices. These devices are the first technical step in bridging the gap between existing ETC technologies. However, a rapid change-out of technology presents significant financial challenges to toll operators and therefore, this solution may take time to implement.

In the short-term, an interim solution for the toll industry is needed in order to establish nation-wide interoperability in the near future, keeping in mind these interim solutions will continue to serve the toll industry long after full conception of an RFID-type solution.

One of the more prominent issues ATI has begun to tackle is the development of an interoperable network which would rely on license plate imaging software and database(s). ATI released a Request for Information (RFI) in late 2009 to inquire about potential solutions for achieving toll payment account interoperability for North America. Responders were asked to address:

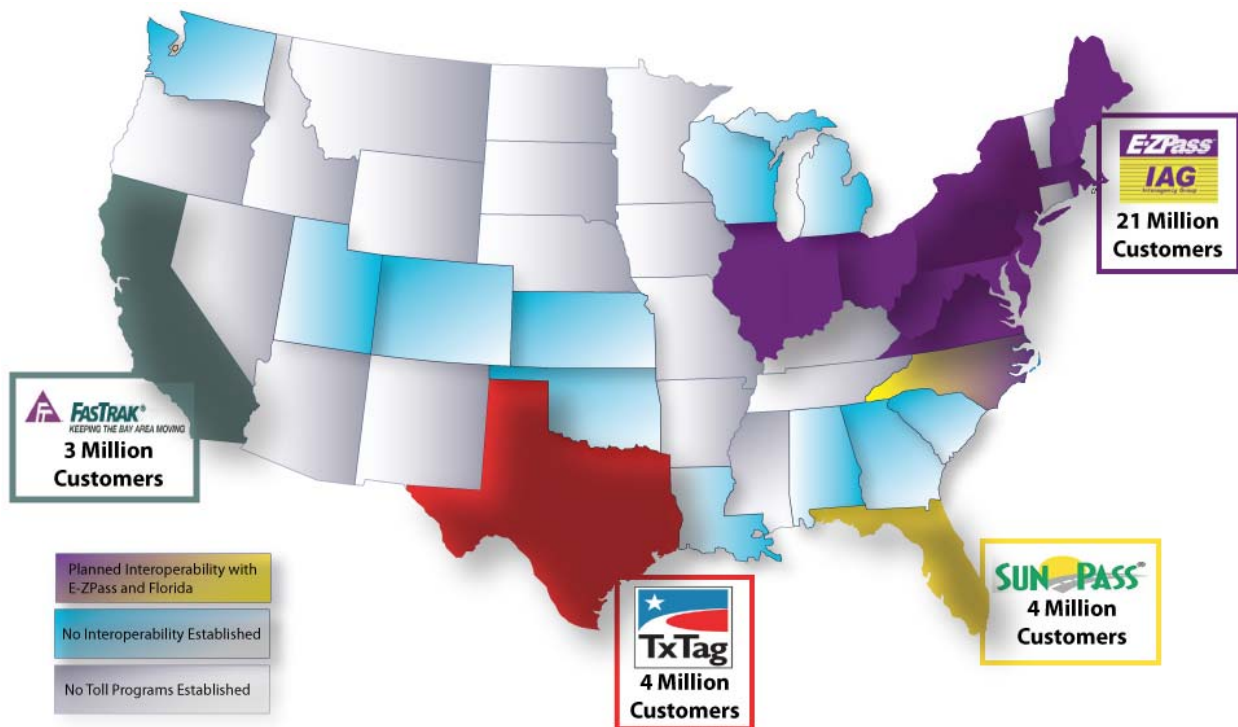
1. All of the entities that would be involved in the proposed comprehensive solution and their respective roles and responsibilities;
2. How toll payment and account matching information would flow between all of the various entities required to make the solution economically viable; and



3. How the solution would guarantee payments, utilize comprehensive reporting for auditing and reconciliation, and maintain driver privacy.

ATI received six (6) written responses and allowed the vendors the opportunity to present their solutions, questions, and comments at a meeting in February 2010. Following those presentations, the ATI membership expressed interest in taking “the next step” in developing an interoperable network, hence, the RFP issuance for the INPP, and effectively a full scale interoperable hub system.

**Figure 1-2
U.S. TOLL FACILITIES**





2. OBJECTIVES

2.1 INPP Objectives

ATI has established the following primary objectives for the INPP.

1. Select at least three (3) Proposers to establish and demonstrate the functionality of a Pilot Hub and service;
2. Provide the opportunity for select ATI members to test and/or utilize such system(s) in conjunction with their existing operating systems. The INPP will provide information reflecting potential toll collection from account holders with other agencies that are not easily collected currently by the Away Agency.
3. Serve as a means to identify performance parameters and resolve potential operating problems that may emerge during the pilot phase.
4. One overriding goal of the INPP is to not impose unessential business rules on participating members or Proposers. The toll industry has many interoperability business rule challenges to address and assumes this pilot will enable toll agencies to sample this type of system and to work through the process of developing business rules in conjunction with the pilot during the test phase. ATI understands that member agencies will need as much independence as possible to develop business rules to suit their own requirements. Ultimately some common minimum rules will be necessary which will also be developed and potentially implemented during the INPP.

2.2 HUB Operator Objectives

ATI has established the following primary objective for the HUB Operator.

1. ATI desires to use the experiences from the INPP, along with a BAFO and pricing to select HUB Operator(s). Hub Operator(s) would offer services in accordance with ATI's direction.



3. PART I – INTEROPERABILITY NETWORK PILOT PROGRAM

3.1 ATI INPP Operational Concept

The ATI INPP transaction processing concept simply provides a method to process license-plate-based transactions which cannot be identified by the Toll Facility Operator (TFO) as an existing toll account or a known violator at an Away Agency. The toll system flow chart depicted in **Figure 3-1** indicates how it is envisioned that the use of the ATI Hub would be inserted into the current TFO transaction processing flow. Refer to **Figure 3-2** for specifics and terminology as to the Pilot Hub process as discussed within this section.

3.1.1 Transaction Creation by Toll Facility Operator (Agency “A”)

During the INPP, the TFO from an Agency “A” completes their usual license plate transaction identification process by initially running the plate through their existing Back Office System (BOS) data base of account holders. If the TFO cannot match the license plate to any type of existing account within their database, the transaction will be sent to the Pilot Hub for customer account matching within the valid account file database. If no match is made at the Hub, the non-matched transaction is returned to the TFO for owner identification according to their normal business practices.

If a match is made, the toll transaction from the TFO Agency “A” (Away Agency) will include an amount due based on Agency “A” business rules; the date, time and location of the transaction; vehicle classification information (if available); and internal processing information such as transaction sequence numbers and system health information. The identifier of the transaction would be the license plate state, type and number.

The TFO for Agency “A” will be responsible for the accuracy of the license plate read. Depending on the TFO’s current process, it may guarantee the accuracy of the license plate information through its image review and Optical Character Recognition (OCR) process for purposes of violation enforcement or video tolling/invoicing. If the TFO does not manually review all of these images, the Toll Account Manager (TAM) receiving the request for payment must be aware that the file was not manually reviewed by the TFO. The TFO remains the responsible party for the accuracy of the license plate read, the transaction and rate setting, and ensuring the matching of the correct license plate image with the correct vehicle.

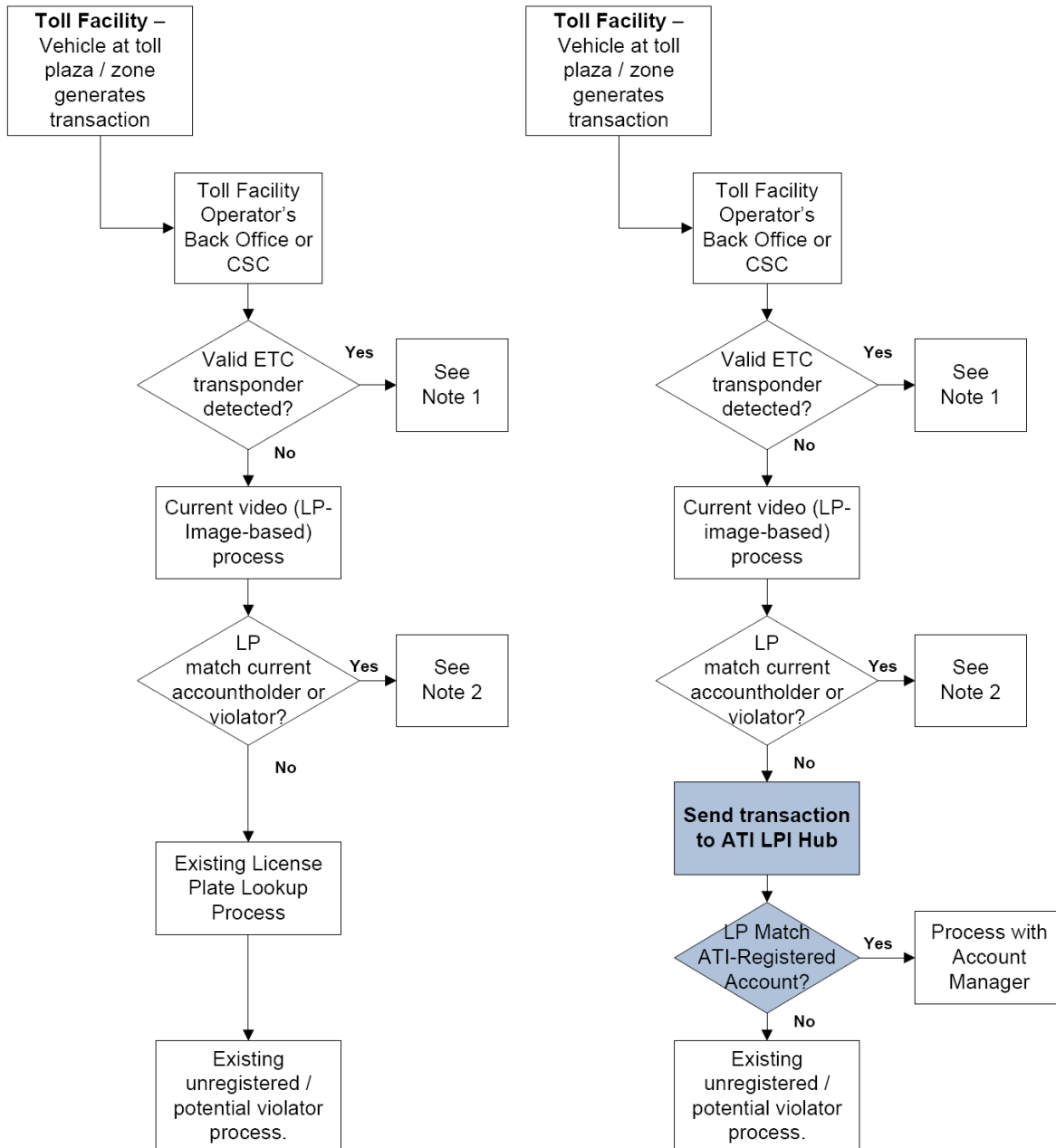


Figure 3-1

Configuring ATI LPI HUB Into Current Transaction Process

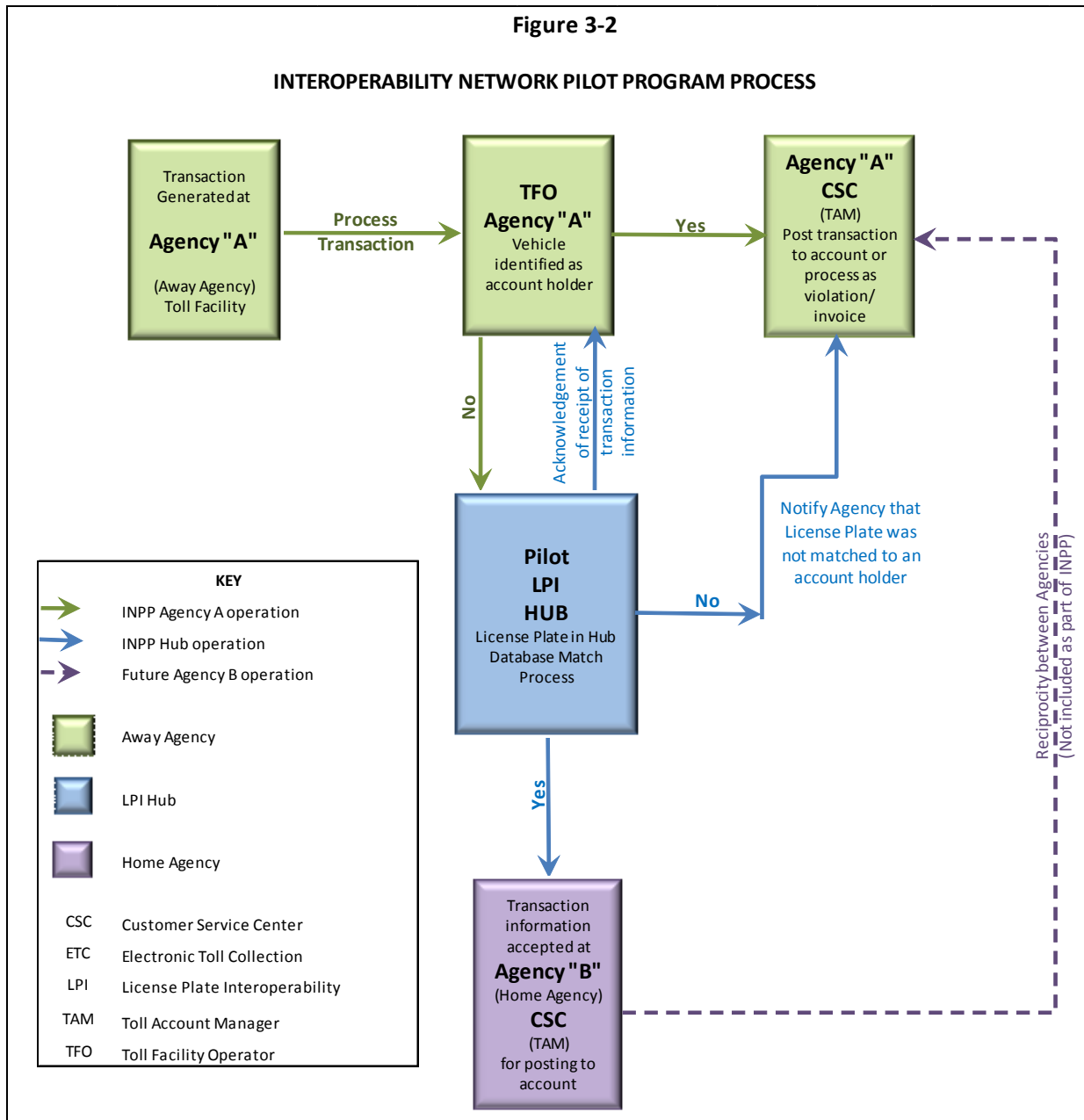
Current Video Transaction Process

Video Transaction Process w/ ATI Pilot Program



Note 1: This represents the toll operator's process today to charge tolls to ETC account holders.

Note 2: This represents the toll operator's process today for processing transactions with previously seen license plates, either by any type of registered accountholder or previous violation record.



3.1.2 Transaction Processing at the Pilot Hub

Once the TFO from Agency “A” submits the transaction information, transaction processing by the Pilot Hub Operators is as follows:



1. Accept the toll transactions and images.
2. Send an acknowledgement of receipt of the transaction to the TFO Agency "A".
3. Assist the TFO in determining how to process the transaction, by matching the license plate to a toll account within the Pilot LPI database and routing the transaction with that license plate image (if required by Agency "B") to the appropriate Toll Account Manager (TAM) at Agency "B" (Home Agency) CSC of the license plate holder.

For purposes of this pilot, the PHOs are not responsible for transaction posting to an account or managing accounts, merely for matching and routing license-plate-image transactions. However, the PHOs are responsible for maintaining the list of valid license plates associated with valid toll accounts, as provided by Home Agency CSCs on a daily basis.

3.1.3 Transaction Management by Agency "B" CSC (Home Agency TAM)

During the INPP, participating Agency CSC's will be responsible for accepting toll transactions forwarded by the PHOs. Participating Agency CSC's will coordinate with the PHO in regard to how transactions and toll details would be posted to the referenced customer account. As stated previously, customers will not be charged for matched transactions during the INPP.

3.2 Schedule

The RFP Contact person will make every effort to adhere to the schedule presented in **Table 3-1**. Any changes to the schedule during the procurement process will be advertised on the RFP information website <http://tollinterop.org/docs/view/C14>.



**Table 3-1
INPP SCHEDULE**

Action	Responsible Party	Date
Issue RFP	ATI	March 1, 2011
Pre-Bid Meeting	ATI	March 8, 2011
Question Submittal Period - Open	Proposers	March 8, 2011
Question Submittal Period -Closed	ATI	March 25, 2011
Post Questions/Answers/Addendums to questions on RFP Information Website	ATI	April 1, 2011
Proposals Due	Proposers	May 2, 2011, 5:00 p.m. EST
Oral Presentations if deemed necessary by Selection Committee	ATI/Proposers	Week of June 13, 2011
Final Selection, Announcement of Operator(s), and Contract Award	ATI	June 20, 2011
Negotiations Begin	ATI/Winning Proposer(s)	June 22, 2011
Protest Deadline	Proposers	June 30, 2011
Notice to Proceed	ATI	July 8, 2011
Kickoff Meeting with Operator(s), Participating Members and Companies	ATI/Winning Proposer(s)	July 11, 2011
Begin INPP	Winning Proposer(s)	August 1, 2011*
End INPP	ATI/Winning Proposer(s)	November 1, 2011*
Provide Schedule and Final Submittal Details for Part II – Hub Operator Selection	ATI	November 30, 2011**

*Proposers shall submit a detailed schedule from the period of award through the start of transactions and the period necessary at the end of the three months thereafter to conclude their analysis and pricing.

**A schedule for Part II, Hub Operator Selection, will be developed during the INPP portion of this RFP.



3.3 Qualification Requirements

Proposers shall demonstrate significant experience in areas of database establishment and maintenance, secure data transfer, interoperability and reciprocity experience, and reporting based on the qualification requirements listed below:

1. Relevant successful firm experience and references including additional existing channel partners.
2. Relevant key personnel experience and team structure.
3. Financial stability and resources
4. Registration to do business in North Carolina, prior to the signing of the INPP contract
5. Proposers shall demonstrate that the proposer can provide sufficient personnel to implement and operate the Pilot Hub through the duration of the Pilot Program and any extensions.

3.4 Scope of Services

Proposers are required to address each of the Scope of Service items listed in this section in their response to this RFP.

3.4.1 INPP ATI Participants

The successful Proposers shall serve as Pilot Hub Operators for the INPP and shall establish and host a pilot Hub for INPP participating ATI member agencies presented in **Table 3-2:**



Table 3-2 INPP PARTICIPATING ATI MEMBER AGENCIES*	
<p style="text-align: center;">Colorado – E-470</p> <p>California – Transportation Corridor Agencies</p> <p>Oklahoma – Oklahoma Turnpike Authority</p>	<p>Florida – Florida’s Turnpike Enterprise</p> <p>Maryland – Maryland Transportation Authority</p> <p>Texas – North Texas Tollway Authority</p>
<p><i>*Listed participants are provided the right to withdraw from the INPP prior to the start of the INPP if it is in the best interest of the agency. Should an INPP participant withdraw, a different agency may participate in its place. INPP participants (ATI Members) must be permitted by applicable state laws and agency regulations to participate in the no-cost Pilot Program.</i></p>	

3.4.2 Agency Participant Requirements

PHOs shall develop data connections with limited access and rights into the participating CSCs. The Proposer shall provide details on how these connections would be accomplished and identify requirements from the participating agencies. An outline of the requirements should be contained in responding firms’ proposals.

3.4.3 System Establishment

The PHOs shall be responsible for initiating the data links to the participating CSCs. Participating agencies CSCs shall ensure PCI compliance and safeguarding of the existing CSC’s system through their current Interface Specifications, while the PHO shall maintain the same guidelines within the Pilot Hub. The PHOs shall have to provide:

1. Highly secure data connections to Participating CSCs, complying with all applicable standards issued by the PCI Security Standards Council, including the PCI Data Security Standard (PCI DSS) and the Payment Application Data Security Standard (PAS DSS) at the start of the INPP, and remain compliant throughout the term of the INPP and final selection of the Hub Operator.
2. A system for participating agencies to communicate to the Hub with all necessary keys, addresses and passwords.
3. Pilot Hub for collection, matching and dissemination of license plate and transaction data.



4. Any additional criteria for secure transmissions that the potential PHOs deem necessary by the INPP Operators.

3.4.4 System (Pilot Hub) Operation

Pilot Hub operation will include daily exchanges of transactions, valid license plate lists, reconciliation files, and correction files. The PHOs will set up the pilot License Plate Interoperable Hub to be hosted off-site with full backup. It is expected to include all hardware, software, connections, and data conversion without charge to ATI or test participants, to allow the ATI participating agencies to send data and receive license plate files and transactions.

The PHOs shall be responsible for performing and reporting on regular operational tasks:

1. Download daily, files or file updates, of license plate data from participating CSCs in order to maintain a current customer database. Proposer shall also allow for web service near real time approach where applicable.
2. Receive daily license-plate-image based transactions,
3. Match and route license plate image transactions to the proper Home Agency CSCs.
4. Provide daily reports of the results of license plate lookups submitted, either as:
 - a. Successful matching against pilot Hub, or
 - b. Unsuccessful match of valid customer

3.4.5 System Accessibility

The INPP system shall be accessible to participating ATI members. Documentation regarding the INPP during the pilot program shall be accessible to all ATI members.

3.4.6 System Scalability

The proposed system shall be scalable in that it shall be sufficient for the Pilot Program as well as future expansion to accommodate up to 500 entities.



3.4.7 System Availability

The system shall be available based on 24/7 operations. Proposer shall define how the system shall be monitored as well as maintained, with defined maintenance periods.

3.4.8 Financial Reconciliation

The INPP will not initially handle financial clearing and settlements. Proposers to this RFP shall, however, shall demonstrate their proposed method for financial clearing processes between agencies.

3.4.9 System Security

The data provided to the INPP Participant(s) includes confidential information. The INPP Participant(s) shall provide a systems security process to maintain all data received from the participants both during the Pilot and at the end of the program in a secure manner. Upon direction from ATI, all pilot program data shall become the property of ATI and transmitted to their offices, or destroyed with a certification of destruction sent to ATI.

To provide appropriate security, it is required that all work must be performed in the United States.

Violation of an approved security plan during any portion of this RFP or the INPP will be a basis for cancellation of that PHO's participation in the pilot program and selection as a HUB Operator.

No secure information gathered during this Pilot Program may be used or shared for any other purposes during or after the Pilot Program.

3.4.10 Program Length and Schedule

Once the successful Proposers have established the necessary database and host, and connections to the participating ATI Agencies, the INPP will operate for a duration of three (3) consecutive months with an option for ATI to extend the pilot program for an additional three (3) months. Proposer(s) shall provide a schedule for implementation of the system. ATI reserves the right to extend and/or end the Pilot Program as needed after assessing progress, or the lack there of at any point during the Pilot Program.



3.4.11 Supplemental Services

The three (3) months of the Pilot Program shall be dedicated to data retrieval/transferring and matching. Supplemental services will not be tested or procured during the portion of the Pilot Program.

3.4.12 Data Set Schedule

INPP participating agencies shall provide electronically, on a daily basis (at a minimum), listings of valid license plates (valid plate files) against which to match license plate-based transactions. In cases where applicable, PHOs should also allow for a web service near real time approach. The PHOs may have to accept and transfer license plate image files for agencies that require them.

3.4.13 Data Set Requirements

PHO's shall develop a system for Away Agencies to match license plate data to existing customer accounts at Home Agencies. INPP participants will be responsible for converting away agency license plate transactions to the home agency's account data format which will be used to complete the transaction.

Only minimum data with which to identify a valid license plate shall be provided by the Home Agency CSC (e.g., no sensitive account information such as account holder name(s), billing/payment information, etc). The preferred method would match a license plate to a transponder number or existing video bill account that can be used by the Home Agency CSC to complete the payment process.

It is anticipated that valid plate files shall include license plate data, state identifier and license plate type and/or vehicle class (when known) as well as the agency identifier. Pilot Program participating Away Agencies will provide license-plate based transactions for the test program. System providers will be required to translate the data into a format that can be used in the system. Transactions must be submitted within five (5) working days of the transaction. License-plate based transactions will include the date/time/ location of the toll, the toll amount which would be due, mock agency surcharges, as well as mock agency discounts, if applicable, agency identifier, and the license plate information. Other data fields may also be needed and will be determined before and during the pilot phase. The Pilot Program participants will discuss with the System Provider(s) and ATI the best way to structure the data prior to initiating the pilot.



System Provider(s) should assume the existing account holder identifier will only include essential information needed to identify where an existing customer account is located.

3.4.14 API/PCI Conformity

Proposer must demonstrate the ability for the system to conform with PCI, as defined in section 3.4.3. For data security purposes, all work must be completed within the United States.

3.4.15 Performance Measures

1. Collection of data
2. Conversion and transfer of data
3. Batching of data
4. Demonstration of movement of funds
5. Report of 'mock' transactions
6. System performance
7. Timeliness of process completion

3.4.16 Summary Reports

The PHOs will be required to submit a summary report at monthly intervals. Respondents of this RFP must present an example report that identifies the primary elements that will be reported on in the proposal. A copy of the example report shall be included in your response. This report will be reviewed by ATI and ATI may request modifications.

3.5 Administrative

3.5.1 RFP Disbursement/Response to Inquires/Information Posting

Ms. J.R. Fenske is the Contact Person on this RFP. Any questions in regard to this RFP or requests for an RFP package shall be directed in writing to Ms. Fenske by letter or e-mail



at jr.fenske@tollinterop.org using the form provided in **Appendix E** (RFP Question Form). Please insert “ATI INPP RFP” in the subject matter of your e-mail.

All inquiries regarding this RFP will be accepted from March 8, 2011 following the pre-bid meeting until 5:00 p.m. on March 25, 2011. Only inquiries in writing will be accepted by ATI, and only written responses by Ms. Fenske will be binding upon ATI. Any inquiries received after the above deadline may or may not be answered by ATI. A summary of all questions and answers will be posted on the ATI web site at <http://tollinterop.org/docs/view/C14> as an addendum to this RFP. It is the responsibility of the Proposer to routinely check the ATI web site for any revisions to this RFP.

3.5.2 *Proposal Outline and Requirements in Response to the INPP*

3.5.2.1 *General*

Directions and commentary are provided herein to enable Proposing Contractors (“Proposers”) to provide clear and competitive technical proposals in a manner that will enable accurate evaluation of the several parts of the overall response.

3.5.2.2 *Packaging and Delivery*

All proposals shall be submitted in sealed envelopes or boxes, bearing on the outside the following:

**Alliance for Toll Interoperability
Interoperability Network Pilot Program
Proposal**

Submitted To:

**Alliance for Toll Interoperability
5400 Glenwood Avenue, Suite 400
Raleigh, NC 27612
Attention: J.R. Fenske**

Submitted By:

**Proposer’s Name
Proposer’s Address
City, State, Zip Code**



**Proposer's Phone Number
Proposer's Contact Person
Contact Person's Email Address**

Date Submitted:

Month, Date, Year

It is suggested that Proposals be delivered via certified mail, FedEx or some other courier service requiring a signature upon delivery.

Number of Copies. Each proposing party shall submit one (1) printed original and five (5) printed copies, and fifteen (15) electronic copies on CD. One of the electronic CD copies must be established and marked as "Master Disc" and must have full writes to duplicate and upload to private, password protected websites. The electronic copies must be provided in .pdf format file and be named and ordered as directed in Section 3.5.2.3. All other discs may remain protected as deemed necessary by each proposing company.

Formatting. Proposals text shall be single-spaced, a minimum of 10-point Arial or 12-point Times New Roman font, printed single-sided. Each page header and/or footer should include the proposing party's name, section number and page number with the date of the proposal. Exceptions to this portion include marketing material, graphical representations, and cut sheets relevant and necessary for the effectiveness of the proposal.

3.5.2.3 Proposal Contents/Outline

Each proposal shall include the following requested information, and be presented in the following order:

- I. Execution of Request for Proposal for INPP (01_EXECUTION_INSERT COMPANY NAME)
- II. Cover Letter (2 page limit) (02_COVER_INSERT COMPANY NAME)
- III. Executive Summary (5 page limit) (03_SUMMARY_INSERT COMPANY NAME)
- IV. Qualifications (10 page limit) (04_QUALS_INSERT COMPANY NAME)
 - A. Firm experience and references
 - B. Key personnel and team structure
 - C. Financial stability and resources
 - D. Registration to do business
- V. Technical Proposal-Scope of Services (50 page limit) (05_TECH_INSERT COMPANY NAME)



- A. System Establishment
- B. Agency Participant Requirements
- C. System (Pilot Hub) Operations
- D. System Accessibility
- E. System Scalability
- F. System Availability
- G. Financial Reconciliation
- H. System Security
- I. Program Length/Schedule
- J. Assumed Supplemental Services for final Hub Operation
- K. Data Set schedule
- L. Data Set Requirements
- M. API/PCI Conformity
- N. Performance Measures
- O. Summary Report
- VI. Exceptions to Terms and Conditions
- VII. Appendices (Supplemental Information)

3.5.3 Determination of INPP Participants

Successful Proposers shall be selected through a Technical Proposal Evaluation and, if determined necessary by the Selection Committee, oral presentations and/or site visits.

3.6 INPP Proposal Evaluation and Scoring

The selection of pilot participants will be based upon Proposal Contents and oral presentations if necessary. The first portion of the evaluation process will consist of a quantitative assessment and ranking of the proposals in order to determine which Proposers best meet the issuing organization's goals for the INPP. The proposals will be evaluated on their Qualifications, their responsiveness to the Scope of Services, and the Proposer's understanding and clear expression of their intent to meet the requirements of the RFP.

Evaluation of proposals will be based on a subjective review and scoring by Evaluation Committee members (including any clarifications, oral presentations, and any other source information deemed appropriate by the Evaluation Committee). The procurement evaluation shall be completed by a committee comprised of ATI members. Proposals will be scored based on the criteria listed in **Table 3-3**.



Table 3-3 INPP PROPOSAL SCORING	
Proposal Element	Max Score
Qualifications	
Firm Qualifications	
Key Personnel Qualifications	
Financial Stability and Resources	
Subtotal	300
Scope of Services	
Agency Participant Requirements	
System Establishment	
System (Pilot Hub) Operations	
System Accessibility	
System Scalability	
System Availability	
Financial Reconciliation	
System Security	
Program Length/Schedule	
Supplemental Services for Final Hub Operation	
Data Set schedule	
Data Set Requirements	
API/PCI Conformity	
Performance Measures	
Summary Report	
Terms and Conditions Exceptions	
Subtotal	1600
TOTAL	1900
Orals	
<i>Minimum Score Required to Progress to Orals (If applicable)</i>	1300
Oral Presentation	300
TOTAL SCORE POSSIBLE	2200

3.7 INPP Exceptions to Terms and Conditions

The Proposer will identify any exceptions to terms and conditions presented in **Appendix B**, as part of Section VI of the proposal.

4. PART II - HUB OPERATOR

Once the INPP is complete, ATI agencies will make the determination whether or not to utilize an Interoperability Hub based on the results of the INPP. For those ATI member organizations that elect to utilize the Interoperability Hub, data connections shall be developed with limited access and rights into these CSCs in the U.S. and possibly Canada. Listed in **Table 4-1** are potential ATI participating states/programs/agencies:



Table 4-1 POTENTIAL ATI INTEROPERABILITY HUB PARTICIPANTS	
Bay Area Toll Authority	North Texas Toll Authority
Delaware DOT	New Jersey Turnpike Authority
E-470 Public Highway Authority	New York State Thruway Authority
Florida’s Turnpike Authority	Ohio Turnpike Commission
Georgia State Road and Toll Authority	Oklahoma Turnpike Authority
Golden Gate Bridge	Orlando-Orange County Expressway Authority
Harris County Toll Road Authority	Peace Bridge
Illinois State Toll Highway Authority	Pennsylvania Turnpike
Indiana Toll Road	Port Authority of New York and New Jersey
Kansas Turnpike Authority	Texas DOT/Texas Turnpike Authority
Lee County	Toronto’s 407ETR
Maine Turnpike Authority	Transportation Corridor Agencies
Maryland Transportation Authority	South Carolina DOT
Massachusetts DOT	Southern Connector
Metropolitan Transportation Authority Bridges and Tunnels	Virginia DOT
Miami-Dade Expressway	Washington DOT
North Carolina Turnpike Authority	Delaware River Joint Toll Bridge Commission

(Only toll agencies with fully operating back offices are listed in table 4-1. This table contains names of potential participating agencies that may or may not be participants of ATI)

The PHOs shall provide details on how future connections would be accomplished to the ATI agencies listed above.

If ATI elects to proceed with a HUB Operator, PHOs shall be required to submit a Final Synopsis and Price Proposal, as outlined in section 4.2, 4.3 and 4.4. These documents will form the basis for final hub operator selection, along with any additional documents ATI requests during, or following the completion of the INPP.

Qualified Synopses and Pricing will be evaluated and acceptance may be made in accordance with Best Value procurement practices as defined within the RFP. The PHO’s whose proposal is most advantageous to ATI, taking into consideration the evaluation factors herein, will be recommended for contract award. Unless otherwise specified by ATI or the PHOs, ATI reserves the right to accept any item or group of items on a multi-item proposal. The award is expected to be made to a single PHO, however, ATI reserves the right to award the contract to more than one PHO if it is advantageous to ATI and its members.



4.1 Schedule

Once the completion date for Part I INPP has been finalized by ATI and participating PHOs, a schedule will be developed for Part II to address the submittal of the Final Synopsis, BAFO and Pricing; Part II evaluation of submitted information; oral presentations (if deemed necessary); award and negotiations. The RFP Contact person will make every effort to adhere to the schedule for Part II once published. Any changes to the schedule during the Part II phase will be advertised on the RFP information website <http://tollinterop.org/docs/view/C14>.

4.2 Final Synopsis

A final synopsis at the conclusion of the test will be developed by the PHOs. The synopsis shall include at a minimum:

1. Accuracy - Details on the accuracy of the system.
2. Challenges - Problems faced and resolutions to those issues.
3. Reporting - Summary of processing success and rate, number of successful hits, number of unsuccessful hits with reason for unsuccessful hit (non-existent customer, bad plate file, incorrect or invalid read), etc.
4. System Accessibility - PHOs will discuss how they will integrate future ATI member agencies and private companies approved by ATI. Private firms that operate ATI member agency customer service centers or back office systems will be allowed to participate in the Hub Operator service as a representative of the Home Agency.
5. System Scalability – provide detailed information on the systems ability to accept additional connections, as well as open protocol procedures according to the GNU General Public License.
6. System Security – Security of information shall be maintained at all times according to section 3.4.8, as well as API/PCI Compliance laws. Additionally, ATI may propose additional security requirements during or directly following the INPP that shall be included in the PHO's final synopsis.
7. Financial Reconciliation – demonstrate proposed method for financial clearing processes between agencies.



8. Future Actions - Recommended next steps and proposed additional Hub Operator Services, i.e. license plate look up, violation processing, etc.
9. Business Rules - Draft business rules based on experiences with INPP.

The above list of required information in the synopsis may be updated during or following the INPP.

4.3 Performance During Pilot Program

Throughout the INPP, participating agencies will monitor and grade the PHOs on the following mechanisms:

1. Client Satisfaction
2. Integration Success
3. System Accessibility
4. System Availability
5. Mock Financial Reconciliation
6. Data Set Schedule/Requirements

It is expected that monthly progress forms will be used to compile the PHOs overall score at the end of the INPP. ATI shall develop grading forms prior to the start of the INPP.

4.4 Best and Final Offers (BAFO)

Following successful completion of the INPP, ATI may request the Proposers to provide Best and Final Offers (BAFO). Failure to deliver a BAFO when requested shall disqualify the non-responsive Proposer from further consideration. ATI may establish a competitive range based upon evaluations of proposals, and request BAFOs from the Proposers within this range; e.g. "Finalist Proposers." ATI will evaluate BAFOs and add any additional points to the Proposers' respective scores. Points awarded from oral presentations, site visits and product demonstrations, if any, will be added to the previously assigned points to attain final scores. If ATI desires to request BAFOs, ATI will provide an addendum to this RFP establishing requirements of the BAFO, as well as a scoring mechanism.



4.5 Pricing

Details for the pricing procurements shall be provided to the PHOs by ATI not later than 30 days prior to the conclusion of the Part I INPP. It is anticipated that pricing will be tiered based upon transaction volumes.

Scoring shall include the following:

The lowest proposal price will be given 500 points. Each proposal price will be converted to points by dividing the low price by each proposal price, multiplied by 500. For example, if proposal A is \$100, and proposal B is \$200, the score for A is 500, and the score for B is (100/200) times 500, which equals 250 points.

4.6 HUB Operator Submittal Evaluation and Scoring

The selection of the HUB Operator will be based upon the proposers Final Synopsis, Performance during the Pilot Program and pricing. The first portion of the evaluation process will consist of a quantitative assessment and ranking of the Final Synopsis and Performance during the Pilot Program in order to determine which Proposers best meet the issuing organization’s goals for the HUB and the requirements of the RFP. **Table 4-2** provides the selection criteria for the HUB Operator award.

Table 4-2 HUB OPERATOR SUBMITTAL SCORING	
Proposal Element	Max Score
Final Synopsis	
System Accuracy	
Challenges and Resolution of Problems	
System Reporting	
System Accessibility	
System Scalability	
System Security	
Financial Reconciliation	
Future Actions	
Proposed Business Rules	
Innovative Solutions and Added Value Solutions	
Subtotal	1000
Performance During the Pilot Program	
Client Satisfaction	
Integration Success	



Table 4-2 HUB OPERATOR SUBMITTAL SCORING	
System Accessibility System Availability Mock Financial Reconciliation Data Set Schedule/Requirements	
Subtotal	600
Minimum Score Required to Progress to Orals (if applicable)	1100
Orals (Optional)	
Subtotal	300
Pricing	
Subtotal	500
TOTAL SCORE POSSIBLE	2400

4.7 Best Value Procurement

If deemed in the best interest of ATI, "Best Value" procurement methods may be implemented. The award decision is made based on multiple factors, including:

1. Total cost of ownership, meaning the cost of acquiring, operating, maintaining, and supporting a product or service over its projected lifetime;
2. The evaluated technical merit of the Proposer's proposal
3. The Proposer's past performance (including performance during the Pilot Program); and
4. The evaluated probability of performing the requirements stated in the solicitation on time, with high quality, and in a manner that accomplishes the stated business objectives and maintains industry standards compliance.

The intent of "Best Value" procurement is to enable Proposers to offer, and ATI to select the most appropriate solution to meet the business objectives defined in the solicitation and to keep all parties focused on the desired outcome of the procurement.

Additionally a trade-off/ranking method of source selection will be utilized in this procurement to allow ATI to award the contract to the Proposer providing the Best Value, and recognizing that Best Value may result in award other than the lowest price or highest technically qualified offer. By using this method, the overall ranking may be adjusted up or down when considered with, or traded-off against other non-price factors.



1. The evaluation committee may request clarifications, an interview with or presentation from any or all Proposers. However, ATI may refuse to accept, in full or partially, the response to a clarification request given by any Proposer. Proposers are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Proposers should be prepared to send qualified personnel to discuss technical and contractual aspects of the proposal.
2. Evaluation Process Explanation. The evaluation committee will consist of members/staff of ATI. All proposals will be initially classified as being responsive or non-responsive. If a proposal is found non-responsive, it will not be considered further. All responsive proposals will be evaluated based on evaluation criteria listed in this RFP. Any references in an answer to another location in the RFP materials or Proposal shall have specific page numbers and sections stated in the reference.
3. To be eligible for consideration, a Proposer must meet the intent of all requirements. Compliance with the intent of all requirements will be determined by ATI. Responses that do not meet the full intent of all requirements listed in this RFP may be subject to point reductions during the evaluation process or may be deemed non-responsive. Further, a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.
4. Proposers are advised that ATI is not obligated to ask for, or accept after the closing date for receipt of proposal, data that is essential for a complete and thorough evaluation of the proposal.

4.8 Submittal Outline and Requirements in Response to the HUB Operator Award

4.8.1 General

Directions and commentary are provided herein to enable Hub Operator proposers to provide clear and competitive technical and price information in a manner that will enable accurate evaluation of the overall contract. Requirements outlined in this section may be updated during and following the INPP.



4.7.2 Packaging and Delivery

All proposals shall be submitted in sealed envelopes or boxes, bearing on the outside the following:

**Alliance for Toll Interoperability
HUB Operator Award**

Submitted To:

**Alliance for Toll Interoperability
5400 Glenwood Avenue, Suite 400
Raleigh, NC 27612
Attention: J.R. Fenske**

Submitted By:

**PHO'S Name
PHO's Address
City, State, Zip Code
PHO's Phone Number
PHO's Contact Person
Contact Person's Email Address**

Date Submitted:

Month, Date, Year

It is suggested that Proposals be delivered via certified mail, FedEx or some other courier service requiring a signature upon delivery.

Number of Copies. Each proposing party shall submit one (1) printed original and five (5) printed copies, and fifteen (15) electronic copies of the Proposal on CD. One of the electronic CD copies must be established and marked as "Master Disc" and must have full writes to duplicate and upload to private, password protected websites. All electronic copies must be provided in .pdf format file and be named and ordered as directed in Section 4.7.3. All other discs may remain protected as deemed necessary by each proposing company.



Pricing Copies. In a separate package marked “PRICE INFORMATION”, each proposing party shall submit one (1) original copy of pricing information with (1) electronic CD.

Formatting. Proposals text shall be single-spaced, a minimum of 10-point Arial or 12-point Times New Roman font, printed single-sided. Each page header and/or footer should include the proposing party’s name, section number and page number with the date of the proposal. Exceptions to this portion include marketing material, graphical representations, and cut sheets relevant and necessary for the effectiveness of the proposal.

4.7.3 Proposal Contents/Outline

Each proposal shall include the following requested information, and be presented in the following order:

- I. Execution for Request for Proposal for HUB Operator (01_EXECUTION_INSERT COMPANY NAME)
- II. Cover Letter (2 page limit) (02_COVER_INSERT COMPANY NAME)
- III. Executive Summary (5 page limit) (03_SUMMARY_INSERT COMPANY NAME)
- IV. Final Synopsis (10 page limit) (04_SYNOPSIS_INSERT COMPANY NAME)
 - A. System Accuracy
 - B. Resolution of Problems
 - C. Processing Success
 - D. Reporting Features
 - E. System Accessibility
 - F. System Scalability
 - G. Financial Reconciliation
 - H. Future Actions
 - I. Proposed Business Rules
- V. BAFO (10 page limit) (05_BAFO_INSERT COMPANY NAME)
 - A. Innovative Solutions
 - B. Added Value Solutions
 - C. Performance Enhancements
- VI. Supplemental Information (06_SUPPLEMENTAL_INSERT COMPANY NAME)
- VII. Pricing (07_PRICING_INSERT COMPANY NAME)

5. SUBMITTAL TERMS AND CONDITIONS FOR PART I AND PART II

The terms and conditions defined within this Section address both Part I – INPP and Part II – HUB Operator of the RFP.



5.1 Policy Statement

This procurement shall be conducted in accordance with all applicable procurement policies established by ATI.

5.2 Non-Solicitation Provision

From the date that this RFP is issued through the selection of participating firms in the INPP, all firms shall only contact the Contact Person with respect to any facet of this procurement. During the selection of the HUB Operator, this section shall only apply to firms who were selected to participate in the INPP. Any proposers or agents of the proposers, during the procurement and award process, shall not be permitted to contact any ATI Members, board members or staff, with respect to this procurement. Violation of this provision shall result in the disqualification of the firm's Proposal.

5.3 Cost Incurred Responsibility

All costs incurred by any interested party in responding to this RFP shall be borne by such interested parties; the issuing organization shall have no responsibility whatsoever for any associated direct or indirect costs in response to any parts of this RFP.

5.4 Right to Reject

The issuing organization retains the right and option to reject any and all proposals during the INPP procurement process, and any or all required submittals during the HUB Operator award process.

5.5 Responsiveness of Proposals

The issuing organization reserves the right to reject any Proposal as non-responsive if the Proposal (Part I or Part II) fails to include any of the required information as defined within this RFP. If a Proposal fails to include information in the specified order, impairing the ability to ascertain responsiveness for Part I or Part II, such Proposal will be deemed non-responsive.



5.6 Right to Cancel or Withdraw

The issuing organization reserves the right to cancel this RFP during Part I or Part II if it is determined to be in the best interest of the issuing organization to do so. Each of the issuing organization's members also reserves the right to withdraw participation if determined to be in that agency's best interest to do so.

5.7 Right to Amend

The issuing organization reserves the right to amend, insert, or delete any item in this RFP if it is determined to be in the best interest of the issuing organization. If it becomes necessary to revise any part of this RFP, a written addendum to the solicitation will be posted to ATI's website.

5.8 Clarifications

The issuing organization may request written clarifications to Proposals during Part I and Part II of the procurement and award process, respectively. The Proposers shall provide the requested information in writing by a date and time indicated in the written clarification to Proposals by the issuing organization. If the requested information is not timely received, the Proposer's ratings may be adversely affected and/or the Proposal may be declared non-responsive and not eligible for award.

5.9 Oral or Referenced Explanations

The issuing organization will not be bound by oral explanations or instructions given by anyone at any time during the INPP procurement process and HUB Operator award process. The issuing organization will not consider Proposer information indicated by reference as part of the RFP response. However, the issuing organization may consider other sources in the evaluation of proposals, such as references, for example.

5.10 Proposal Submittal Deadline

Complete proposals for Part I-INPP, shall be delivered to ATI at the North Carolina Turnpike Authority headquarters, on or before the date and time defined within the RFP Schedule for Part I. Due dates and submittal locations for Part II-HUB Operator will be announced once the completion date for Part I has been finalized by ATI. Proposals



received will be time and date stamped as received. The issuing organization will not accept proposals delivered after the due date and time.

5.11 Submittal Responsibility

The responsibility for submitting a proposal to the issuing organization on or before the stated time and date will be solely and strictly the responsibility of the proposing contractor. The issuing organization will in no way be responsible for delays caused by the United States mail delivery, common carrier or by any other occurrence.

5.12 Waivers

The issuing organization may waive minor informalities or irregularities in proposals received for Part I and Part II where such is merely a matter of form and not substance, and the correction or waiver of which is not prejudicial to other Proposers. Minor irregularities are defined as those that will not have an adverse effect on ATI's interest and will not affect the price of the award for HUB Operator by giving a Proposer an advantage or benefit not enjoyed by other Proposers.

5.13 Proposal Disposition

All original Part I proposals and Part II submittals will be maintained on file at the North Carolina Turnpike Authority (NCTA) headquarters for ATI. For those portions of the Part I proposals and Part II submittals that have been designated as proprietary, the issuing organization, in conjunction with any ATI member who receives and/or reviews copies of proposals (Selection Committee and INPP Participants), will: 1) make reasonable best efforts to maintain confidentiality in accordance with their applicable laws and regulations; and 2) have no ownership rights to such print or electronic data, other than to retain copies of such data as required to comply with their applicable laws or regulations, or to document procurement history. All other Technical and Price Proposal materials shall become property of ATI.

5.14 Confidential Information

A Proposer, having formed a good faith opinion, upon consultation with legal or other knowledgeable advisors that information submitted to ATI may contain a trade secret or



other information exempted from the public record shall be maintained and treated according to the following:

1. ATI's Open Records Policy adopted January 9, 2009
2. Individuals serving on the Selection Committee shall comply with their individual state policies, legislation or any other binding documents which shall dictate each individual selection committee members' ability to hold Trade Secret or Confidential information. A list of these binding rules/regulations are attached in **Appendix C.**

Proposers may so designate appropriate portions of its proposal by marking the top and bottom of pages containing confidential information in boldface type **"CONFIDENTIAL/TRADE SECRET."** Where less than the full page contains trade secrets or confidential information, those specific sections shall be marked in boldface type **"CONFIDENTIAL/TRADE SECRET."** It is the proposers responsibility to maintain compliance with the individual state rules regarding Confidential/Trade Secrete Information. ATI may serve only as a custodian of information a Proposer deems confidential. ATI shall not act as an arbiter or defender of any claims related to assertions of confidential information. If a request is made for disclosure of information submitted, or an action is brought to compel ATI to disclose information marked confidential pursuant to State or Federal laws. The issuing organization will notify the affected Proposer of such request or action. In submitting a Proposal in response to this RFP, a Proposer agrees to: (i) defend its assertions of confidentiality by instituting appropriate legal proceedings, at its own expense and through its counsel, or intervening in an action brought against the issuing organization to compel disclosure, to defend its assertions of confidentiality; and (ii) hold the State and the issuing organization, and any officials or employees thereof harmless from any and all damages, costs, and attorney's fees awarded against the State and the issuing organization arising out of any such actions. Nothing in this section shall preclude the State or the issuing organization from participating in the defense of such actions, at its option and expense through its counsel. ATI shall have no liability to a Proposer with respect to the disclosure of any information, including confidential information, subject to an order by a court of competent jurisdiction pursuant to any applicable law.

5.15 Modification or Withdrawal of Proposals

Modifications – The issuing organization will permit modifications to a Part I proposal or Part II submittal after receipt by ATI until the specified due date and time for accepting information. The proposal may be picked up by a representative of the firm provided that the request to modify is in writing, is executed by the Proposer or the Proposer's duly authorized representative, and is filed with the issuing organization. It is the



Proposer's responsibility to resubmit the final proposal before the deadline. All proposal modifications shall be hand-delivered to the RFP contact person.

Withdrawal - A Proposer may withdraw a Part I proposal or Part II information prior to the submittal deadline, provided that the request is in writing, is executed by the Proposer or his/her duly authorized representative, and is filed with the issuing organization. Any Part I Proposer or Part II PHO may withdraw from the proposal and award process, respectively, at any time prior to submission of the final Part I Technical proposal and Part II BAFO/Price Proposal. The issuing organization will destroy any materials submitted up to that time upon request of the Proposer. The issuing organization requests that any Proposer that begins the process and either attended meetings or otherwise engaged with the issuing organization in this process, please notify the issuing organization, in writing, that it is withdrawing.

5.16 Contractual Obligations

Submission of a Part I proposal indicates the Proposer's acceptance by the firm of the conditions contained in this RFP unless clearly and otherwise specifically noted in the proposal submitted and confirmed in the contract between the issuing organization and the firm. Legal entities founded for purposes of this RFP should be formed prior to submitting the Proposal.

Submission of Part II requirements (Final Synopsis, BAFO and Pricing) indicates the PHO's acceptance by the firm of the conditions contained in this RFP unless clearly and otherwise specifically noted in the submitted information and confirmed in the contract between the issuing organization and the firm. Legal entities founded for purposes of this RFP should be formed prior to submitting the HUB Operator award requirements.

5.17 Procurement Information

It is the responsibility of all firms interested in submitting responses to this RFP to routinely check ATI's web site for responses to questions, change of schedule, addendums, announcements and other procurement information at <http://tollinterop.org/docs/view/C14>.



Upon selection of Part I INPP Participants, each awarded Proposer shall submit a Point of Contact to receive updates, changes, additions, or recommendations by ATI. Upon selection of the INPP participants, updates will not be submitted by web. The Point of Contact Information should be submitted to jr.fenske@tollinterop.org and must contain:

Point of Contact name, address, office number, cell number (or other applicable secondary contact number such as an assistant), facsimile number, and email address.

5.18 Oral Presentations and Interviews

The issuing organization reserves the right to request oral presentations and interviews with Proposers of the Part I INPP, as well as during Part II HUB Operator award. If ATI decides that oral interviews are in its best interests, the issuing organization will develop a short list for the oral interviews for Part I based on the scores of the technical proposals and adjust the proposed schedule if necessary. If oral interviews are held for Part II, all proposing Hub Operators receiving the minimum score of 1000 as outlined in Table 4-2 will be interviewed.

5.19 Proposer's Bid

By submitting a proposal for Part I and required information for Part II to the issuing organization the Proposer agrees that their proposal and required information shall remain effective for one hundred twenty (120) days after the deadline for submitting the proposal for Part I and for one hundred twenty (120) days after the deadline for submitting required information for Part II.

5.20 Notification of Award

The Notification of Award process will be the same for the Part I INPP and the Part II Hub Operator Awards.

After the ATI Board authorizes Part I award, the issuing organization will notify the successful Proposer(s) of the award by telephone after the Board meeting. The issuing organization will also deliver a notification of award letter, either in person or send via certified mail. If any successful Proposer(s) defaults or otherwise is unable to enter into a contract with the issuing organization, then the issuing organization may begin negotiations with the subsequent ranked Proposer(s). If the ATI Board rejects all



Proposals, a letter will be sent to all Proposers informing them that all Proposals on the project were rejected.

Part I and Part II Proposal award information will be posted on the RFP information web site: <http://tollinterop.org/docs/view/C14>

5.21 Disqualification

Proposer(s) may be disqualified from any evaluation or award if Proposer(s) or any key personnel proposed has previously failed to perform satisfactorily during the performance of any contract with ATI member agencies or violated rules or statues applicable to public bidding in these States.

5.22 Protest Procedures

Protests of awards must be submitted to RFP contact at the address given in **Table 1-1** of this document. Protests must be received within ten (10) calendar days from the date of the award or Part I or Part II and provide specific reasons and any supporting documentation for the protest. This shall apply to both Part I and Part II and shall be subject to the laws of North Carolina.

Protest Procedures are as follows:

1. Each proposing Contractor, by submitting its Proposal, expressly recognizes the limitation on its rights to protest contained herein, expressly waives all other rights and remedies, and agrees that the decision on any protest, as provided herein, shall be final and conclusive. These provisions are included in these RFP documents expressly in consideration for such waiver and agreement by the proposing contractors. If a proposing contractor disregards, disputes, or does not follow the exclusive protest remedies set forth in these RFP documents, it shall indemnify, defend, and hold the ATI, and their respective Board members, directors, officers, officials, employees, agents, representative, and consultants, harmless from and against all liabilities, expenses, costs, fees, and damages incurred or suffered as a result of such proposing Contractor actions. The submission of a Proposal shall be deemed the proposing Contractor's irrevocable and unconditional agreement with such indemnification obligation.



2. All protests shall be in writing and filed with the ATI President at the address specified below. Any protest not set forth in writing, including oral objections, is not a protest and shall be null and void.

Mr. Jim Eden, President
5400 Glenwood Avenue
Suite 400
Raleigh, NC 27612

3. All protests shall include the following: 1) Name and Address of Protestor; 2) Proposal or Contract Number; 3) Reasons for protest; and 4) Supporting exhibits, evidence or documents to support the protest.
4. All Proposals shall be irrevocable until final administrative and judicial disposition of a protest.
5. To insure fairness to all offerors and to promote open competition, ATI shall actively follow-up and be consistent in responding to an offeror's protest over contract awards.

When an offeror desires to protest a contract awarded by ATI, ATI and the offeror shall comply with the following:

- (1) The offeror shall submit a written request for a protest meeting to the President which shall be received within 30 consecutive calendar days from the date of the contract award. The offeror's letter shall contain specific reasons and any supporting documentation for why it has a concern with the award. If the letter does not contain this information or if the President determines that a meeting would serve no purpose, the President may, within 10 consecutive calendar days from the date of receipt of the letter, respond in writing to the offeror and refuse the protest meeting request.
- (2) If the protest meeting is granted, the President shall attempt to schedule the meeting within 30 consecutive calendar days after receipt of the letter, or as soon as possible thereafter. Within 10 consecutive calendar days from the date of the protest meeting, the President shall respond to the offeror in writing with the President's decision.
- (3) The President may appoint a designee to act on the President's behalf under this Policy.



APPENDIX A – ACRONYMS, TERMS AND DEFINITIONS

ACRONYM/TERM	DEFINITIONS
ATI	<p>“Alliance for Toll Interoperability” – membership organization consisting of multiple state agencies, toll roads, bridges and tunnels across North America who are promoting interoperability solutions.</p>
AET	<p>“All Electronic Tolling” – a toll system or operation where revenues are collected electronically or through video through established pre-paid accounts or invoicing, respectively. No cash payments are accepted on the toll facility.</p>
BAFO	<p>“Best and Final Offer” – The proposers’ final offer following the conclusion of the INPP.</p>
BOS	<p>“Back Office System” – Hardware and software that supports customer service center and video processing activities.</p>
CSC	<p>“Customer Service Center” – a toll agency’s Toll Account Manager. The facility that houses the equipment, software and personnel required to establish/maintain customer pre-paid accounts, collect revenue, process video billing and/or violations (including escalations), implement interoperability and reciprocity based on the toll infrastructure Owner’s business policies. A CSC may serve multiple toll agencies.</p>
Entity	<p>Any company, privately or governmentally established, that could potentially utilize services of the HUB system.</p>
ETC	<p>“Electronic Toll Collection” – the application of RFID technology for toll collection, as opposed to cash tolls or video-based tolls.</p>



ACRONYM/TERM	DEFINITIONS
EZG	<p>“E-ZPass Group” - The large interstate interoperable toll organization, that utilizes Electronic Toll Collection based on established business policies and interagency agreements.</p>
INPP	<p>“Interoperable Network Pilot Program” – A system developed by firms responding to this RFP that will essentially allow agencies to match license plates of unrecognized (non-customer vehicles) to valid toll accounts established with other agencies participating in the program via transponder account or video license plate accounts established with that agency.</p>
Hub	<p>“Interoperability HUB” - The system and service that receives interoperable toll transactions from Toll Facility Operators and routes them to the appropriate Toll Account Managers.</p>
License-Plate Transactions	<p>A toll transaction which identifies the toll customer by the vehicle’s license plate, rather than by an ETC transponder.</p>
Multi-Protocol Devices	<p>RFID related devices with the ability to read or relate more than one RFID protocol.</p>
NCTA	<p>“North Carolina Turnpike Authority” – Toll agency created in 2002 to study, plan, develop, construct, operate and maintain up to nine projects. NCTA is a division of the North Carolina Department of Transportation and shall be responsible for housing all original documentation of this RFP.</p>
OCR	<p>“Optical Character Recognition” – the machine-reading of printed text that is converted to electronic data. In toll operations, this refers to the automatic reading of license plate images by computers.</p>
PCI	<p>“Payment Card Industry (PCI)” - Compliance is adherence to a set of specific security standards that were developed to protect card information during and after a financial</p>



ACRONYM/TERM	DEFINITIONS
	transaction. PCI compliance is required by all card brands.
PHO	“Pilot Hub Operator” – Proposers’ selected from Part I of this RFP to establish hub systems and connections to the participating agencies.
RFI	“Request for Information” - Not a solicitation document, but rather a request to provide tentative information prior to the release of an RFP in order to gauge interest and need.
RFID	“Radio Frequency Identification” - A data collection technology that uses electronic tags for storing data. The tag, also known as an "electronic label," "transponder" or "code plate," is made up of an RFID chip attached to an antenna. Transmitting in the kilohertz, megahertz and gigahertz ranges, tags may be battery-powered or derive their power from the RF waves coming from the reader.
RFP	“Request for Proposal” - A solicitation document. This document or the IFB is required to be used for competitive procurements over \$25,000.00. Normally used for larger, advertised competitive procurements for services. It is an alternate acquisition method to the IFB. An RFP may also be handled as a two step process.
TAM	“Toll Account Manager” - The entity which owns the toll account. This could be a Toll Agency CSC, or a separate business entity. The Toll Account Manager guarantees payment for all valid accounts they authorize.
TFO	“Toll Facility Operator” - The Toll Agency that is owed the toll. The away agency creates the toll transaction when a vehicle is detected by the toll system for use of its facility.
Toll Zone	A specific tolling point on a toll highway system where a vehicle is detected and data is transmitted for revenue collection. When cash collection is offered, these are toll



ACRONYM/TERM	DEFINITIONS
	plazas.
Transaction	The electronic message identifying the date, time and location of the transaction; vehicle classification information (if available); and internal processing information such as transaction sequence numbers and system health information. The identifier of the transaction would be the license plate state, type and number.
Transponder	The RFID device mounted in an account-holder's vehicle, also known as On-Board Unit (OBU). This is the necessary component of an ETC system. A receiver or transceiver permitting the Operator's Road-Side Unit to communicate with, identify, and conduct an electronic toll transaction.
Video	The use of digital images of license plates to identify vehicles rather than ETC information.



APPENDIX B – TERMS AND CONDITIONS

CONTRACT TERMS AND CONDITIONS

- 1.1. Introduction 51
- 1.2. General Payment Terms and Conditions-Part II HUB Operator 51
- 1.3. Contract Periods 52
- 1.4. Awards and Damages-Part II HUB Operator 53
 - 1.4.1. Liquidated Damages 53
 - 1.4.2. Assessed Damages 53
 - 1.4.3. Service Level Requirements 54
- 1.5. Audits and Financial Reporting-Part II HUB Operator 56
 - 1.5.1. Annual Audited Financial Statements 56
 - 1.5.2. SAS 70 Services Auditor Report (Type II) 56
 - 1.5.3. Audit and Examination of Records 57
- 2. CONTRACT CHANGES AND TERMINATIONS-Part II HUB Operator 58
 - 2.1. General 58
 - 2.2. Change Orders 59
 - 2.3. Extra Work Orders 59
 - 2.4. Task Orders 60
 - 2.5. Time Extensions and Schedule Change 60
 - 2.6. Contract Termination- Part I INPP and Part II HUB Operator 60
 - 2.6.1. Termination General Requirements 60



2.6.2. Termination for Cause 61

2.6.3. Termination for Convenience without Cause 62

2.7. Succession and Transition Plan-Part I INPP and Part II HUB Operator 62

3. GENERAL TERMS AND CONDITIONS-Part I INPP and Part II HUB Operator 63

3.1.1. Standards 63

3.1.2. Acceptance Criteria 64

3.1.3. Personnel 64

3.1.4. Subcontracting 64

3.1.5. Contractor’s Representation 65

3.2. Software and Intellectual Property-Part I INPP and Part II HUB Operator 65

3.2.1. Internal/embedded Software License and Escrow 65

3.2.2. Software Maintenance/Support Services 66

3.2.3. Patent, Copyright and Trade Secret Protection 67

3.2.4. Data Ownership and Security 68

3.3. Other General Provisions--Part I INPP and Part II HUB Operator 69

3.3.1. Governmental Restrictions 69

3.3.2. Prohibition Against Contingent Fees and Gratuities: 69

3.3.3. Equal Employment Opportunity 69

3.3.4. Inspection at Contractor’s Site 70

3.3.5. Advertising / Press Release 70

3.3.6. Confidentiality 70

3.3.7. Deliverables 70

3.3.8. Late Delivery, Back Order 70

3.3.9. Access to Persons and Records 71



3.3.10. Assignment 71

3.3.11. Insurance Coverage 71

3.3.12. Dispute Resolution and Dispute Resolution Board..... 72

3.3.13. Default 72

3.3.14. Waiver of Default..... 73

3.3.15. Limitation of Contractor’s Liability 74

3.3.16. Contractor’s Liability for Injury to Persons or Damage to Property 74

3.3.17. General Indemnity 75

3.3.18. Changes..... 75

3.3.19. Time is of the Essence..... 75

3.3.20. Date and Time Warranty 76

3.3.21. Independent Contractors..... 76

3.3.22. Transportation 76

3.3.23. Notices 76

3.3.24. Titles and Headings..... 76

3.3.25. Amendment 76

3.3.26. Taxes 77

3.3.27. Governing Laws, Jurisdiction, and Venue 77

3.3.28. Force Majeure..... 77

3.3.29. Compliance with Laws 77

3.3.30. Severability 77

3.3.31. Federal Intellectual Property Bankruptcy Protection Act..... 78



1. CONTRACT TERMS AND CONDITIONS

1.1. *Introduction*

1. ATI may execute a contract with the responsive and responsible Contractor whose Part I Interoperability Network Pilot Program (INPP) technical proposals are determined to be the most advantageous to ATI. The contract may be awarded to at least three (3) Contractors which will serve as the Pilot Hub Operators (PHO), and may include additional terms and conditions as ATI deems to be in the best interest of the organization. Part I INPP is to be implemented at no cost to ATI or its participating members.
2. Upon completion of Part I INPP, ATI may execute a contract with the responsive and responsible PHO whose Part II submittals, which include pricing, are determined to be the most advantageous to the ATI. The contract may be awarded to one (1) PHO or more, and may include terms and conditions providing for the HUB Operator service as ATI deems to be in the best interest of the organization. Part II HUB Operator is to be implemented based on terms and conditions, and pricing negotiated between ATI and the selected HUB Operator(s). ATI's award of, or continuation of any contract(s) for or related to the HUB Operator is subject to the availability of funding from participating ATI agency members.
3. In the interest of its membership, ATI members participating in any portion of this RFP shall abide by the Policy of Ethical Behavior adopted in February 2011. Additionally, members participating in any portion of this RFP shall abide by their state governed ethical behavior policies as established in Appendix C.

1.2. *General Payment Terms and Conditions-Part II HUB Operator*

1. Payment terms are Net 30 days after receipt of correct invoice or acceptance of the Deliverables, whichever is later; unless a period of more than 30 days is required by ATI. ATI is responsible for all payments under the Contract. ATI will accept payment terms of Net 30 days after receipt by ATI of correct invoice. A "correct" invoice is one that contains an accurate description of the amounts due and has no errors.
2. ATI shall abide by the following in regard to payment for services or other related invoices in conjunction with this RFP:
 - a. Forward the Contractor's payment check(s) or other mutually acceptable means directly to any person or entity designated by the Contractor, or



- b. Include any person or entity designated in writing by Contractor as a joint payee on the Contractor's payment check(s), however
- c. In no event shall such approval and action obligate ATI to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all Contract obligations.

1.3. Contract Periods

1. Part I INPP

It is anticipated the following period will apply to the contracts for Part I INPP, unless otherwise provided in the final contract(s). Notwithstanding the contract periods set forth below, ATI reserves the right to award to at least three (3) contracts, or any number as deemed in the best interest of ATI.

- a. Contractors shall be permitted time to develop and implement the License Plate Interoperability (LPI) Hub based on the time defined by each individual contractor within their proposal.
- b. Upon completion of the Pilot Hub, Contractors will be required to operate the Hub as a pilot for a minimum of three (3) months. This time period can be extended by ATI if deemed necessary, but shall not exceed six (6) months unless ATI and the INPP participants mutually agree to extend the INPP beyond six (6) months.
- c. The ownership of the data and information collected under the INPP shall transfer to ATI upon the completion of the pilot program.

2. Part II HUB Operator

- a. Once ATI selects a HUB Operator, the contract is anticipated to commence upon Notice to Proceed, and shall not extend beyond the Contract Period as set forth in the contract.
- b. The initial contract period will be for three (3) years. ATI retains the option, within its sole discretion, to extend the contract for two (2) three (3) year periods unless otherwise agreed to by ATI and Contractor in writing.
- c. The ownership of the data and information collected during the contract period shall transfer to ATI upon contract termination.



1.4. Awards and Damages-Part II HUB Operator

1.4.1. Liquidated Damages

1. ATI will assess liquidated damages for failure to meet Hub service performance requirements. These requirements will be developed by ATI and negotiated with the Contractor during final contract negotiations. ATI will **not** cap the liquidated damages to 10% of the total contract value.
2. ATI may recover any and all liquidated damages by deducting the amount thereof from any monies due or that may become due the Contractor, notwithstanding any liens, notices of liens or actions of subcontractors, and if said monies are insufficient to cover said damages, then the Contractor or the Surety shall promptly pay any remaining amounts due on demand.
3. In the event that liquidated damages are disallowed for any reason whatsoever, ATI shall be entitled its actual damages including any and all consequential or incidental damages.
4. Nothing herein contained shall be construed as limiting ATI's rights to recover from the Contractor any and all other amounts due or that may become due to ATI, or any and all costs and expenses sustained by ATI for improper performance hereunder, or for breach or breaches in any other respect including, but not limited to, defective workmanship or materials.
5. ATI shall provide prior written notice to Contractor before assessing any liquidated damages.
6. Notwithstanding anything to the contrary, in no event shall Contractor be liable for nonperformance and related liquidated damages where the cause of the nonperformance is beyond the reasonable control of the Contractor.

1.4.2. Assessed Damages

1. ATI has the right to recourse and compensation in cases where ATI suffers actual damages in terms of:



- a. Lost revenue collection revenue
- b. Repairs or other corrections which are made at ATI's expense, and
- c. Any other case where ATI is able to demonstrate its loss.

1.4.3. Service Level Requirements

1. **Response Time.** All Hub operations that impact the exchange of data and collection of tolls shall have a Response Time as follows:

<u>Day</u>	<u>Specifics</u>	<u>Response Time</u>
<u>Non-Peak Weekdays</u>	<u>Monday through Friday</u>	<u>2 hours</u>
	<u>From 9 am to 3:30 pm</u>	
	<u>From 6:30 pm to 6 am</u>	
<u>Weekends</u>	<u>Saturdays and Sundays</u>	<u>2 hours</u>
<u>Holidays</u>	<u>Federal approved holidays</u>	<u>2 hours</u>
<u>Peak Period Weekdays</u>	<u>Monday through Friday</u>	<u>1 hour</u>
	<u>Morning Peak from 6 am to 9 am</u>	
	<u>Afternoon Peak from 3:30 pm to 6:30 pm</u>	

The Contractor is required to respond within the specified response time twenty-four (24) hours per day, seven (7) days a week. The exact periods to be used to compute adherence to the standard will be determined prior to the execution of the contract.

2. **Repair Time.** All (hardware and software) failures that directly affect data, revenue collection or impair audits shall be repaired within two (2) hours of arrival, but in no case shall the repair time exceed four (4) hours of the first notification. The total response and



repair time shall be measured from the exact time that the problem is first reported to the Contractor until the equipment is brought back on-line and is functioning at full capacity.

3. **Liquidated Damages.** ATI has the option of assessing Liquidated Damages for failure of the Contractor to meet the response and repair times as specified in the RFP. Liquidated Damages may be applied at the following rates:

<u>Hub</u>	<u>Agency Connections</u>	<u>Reciprocity</u>
Response Time	<u>\$100</u>	<u>\$200</u>
Repair/Replacement Time	<u>\$200</u>	<u>\$400</u>

ATI shall advise the Contractor in writing of its intent to assess Liquidated Damages within five (5) days of becoming aware of occurrence of any delay. The time frame for measurement of response time and the combined response and repair time shall begin at the exact time the problem was reported to the Contractor. The time frame for the Repair shall begin as soon as the Contractor begins work on the problem. Partial hours may be treated as whole hours at the discretion of the ATI, and liquidated damages amounts may be withheld from payments.

4. **Performance.** All service performance levels shall be defined prior to HUB Selection BAFO. The Performance Specifications provided and related liquidated damages shall be applicable after final system (hardware and software) and operational acceptance. Liquidated damages in the amount of one hundred dollars (\$100.00) per item per calendar day, or portion thereof, may be made against the Contractor for failure of the Contractor, or the system as described herein, to meet all service performance levels.

5. **Actual Damages.** When revenue is lost due to equipment failure and the toll revenue ATI loses cannot be recovered from its customers, the Contractor will be held responsible for these lost revenues when:

- (1) the Contractor has been informed of the problem;
 - (2) the Contractor does not respond and/or repair within the specified time periods,
- or



- (3) when it is determined that the equipment failure is a result of Contractor negligence.

For each transaction error resulting in lost revenue due to the Contractor's negligence or fault, the Contractor shall reimburse ATI for the actual amount of lost revenue or the ATI's most reasonable estimate of the amount of lost revenue. The exception to this provision would be catastrophic events as determined by ATI. A transaction error shall include, but not be limited to:

- (a) Any event for which a transaction should have been recorded, but was not.
- (b) Any transaction that is recorded but charged an incorrect toll or incorrect amount.
- (c) Any transaction that is recorded but is not collectable due to any system error or Contractor error.

1.5. Audits and Financial Reporting-Part II HUB Operator

1.5.1. Annual Audited Financial Statements

The Contractor shall submit on an annual basis the current audited financial report, statements, and any associated notes for the term of the contract.

1.5.2. SAS 70 Services Auditor Report (Type II)

1. SAS 70 Audit - The Contractor will be required to submit annually a current Service Auditor's Report (Type II) prepared in accordance with, and resulting from an audit according to Statement on Auditing Standards (SAS) No. 70, Service Organizations, of the American Institute of Certified Public Accountants (AICPA), or a Section 5970 Canadian equivalent. The initial SAS 70 Audit will be required of the Contractor will be due at the end of the initial year of Hub operations. Contractor will be required to submit current SAS 70 Reports on the Hub operation on an annual basis while under contract.
2. **Unqualified Opinion.** ATI prefers that the Service Auditor's Report, or approved equivalent, should present an "unqualified opinion" indicating that:
 - a. The Contractor's description of its organizational controls is presented fairly;
 - b. Such controls are designed effectively;
 - c. Such controls are placed in operations as of a specified date; and



- d. Such controls are operating effectively over a specified period of time.
3. **Qualified Opinion.** Though an “unqualified opinion” where the above items have been accomplished is highly desirable, in the case of a “qualified opinion,” ATI reserves the right to evaluate the qualifications and at its sole discretion, either accept or disqualify the Contractor.
4. **Additional Requirements.** In the event that ATI determines that certain controls relevant to the its self-assessment of internal control are required, or for the external audit of its financial statements, are not included in the SAS 70 Type II Service Auditor's Report submitted by the Contractor, ATI, at its discretion, may require additional evidence from the Contractor to ensure that such controls are operating effectively. In such cases, the Contractor will provide ATI with a report on the application of the agreed upon procedures that describes the relevant test of controls and provides sufficient evidence that such controls are operating effectively.

1.5.3. Audit and Examination of Records

1. **Definition of Records**
 - a. Contract Records shall include, but not be limited to, all information, communications and data, whether in writing or stored on a computer, computer disks, microfilm, writings, working papers, drafts, computer printouts, field notes, charts or any other data compilations, books of account, photographs, videotapes and audiotapes supporting documents, any other papers or preserved data in whatever form, related to the Contract or the Contractor's performance of the Contract determined necessary or desirable by the ATI for any purpose.
 - b. Proposal Records shall include, but not be limited to, any material relating to the determination or application of equipment rates, home and field overhead rates, related time schedules, labor rates, efficiency or productivity factors, arithmetic extensions, quotations from subcontractors, or material suppliers, profit contingencies and any manuals standard in the industry that may be used by the Contractor in determining a price.
2. ATI reserves and is granted the right (at any time and from time to time, for any reason whatsoever) to review, audit, copy, examine and investigate in any manner, any Contract Records (as herein defined) or Proposal Records (as hereinafter defined) of the Contractor or any subcontractor. By submitting a response to the Request for Proposal, Contractor or any subcontractor submits to and agrees to comply with the provisions of this section.



3. If ATI requests access to or review of any Contract Documents or Proposal Records and Contractor refuses such access or review, Contractor shall be in default under its Contract with ATI, and such refusal shall, without any other or additional actions or omissions, constitute grounds for suspension or disqualification of Contractor. These provisions shall not be limited in any manner by the existence of any Contractor claims or pending litigation relating to the Contract. Disqualification or suspension of the Contractor for failure to comply with this section shall also preclude the Contractor from acting in the future as a subcontractor of another Contractor doing work for ATI during the period of disqualification or suspension. Disqualification shall mean the Contractor is not eligible for and shall be precluded from doing future work for ATI until reinstated by ATI.
4. Final Audit for Project Closeout: The Contractor shall permit ATI, at ATI'S option, to perform or have performed an audit of the records of the Contractor and any or all subcontractors to support the compensation paid the Contractor. The audit will be performed as soon as practical after completion and acceptance of the contracted services. In the event funds paid to the Contractor under the Contract are subsequently determined to have been inadvertently paid by ATI because of accounting errors or charges not in conformity with the Contract, the Contractor agrees that such amounts are due to ATI upon demand. Final payment to the Contractor shall be adjusted for audit results.
5. Contractor shall preserve all Proposal Records and Contract Records for the entire term of the Contract and for a period of three (3) years after the later of: (i) Notice to Proceed, (ii) until all claims (if any) regarding the Contract are resolved, or (iii) expiration of the Proposal Records and Contract Records' status as public records.

2. CONTRACT CHANGES AND TERMINATIONS-Part II HUB Operator

2.1. General

If during the contract period(s) there are changes in conditions related to Hub operations required for successful implementation and operations, ATI will attempt to accommodate such changes within the original scope, terms and conditions of the contract(s) to the extent possible. ATI, however, reserves the right to engage in a new competitive procurement for any work outside of the original scope to select a contractor to perform additional work, as deemed in the best interests of the ATI.

1. The following contract changes are allowable within the scope of this contract:



- a. **Change Orders** – The ATI anticipates using Change Orders to address variances in the original quantities tabulated pursuant to the RFP,
- b. **Extra Work Orders** –ATI anticipates issuing Extra Work Orders to address variances in the specifications or scope of work beyond that approved and for which there is no appropriate pay item or category. Extra Work Orders will be issued within the sole discretion of ATI, and such additional work may be subject to a new competitive procurement as deemed to be in the best interest of ATI.
- c. **Task Orders** –ATI anticipates issuing Task Orders for work required to enhance the Hub service contracts for needed activities in accordance with labor rates proposed and set for in the Price Proposals.
- d. **Time Extensions** – ATI anticipates issuing Time Extensions, as necessary. As time is of the essence, ATI will issue Time Extensions judiciously.

2.2. Change Orders

1. A change order will be a change in contract quantities to expand the scope of work. ATI may elect to have either the Contractor provide the change order work under this contract, or to advertise the work through a new competitive procurement process.
2. If the Contractor can clearly demonstrate in writing that it is in ATI's best financial and security interest for the Contractor to perform the change order work, ATI may elect to have the Contractor perform the change order work. In this case, the Contractor shall provide a detailed technical and cost proposal for the order, and await approval and Notice to Proceed from ATI before incurring any expenses for which the Contractor expects reimbursement.
3. If ATI advertises the change order work, ATI may elect to use the Contractor as an agent and assist ATI in the procurement of additional services, and/or integrate the change order work into the Hub. In this case, ATI would attempt to negotiate compensation for additional system integration services through a negotiated and approved Task Order.

2.3. Extra Work Orders

1. An extra work order will ONLY be a change in the scope of the contract with different functionality than that covered by existing contract.



2.4. Task Orders

1. A Task Order will be a change in design or work needed to maintain operation of the Hub after acceptance of the original Hub by ATI.

2.5. Time Extensions and Schedule Change

1. ATI will approve Time Extensions ONLY for Force Majeure causes or acts by ATI which impede the Contractor's project progress.
2. If the Contractor's Progress Schedule is materially affected by an ATI authorized change order, or if ATI delays or advances delivery dates due to circumstances unknown to ATI at the time of the contract execution, or if the Contractor fails to adhere to the approved Progress Schedule, the Contractor shall prepare revised master Progress Schedule within 30 days. The Contractor shall provide an explanation of impacts on Milestone Dates and how those dates will be upheld. The revised Progress Schedule shall be subject to ATI's approval. The revised Project Schedule shall be consistent with all Contract requirements, including the revised order and time of all Milestone Dates.
3. **No Extra Compensation Related to Time Extension.** The Contractor shall not receive extra delayed based compensation or damages, caused by other changes to the contract such as approved change orders or extra work orders. However, the Contractor may request time extensions in cases where it can be reasonably demonstrated that contract changes made a material impact on approved Progress Schedules or personnel assignments. All time extensions shall be approved in writing by ATI.
4. When such additional, extra and/or altered work is of such character or magnitude, in the sole judgment of ATI that the amount of time reasonably necessary to perform the work extends beyond the implementation, the date may be extended by ATI prior to commencement of the extra or altered work. Unless otherwise expressly agreed to by ATI, the Contractor shall not receive extra compensation or damages for any time extension approved by ATI for completion of the additional and/or altered work. However, the Contractor shall be fully compensated for such work as agreed upon by ATI and the Contractor in the change order or the supplemental agreements.

2.6. Contract Termination- Part I INPP and Part II HUB Operator

2.6.1. Termination General Requirements

1. The contract(s) issued for Part I INPP and Part II HUB Operator will terminate at the end of the contract periods set forth above.



2. ATI may terminate the contract(s), in whole or in part, for default subject to the default provisions set forth below.
3. Any required notices of termination made under this Contract shall be transmitted via US Mail, Certified Return Receipt Requested, or personal delivery to the Contractor's Contract Administrator. The period of notice for termination shall begin on the day the return receipt is signed and dated or upon personal delivery to the Contractor(s) Contract Administrator.
4. The parties may mutually terminate this Contract by written agreement at any time.
5. ATI may terminate this Contract, in whole or in part, pursuant to the ATI's Policies and Procedures for Professional and Specialized Services.
6. ATI will notify the Contractor(s) at least 90 days prior to the termination of the contract(s) in the absence of cause. This notification will require the Contractor(s) to initiate actions to prepare to stop servicing ATI through the Hub and handing off operations to replacement entities. These actions shall include:
 - a. Acknowledgement of receipt of End of Contract notification, and
 - b. Development of a Succession and Transition Plan within 30 calendar days of notice as provided below.

2.6.2. Termination for Cause

1. In the event any goods, software, or service furnished by the Contractor during performance of any Contract term fails to conform to any material requirement of the Contract, and the failure is not cured within the specified time after providing written notice thereof to Contractor, the ATI may cancel and procure the articles or services from other sources; holding Contractor liable for any excess costs occasioned thereby, subject only to the limitations provided in the liability provisions set forth below. The rights and remedies of ATI provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. The Contractor shall not be relieved of liability to the ATI for damages sustained by ATI arising from Contractor's breach of this Contract; and the ATI may, in its discretion, withhold any payment due as a setoff until such time as the damages are finally determined or as agreed by the parties. Voluntary or involuntary Bankruptcy or receivership by Contractor shall be cause for termination.



2. **Cure/Warning Period.** Prior to terminating the contract(s) for cause, ATI will issue a notice of cure/warning to the contractor(s) 30 days prior to the termination date. The notice will be transmitted via US Mail Certified Return Receipt Requested or personal delivery to the contractor(s) contract administrator, and the period of notice for termination shall begin on the date the Return Receipt is signed and dated or upon personal delivery to the contractor(s) contract administrator. The notice will specify the corrective actions/work required to be taken by the contractor(s) to come into compliance with the terms and conditions of the contract(s). If the corrective actions/work is performed within the cure/warning period, in a manner acceptable to ATI, the contract(s) will remain in effect in accordance with the terms and conditions thereof.
3. **Termination Without Notice of Cure/Warning.** If ATI has issued two notices of cure/warning to the Contractor, upon the issuance of the third or subsequent notice ATI reserves the right to terminate the Contract(s) without further notice. The failure of ATI to exercise this right on any occasion shall not be deemed a waiver of any future right.

2.6.3. Termination for Convenience without Cause

1. ATI may terminate the Contract(s) without cause, in whole or in part by giving 90 days prior notice in writing to the Contractor. The Contractor shall be entitled to sums due as compensation for Deliverables provided and services performed in conformance with the Contract. In the event the Contract is terminated for the convenience of ATI, ATI will pay for all work performed and products delivered in conformance with the Contract up to the date of termination. This is an incidental item within the scope of work, but without separate compensation.

2.7. Succession and Transition Plan-Part I INPP and Part II HUB Operator

1. Prior to the termination of the Contract(s) for any reason, including expiration of the Contract(s), the Contractor shall develop a Succession and Transition Plan acceptable to ATI. The Plan shall outline in detail the **phase-out period**, the time period during which equipment will be removed or services terminated, in whole or in part, from ATI Hub due to contract termination. This is an incidental item within the scope of work, but without separate compensation.
2. **Cost.** Phase-out period costs shall be born completely by the Contractor(s) regardless of the reason for contract termination.



3. **Plan and Schedule for Equipment and Data Hand-Over.** The Contractor(s) shall meet with replacement staff or contractors to facilitate handover of all ATI-owned property and project information that is clearly not the internal property of the Contractor(s).

3. GENERAL TERMS AND CONDITIONS-Part I INPP and Part II HUB Operator

3.1.1. Standards

1. Manufactured items and/or fabricated assemblies comprising Deliverables shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and Federal requirements relating to clean air and water pollution, if applicable to the state where manufactured items are utilized. The Contractor shall provide and maintain a quality assurance system or program that includes any Deliverables and will tender to ATI only those Deliverables that have been inspected and found to conform to the requirements of this Contract. All manufactured items and/or fabricated assemblies comprising Deliverables are subject to operation, certification or inspection, and accessibility requirements as required:
 - a. by State (of which the product or manufactured item is being used) or federal Regulation,
 - b. by ATI Board policy or regulation,
 - c. Acceptance with appropriate standards of operations or uses of said Deliverables as may be shown by identification markings or other means of the appropriate certifying standards organization.
2. **Specifications:** The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and only material and workmanship of the first quality may be used. Upon receipt of any notice of noncompliance issued by ATI, Contractor shall supply proof of compliance with the specifications within ten calendar days. Contractor shall provide written notice of its intent to deliver alternate or substitute products, goods or Deliverables. Alternate or substitute products, goods or Deliverables may be accepted or rejected at the sole discretion of ATI; and any such alternates or substitutes shall be accompanied by Contractor's certification and evidence satisfactory to ATI that the function, characteristics, performance and endurance will be equal or superior to the original Deliverables specified. All alternates or substitutes are subject to approval by ATI.



3.1.2. Acceptance Criteria

1. Within ten calendar days of receipt, ATI will provide written notification to the Contractor of any Deliverable described in the contract that is not acceptable. The notice shall specify in reasonable detail the reason(s) a deliverable is unacceptable. ATI acceptance shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of all applicable inspection and testing procedures as outlined in this contract.
2. Should deliverables fail to meet any specifications or acceptance criteria, specifications may be rejected upon initial inspection or at any later time if the defects contained in the Deliverables or non-compliance with the specifications was not reasonably ascertainable upon initial inspection. If the Contractor fails to promptly cure the defect or replace the Deliverables, ATI reserves the right to cancel the Contract or Purchase Order, contract with a different Contractor, and to invoice the original Contractor for any differential in price over the original Contract price. When Deliverables are rejected, the Contractor shall remove the rejected Deliverables from ATI premises within seven (7) calendar days of notification, unless otherwise agreed by ATI. Rejected items may be regarded as abandoned if not removed by Contractor as provided herein.

3.1.3. Personnel

1. Contractor shall not substitute key personnel assigned to this Contract without prior written approval by ATI. Any desired substitution shall be noticed to ATI, accompanied by the names and references of Contractor's recommended substitute personnel. ATI will approve or disapprove the requested substitution in a timely manner. ATI may, in its sole discretion, terminate the services of any person providing services under this Contract. Upon such termination, ATI may request acceptable substitute personnel or terminate the contract services provided by such personnel.

3.1.4. Subcontracting

1. The Contractor may subcontract the performance of required services with other Contractors or third parties, or change subcontractors, only with the prior written consent of ATI. Contractor shall provide ATI with complete copies of any agreements made by and between Contractor and all subcontractors. The Contractor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the Contractor. Any contracts made by the Contractor with a subcontractor shall include an affirmative statement that ATI is an intended third party beneficiary of the contract; that the subcontractor has no agreement with ATI; and that ATI shall be indemnified by the Contractor for any claim presented by the subcontractor. Notwithstanding any other term herein, Contractor shall timely exercise its contractual remedies against any non-performing subcontractor and, when appropriate, substitute another subcontractor.



3.1.5. Contractor's Representation

1. Contractor warrants that qualified personnel shall provide services in a professional manner. "Professional manner" means that the personnel performing the services will possess the skill and competence consistent with the prevailing business standards in the information technology industry. Contractor agrees that it will not enter into any agreement with a third party that might abridge any rights of ATI under this Contract. Contractor will serve as the prime Contractor under this Contract. Should ATI approve any subcontractor(s), the Contractor shall be legally responsible for the performance and payment of the subcontractor(s). Names of any third party Contractors or subcontractors of Contractor may appear for purposes of convenience in Contract documents; and shall not limit Contractor's obligations hereunder. Third party subcontractors, if approved, may serve as subcontractors to Contractor. Contractor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).

3.2. Software and Intellectual Property (Part II HUB Operator)

3.2.1. Internal/embedded Software License and Escrow

1. Deliverables comprising goods, equipment or products (hardware) may contain software for internal operation, or as embedded software or firmware that is generally not sold or licensed as a severable software product. Software may be provided on separate media or may be included within the hardware at or prior to delivery. Such software is proprietary, copyrighted, and may also contain valuable trade secrets and may be protected by patents.
2. Contractor grants ATI an unrestricted license for ATI to use any non-commercial software provided under this contract, for any reasonable purpose for ATI Hub operations. ATI shall have a worldwide, nonexclusive, non-sublicensable license to use such software and/or documentation for its internal use. ATI may make and install copies of the software to support any ATI use on ATI system.
3. The Contractor shall provide to ATI an executable copy of all software developed for ATI, to include source code documentation and application information. Included with the provision of source code, the Contractor shall demonstrate to ATI that the provided executables are the correct software for the systems as delivered.



4. Contractor agrees that all software developed for ATI for the HUB shall adhere to GNU General Public License agreement which can be found at www.gnu.org/licenses/gpl.html. Products developed for the pilot program are not subject to this requirement. However, upon award of the Hub RFP, the contractor(s) shall adhere to the GNU GPL Requirements

3.2.2. Software Maintenance/Support Services

1. This general requirement applies unless otherwise provided in ATI's solicitation document or in an attachment hereto.
2. For the first year and all subsequent Contract years, Contractor agrees to provide the following services for the current version and one previous version of any Software provided with the Deliverables, commencing upon installation of the Deliverables or delivery of the Software:
 - a. **Error Correction.** Upon ATI verification of an error or defect Software, the Contractor shall use reasonable efforts to correct or provide a working solution for the error or defect Contractor's expense. ATI shall comply with all reasonable instructions or requests of Contractor in attempts to correct an error or defect in the Program. Contractor and ATI shall act promptly and in a reasonably timely manner in communicating error or defect logs, other related information, proposed solutions or workarounds, and any action as may be necessary or proper to obtain or effect maintenance services under this Paragraph.
 - b. Contractor shall notify ATI of any material errors or defects in the Deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results. Contractor shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
 - c. **Updates.** Contractor shall provide to ATI, at no additional charge, all new releases and bug fixes (collectively referred to as "Changes") for any Software Deliverable developed or published by Contractor and made generally available to its other customers at no additional charge. All such Updates shall be a part of the Program and Documentation and, as such, shall be governed by the provisions of this Contract.
 - d. **Telephone Assistance.** Contractor shall provide ATI with telephone access to technical support engineers for assistance in the proper installation and use of



the Software, and to report and resolve Software errors and defects in accordance with requirements of this RFP.

3.2.3. Patent, Copyright and Trade Secret Protection

1. Contractor has created, acquired or otherwise has rights in, and may, in connection with the performance of services for ATI, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting (collectively, the "Contractor Technology"). To the extent that any Contractor Proprietary Technology is contained in any of the Deliverables the Contractor hereby grants ATI a royalty-free, fully paid, perpetual, non-exclusive license in the license granted above in object and source code form to use such Contractor Technology in connection with the Deliverables solely to support any ATI use on ATI system within the all participating states of the Hub System. Upon Final System Acceptance, Contractor shall release to ATI a complete version of the licensed Contractor Proprietary Technology.
2. Contractor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by ATI to Contractor.
3. The Contractor, at its own expense, shall defend any action brought against ATI to the extent that such action is based upon a claim that the services or Deliverables supplied by the Contractor, or the operation of such Deliverables pursuant to a current version of Contractor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Contractor shall pay those costs and damages finally awarded against ATI in any such action. Such defense and payment shall be conditioned on the following:
 - a. That the Contractor shall be notified within a reasonable time in writing by ATI of any such claim; and,
 - b. That the Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that ATI shall have the option to participate in such action at its own expense.



4. Should any services or software supplied by Contractor, or the operation thereof become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, ATI shall permit the Contractor, at its option and expense, either to procure for ATI the right to continue using the goods/hardware or software, or to replace or modify the same to become non-infringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such goods/hardware or software by ATI shall be prevented by injunction, the Contractor agrees to take back such goods/ hardware or software, and refund any sums ATI has paid Contractor less any reasonable amount for use or damage and make every reasonable effort to assist ATI in procuring substitute Deliverables. If, in the sole opinion of ATI, the return of such infringing Deliverables makes the retention of other items of Deliverables acquired from the Contractor under this Contract impractical, ATI shall then have the option of terminating the Contract, or applicable portions thereof, without penalty or termination charge. The Contractor agrees to take back such Deliverables and refund any sums ATI has paid Contractor less any reasonable amount for use or damage.
5. Contractor will not be required to defend or indemnify ATI if any claim by a third party against ATI for infringement or misappropriation (i) results from ATI's alteration of any Contractor-branded product or Deliverable, or (ii) results from the continued use of the good(s) or Services and Deliverables after receiving notice they infringe a trade secret of a third party.
6. Nothing stated herein, however, shall affect Contractor's ownership in or rights to its preexisting intellectual property and proprietary rights.

3.2.4. Data Ownership and Security

1. The Contractor(s) shall comply with security measures established in Section 3.4.9, in addition to API and PCI Compliance in Section 3.4.14.
2. All data, records, and operations history information shall remain the property of ATI at all times during the life of the contract and after contract termination.
2. The Contractor(s) shall ensure that no unauthorized personnel will have access to individual data and records, payment histories, any personal information of existing or potential ATI customers. Paper records shall be locked when not in use; systems shall have secure password and ID controls for any data access.



3.3. Other General Provisions--Part I INPP and Part II HUB Operator

3.3.1. Governmental Restrictions

1. In the event any restrictions are imposed by governmental requirements that necessitate alteration of the material, quality, workmanship, or performance of the Deliverables offered prior to delivery thereof, the Contractor shall provide written notification of the necessary alteration(s) to ATI. ATI reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract. ATI may advise Contractor of any restrictions or changes in specifications required by any of the participating agencies legislation, rule or regulatory authority that require compliance by ATI or any of its member States. In such event, Contractor shall use its best efforts to comply with the required restrictions or changes, however ATI, the Contractor and the effected State(s) shall collaborate to identify conflicts and seek resolution. If compliance cannot be achieved by the date specified in the contract, ATI may terminate this Contract and compensate Contractor for sums due under the Contract.

3.3.2. Prohibition Against Contingent Fees and Gratuities:

1. Contractor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the participating States for the purpose of obtaining any contract or award issued by ATI or the participating States. Contractor further warrants that no commission or other payment was or will be received from or paid to any third party contingent on the award of any contract by the participating States, except as shall be expressly communicated to the ATI in writing prior to acceptance of the Contract or award in question. Each individual signing below warrants that he or she is duly authorized by their respective Party to sign this Contract and bind the Party to the terms and conditions of this Contract. Contractor and their authorized signatory further warrant that no officer or employee of the participating States have any direct or indirect financial or personal beneficial interest, in the subject matter of this Contract; obligation or contract for future award of compensation as an inducement or consideration for making this Contract. Subsequent discovery by ATI of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding contracts.

3.3.3. Equal Employment Opportunity

1. Contractor shall comply with all Federal requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.



3.3.4. Inspection at Contractor's Site

1. ATI reserves the right to inspect, during Contractor's regular business hours at a reasonable time, upon notice of not less than two (2) weeks, and at its own expense, the prospective Deliverables comprising equipment or other tangible goods, or the plant or other physical facilities of a prospective Contractor prior to Contract award, and during the Contract term as necessary or proper to ensure conformance with the specifications/requirements and their adequacy and suitability for the proper and effective performance of the Contract.

3.3.5. Advertising / Press Release

1. The Contractor absolutely shall not publicly disseminate any information concerning the Contract without prior written approval from the State or its Agent. For the purpose of this provision of the Contract, the Agent is ATI Contract Administrator unless otherwise named in the solicitation documents.

3.3.6. Confidentiality

1. The Contractors shall comply with Confidentiality requirements established in Section 5.14 and Appendix C, as well as follow the laws established in [N.C. Gen. Stat. §132-9](#).

3.3.7. Deliverables

1. Deliverables, as used herein, shall comprise all project materials, including goods, software licenses, data, and documentation created during the performance or provision of services hereunder. Deliverables are the property of ATI. Proprietary Contractor materials licensed to ATI shall be identified to ATI by Contractor prior to use or provision of services hereunder and shall remain the property of the Contractor. Embedded software or firmware shall not be a severable Deliverable. Deliverables include "Work Product" and means any expression of Licensor's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software. All Software source and object code is the property of Licensor and is licensed nonexclusively to ATI, at no additional license fee, pursuant to the terms of the software license contained herein, and in the Supplemental Terms and Conditions for Software and Services or the License Agreement if incorporated in the Solicitation Documents.

3.3.8. Late Delivery, Back Order

1. Contractor shall advise ATI immediately upon determining that any Deliverable will not, or may not, be delivered at the time or place specified. Together with such notice, Contractor shall state the projected delivery time and date. In the event the delay projected by Contractor is unsatisfactory, ATI shall so advise Contractor and may proceed to procure substitute Deliverables or services.



3.3.9. Access to Persons and Records

1. Pursuant to N.C. General Statute 147-64.7, ATI, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Contractor insofar as they relate to transactions with any department, board, officer, commission, institution, or other Authority participating in the INPP or Hub Program pursuant to the performance of this Contract or to costs charged to this Contract. The Contractor, including subcontractors, shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of this Contract. Additional audit or reporting requirements may be required by any ATI Authority, if in ATI's opinion, such requirement is imposed by federal or state law or regulation.

3.3.10. Assignment

1. Contractor may not assign this Contract or its obligations hereunder except as permitted by [09 NCAC 06B.1003](#) and this Paragraph. Contractor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm this Contract atoning to the terms and conditions agreed, and that Contractor shall affirm that the assignee is fully capable of performing all obligations of Contractor under this Contract. An assignment may be made, if at all, in writing by the Contractor, Assignee and ATI setting forth the foregoing obligation of Contractor and Assignee.

3.3.11. Insurance Coverage

1. During the term of the Contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:
 - a. **Worker's Compensation** - The Contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$100,000.00, covering all of Contractor's employees who are engaged in any work under the Contract. If any work is sublet, the Contractor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract ; and
 - b. **Commercial General Liability Policy** - Combined Single Limits: \$1,000,000.00 per person, \$2,000,000.00 per occurrence The Commercial General Liability Policy shall include contractual liability coverage and must be on an "occurrence"



basis. A Comprehensive General Liability Policy may be substituted for the Commercial General Liability Policy if the Comprehensive General Liability Policy has been endorsed to insure contractual liability, broad form property damage, and personal injury liability.

- c. **Business Automobile Liability Policy** - to include liability coverage covering all owned, hired and non-owned vehicles used in connection with the Contract. Combined Single Limits: \$2,000,000.00 per accident.

- d. Providing and maintaining adequate insurance coverage described herein is a material obligation of the Contractor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract.

3.3.12. Dispute Resolution and Dispute Resolution Board

1. ATI shall maintain a project oversight committee that will review formal disputes and provide a mediation process as established below.
2. Disputes will be subject to mediation as provided for by ATI in Appendix D. If a Dispute arises in a case that involves cost and/or time (either credits or additions) that remains unresolved following good faith negotiations between authorized representatives of the Contractors and ATI, Contractors agree to utilize the formal Dispute Mediation Process in Appendix D.

3.3.13. Default

1. In the event any Deliverable furnished by the Contractor during performance of any Contract term fails to conform to any material requirement of the Contract specifications, notice of the failure is provided by ATI and the failure is not cured within ten (10) days, or Contractor fails to meet the requirements of Section 3.1.2 herein, ATI may cancel and procure the articles or services from other sources; holding Contractor liable for any excess costs occasioned thereby, subject only to the limitations provided in Paragraphs 3.3.15 and 3.3.16 and the obligation to informally resolve disputes as provided in these Terms and Conditions. Default may be cause for debarment as provided in [09 NCAC 06B.1030](#). ATI reserves the right to require performance guaranties pursuant to the following:



- (a) A bond, or other means of ensuring faithful performance, may be required of the contractor at the contractor's expense.
- (b) Liquidated damages may be provided for in the contract, as a means of ensuring faithful performance from the contractor.
- (c) The agency may hold as a retainage a percentage of the contract value to be remitted upon final acceptance by the agency.
- (d) The agency may withhold final payment contingent on acceptance of the final deliverable.

The rights and remedies of ATI provided above shall not be exclusive and are in addition to any other rights and remedies provided by North Carolina law or under the Contract. ATI allows for 10 days to rectify a problem and 30 days to cure a termination.

- 2. If Contractor fails to deliver Deliverables within the time required by this Contract, ATI may provide written notice of said failure to Contractor, and by such notice require payment of a penalty.
- 3. Contractor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Contractor's bid documents that prove erroneous or are otherwise invalid.
- 4. Should ATI fail to perform any of its obligations upon which Contractor's performance is conditioned, Contractor shall not be in default for any delay, cost increase or other consequences due to ATI's failure. Any deadline that is affected by any such failure in assumptions or performance by ATI shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.
- 5. Contractor shall provide a plan to cure any default if requested by ATI. The plan shall state the nature of the default, the time required for cure, any mitigating factors causing or tending to cause the default, and such other information as the Contractor may deem necessary or proper to provide.

3.3.14. Waiver of Default

- 1. Waiver by either party of any default or breach by the other Party shall not be deemed a waiver or any subsequent default or breach and shall not be construed to be a modification or novation of the terms of this Contract, unless so stated in a writing and signed by authorized representatives of the Authority and the Contractor, and made as an amendment to this Contract pursuant to specific information below.

**3.3.15. Limitation of Contractor's Liability**

1. Where Deliverables are under ATI's exclusive management and control, the Contractor shall not be liable for direct damages caused by ATI's failure to fulfill any responsibilities of assuring the proper use, management and supervision of the Deliverables and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints necessary for ATI's intended use of the Deliverables.
2. The Contractor's liability for damages to ATI for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, shall be limited to two times the value of the Contract. For purposes of the foregoing limitation of liability, the maintenance portion of the contract (and any value associated therewith) shall not apply, for purposes of the limitation of liability, to any liability limitation relative to events occurring prior to Final System Acceptance. The Contractor's liability for any event occurring following Final System Acceptance shall be limited to two times the value of the maintenance services under this Contract.
3. The foregoing limitation of liability shall not apply to the payment of costs and damage awards referred to in the Paragraph entitled "Patent, Copyright, and Trade Secret Protection", to claims covered by other specific provisions calling for liquidated damages or specifying a different limit of liability, or to claims for injury to persons or damage to property caused by Contractor's negligence or willful or wanton conduct. This limitation of liability does not apply to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

3.3.16. Contractor's Liability for Injury to Persons or Damage to Property

1. The Contractor shall be liable for damages arising out of personal injuries and/or damage to real or tangible personal property of ATI, employees of ATI, persons designated by ATI for training, or person(s) other than agents or employees of the Contractor, designated by ATI for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Contractor's site or at ATI's place of business, provided that the injury or damage was caused by the fault or negligence of the Contractor.
2. The Contractor agrees to indemnify, defend and hold ATI and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this contract, whether tangible or intangible, arising out of the ordinary negligence, willful or wanton negligence, or intentional acts of



the Contractor, its officers, employees, agents, assigns or subcontractors, in the performance of this Contract.

3. Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by the Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the Contractor's goods.

3.3.17. General Indemnity

1. The Contractor shall hold and save ATI, its officers, agents and employees, harmless from liability of any kind, including all claims and losses, with the exception of consequential damage, accruing or resulting to any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Contractor's negligent performance or failure to perform under this Contract. The foregoing indemnification and defence by the Contractor shall be conditioned upon the following:
 - a. ATI shall give Contractor written notice within thirty (30) days after it has actual knowledge of any such claim(s) or action(s) filed; and
 - b. The Contractor shall have the sole control of the defence of any such claim(s) or action(s) filed and of all negotiations relating to settlement or compromise thereof, provided, however, that ATI shall have the option to participate at their own expense in the defence of such claim(s) or action(s) filed.

3.3.18. Changes

1. This Contract is awarded subject to shipment of quantities, qualities, and prices indicated in the Contract, and all conditions and instructions of the Contract or proposal on which it is based. Any changes made to this Contract or purchase order proposed by the Contractor are hereby rejected unless accepted in writing by ATI. ATI shall not be responsible for Deliverables or services delivered other than those specified in the Contract or the proposal on which it is based.

3.3.19. Time is of the Essence

1. Time is of the essence in the performance of this Contract. Contractor and ATI will mutually develop and agree to a schedule of implementation, testing, maintenance, etc. Contractor and subcontractors will be required to adhere to approve schedule.

**3.3.20. Date and Time Warranty**

1. The Contractor warrants that any Deliverable, whether hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interface therein which performs any date and/or time data recognition function, calculation, or sequencing, will provide accurate date/time data and leap year calculations. This warranty shall survive termination or expiration of the Contract unless otherwise specified in the negotiated contract.

3.3.21. Independent Contractors

1. Contractor and its employees, officers and executives, and subcontractors, if any, shall be independent Contractors and not employees or agents of any participating States or ATI. This Contract shall not operate as a joint venture, partnership, trust, authority or any other business relationship.

3.3.22. Transportation

1. Transportation of Deliverables shall be FOB Destination unless otherwise specified in this RFP. Freight, handling, hazardous material charges, and distribution and installation charges shall be included in the total price of each item. Any additional charges shall not be honored for payment unless authorized in writing by ATI. In cases where parties, other than the Contractor ship materials against this Contract, the shipper shall be instructed to show the purchase order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list shall accompany each shipment.

3.3.23. Notices

1. Any notices required under this Contract should be delivered to the Contractor or ATI. Unless otherwise specified in the Solicitation Documents, any notices shall be delivered in writing by U.S. Mail, Commercial Courier or by hand.

3.3.24. Titles and Headings

1. Titles and Headings in this Contract are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.

3.3.25. Amendment

1. This Contract may not be amended orally or by performance. Any amendment must be made in written form and signed by duly authorized representatives of ATI and Contractor in conformance with contract requirements.

**3.3.26. Taxes**

1. The Contractor shall be responsible for all applicable taxes.

3.3.27. Governing Laws, Jurisdiction, and Venue

1. This Contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina. The place of this Contract or purchase order, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Contractor agrees and submits, solely for matters relating to this Contract, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.
2. Except to the extent the provisions of the Contract are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in North Carolina shall govern this Contract. To the extent the Contract entails both the supply of "goods" and "services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such services as "goods" would result in a clearly unreasonable interpretation.

3.3.28. Force Majeure

1. Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God. Force Majeure events shall not otherwise limit ATI's rights to enforce contracts.

3.3.29. Compliance with Laws

1. The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

3.3.30. Severability

1. In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect. All promises, requirement, terms, conditions, provisions, representations, guarantees and warranties contained herein shall survive the expiration or termination



date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statute, including statutes of repose or limitation.

3.3.31. **Federal Intellectual Property Bankruptcy Protection Act**

1. The Parties agree that the ATI shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n) and any amendments thereto.

**APPENDIX C – CONFIDENTIALITY/OPEN RECORDS RULES BY STATE**

STATE	POLICIES / RULES
California	http://ag.ca.gov/publications/public_records_act.pdf
Colorado	http://www.colorado.gov/dpa/doit/archives/open/00openrec.htm
Florida	http://www.myflsunshine.com/
New Jersey	http://www.state.nj.us/grc/laws/act/
New York	http://www.dos.state.ny.us/about/foil2.html
North Carolina	http://www.ncga.state.nc.us/gascripts/statutes/StatutesTOC.pl?Chapter=0132
Oklahoma	http://www.sde.state.ok.us/Law/LawBook/law/Chapter2/C_2-A_III.htm
Texas	http://www.statutes.legis.state.tx.us/SOTWDocs/GV/htm/GV.552.htm
Washington	http://www.atg.wa.gov/OpenGovernment/default.aspx



APPENDIX D- DISPUTE MEDIATION PROCESS

DISPUTE MEDIATION PROCESS

GENERAL

A. Definitions

Dispute – A contractual issue that involves cost and/or time (either credits or additions) that remains unresolved following good faith negotiations between authorized representatives of the Contractor(s) and the Alliance for Toll Interoperability (ATI).

Mediator – A neutral person, jointly selected by the ATI and the Contractor(s) who acts to encourage and facilitate a resolution of a dispute. The Mediator shall be in charge of the conference and shall establish and describe the procedures to be followed. The Mediator shall conduct the conference in accordance with the Standards of Professional Conduct for Mediators adopted by the Supreme Court of North Carolina.

Mediation – An informal process conducted by a Mediator with the objective of helping parties voluntarily settle their dispute.

B. Summary

A Mediator will be selected to assist in the analysis of Disputes that arise between the Contractor(s) and ATI, to include, but not be limited to, this contract. It is not intended for the ATI or the Contractor(s) to default on their normal responsibilities to cooperatively and fairly settle their differences by indiscriminately using a Mediator. It is intended that the Mediator encourage ATI and Contractor(s) to resolve potential disputes without resorting to this alternative resolution procedure.

Utilization of the Mediator does not relieve the Contractor(s) or ATI from complying with all Contract terms and conditions, and does not waive any notice or timeliness requirements of this Contract. However, if a Dispute is referred to the Mediator, the claim submittal and review time frames may be superseded by time frames established by the Mediator, and agreed to in writing by both the Contractor(s) and ATI.



Either the Contractor(s) or ATI may refer a Dispute to the Mediator. Such referral should be initiated as soon as it appears that the normal ATI-Contractor(s) dispute resolution effort is not succeeding. However, prior to referring a Dispute to the Mediator, ATI and Contractor(s) must agree on the central or core issue to bring before the Mediator. Promptly thereafter, the Mediator will impartially consider the Dispute(s) referred to it. The Mediator will provide **non-binding** written findings and recommendations to the Contractor(s) and ATI.

Although the findings and recommendations of the Mediator should carry great weight for both the Contractor(s) and ATI, they are **not binding** on either the Contractor(s) or ATI.

Mediation is a condition of this Contract. ATI and the Contractor(s) agree that the submission of any unresolved dispute or claim to the Mediation is a condition precedent to the Contractor(s) having the right to proceed with its final claim.

C. Scope

This provision describes the purpose, procedure, function, and features of the Mediator. A Three-Party Agreement among ATI, Contractor(s), and the mutually selected Mediator will establish the scope of its services and the rights and responsibilities of the Contractor(s) and ATI. In the event of a conflict between this Specification and the Three-Party Agreement, the latter governs. The form of the Three-Party Agreement will be provided by ATI.

D. Purpose

The purpose of the mediation is to provide an independent and impartial review of the Dispute and provide **non-binding** written findings and recommendations, based on the Contract, applicable contract law, industry practices, and the facts presented.

It is not the purpose, or responsibility, of the Mediator to resolve the Dispute. That responsibility remains with the Contractor(s) and ATI. However, it is anticipated that the Mediator review will assist the Contractor(s) and ATI in resolving the Dispute. Mediation is not intended as a substitute for ATI or Contractor(s) responsibility to make a good-faith effort to settle the Dispute. Indiscriminate referral of disputes to the Mediator without prior attempts by the Contractor(s) and ATI to resolve them shall be avoided. The Contractor(s) or ATI shall exhaust resolution through the escalation process defined in the formal partnering process prior to escalating an issue to mediation.

**E. Continuance of Work**

Both the Contractor(s) and ATI shall proceed diligently with the work and comply with all applicable Contract provisions while the Mediator considers a Dispute.

F. Tenure of Mediator

Mediation will be deemed established after ATI, the Contractor(s) and the Mediator execute the Three-Party Agreement. Mediation will end as of the end of the contract with the Contractor(s) unless earlier terminated or dissolved by mutual agreement of the Contractor(s) and ATI. If mutually agreed upon by the Contractor(s) and ATI, mediation may end on the date of final payment to the Contractor(s).

MEDIATOR SELECTION**A. General**

The Mediator will be an individual selected jointly by the Contractor(s) and ATI.

B. Criteria

Experience:

1. It is desirable that the Mediator be experienced with general toll industry processes including account management (CSCs), system development, administration, contract law, and resolution of contract disputes.
2. It is not necessary that the Mediator be intimately familiar with the specific type of issues involved in the Dispute. The Mediator may consult technical experts if the need arises.

C. Neutrality:

1. It is imperative that the Mediator be neutral, act impartially, and be free of any conflict of interest.
2. For purposes of this subparagraph, the term "mediator" also includes the member's current primary or full-time employer, and "involved" means having a contractual



relationship with either the Contractor(s) or ATI, such as a contractor, subcontractor or manager.

3. Prohibitions; disqualifying relationships for the prospective Mediator:
 - (a) An ownership interest in any entity involved in the Project or Contract, or a financial interest in the Contract, except for payment for services on this Mediation;
 - (b) Previous employment by, or financial ties to, any party involved in the Contract within a period of eighteen (18) months prior to award of the Contract, except for fee-based consulting services on other projects;
 - (c) A close professional or personal relationship with any key member of any entity involved in the Contract which, in the judgment of either the Contractor(s) or ATI, could suggest partiality; or
 - (d) Prior involvement in the project of a nature that could compromise the prospective mediator's ability to participate impartially in the Mediator's activities.
4. Prohibitions; disqualifying relationships for the Mediator:
 - (a) Employment, including fee-based consulting services, by any entity involved in the contract except with the express approval of both the Contractor(s) and ATI;
 - (b) Discussion concerning, or the making of, an agreement with any entity involved in the Contract regarding employment after the Contract is completed.
5. Any of the provisions of 1 through 4 above may be waived by mutual written agreement of the Contractor(s) and ATI.

D. Disclosure Statement

As a part of the selection process, all prospective Mediators will be required to submit complete disclosure statements for the approval of both the Contractor(s) and ATI. Each statement shall include a resume of experience, together with a declaration describing all past, present, and anticipated or planned future relationships, including indirect relationships through the prospective member's primary or full-time employer, to this project and with the Contractor(s) or ATI, or others involved in the Contract, including subcontractors, suppliers, design professionals, and consultants. Disclosure of close professional or personal relationships with all key members of the Contractor(s) or ATI or other parties involved in the construction Contract shall be included.



E. Selection Process

Within 30 calendar days of Notice to Proceed, or as otherwise mutually agreed upon by the Contractor(s) and ATI, the Contractor(s) and ATI will jointly select the Mediator using the following procedure:

1. To select a Mediator, ATI will provide to the Contractor(s) a copy of the resume and references of the person proposed for the Mediation. Likewise, the Contractor(s) will provide ATI the resume and references for their proposed Mediator. The Contractor(s) and ATI will confirm the availability, neutrality, experience, and expertise of the nominees. Both ATI and Contractor(s) will have the ability to reject the others nominee. The parties shall continue to exchange nominee information until each party has selected a nominee which is agreeable to the other party. ATI shall be responsible for notifying the Mediator of his/her selection.
2. The Mediator should serve for the life of the Contract. Should the need arise to select a replacement Mediator, ATI and the Contractor(s) shall be responsible for selecting an additional member that is mutually agreeable to the Parties

F. Three-Party Agreement

The Mediator and the authorized representatives of the Contractor(s) and ATI shall execute Mediation Three-Party Agreement within 2 (two) weeks after the selection is made.



APPENDIX E – QUESTIONS FORM

Date Question Submitted				
Firm Submitting Questions				
Question Number	RFP Section	Page Number	Text Reference	Question
1				
2				
3				
4				
5				



APPENDIX F – EXECUTION OF REQUEST FOR PROPOSAL (INPP)

INPP EXECUTION OF REQUEST FOR PROPOSAL

Failure to execute/sign proposal response prior to submittal shall render it invalid. Late proposals are not acceptable.

PROPOSER:		FEDERAL ID OR SOCIAL SECURITY NO.	
STREET ADDRESS:		P.O. BOX:	ZIP:
CITY & STATE & ZIP:		TELEPHONE NUMBER:	TOLL FREE TEL. NO
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:	

Offer valid for one hundred twenty (120) days after the deadline for submitting the proposal for Part 1 unless otherwise stated here: ____

ACCEPTANCE OF PROPOSAL: If any or all parts of this RFP are accepted, an authorized representative of ATI shall affix their signature hereto and this document and the provisions of the special terms and conditions specific to this Request for Proposal, the specifications, and ATI Terms and Conditions shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Proposer(s).

FOR ATI USE ONLY

Offer accepted and contract awarded this ____ day of _____, 20____, as indicated on attached certification,
by _____ (Authorized representative of the Alliance for Toll Interoperability).



APPENDIX G – EXECUTION OF REQUEST FOR PROPOSAL (HUB)

HUB Operator EXECUTION OF REQUEST FOR PROPOSAL

This Execution shall be provided for the HUB Operator Selection Only. Responses to Part I, INPP Procurement do not need to include this form.

Failure to execute/sign proposal response prior to submittal shall render it invalid. Late proposals are not acceptable.

PROPOSER:		FEDERAL ID OR SOCIAL SECURITY NO.	
STREET ADDRESS:		P.O. BOX:	ZIP:
CITY & STATE & ZIP:		TELEPHONE NUMBER:	TOLL FREE TEL. NO
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:	

Offer valid for one hundred twenty (120) days after the deadline for submitting the proposal for Part 1 unless otherwise stated here: _____

ACCEPTANCE OF PROPOSAL: If any or all parts of this RFP are accepted, an authorized representative of ATI shall affix their signature hereto and this document and the provisions of the special terms and conditions specific to this Request for Proposal, the specifications, and ATI Terms and Conditions shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Proposer(s).

FOR ATI USE ONLY

Offer accepted and contract awarded this ____ day of _____, 20____, as indicated on attached certification,
by _____ (Authorized representative of the Alliance for Toll Interoperability).