

Texas Comptroller of Public Accounts

Glenn Hegar, Comptroller



Request for Proposals

for

Heat Transfer Cigarette Tax Stamps and Related Services

RFP No. 304-26-0513BJ

Issued: April 2, 2025

Anticipated Schedule of Events

April 2, 2025	Issuance of RFP
April 11, 2025	Deadline for Submission of Questions (2:00 p.m., CT)
April 17, 2025	Release of Official Responses to Questions (or as soon thereafter as practical)
May 2, 2025	Deadline for Submission of Proposals (2:00 p.m. CT) <u>Late Proposals will not be considered</u>
May 26 – 30, 2025	Presentations from Top-Ranked Respondents (if presentations requested by CPA, dates and times to be scheduled)
September 1, 2025	Services Commencement Date (or as soon thereafter as practical)

Table of Contents

I.	Summary	3
II.	Specifications	5
	A. Introduction	5
	B. Background.....	5
	C. Definitions and Acronyms	5
	D. Scope of Services.....	5
	E. Contract Resulting from this Solicitation; Order of Priority	13
	F. Warranty of Performance	13
	G. Security Incident Notification	13
	H. Insurance and Bonds.....	13
	I. Criminal Background Investigation	14
	J. Contract Term; Survival of Terms	14
	K. Acceptance Criteria.....	15
	L. Payments	15
	M. Discounts	15
	N. PO Addition and Deletion.....	15
	O. HUB Subcontracting Plan Information.....	15
	P. Respondent Documents.....	16
	Q. Respondent Exceptions	16
	R. Respondent's Past Performance; Vendor Performance Tracking System.....	17
III.	Proposal Submission Requirements.....	18
	A. Delivery of Proposal; Delivery of Stamp Samples	18
	B. Proposal Content and Format.....	18
IV.	Mandatory Price Sheet.....	22
V.	Standard Terms and Conditions	23
VI.	Execution of Proposal.....	36
VII.	Conflict of Interest/Disclosure Statement.....	40
VIII.	Nondisclosure Agreement	41
IX.	Confidential Treatment of Information Acknowledgment	42
X.	Certification Regarding Public Nature of the Proposal	43
XI.	Respondent Exceptions	44

I. Summary

1. **Type of Solicitation:** Request for Proposals (RFP)
2. **Issuing Office:** Texas Comptroller of Public Accounts (CPA)
Procurement Section
Room 300, Attn: RFP No. 304-26-0513BJ
111 E. 17th Street
Austin, Texas 78774
3. **Additional Requirements/Qualifications:** N/A
4. **Responses to RFP:** Sealed Competitive Proposals
5. **Deadline for Proposals:** In Issuing Office No Later Than:
May 2, 2025; 2:00 p.m., Central Time (CT)
6. **Initial Contract Term:** **September 1, 2025 to August 31, 2026**
7. **CPA Optional Contract Terms:** September 1, 2026 through August 31, 2027;
September 1, 2027 through August 31, 2028; and
September 1, 2028 through August 31, 2029
8. **CPA Contact Person for this RFP:** Bridget James, CTCM, CTCD
Bridget.James@cpa.texas.gov
Email with delivery receipt requested to: bidcpa@cpa.texas.gov
9. **Proposals Submitted by Email:** Required; See Section III, Part A
10. **Proposals Submitted by Fax:** Not Accepted
11. **Pre-Proposal Conference:** N/A
12. **Pre-Proposal Inspection:** N/A
13. **Letters of Intent to Submit a Proposal:** N/A
14. **RFP Addenda:** Notices of changes to items directly impacting the original RFP or solicitation process will be posted on the *Electronic State Business Daily* (ESBD) located at: <https://www.txsmartbuy.gov/esbd>. CPA will post any amendment to this solicitation on the ESBD as an RFP Addendum. It is the responsibility of an interested party to check the ESBD for updates to this RFP before submitting a Proposal. Each Respondent is solely responsible for verifying CPA's receipt of its questions, if applicable, and its Proposal by the deadlines specified in this RFP.
15. **Questions and Answers:** Questions regarding this RFP must be in writing and must be submitted to the CPA Contact Person specified in Part 8, no later than **April 11, 2025 @ 2:00 p.m. CT. Telephone inquiries will not be accepted.** Questions may be submitted by email to the email address specified in Part 8. CPA intends to post answers to the questions received on the ESBD on **April 17, 2025, or as soon thereafter as practical.**
16. **Respondent Presentations:** CPA may request that Top-Scoring Respondents present an overview of the services and a demonstration of the software proposed in their Proposals. The presentations will be performed on or about **May 26, through May 30, 2025**. Presentation location (e.g., videoconference, onsite, etc.), date(s) and time(s) to be arranged. In its sole discretion, CPA will determine the number of Top-Scoring Respondents.

17. **Evaluation of Proposals under Best Value Standard (Section 2156.125 of the Texas Government Code):**

Criteria	Weight
Sample stamps: Compliance with specifications, adhesiveness, features, and quality	40%
Purchase price and costs	30%
Security and other features providing best protection to State	20%
References and past performance/qualifications	10%
Total:	100%

As applicable, the factors listed in Sections 2155.074, 2155.075, 2156.007, and 2157.003 of the Texas Government Code shall also be considered in making an award. Best and Final Offers may be sought from Respondents whose Proposals are ranked most highly by the evaluation committee. However, CPA encourages Respondents to offer their best pricing at all times. CPA reserves the right in its sole judgment and discretion, and at any time upon failure of negotiations, to reissue or withdraw this RFP rather than continue with negotiations.

18. **Delivery and Building Access.** Respondents are required to submit Proposals electronically via email with delivery receipt requested and are required to submit stamp samples via hand delivery or shipment in accordance with Section III, Part A.

Due to building access procedures, a Respondent submitting stamp samples using hand-delivery to the Issuing Office is encouraged to allow additional time to hand deliver items to the Issuing Office. CPA Security Desk personnel will not deliver items to, or accept items for, the Issuing Office. Delivery persons must adhere to all requirements, including safety, posted at the Issuing Office and must present a valid, current photo identification card to the CPA Security Desk personnel to obtain a visitor's pass and CPA staff escort to the Issuing Office.

Respondent is solely responsible for ensuring timely delivery of its Proposal and stamp samples to the Issuing Office by the Deadline for Submission of Proposals. Proposals and stamp samples that are not submitted in accordance with instructions and requirements of this RFP and received by the Deadline for Submission of Proposals will not be considered for evaluation and award of a Contract.

19. **Contact with CPA Staff:** Upon issuance of this RFP, employees and representatives of CPA, other than the CPA Contact Person identified in Part 8, will not discuss the contents of this RFP with any Respondent or its representatives. **Failure of a Respondent or any of its representatives to observe this restriction may result in disqualification of any related Proposal.** This restriction does not preclude discussions between the parties to conduct business unrelated to this procurement or to obtain assistance completing Historically Underutilized Business (HUB) forms required by this RFP.

II. Specifications

A. Introduction

The Texas Comptroller of Public Accounts (CPA), an agency of the State of Texas, issues this Request for Proposals (RFP) to solicit Proposals from qualified vendors for Heat Transfer Cigarette Tax Stamps production, delivery and related services, as described in this RFP (Services). CPA's objective is to obtain the Services that represent the best value for CPA and the State of Texas according to the terms and conditions of this RFP.

CPA anticipates making a Contract award to one (1) Successful Respondent for the Services. CPA reserves the right not to award a Contract for the performance of all or part of the Services. This RFP is not exclusive and CPA reserves the right to issue additional solicitations regarding the Services or similar services at any time. All Respondents are encouraged to offer their best pricing at all times.

All costs associated with the Services must be included in the Respondent's Proposal. Proposals that do not meet all of the requirements or contain all of the required documentation specified in this RFP will be rejected as non-responsive.

B. Background

Under Section 154.053 of the Texas Tax Code, the CPA shall design and have printed or manufactured cigarette tax stamps that signify payment of the cigarette tax imposed under the statute. The CPA determines the date of issue, design, size, color, denomination and quantity of stamps manufactured. In fulfilling its duties under Section 154.053 of the Texas Tax Code, CPA seeks to obtain services from a qualified vendor to provide the printing, manufacturing and related services necessary to produce and deliver to CPA heat transfer, counterfeit-resistant cigarette tax stamps as further described in this section and in accordance with all terms, conditions and specifications of this RFP. A strong consideration in selection of the Successful Respondent, if any, shall be the best protection provided to the state in CPA's enforcement of Chapter 154 of the Texas Tax Code and against illegal reproduction or counterfeiting of the cigarette tax stamps.

Historically, CPA required four (4) deliveries per year (quarterly delivery) consisting of 280 cases of Stamp Type 1 and 1 case of Stamp Type 2 per quarterly delivery (1,120 cases per year Stamp Type 1 and 4 cases per year Stamp Type 2). CPA projects that under the Contract CPA will reduce the number of deliveries per year and increase for each delivery the case quantities for each stamp type, resulting in two (2) biannual deliveries consisting of 550 cases per delivery for Stamp Type 1 (1,100 cases total per year) and 1 case per delivery for Stamp Type 2 (2 cases total per year).

C. Definitions and Acronyms

- **Award Date.** The Award Date is the earlier of the date an authorized representative of CPA (1) issues a Purchase Order (PO) or (2) signs a formal, written agreement.
- **Contract.** The agreement described in Section II, Part E (Contract Resulting from this Solicitation; Order of Priority), if any.
- **CPA's Designated Representative.** The CPA staff member designated to serve as the CPA point of contact for certain communications and activities during Successful Respondent's performance under the Contract.
- **Days.** The word "days" shall mean calendar days unless otherwise specified.
- **Proposal.** A response to this RFP.
- **Respondent.** Any person or entity that submits a Proposal.
- **Stamp Type 1.** Machine-applied cigarette tax stamps that conform to the applicable specifications detailed in Section II Part D of this RFP.
- **Stamp Type 2.** Manually-applied cigarette tax stamps that conform to the applicable specifications detailed in Section II Part D of this RFP.
- **Successful Respondent.** The Respondent awarded a Contract, if any.

D. Scope of Services

D.1. Requirements. Successful Respondent must provide Heat Transfer Cigarette Tax Stamps ("stamps") production, delivery and related services that comply with all requirements set forth this RFP and that meet the following specifications and quantities for all items:

a. Security Features; Scanners; Adhesion; Paper.

- 1) Stamps must be manufactured so that they are easily and securely attached to an individual package of cigarettes and permit identification of the person that affixed the stamp to the particular package of cigarettes by means of a number or other mark on the stamp.
- 2) Stamps must be heat applied and must be suitable for high speed, stamping machine or heat iron and capable of application with heat to the receiving surface such as cellophane, paper, etc. Stamps must be compatible

with stamping equipment currently supported by stamp machine manufacturers and in operation by Texas permitted cigarette distributors.

- 3) Stamps must be printed on mill-controlled paper furnished by the Successful Respondent.
 - 4) The stamps must contain identifiable protective features that immediately permit analysis to establish stamp authenticity.
 - 5) The stamps must contain a covert security feature where wording, specified by CPA, on the stamp becomes brightly fluorescent when exposed to ultraviolet light. This fluorescence feature must be a stable and permanent effect whenever tests are made and shall not be fugitive.
 - 6) All stamps must be processed with a special safety tint lettering, specified by CPA, and must be arranged and printed to minimize, as much as reasonably possible as determined solely in CPA's discretion, the ability to photograph the safety tint lettering.
 - 7) The safety tint lettering for all stamps shall exist on the face of each stamp and extend beyond each stamp's border and onto the base paper on which the stamp is affixed. All safety tint lettering (*i.e.*, that which is on the stamp face and that which is on the base paper) shall transfer with the stamp, whether the stamp is manually applied or machine applied.
 - 8) Stamps must contain not less than two (2) different distinctive colors. Halftones, shades, tints, or tones of a color or colors will not be acceptable or considered as separate and distinctive colors. The safety tint lettering shall not be considered as one of the stamp colors.
 - 9) Each stamp must contain taggant or a similar substance or substances that must allow for effective enforcement and efficient verification and authentication using portable, hand-held scanners (Taggant Scanners) with such Taggant Scanners to be provided by Successful Respondent to CPA.
 - a) Pricing for Respondent's proposed Taggant Scanners shall be included in Line Item 3 (Alternate Item – Taggant Scanners) of Price Schedule 1 of the Mandatory Price Sheet, with such pricing, if any, reflected as a one-time cost during the Initial Contract Term only for one lot of 312 Taggant Scanners.
 - b) To accommodate potential growth during the Contract Term, CPA requests Respondent also include pricing for additional Taggant Scanners within Section III, Price Schedule 2 (Optional Features, Products or Services).
 - 10) Stamps must securely adhere and must remain legible. Adhesion must be sufficient to prevent the lifting up or peeling of the stamp using a sharp edge, a tacky product such as tape, or other method of removal once the stamp has been adhered to the intended surface.
 - 11) Each roll of base paper must have a blank continuing leader of at least 18 inches in length on the leading edge of the roll, and a blank continuing tail of at least 12 inches in length on the trailing end of the roll. Leading and trailing base paper must not have any stamps affixed to it. The machine perforations along the side edges of the base paper and running the complete length of each roll shall be punched completely through the paper and be free of excess paper fragments. The first and last line of stamps must not be affected by the tape or adhesive used to connect the leader and the trailing paper.
- b. Stamp Numbering. Stamps must be sequentially numbered and conform to the following:
- 1) Stamp Serial Numbers:
 - a) All stamps must include a five (5) digit serial number ("Serial Number").
 - b) Serial Numbers must have a 5-space, alpha-numeric character field, with each space in the character field adaptable to substitution of an alphabetic character for a numeric character.
 - c) Serial Numbers shall run consecutively and shall include a numeric character in all five (5) spaces of the character field.
 - d) CPA shall determine, solely in its discretion, if substitution of an alphabetic character for a numeric character shall occur and, as applicable, shall determine the quantity and location of such substituted characters within the Serial Number character field.
 - e) All stamps must also carry a five (5) digit, individual stamp number ("Individual Stamp Number").
 - f) All Serial Numbers and all Individual Stamp Numbers must be centered on all stamps.
 - g) All Serial Numbers and all Individual Stamp Numbers on all stamps must be clearly and sharply printed and easy to read.
 - 2) Stamp Type 1:

- a) Must be able to be applied by machine;
 - b) Must measure approximately ½ inch x ½ inch;
 - c) Must be provided on rolls of 30,000 uniquely and consecutively numbered stamps per roll, and:
 - i. Stamp distribution on each roll shall be in rows of 15 stamps across and columns of 2,000 stamps down;
 - ii. All stamps on a roll must carry an identical Serial Number that is unique to that roll;
 - iii. All stamps on each roll must carry an Individual Stamp Number with the Individual Stamp Numbers on each roll being consecutively numbered from 00001 through 30000, with 00001 applied to the top left stamp (first row) of the roll, consecutive numbers increasing left to right on the first row and each subsequent row of the roll, and concluding with 30000 applied to the bottom right stamp (last row) of the roll; And
 - iv. Each stamp roll shall indicate the stamp count every 1,500 stamps by identifying the cumulative stamp count on the right side of the base paper.
 - d) Repeats of stamp numbers are not allowed on stamps of the same color scheme.
 - e) Rolls of stamps shall be packaged in cases which must contain exactly 25 rolls per case.
 - i. Partial cases will not be accepted; and
 - ii. Rolls shall be arranged in ascending stamp number order from left to right inside each case.
- 3) Stamp Type 2:
- a) Must be able to be manually applied;
 - b) Must measure approximately ½ inch x ½ inch;
 - c) Must be provided in pads of 1,500 uniquely and consecutively numbered stamps per pad, and:
 - i. Stamp distribution in each pad shall be in ten (10) sheets of stamps, with each sheet consecutively numbered 1 through 10;
 - ii. Stamp distribution on each sheet shall be in rows of 15 stamps across and columns of 10 stamps down for a total stamp count of 150 stamps per sheet;
 - iii. All stamps in each pad must carry an identical Serial Number that is unique to that pad; and
 - iv. All stamps in each pad must carry an Individual Stamp Number, with the Individual Stamp Numbers in each pad being consecutively numbered from 00001 through 01500, with 00001 applied to the top left stamp (first row) on the first page of the pad, consecutive numbers increasing left to right on the first row and each subsequent row of the page, and concluding with 00150 applied to the bottom right stamp (last row) of the first page of the pad. Stamp numbering shall continue consecutively increasing in the same manner on subsequent pages of the same pad, beginning with 00151 applied to the top left stamp on the second page of the pad and concluding with stamp number 01500 applied to the bottom right stamp of the last page of the pad.
 - d) Repeats of stamp numbers are not allowed on stamps of the same color scheme.
 - e) Pads of stamps shall be packaged in flats of ten (10) pads per flat.
 - i. Each flat shall be individually packaged in a small cardboard container; and
 - ii. Each cardboard container shall display on the outside of the container the range of stamp numbers of the flat within the cardboard container.
 - f) Flats of stamps shall be packaged in cases which must contain exactly 25 flats per case.
 - i. Partial cases will not be accepted; and
 - ii. Flats shall be arranged in ascending stamp number order with the lowest numbered flat at the top of the case and highest numbered flat at the bottom of the case.
- c. Shipment and Delivery of Stamps.
- 1) Upon Contract award, if any, CPA shall provide Successful Respondent an estimated delivery schedule and stamp type and quantities applicable to delivery dates. Prior to a delivery date, CPA shall provide to Successful Respondent written confirmation of the stamp types, quantities and CPA Delivery Location(s) applicable to the delivery date. CPA intends the Distribution Warehouse to serve as the primary Delivery Location for receiving stamp shipments; however, CPA reserves the right, in its sole discretion, to designate any stamp shipment be delivered to any Delivery Location(s). Successful Respondent shall provide to CPA documentation of all shipping costs associated with each delivery. All deliveries, and the pricing and quantities applicable thereto, must be made in accordance with the terms and conditions of the Contract. All bills of lading must contain all information required within the template provided by CPA.
 - 2) As an essential element of the Services, Successful Respondent shall provide and maintain the protection and

security of CPA stamps until received and accepted by CPA at the Delivery Location specified by CPA's Designated Representative. During, and through all points of, transport from Successful Respondent's manufacturing point through delivery to and acceptance by CPA, Successful Respondent shall, at a minimum, ensure CPA stamps are safely and efficiently transported in vehicles that are suitable for secured storage and transport of theft-sensitive goods and that are operated by Successful Respondent's personnel or subcontractors possessing appropriate training, qualifications, competence and experience and who are capable of protecting and securing the stamps at all times.

- 3) For each CPA stamp order, at least 72 hours prior to Successful Respondent's scheduled departure from its manufacturing facility, Successful Respondent shall submit in writing to CPA's Designated Representative a delivery plan for the CPA stamp order ("Delivery Plan"). The Delivery Plan shall include Successful Respondent's dates and estimated times of departure and arrival, anticipated travel route, location of overnight stays, if applicable, identification of Successful Respondent's driver and passengers (if any), and vehicle description (*i.e.*, make, model, size, license plate). In event of any changes occurring to any element of the Delivery Plan at any time prior to delivery to CPA, Successful Respondent shall submit a revised Delivery Plan, including such changes, to the CPA Designated Representative immediately upon Successful Respondent's knowledge of the changes.
- 4) Stamps must be packaged to prevent damage in transit. Each case of stamps shall be sealed using a numbered security seal applied by the Successful Respondent and broken only in the presence of Texas law enforcement. Each case of stamps shall include outside labeling that clearly states the stamp type, color, and Serial Number range of rolls or pads, as applicable, that are contained inside the case. Each label shall be printed using a format and font size specified by CPA and shall be securely fixed on the outside of the applicable case of stamps. Stamps shall be delivered F.O.B. destination to the Delivery Location specified by CPA's Designated Representative. Successful Respondent shall comply with the delivery specifications applicable to each of the following CPA delivery locations (Delivery Locations):
 - a) **Distribution Warehouse.** A loading dock area that can receive semi-trailer trucks is available at the Distribution Warehouse located at Omni Business Park, Building 5, 4437 Supply Court; Austin, Texas 78744. The shipment must be delivered bound and on pallets. Carrier is required to make delivery inside the building and deliver each order to the assigned drop-off point. Stamp cases must be delivered on skids for ease of off-loading and cargo stability during transport; skids are necessary for off-loading at the Distribution Warehouse. Cases should be loaded in the truck in reverse order with the highest numbered case at the rear of the truck and first to be removed. Cases should be loaded on each skid in reverse order with the highest numbered case on top and first to be removed. The highest numbered case on each skid should face the **front** of the truck so that skid jack maneuvering will make the highest numbered case accessible for first removal at the vault side.
 - b) **LBJ Building.** Due to limited size of delivery parking surface, Respondents should plan for a delivery vehicle maximum length of 28 feet. A loading dock is available at the LBJ Building located at 111 East 17th Street, Austin, Texas, 78701. The dock is located on the east side of the building. The shipment must be delivered bound and on pallets. Carrier is required to make delivery inside the building and deliver each order to the assigned drop-off point. Stamp cases must be delivered on skids for ease of off-loading and cargo stability during transport; skids are necessary for off-loading at the LBJ Building. Cases should be loaded in the truck in reverse order with the highest numbered case at the rear of the truck and first to be removed. Cases should be loaded on each skid in reverse order with the highest numbered case on top and first to be removed. The highest numbered case on each skid should face the **front** of the truck so that skid jack maneuvering will make the highest numbered case accessible for first removal at the vault side.
 - c) **Rusk Building.** Due to limited size of delivery parking surface, Respondents should plan for a delivery vehicle maximum length of 28 feet. There is no loading dock available at the Rusk Building located at 208 10th Street, Austin, Texas, 78701. Carrier must provide delivery at street level. Delivery will be made from the entry of the Rusk Building's parking garage, which is located on the west side of the building, on Brazos Street. The shipment must be delivered bound and on pallets. Stamp cases must be delivered on skids for ease of off-loading and cargo stability during transport. The boxes of stamps must be packed, shipped, delivered, and arranged in the truck from back to front with serial numbers of stamps running consecutively from highest to lowest. Cases should be loaded in the truck in reverse order with the highest numbered case at the rear of the truck and first to be removed. Cases should be loaded on each skid in reverse order with the highest numbered case on top and first to be removed. The highest numbered case on each skid should face the **rear** of the truck so that the highest numbered case is accessible for first removal at the vault site.
- 5) **Receipt of Stamps.** All stamps received by CPA are subject to inspection and verification when the original package is opened. Any stamps furnished that do not comply in every manner with the Contract requirements

will be rejected and, within thirty (30) calendar days of receipt of written notice, Successful Respondent shall replace the rejected stamps at no cost to CPA. All stamps rejected by CPA shall be destroyed under the direction of CPA or CPA's authorized agent or agents.

At least two (2) days before shipment arrives to the delivery location, the Successful Respondent shall submit to CPA's Designated Representative an Excel® spreadsheet in CPA's required format containing the following information regarding the invoiced shipment:

- a) invoice (PO #) number,
 - b) ship date,
 - c) stamp colors,
 - d) security features/characteristics,
 - e) total number of individual stamps in shipment by type,
 - f) total number of rolls by type,
 - g) total number of cases by type with each case numbered consecutively, and
 - h) beginning and ending roll/pad stamp numbers including missing stamp numbers within each numbered case with a list of missing roll/pad stamp numbers from within each case.
- 6) **Default in Delivery.** CPA has determined that Successful Respondent's timely secured delivery of the Services is critical to CPA's compliance with statutory requirements and fulfillment of obligations to third parties. In event Successful Respondent refuses or fails to timely and securely deliver the Services as required under the Contract or PO issued thereunder, CPA may immediately terminate the right of Successful Respondent to proceed, in whole or in part, with the delayed delivery, and CPA may procure the Services ("Replacement Delivery") through any method permitted by law. In such an event, Successful Respondent shall be liable to CPA for any excess costs incurred by CPA in procuring and completing the transaction for the Replacement Delivery.

In addition to recovering from Successful Respondent such excess costs, in submitting a response to this RFP, Respondent and CPA agree that in any default in delivery of Services by Successful Respondent, the measure of CPA's damages are difficult or impossible to determine or forecast and, to the extent that Successful Respondent's default in delivery results in CPA being unable to fulfill any delivery obligation to any third party, the not-to-exceed amount of Five Hundred Dollars (\$500.00) per calendar day of default in delivery is established by the parties not as a penalty, but as liquidated damages representing the reasonable estimate of just compensation to CPA for Successful Respondent's default in delivery. CPA may, but not must, impose the liquidated damages. In event CPA does impose liquidated damages, charges shall begin accumulating the first day after the scheduled date of delivery and continue through the actual date of Successful Respondent's delivery or of receipt of the Replacement Delivery, whichever may be applicable. In event CPA deems liquidated damages are necessary and appropriate, the total sum of liquidated damages shall be deducted from the money due or to become due to Successful Respondent or shall be issued by Successful Respondent to CPA as a credit towards pending orders, if any. Failure of CPA to exercise any or all of the foregoing remedies in any instance of Successful Respondent's default in delivery shall not waive CPA's right to exercise such remedy or remedies in any subsequent default in delivery. The foregoing remedies for default in delivery are non-exclusive, shall not preclude other remedies available to CPA in contract or by law, and shall not be applicable in event of Successful Respondent's perfected force majeure claim qualified under Section V, Part 53 of this RFP.

- d. Supervision of Manufacturing Plant. CPA or CPA's authorized agent or agents shall have access to all parts of the plant where the cigarette tax stamps are being manufactured at any and all times, and Successful Respondent shall conform to such regulations as may be made by CPA to prevent the removal from the Successful Respondent's plant any stamps so manufactured, or any property or equipment that might provide a means of reproducing the design of the stamps being manufactured under any PO issued under the Contract. The removal without order of any of the foregoing property or equipment shall constitute breach of contract by the Successful Respondent and CPA may stop the manufacturing process and the Successful Respondent shall be liable for any loss incurred in stamps printed prior to such improper removal. In the event such action becomes necessary, CPA shall not be liable for any cost of materials or expenses of printing or manufacturing the stamps so manufactured prior to the time the manufacturing process is ordered stopped, and CPA may refuse to accept stamps manufactured prior to such act.

Successful Respondent shall immediately notify CPA should Successful Respondent become aware of any stamp integrity issues which may impact CPA or the State of Texas. Such stamp integrity issues include, but are not

limited to, the following: security breach at manufacturing plant or storage facilities, counterfeiting activities, stamp alterations/modifications, or any misapplication of stamps at a wholesaler or distributor level.

e. Custody of Design, Drawing, Printing Plates, Inspection of Printing and Processing Stamp, Destruction of Stamps.

- 1) During the manufacturing process and printing of the stamps, the Successful Respondent shall have custody of specifications, photographs, negatives, positive impressions, drawings, dies, electroplates, printing stones, and all other property or equipment that may provide a means of reproducing, manufacturing or printing of the cigarette tax stamps selected by CPA. Also, CPA or CPA's authorized agent or agents shall be permitted to observe the printing, manufacturing and processing of the stamps for delivery, and to inspect all finished stamps prior to sealing of boxes prepared for stamp deliveries. CPA shall have access to all defective stocks of stamps and the same shall be destroyed using a destruction method approved by CPA and performed under CPA's supervision.
- 2) All printing and manufacturing services under the Contract must be performed strictly within the premises of the Successful Respondent. **No part of the Contract may be subcontracted, outsourced, sublet out or performed in any other premises without prior written consent of CPA.** No assignment of the Contract, in whole or in part, may be made without prior written consent of CPA. CPA authorized agent or agents with proper credentials may act as inspectors during the process of manufacture and shall be accorded all privileges and assistance in carrying out this function.
- 3) All stamps not intended for delivery to CPA as part of an order shall be subject to a destruction method and procedure approved by CPA which shall include Successful Respondent's advance notice to CPA of at least 30 days to allow CPA's authorized agent to attend and observe the destruction process. In the event that CPA's authorized agent or designated delegate is unable to attend a scheduled destruction, only with CPA's prior written approval shall Successful Respondent proceed with the stamp destruction. In such instance, Successful Respondent shall videotape the stamp destruction event in accordance with procedures approved by CPA, and Successful Respondent shall securely deliver the recording to CPA within 72 hours of completing the stamp destruction.

f. Stones, Zincs, Plates, Etc. If applicable, stones, zincs, plates, etc., by whatever name used in connection with the production of stamps shall become the property of CPA, and upon CPA's written request all such items shall be turned over to CPA or destroyed at CPA's option. When stones, zincs, plates, etc. are not in use, they shall be deposited by Successful Respondent in a place of security acceptable to CPA. When production on a specific order has been completed, Successful Respondent will return stones, zincs, plates, etc. to the designated place of deposit acceptable to CPA. Details regarding the preservation and security of stones, zincs, plates, etc., will be arranged between the Successful Respondent, if a contract award is made under the terms of this RFP.

g. Paper Cost Price Increases. Respondent's Proposal must include a statement from its current paper stock supplier, submitted on the supplier's letterhead, that states the current cost price ("Current Cost Price") for paper stock to be used for production of CPA's tax stamps and that clearly indicates which listed paper stock is applicable to CPA's Stamp Type 1 and Stamp Type 2. **Failure to include the required statement with the Proposal may result in disqualification of Respondent's Proposal.**

During the Contract Term CPA may, in its sole discretion, grant a price increase up to an actual paper cost increase incurred by Successful Respondent. Initial Term pricing may not be increased. Pricing for any optional additional periods may be increased, but only at the beginning of the applicable optional renewal period and only for an amount equal to Successful Respondent's actual paper cost increase applicable to paper stock used in producing CPA's Stamp Type 1 and/or Stamp Type 2 ("Actual Cost Increase").

Any request for a price increase submitted by Successful Respondent must include a statement from Successful Respondent's then current paper stock supplier, submitted on the supplier's letterhead, that states the new cost price ("New Cost Price") applicable to paper stock to be used for production of CPA's tax stamps and clearly indicates which listed paper stock is applicable to CPA's Stamp Type 1 and Stamp Type 2. Successful Respondent must also submit a proposed, amended Mandatory Price Sheet reflecting revised line item pricing for Stamp Type 1 and Stamp Type 2, as applicable, in accordance with the terms in this section.

The following factors shall be considered when determining a price increase, if any:

- 1) Successful Respondent's request for price increase must be the result of an actual, industry-wide price increase for paper stock used for producing CPA's Stamp Type 1 and/or Stamp Type 2;
- 2) Any allowed paper cost price increase shall be applicable to only the same basis weight of the same paper product, using the same pricing method reflected in Successful Respondent's original Proposal (*i.e.*, \$/cwt or \$/M);

- 3) Any allowable paper cost price increase shall not exceed the Actual Cost Increase incurred by Successful Respondent. The formula to be used in determining the maximum allowable paper cost price increase shall be:

$$\text{Percent Maximum Cost Increase ("PMCI")} = 100 \times \frac{(\text{New Cost Price} - \text{Current Cost Price})}{\text{Current Cost Price}}$$

Unless Respondent's Proposal includes a statement indicating otherwise, for the purposes of this RFP and the Contract, paper cost will be presumed to be 60% of the line item price, expressed in dollars, indicated for Stamp Type 1 and for Stamp Type 2 ("Paper Cost Percentage"). Any approved paper cost price increase shall be applied to only the Paper Cost Percentage (*i.e.*, 60% unless otherwise stated) of the total line item price listed on Successful Respondent's Mandatory Price Sheet accepted by CPA.

Any allowable line item price increase shall not exceed the amount determined using the following formula:

$$\text{Maximum line Item Price Increase} = \text{Paper Cost Percentage expressed in dollars} \times \text{PMCI}$$

CPA expects to receive all paper cost price decreases also. The amount of decrease will be determined applying the same formula and terms as above. Decreases may exceed the amount calculated by the formula.

Successful Respondent must reflect on its invoices to CPA details of any decreases in the cost of paper and must reflect such decrease, if any, as a discount.

D.2. Proposal Requirements. Proposal requirements listed within this Section II, Part D.2., are in addition to, and not in lieu of, requirements set forth within Section III, Part B (Proposal Content and Format).

- 1) Respondent's Proposal must demonstrate that Respondent's stamps meet or exceed all required specifications of this RFP. Respondent must submit samples of both Stamp Type 1 and Stamp Type 2 in sufficient quantity for testing at more than one location, and samples of the paper which Respondent proposes to use for Stamp Type 1. At a minimum, Respondent's submission of stamp samples shall include two (2) rolls of Stamp Type 1 and two (2) pads of Stamp Type 2.
- 2) Respondent's Proposal must include a statement of the estimated time necessary for Respondent to manufacture and deliver CPA orders of Stamp Type 1 and Stamp Type 2. (See Section II, Part B (Background) for CPA's historical and anticipated delivery frequencies and quantities for Stamp Type 1 and Stamp Type 2.) Respondent's statement should include details applicable to any minimum required notice times, lead times, design times, differences (if any) in estimated times applicable to first order placed versus subsequent orders placed, or other factors, including supply-chain delays, relevant to or influencing the timeline from date of CPA's placement of order to Respondent's manufacture and delivery of the stamps ordered by CPA.
- 3) Respondent's Proposal must include the name of the manufacturer of the paper stock to be used to print Stamp Type 1 and to print Stamp Type 2.
- 4) Respondent's Proposal must include all costs, including all shipping charges and other costs associated with Respondent's performance under the Contract, for all Services for the Initial Term and each of the optional additional periods listed on Section IV Mandatory Price Sheet. **CPA will not prepay any amounts.**
- 5) Manufacturing Protection System. Respondent's Proposal must include a separate, confidential, detailed statement fully explaining the Respondent's manufacturing protection system; the protection provided to CPA and the State of Texas against unlawful stamp reproduction, and the method by which such reproduction can be detected by CPA and/or State of Texas inspectors. In its confidential statement, Respondent must describe the manufacturing protection systems utilized by the Respondent to ensure that all stamps manufactured are carefully guarded during the manufacturing process and during storage prior to shipment or delivery. Such systems may include, but are not limited to, the use of an alarm system, video surveillance system with a specified video retention period, key card access to restricted areas, etc. CPA reserves the right to verify manufacturing protection system and security of facility prior to Contract award. Please refer to Section V, Part 35 of this RFP for information regarding procedures for submission of Confidential Information.
- 6) Protection and Security during Transportation. Respondent's Proposal must include a statement detailing Respondent's procedure(s) for ensuring the protection and security of theft-sensitive tax stamps during transportation from Respondent's manufacturing facilities to the CPA delivery locations listed in Section II Part D.9 of this RFP. Respondent's statement should clearly and succinctly state, at a minimum, Respondent's approach toward planning and coordination of shipment security and transport, selection of vehicles and operators, security management and shipment tracking during transit, response to problems (*e.g.*, vehicle breakdowns) during shipment, and confirmation of safe and secure delivery of shipments. Please refer to

Section V, Part 35 of this RFP for information regarding procedures for submission of Confidential Information.

- 7) Respondent's Disaster Recovery Program. Respondent's Proposal must include a complete description of its disaster recovery program. The disaster recovery program should address the Respondent's plans and turn-around times for the manufacturing of stamps in the event Respondent experiences a disaster that renders its equipment inoperable, etc.

D.3. CPA Data Safeguard Standards.

- a. Reserved.
- b. Reserved.
- c. Reserved.
- d. Reserved.
- e. Reserved.
- f. Reserved.
- g. Reserved.
- h. Reserved.
- i. Auditable Information Security Framework. Successful Respondent shall secure its own and its third-party service providers' systems (e.g., IT service provider, Cloud Service Provider) in a manner consistent with an auditable information security framework e.g., National Institute of Standards and Technology (NIST), International Organization for Standardization (ISO) 27001.
- j. Reserved.
- k. Supply Chain Risk Management. Successful Respondent shall provide CPA's Contract Manager a description of how it manages supply chain risks. Specifically, Successful Respondent shall describe its established agreements and procedures with entities involved in the supply chain for the notification of supply chain risks, compromises, and the result of assessments or audits. During the term of the contract, Successful Respondent shall provide CPA's Contract Manager prompt, written notice of supply chain risks that impact the delivery of the products and services of the Contract. Examples of supply chain risks include supplier financial failure, production control/product quality, market supply and demand, labor disputes/shortages, cybersecurity threats, natural disasters. Successful Respondent shall notify CPA of a supply chain compromise and potential compromise in accordance with Section G Security Incident Notification.
- l. Reserved.
- m. Reserved.
- n. Reserved.
- o. Reserved.
- p. Reserved.
- q. Reserved.
- r. Reserved.
- s. Reserved.
- t. Reserved.

D.4. Liquidated Damages. In submitting a Proposal, Respondent agrees that the measure of damages in the event of a default or breach by Successful Respondent may be difficult or impossible to calculate. In the event Successful Respondent fails to perform Services or complete the obligations under the Contract in a timely manner, CPA may require Successful Respondent to pay, as liquidated damages and not as a penalty, an amount equivalent to two percent (2%) of the total cost for Services or obligations not completed as required by the Contract per calendar day of delay. CPA may impose, but is not obligated to impose, these liquidated damages in lieu of any monetary damages available to CPA under the Contract or applicable law.

D.5. Optional Features, Products or Services. If Respondent believes there are additional features, products or services that would benefit CPA under this RFP, Respondent may describe such features, products or services and include pricing for such features, products or services in the Mandatory Price Sheet. Optional features, products or services

are not scored as part of the evaluation process. Respondent is required to include information requested in Section II, Part D.1.a.9)e) within the Mandatory Price Sheet, Price Schedule 2 (Optional Features, Products or Services).

E. Contract Resulting from this Solicitation; Order of Priority

Respondent's Proposal is a legal offer to contract based upon the terms, conditions, and specifications set forth in this RFP. "Contract" means (1) a valid PO issued by CPA or (2) a formal, written agreement between CPA and Successful Respondent, if any. The Contract is effective as of the Award Date and will be between CPA and the Successful Respondent. Successful Respondent shall be solely responsible to CPA for all performance by Successful Respondent's employees, representatives, agents, subcontractors, suppliers, third-party service providers, and similar entities ("Persons" for purposes of this sentence) and for ensuring that all such Persons comply with applicable provisions of this RFP and the Contract. The entire Contract between CPA and Successful Respondent shall consist of the following documents, which shall control in the following order of priority, except as otherwise provided in the formal, signed agreement between the parties or CPA's PO: (1) the PO and PO Change Notices (POCN), if any; (2) the formal, signed agreement, if any; (3) this RFP; and (4) Successful Respondent's Proposal (collectively, these documents constitute the "Contract").

F. Warranty of Performance

Successful Respondent represents and warrants that its performance under the Contract shall be conducted conscientiously in a professional and workmanlike manner to the full extent of Successful Respondent's talents and capabilities with due diligence and in full compliance with the highest professional standards of practice in the industry applicable to the Services.

G. Security Incident Notification

Successful Respondent shall have policies and procedures for the effective management of Security Incidents, which shall be made available to CPA upon written request. Within twenty-four (24) hours of Successful Respondent's discovery or reasonable belief that there has been an event which results in the accidental or deliberate unauthorized access, loss, disclosure, modification, disruption, or destruction of confidential CPA information ("Security Incident"), Successful Respondent shall provide notice to CPA by calling (800) 531-5441 EXT 34357. Until the investigation is complete, Successful Respondent shall submit, on a daily basis or as otherwise agreed by CPA, a written report via encrypted email to security.alerts@cpa.texas.gov that includes, at a minimum, the following:

- Date and time incident occurred,
- Date and time incident detected,
- Date and time incident contained,
- Address where incident occurred,
- Name of person(s) that discovered incident,
- Description of how Successful Respondent discovered incident,
- Type of CPA information involved,
- Description of the nature of the incident,
- Description of the steps Successful Respondent has taken or will take to investigate incident,
- Description of the steps Successful Respondent has taken or will take to mitigate any negative impacts of incident,
- Information technology involved (e.g., laptop, server, mainframe),
- Description of steps taken to preserve computer evidence and maintain chain of custody, and
- Description of corrective action Successful Respondent has taken or will take to prevent future incidents.

Successful Respondent shall coordinate all media or other breach notifications with CPA in advance of such notification(s), unless expressly prohibited by law. Subject to review and approval of CPA, Successful Respondent shall provide notice at its own cost that satisfies the requirements of applicable law to individuals whose information was compromised or likely compromised as a result of the Security Incident. If CPA, in its sole discretion, elects to send its own separate notice, then all costs associated with preparing and providing the notice shall be reimbursed to CPA by Successful Respondent. If Successful Respondent does not reimburse such costs within thirty (30) days of CPA's written request, then CPA shall have the right to collect such costs. CPA reserves the right to conduct an independent investigation of any Security Incident, and should CPA choose to do so, Successful Respondent shall cooperate fully with CPA and assume responsibility at its own expense for making personnel, resources, and systems access available to CPA and CPA's authorized representative(s).

H. Insurance and Bonds

Successful Respondent represents and warrants that it shall obtain and maintain the following coverages throughout the term of the Contract and that all coverages shall be with companies licensed in Texas with an "A" rating from A.M. Best Co. authorized to provide the required coverages:

- Blanket Employee Dishonesty Bond or Employee Dishonesty Coverage under a liability insurance policy with a minimum \$25,000 for each individual who will provide Services. A rider or endorsement shall name the Texas Comptroller of Public Accounts as loss payee or additional named insured under the respective bond or policy.
- Standard Workers Compensation Insurance covering all individuals who will provide Services.
- Commercial General Liability Insurance: \$1,000,000 minimum each occurrence limit; \$2,000,000 minimum aggregate limit.
- Commercial Auto Policy: \$1,000,000 Combined Single Limit (for each accident); must include liability arising out of *any auto* and be on business auto form.
- Professional Liability Insurance: \$1,000,000 minimum each occurrence limit; \$2,000,000 minimum aggregate limit.

All of the above policies and bonds shall contain endorsements prohibiting cancellation except upon thirty (30) calendar days' prior written notice to CPA. Successful Respondent shall furnish proof to CPA of such coverage in the form of a Certificate of Insurance from Successful Respondent's insurance carrier(s) indicating the required coverages. The certificate shall be addressed to CPA as the certificate holder. Successful Respondent shall submit proof of required insurance coverage within five (5) days after the Effective Date, and annually thereafter, via email, referencing the PO number, to the following address: contract.administration@cpa.texas.gov.

I. Criminal Background Investigation

1. Criminal Background Investigation by Successful Respondent. Prior to an Assigned Personnel commencing Services under the Contract, Successful Respondent shall conduct a criminal background investigation and provide written notice via email to CPA's Criminal Investigation Division of any Assigned Personnel that have any felony criminal conviction(s). If any information for the Assigned Personnel changes during the Contract Term, Successful Respondent shall provide written notice via email to CPA's Criminal Investigation Division no later than three (3) business days after Successful Respondent's discovery of such changed information that relates to felony criminal conviction(s). Written notice to CPA's Criminal Investigation Division shall be submitted to cid.analysts@cpa.texas.gov.
2. Successful Respondent's exercise of due diligence in conducting the criminal background investigation shall include, at a minimum, the following: (1) compliance with Successful Respondent's published policies and procedures for background and criminal conviction checks and (2) a comprehensive search of the public information portion of Texas Department of Public Safety criminal conviction database located at: <https://publicsite.dps.texas.gov/ConvictionNameSearch/>. If Successful Respondent asserts that a search of the Texas Department of Public Safety criminal conviction database is not appropriate for a particular Assigned Personnel, Successful Respondent must provide written notice via email to CPA's Criminal Investigation Division that explains the proposed alternate approach for conducting the criminal background investigation.

For purposes of this clause, "Assigned Personnel" includes, without limitation, all individuals provided by Successful Respondent under the Contract who will or may (1) be assigned as lead or key personnel; (2) provide Services on-site at CPA's premises; or (3) access CPA information resources, *i.e.*, the procedures, equipment, and software that are employed, designed, built, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information, and associated personnel including consultants and contractors. At CPA's written request, Successful Respondent shall replace Assigned Personnel that has any felony criminal conviction(s).

Within five (5) business days of receipt of a written request by CPA's Criminal Investigation Division during the Contract Term, Successful Respondent shall provide written notice to CPA's Criminal Investigation Division of any Assigned Personnel that have any felony criminal conviction(s).

3. Criminal Background Investigation by CPA. At CPA's discretion, CPA may conduct a criminal background investigation on Successful Respondent's Assigned Personnel. Should any Assigned Personnel not be acceptable to CPA due to a finding of felony criminal conviction(s) as a result of the criminal background investigation, Successful Respondent shall replace such Assigned Personnel upon CPA's written request or CPA may terminate the Contract.
4. Remedies. If CPA becomes aware that Successful Respondent provided false information, Successful Respondent fails to promptly notify CPA of changed information that related to felony criminal convictions, or Successful Respondents fails to replace Assigned Personnel as required by this Section, Successful Respondent shall be in breach of contract and CPA shall have the option to terminate the Contract without further obligation to Successful Respondent as well as pursue all other remedies and rights available to CPA under contract, at law, or in equity.

J. Contract Term; Survival of Terms

The Initial Term of the Contract shall be from September 1, 2025 through August 31, 2026. CPA may, in its sole discretion, exercise the option to extend the Contract Term for up to three (3) additional, one (1) year periods. The optional additional

periods are September 1, 2026 through August 31, 2027; September 1, 2027 through August 31, 2028; and September 1, 2028 through August 31, 2029. "Contract Term" means the Initial Term and any optional additional periods exercised. To exercise an option to extend the term, CPA will notify Successful Respondent; such notice may be by PO issuance. Termination of the Contract for any reason shall not release Successful Respondent from liability or obligation set forth in the Contract that is expressly stated to survive any such termination or by its nature would be intended to be applicable following any such termination, e.g., indemnification, confidentiality, dispute resolution, records retention, CPA data security terms, and right to audit.

K. Acceptance Criteria

Prior to payment, CPA will evaluate the provided products and/or Services using the following criteria and any additional acceptance criteria agreed to by the parties prior to the Award Date and included in the Contract:

1. The products and/or services must meet all specifications and standards of performance in the Contract; and
2. The products and/or services must comply with all published specifications.

L. Payments

Payment(s) to Successful Respondent will be based upon the schedule described in Section IV (Mandatory Price Sheet) and the Contract. CPA may, in its sole discretion, process payments on a monthly basis. CPA makes no express or implied warranty whatsoever that any minimum compensation or minimum quantity will be guaranteed under the Contract. Payment shall be made in accordance with the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code ("Chapter 2251") and Chapter 2251 shall govern remedies for late payment. Payments will be made to Successful Respondent as provided in Section V, Provision for Direct Deposit or Warrant.

M. Discounts

If Successful Respondent provides a discount on the final Contract costs at any time during the term of the Contract, Successful Respondent will notify CPA in writing ten (10) calendar days before the effective date of the discount. CPA will generate a POCN and send it to Successful Respondent. If an early payment discount is available to CPA, then Respondent's Proposal must describe the early payment discount offered and the discount percentage that would apply to CPA's early payment within ten (10), fifteen (15), twenty (20) or twenty-five (25) calendar days after receipt of a correct invoice. Successful Respondent shall also specify any applicable, early payment discount option(s) on each submitted invoice.

N. PO Addition and Deletion

CPA reserves the right, in its sole discretion, to add or delete products or Services during the Contract Term. All additions or deletions will be processed through CPA's Procurement Section. The rate at the time of the addition or deletion shall be the same as the rate quoted in the Contract for the same model product or Service. The effective date of any addition or deletion will be no later than five (5) business days after receipt of CPA's written notification of the addition or deletion. For this purpose, written notification includes registered mail, regular mail, or email with confirmation receipt.

For any additions, CPA's Procurement Section will provide a POCN to Successful Respondent. The total number of additions allowed to CPA is determined by the number CPA chooses to purchase. For any deletions, CPA's Procurement Section will provide a POCN to Successful Respondent with the effective date of the deletion, the amount of the reduction or refund (if any), and the equipment serial number or other specific equipment information to identify equipment, if applicable.

O. HUB Subcontracting Plan Information

In accordance with Section 2161.252 of the Texas Government Code and 34 Texas Administrative Code §20.285, each state agency that considers entering into a contract with an expected value of \$100,000 or more over the life of the contract (including any renewals) shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. If subcontracting opportunities are probable, each state agency's invitation for bids, requests for proposals, or other purchase solicitation documents with an expected value of \$100,000 or more shall state that probability and require a Historically Underutilized Business (HUB) Subcontracting Plan (HSP).

CPA has determined that subcontracting opportunities are probable and requires Respondents to complete the State of Texas HUB Subcontracting Plan (HSP) form located at <https://comptroller.texas.gov/purchasing/vendor/hub/forms.php>. The HSP form is also posted to the ESBD as separate Bid Package #2 under this RFP, available at: <https://www.txsmartbuy.gov/esbd>. For assistance in completing the HSP, Respondent may visit the following website: <https://comptroller.texas.gov/purchasing/vendor/hub/>. Respondents may send an HSP review request to the Contact person provided in Section I, Part 8. CPA will provide a courtesy HSP review if the request is received no later than the date questions are due, as specified in Section I, Part 15.

For purposes of the HSP, CPA has determined that this procurement falls under the following category:

Special Trade Construction _____ Professional Services _____ Other Services ✓ Commodities _____

CPA has identified the possible subcontracting opportunities on the “Agency Special Instructions/Additional Requirements” portion of the State of Texas HUB HSP form set forth below:

-- Agency Special Instructions/Additional Requirements --

The Texas Comptroller of Public Accounts is committed to increasing contracting opportunities with HUBs by contracting directly with HUBs or indirectly through subcontracting opportunities in compliance with Chapter 2161 of the Texas Government Code, and by requesting a HSP for contracts with an expected value of \$25,000 to \$99,999.

If a bid/proposal/offer to a solicitation with an expected value of \$100,000 or more does not contain a completed HSP and supporting documentation, the bid/proposal/offer will be considered non-responsive and will be disqualified. After Contract award, Successful Respondent may be subject to debarment pursuant to Section 2161.253(d) of the Texas Government Code if any modifications are made to the HSP without PRIOR approval from CPA.

If Respondent is not subcontracting any portion of the Contract, Sections 1, 2(a), 3 and 4 must be completed.

If Respondent is subcontracting some portion of the contract, the supporting documentation of “Good Faith Effort” must be demonstrated in either Method A (Attachment A) or Method B (Attachment B).

The Texas Comptroller of Public Accounts requests all Respondents to consider utilizing HUBs in subcontracting areas listed below; however, this list should not be considered exhaustive.

Class	Item	Description
255	70	Cigarette Stamp, Numbered
255	24	Decals Heat Transfer
962	24	Courier/Delivery Services, Including Air Courier Services
962	86	Transportation of Goods, Shipping and Handling, and other Freight Services

In accordance with 34 TAC §20.285(d)(1)(D)(iii), a Respondent (prime contractor) may demonstrate a good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of Respondent’s subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a Respondent uses this method to demonstrate a good faith effort, the Respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only contracts that have been in place for five years or less shall qualify toward meeting the HUB goal.

P. Respondent Documents

All Respondent documents that are related to the Services, this RFP, Respondent’s Proposal, or a resulting Contract including, but not limited to, boilerplate service agreements, service schedules, published specifications, warranty information, terms of service, ordering documents, license agreements and maintenance agreements, are collectively referred to in this RFP as “Respondent Documents.” Respondent must include copies of all proposed Respondent Documents with Respondent’s Proposal. Upon written request, Respondent shall promptly provide to CPA a Word version of specific Respondent Documents. CPA reserves the right, in its sole discretion, to amend the Respondent Documents to conform to this RFP and Texas law and provide them to Respondent for approval and signature prior to contract award. Respondent Documents that are (1) submitted as part of the Proposal and (2) amended to conform to this RFP and Texas law through mutual, written agreement of Successful Respondent and CPA will be incorporated as part of the Contract.

Q. Respondent Exceptions

If Respondent takes any exception to any provisions of this RFP, the exceptions must be specifically and clearly identified by section number in Respondent’s Proposal as required by Section XI (Respondent Exceptions). Respondent’s proposed alternative must also be provided in a chart similar to the one provided in Section XI. If a Respondent takes a “blanket exception” to the entire RFP or does not propose alternate language for CPA’s consideration, Respondent’s Proposal may be considered non-responsive and disqualified from further consideration.

Respondents are strongly encouraged to submit any inquiries regarding specific terms or conditions of this RFP during the question-and-answer period designated in Section I (Summary).

R. Respondent's Past Performance; Vendor Performance Tracking System

Comptroller may conduct reference checks with other entities regarding past performance of Respondent and its subcontractors, if any. In addition to evaluating performance through the Vendor Performance Tracking System (VPTS) as authorized by Section 2262.055 of the Texas Government Code, Comptroller may examine other sources of vendor performance, including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of contracts. Such sources of Respondent performance may include any governmental entity, whether an agency or political subdivision of the State of Texas, another state, or the Federal government. Further, Comptroller may initiate such examinations of Respondent performance based upon media reports. Any such investigations shall be at the sole discretion of Comptroller, and any negative findings, as determined by Comptroller, may result in a non-award to Respondent. VPTS information is located on Comptroller's website at: <https://www.comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/>.

III. Proposal Submission Requirements

A. Delivery of Proposal; Delivery of Stamp Samples

Respondent must submit its proposal and stamp samples in accordance with the following requirements:

1. Delivery of Proposal. Respondent must electronically submit its Proposal only (*without stamp samples*) via email, with delivery receipt requested, in accordance with the following:
 - a. The Proposal must be emailed to bidcpa@cpa.texas.gov, with copy to the CPA Contact Person identified in Section I;
 - b. The subject line of the email must include Respondent's name and a reference to RFP No. 304-26-0513BJ;
 - c. All attachments to the email must be in a format that is accessible to CPA (specific acceptable formats include Word, Excel, and .pdf);
 - d. All required forms must be signed, either with digital signatures or manually with scanned signatures; and
 - e. CPA strongly encourages Respondent to send the email with the attached Proposal at least fifteen (15) minutes prior to the Deadline for Submission of Proposals specified in this RFP in order to allow for any networking delays that may occur (*e.g.*, firewalls, security scans, etc.).
2. Delivery of stamp samples. Respondent is required to deliver its hard copy stamp samples to the Issuing Office using Respondent's selected method of delivery.
 - a. Acceptable methods of delivery for stamp samples include hand delivery or shipment to the Issuing Office.
 - b. Refer to Section I, Part 18 (Delivery and Building Access) if Respondent elects to hand deliver its Proposal to CPA.
 - c. Respondent must include a cover page within each stamp sample box.
 - 1) The cover page shall include the name and address of business entity submitting the Proposal and Respondent's contact information (*i.e.*, name, title, email address, and phone number) for the individual(s) who will be CPA's point of contact for questions regarding the Proposal and the Contract.
 - 2) Respondent shall label the stamp sample box(es) using "Box # of ## total boxes" where # represents the actual number of the box and ## represents the total number of boxes of stamp samples sent by Respondent.
3. Respondent is solely responsible for ensuring timely delivery of its Proposal and stamp samples to the Issuing Office by the deadline. Late Proposals and/or stamp samples will not be accepted. For purposes of meeting the 2:00 p.m. delivery deadline, the Issuing Office's electronic receipt date and time will be considered conclusive in all respects.

B. Proposal Content and Format

The Proposal must contain the information listed in this Part B. Failure to include all information may result in exclusion of the Proposal from consideration. The Proposal must contain an organized, paginated table of contents with hyperlinks corresponding to the sections and pages of the Proposal. The Proposal must be organized as follows:

1. **Respondent's Contact Person and Identifying Information.** Respondent must submit the following in its Proposal:
 - a. Respondent's identifying information:
 - 1) name and address of business entity submitting the Proposal;
 - 2) list of all principals;
 - 3) type of business entity (*e.g.*, corporation, partnership);
 - 4) state of incorporation or organization; and
 - 5) principal place of business.
 - b. Respondent's contact information (*i.e.*, name, title, email address, phone number and fax number) for the individual(s) who will be CPA's point of contact for questions regarding the Proposal and the Contract.
2. **Respondent Questionnaire: Respondent's Qualifications, Experience and Past Performance.**
 - a. **Profile.** In its Proposal, Respondent must provide a profile that:
 - 1) describes the size and scope of all of Respondent's operations, including number of Respondent's employees and years in business;

- 2) describes the general nature of previous, similar work performed by Respondent, particularly work in the last three (3) years;
- 3) describes Respondent's prior contracting experience with CPA and other public sector entities;
- 4) includes a statement regarding the financial stability of Respondent, including the ability of Respondent to perform the Services and any other services proposed in its Proposal; and
- 5) includes any other information Respondent believes is pertinent to this RFP (e.g., certificates, industry awards).

b. References. In its Proposal, Respondent must provide a list of **three (3)** entities other than CPA for which Respondent has provided services and/or products described in this RFP during the past three (3) years. For each of the three references, Respondent must include dates when items that were the same or similar to those requested in this RFP were provided, and the names, telephone numbers and email addresses of the entity's contact person. Respondent must provide the reference information in a format similar to the following:

- 1) Entity Name: _____
 Date Item(s) Provided: _____
 Name of Entity's Contact Person: _____
 Telephone Number of Entity's Contact Person: _____
 Email Address of Entity's Contact Person: _____
- 2) Entity Name: _____
 Date Item(s) Provided: _____
 Name of Entity's Contact Person: _____
 Telephone Number of Entity's Contact Person: _____
 Email Address of Entity's Contact Person: _____
- 3) Entity Name: _____
 Date Item(s) Provided: _____
 Name of Entity's Contact Person: _____
 Telephone Number of Entity's Contact Person: _____
 Email Address of Entity's Contact Person: _____

In CPA's sole discretion, CPA may contact Respondent's references by electronic mail or telephone. CPA will not notify Respondent of its reference-checking activities. Respondent is responsible for ensuring the references identified in its Proposal are: (1) willing to provide information to CPA regarding the contracts and services provided by Respondent, and (2) are available to respond to CPA's inquiry for the three-week period following the deadline for submission of Proposals. In the event Respondent provides more than three references, CPA will contact only the first three references listed in Respondent's Proposal.

CPA is not obligated to contact Respondent in the event incomplete reference information is submitted in the Proposal. Consequently, Respondent's failure to provide all or part of the requested reference information in its Proposal may be reflected as a score of "0" for the applicable evaluation criterion. Additionally, Respondent's score for a reference for the applicable evaluation criterion shall be "0" in the following circumstances: (1) there is a requirement for a Respondent representative to schedule, monitor or otherwise participate in CPA's reference-check activities, or (2) Respondent's reference fails to respond to CPA's inquiry by CPA's specified due date. CPA is not responsible for undelivered emails or non-responsive references.

c. Cancellations or Terminations. In its Proposal, Respondent must list **all** contracts or purchase orders that Respondent executed or accepted within the last three (3) years and that were canceled or terminated before completion by any entity with which Respondent contracted. For each cancelled or terminated contract or purchase order, Respondent must include a detailed explanation for the cancellation or termination and final resolution of the matter. The Proposal must include the names and telephone numbers of each such entity's contact person. If there were no contracts or purchase orders cancelled or terminated before completion in the last three years, specify none.

3. Respondent Questionnaire: Narrative.

a. Scope of Services. In its Proposal, Respondent must submit a detailed, narrative explanation of how the offered services will meet the requirements of Section II, Part D (Scope of Services). Respondent must provide in its Proposal all the information requested in the Scope of Services in conformity with the structure outlined in Section II, Part D (Scope of Services). In the narrative, Respondent must also provide the following:

- 1) information requested in Part D.3. (CPA Data Safeguard Standards).
 - 2) **Stamp Samples:** samples of cigarette tax stamp, revenue stamp or similar work demonstrating Respondent's stamps meet the specifications of this RFP. Respondent must submit samples in accordance with instructions set forth in Section II, Part D.1 and Section III, Part A.2.
 - 3) **Manufacturing Protection System:** A separate, confidential, detailed explanation of Respondent's manufacturing protection system as described in Section II, Part D.1.
 - 4) **Current Costs of Paper:** a statement of current costs of Respondent's stamp paper, submitted on Respondent's supplier's letterhead as specified in Section II, Part D.1.
 - 5) Copies of all Respondent Documents applicable to the proffered Services. Refer to Section II, Part P.
 - 6) A detailed description of how Respondent will provide problem or trouble resolution, its escalation procedures, and the timeframe in which Respondent will respond to CPA's request for such support.
 - 7) A description of the qualifications of personnel who will provide the offered Services. Respondent must also describe its organizational structure and staffing levels that will support the offered Services, including Respondent's policies for retaining personnel and engaging additional, qualified personnel, if necessary, to support the requirements set forth in this RFP. In addition, Respondent must identify all proposed personnel who will or may provide Services. For each proposed individual, Respondent must provide a résumé that includes the following information: (1) professional employment history, (2) education, (3) relevant professional training, and (4) professional certifications. Respondent must also identify the roles and responsibilities of the proposed personnel and provide an organizational chart depicting the lines of authority and functional titles of the proposed personnel.
- b. Description of All Offered Optional Features, Products, or Services.** If offered, Respondent must describe in its Proposal any Optional Features, Products or Services that would benefit CPA, but are not part of the minimum requirements of this RFP. Refer to Section II, Part D.5. Respondent must provide line-item pricing for each option on the Mandatory Price Sheet in Section IV.
 - c. Early Payment Discount Offering.** If offered, Respondent must describe with specificity in its Proposal any early payment discount offered and the discount percentage that would apply to CPA's early payment within ten (10), fifteen (15), twenty (20) or twenty-five (25) calendar days after receipt of a correct invoice. Refer to Section II, Part M.
- 4. Mandatory Price Sheet.** Respondent must complete and submit, in its Proposal, all pages of the Mandatory Price Sheet. See Section IV.
 - a.** All costs associated with the offered services must be entered on the Mandatory Price Sheet and described in the Proposal.
 - b.** If Optional Features, Products or Services are offered, refer to Section II, Parts D.1.a.9)e) and D.5.
 - 5. HUB Subcontracting Plan (HSP) & Supporting Documentation.** The document required by Section II, Part O must be completed, signed, and included in the Proposal.
 - 6. Execution of Proposal.** The document required by Section VI must be completed, signed, and included in the Proposal.
 - 7. Conflict of Interest Form.** The document required by Section VII must be completed, signed, and included in the Proposal.
 - 8. Nondisclosure Agreement.** The document required by Section VIII must be completed, signed, and included in the Proposal.
 - 9. Confidential Treatment of Information Acknowledgment.** A copy of the CTIA form, located in Section IX, signed by Respondent or its authorized representative, must be included in the Proposal. Additionally, if communications with Respondent necessitate the release of confidential CPA information, then each individual requiring access to, or who may be exposed to, such information must sign the CPA Confidential Treatment of Information Acknowledgment (CTIA) form. Upon CPA's request Respondent agrees to provide CPA with copies of any such CTIA forms. See Section V, Part 74 (Information Security Requirements for Successful Respondent) for information regarding use of the CTIA during the Contract Term.
 - 10. Certification regarding Public Nature of the Proposal.** The document required by Section X must be completed, signed, and included in the Proposal.

11. Data Security Information. In its Proposal, Respondent shall include the following information:

- 1) Compliance with CPA Data Safeguard Standards. Respondent shall describe its approach and methodology for meeting the requirements in Section II, Part D.4 (CPA Data Safeguard Standards) above.
- 2) Data Security Breach History. Respondent shall disclose any data security breach incidents, including pertinent, public information describing the breach such as the date of the incident, date of incident discovery, cause of the incident, and remediation efforts undertaken by Respondent.

IMPORTANT NOTE:

THE FORMS LOCATED IN THIS RFP ARE PREPARED EXCLUSIVELY FOR THIS RFP. RESPONDENT'S SUBMISSION OF OTHER FORMS OR DOCUMENTS, INCLUDING PRIOR VERSIONS OF THE FORMS, MAY RESULT IN DISQUALIFICATION OF THE PROPOSAL.

IV. Mandatory Price Sheet

Respondent must include all costs for providing the Services for the items listed on the **Mandatory Price Sheet**. Each line item must be individually priced such that the price of one line item must not impact the price of another line item.

This Mandatory Price Sheet consists of two (2) Price Schedules:

- Price Schedule 1: Heat Transfer Cigarette Tax Stamps and Related Services; and
- Price Schedule 2: Optional Features, Products, or Services.

Price Schedule 1 Heat Transfer Cigarette Tax Stamps and Related Services (Refer to Section II, Part D)						
Description		Quantity and Unit of Measure	Initial Term	Optional Renewal Terms		
			09/01/2025 through 08/31/2026	09/01/2026 through 08/31/2027	09/01/2027 through 08/31/2028	09/01/2028 through 08/31/2029
1A	Stamp Type 1 (Machine applied)	1 case of 750,000 stamps	\$	\$	\$	\$
1B	Shipping: Stamp Type 1	1 shipment of 1 case	\$	\$	\$	\$
1C	Shipping (bulk): Stamp Type 1	1 shipment of 550 cases	\$	\$	\$	\$
2A	Stamp Type 2 (Manually applied)	1 case of 375,000 stamps	\$	\$	\$	\$
2B	Shipping: Stamp Type 2	1 shipment of 1 case	\$	\$	\$	\$
2C	Shipping (bulk): Stamp Type 2	1 shipment of 2 cases	\$	\$	\$	\$
3	Alternate Item: Taggant Scanners. Initial Term Only (See Section II.D.1.a.9)	1 lot of 312 scanners	\$	N/A	N/A	N/A
Grand Total for Price Schedule 1			\$	\$	\$	\$

Price Schedule 2 Optional Features, Products, or Services (Refer to Section II, Part D)						
Description		Quantity and Unit of Measure	Initial Term	Optional Renewal Terms		
			09/01/2025 through 08/31/2026	09/01/2026 through 08/31/2027	09/01/2027 through 08/31/2028	09/01/2028 through 08/31/2029
1	Taggant Scanners: Additional	1 each	\$	\$	\$	\$
2			\$	\$	\$	\$
3			\$	\$	\$	\$

Price Schedule 2: Insert lines and modify as necessary to accommodate all offered Optional Features, Products, or Services.

THIS FORM MUST BE COMPLETED, SIGNED, DATED AND SUBMITTED WITH OFFER

Respondent's name: _____ **Date:** _____

V. Standard Terms and Conditions

1. Terms and Conditions. This Section V (Standard Terms and Conditions) is incorporated into this RFP for all purposes. Respondent's representation and signature is required on the Execution of Proposal located in Section VI.

2. Contract Award; Copyright; Reissuance. In awarding a Contract, CPA reserves the right, in its sole discretion, to reject all or any part of any Proposals; waive minor technicalities; negotiate price and other provisions with all Respondents, the top-rated Respondents, or no Respondents; and award a contract in the best interests of CPA and the State of Texas. CPA reserves the right, in its sole discretion, to award a contract without discussion of Proposal(s) with Respondent(s). CPA's waiver of any deviations in any Proposals will not constitute a modification of this RFP and will not preclude CPA from asserting all rights against Respondent for failure to comply fully with all terms and conditions of this RFP. CPA reserves the right to make any corrections or include additional requirements in the PO prior to issuance necessary for CPA's compliance, as an agency of the State of Texas, with all state and federal requirements. Copyrighted Proposals are unacceptable and are subject to disqualification as non-responsive. CPA reserves the right to disqualify any Proposal that asserts a copyright on any CPA-created form that CPA requires a Respondent to include in its Proposal, e.g., Mandatory Price Sheet. CPA is not required to award a Contract. CPA may reissue or issue another RFP for the requested Services or items described in this RFP or similar services or items at any time.

3. Pricing; F.O.B. (Freight on Board) Destination. All pricing must be submitted in the format provided in the Mandatory Price Sheet and must comply with the requirements described in this paragraph. If a trade discount is shown on the Proposal, it should be deducted and net line extensions shown on the Mandatory Price Sheet. Respondent must be willing to negotiate from Proposal prices. "Discount from list" Proposals are not acceptable unless specifically requested. Cash discounts will not be considered in determining the best value. However, CPA will take all cash discounts offered if earned. A Respondent must quote F.O.B. destination with title and risk of loss transferred to CPA upon CPA's written acceptance; otherwise, Respondent must quote complete cost to deliver as specified in this RFP. A Respondent must quote unit price on quantity and unit of measure specified. Total prices must be computed to show the total cost for each item type. In case of errors in computation in Proposals, unit prices shall govern. CPA will not consider Proposals subject to unlimited price or percentage-of-price increases.

4. Additional Specifications. By submitting a Proposal, Respondent guarantees and warrants that all requested Services or items offered will meet or exceed all specifications of this RFP. All items offered shall be new and in first-class condition, including containers suitable for shipment and storage, unless otherwise indicated in this RFP. Respondent must furnish samples, when requested, free of expense to CPA. CPA will return samples to Respondent, on request, at Respondent's expense. Each sample should be marked with Respondent's name, address, and CPA's RFP number or PO number, as applicable. No substitutions or cancellations are permitted without prior written approval of CPA's Procurement Section.

5. Testing; Acceptance; Return; Revocation. Prior to contract award or payment, as applicable, requested samples will be subject to inspection and testing by CPA. CPA reserves the right to test requested samples or items prior to Contract award and Respondent will bear all costs of any testing. After Contract award and prior to payment, CPA may conduct acceptance testing on the requested items delivered under the Contract. CPA will have up to thirty (30) days to conduct such testing. If the delivered and/or installed requested items fail to meet or exceed the acceptance criteria or any other requirement of the Contract, CPA may refuse to accept the requested items. If CPA refuses to accept the requested items, CPA shall return such requested items at Successful Respondent's sole expense. If the delivered, requested items meet or exceed all conditions and requirements of the Contract, CPA shall notify Successful Respondent in writing no later than thirty (30) days after receiving the samples or items being tested that Successful Respondent may submit an invoice to CPA's Accounts Payable Division for such requested items. CPA reserves the right to revoke prior acceptance for, among other things, latent defects.

6. Delivery; Dates; Delays; Delivery Hours. Regardless of whether the latest acceptable delivery date is specified in the Mandatory Price Sheet, Respondent must list the number of days required to place equipment or goods in CPA's designated location under normal conditions. Failure to state a delivery time obligates Respondent to complete delivery in fourteen (14) calendar days or by the latest acceptable delivery date specified in Section II (Specifications) or the Mandatory Price Sheet. Unrealistically short or long delivery promises may cause a Proposal to be disregarded. Consistent failure to meet delivery promises without valid reason may result in Successful Respondent's removal from the State of Texas' Centralized Master Bidders List (CMBL). If Successful Respondent determines that it will be unable to comply with any scheduled deadline or delivery of the requested items required under the Contract, Successful Respondent shall notify CPA in advance in writing of the expected delay, the reason for the delay and the date by which the requested items may be expected. CPA may, in its sole discretion, approve such delay in writing. Notwithstanding anything in this Part (Delivery; Dates; Delays; Delivery Hours) to the contrary, CPA reserves the right to terminate all or any part of the Contract and CPA does not waive any rights or remedies available to CPA for Successful Respondent's nonperformance under the Contract. Successful Respondent must deliver all items during CPA's standard business hours unless CPA's Procurement Section or CPA's Contract or Project Manager provides prior written approval for delivery before or after standard business hours. CPA's standard business hours are defined in Section V, Hours.

7. Time for Submission. Proposals must be received by CPA's Procurement Section before the hour and date specified in Section I (Summary). Late Proposals will not be considered under any circumstances.

8. Electronic Signatures. Respondent's Proposal must be electronically signed or manually signed and scanned. Subsequent documents delivered pursuant to this RFP may be electronically signed as well. To the extent the parties sign electronically, their electronic signature, whether digital or encrypted, is intended to authenticate the applicable and will have the same force and effect as manual signatures. Delivery of a copy of the Proposal, Contract, or any other document contemplated under this RFP bearing an original manual or electronic signature by document signing software, by electronic mail in pdf or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original manual signature.

"Electronic signature" means electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record pursuant to the Texas Uniform Electronic Transactions Act (Tex. Bus. & Com. Code §322.001 *et seq.*) as amended from time to time.

9. Respondent Identification. Proposals must include Respondent's Texas Identification Number (TIN), which is the taxpayer number assigned and used by CPA. If this number is not known, provide the Respondent's Federal Employer Identification Number (FEIN), if any, or, for sole proprietors that do not have a TIN or FEIN, contact the contact person listed in Section I (Summary).

10. No Alterations or Withdrawals of Proposal after Deadline. Proposals cannot be altered or amended after the deadline specified in Section I (Summary), except as provided in this paragraph. Any alterations made before this deadline must be initiated by the Respondent or its authorized agent. No Proposals can be withdrawn after the specified deadline without approval by CPA's Procurement Section based on a written reason acceptable to CPA.

11. Selected Definitions.

- "Successful Respondent's employee" includes any individual who, on behalf of Respondent, will or may participate in the Contract.
- "Successful Respondent's employee" includes all officers, personnel, replacement personnel, agents, subcontractors and other representatives of Respondent regardless of how employed or contracted by Respondent.
- When the term "relative" refers to an individual, the term includes a current or former CPA employee's spouse, father, mother, brother, sister, son or stepson, daughter or stepdaughter, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law or daughter-in-law.
- "Financial interest" means receiving, or the right to receive, money or other valuable property or benefits under the actual or proposed contract; holding a position in the business of Respondent, such as a principal, officer, director, trustee, partner, employee or the like, or holding any position of management; holding any of the outstanding debt of a person directly involved in the proposed or resulting contract; or owning stock or other interest in the business of Respondent.

12. Tie Proposals. Consistent and continued tie Proposals could cause rejection of Proposals by CPA and/or investigation of antitrust violations.

13. Email Proposals. CPA will not be responsible for Proposals received late, illegible, incomplete, or otherwise non-responsive due to network delays (*e.g.*, firewalls, security scans, etc.), internet connection issues, etc.

14. Mailed or Hand-delivered Proposals. CPA will not accept mailed or hand-delivered Proposals.

15. Terms and Conditions Attached to Proposal. CPA will not consider any terms and conditions or other documents attached to a Proposal as part of the Proposal unless the Respondent specifically and prominently refers to each of them in its Proposal. In addition, see other Parts of this Section V (Terms and Conditions), for example, Parts 16 (Incorporation of Entire RFP), 17 (Authority to Bind CPA; Execute Documents), 18 (Unacceptable Terms in Respondent's Proposal), 19 (Specifications; Performance), 20 (Respondent Costs), and 21 (Prepayments), regarding limitations on terms and conditions or attachments to Respondent's Proposal. CPA reserves the right, in its sole discretion, to reject any Respondent terms and conditions or other documents or attachments that are submitted to CPA as part of Respondent's Proposal.

16. Incorporation of Entire RFP. Except as otherwise provided in the negotiated terms and conditions, if any, that are expressly identified as such in the Contract, this entire RFP applies to and becomes part of the Contract.

17. Authority to Bind CPA; Execute Documents. Only the Comptroller, Deputy Comptroller, and the Deputy Comptroller's authorized delegate have the authority to execute a document or grant a permission on behalf of CPA with respect to this RFP or the Contract, except that CPA's Procurement Section has authority to issue POs and POCNs.

18. Unacceptable Terms in Respondent's Proposal. No CPA action, including, but not limited to, issuance of a PO, will constitute an acceptance of conflicting terms, conditions, or attachments in Respondent's Proposal; however, this lack of acceptance by CPA shall not apply to the negotiated terms and conditions, if any, that are expressly identified as such in the Contract. Proposed terms and conditions that may violate Texas law applicable to the specific procurement or may be unacceptable to CPA for inclusion in the Contract include the following:

- Proposals that incorporate the laws of a state other than Texas;
- Requirements for prepayment;
- Limitations on CPA's remedies;
- Requirements that CPA indemnify the Respondent;
- Requirements that Respondent's documents control in case of conflicts;
- Requirements that Respondent's documents control even if Respondent accepts or acknowledges the PO; and
- Disclaimer of warranties.

19. Specifications; Performance. Successful Respondent will provide the requested Services and/or items of the quality and in the manner described in this RFP. Successful Respondent's failure to conform to all requirements of the Contract may, among other things, result in CPA's withholding of acceptance and payments under the Contract, CPA's cancellation of all or part of the Contract, CPA's revocation of any prior acceptance and Successful Respondent's refund to CPA of amounts paid by CPA prior to revocation of acceptance.

20. Respondent Costs. Respondent will bear all costs and expenses for the provision of the requested Services or items required by the Contract. All such costs and expenses must be included in the prices detailed in the Contract. No other amounts will be paid.

21. Prepayments. CPA, in its sole discretion, reserves the right, to the extent permitted by Texas law and CPA regulations, to prepay for any requested Services or items delivered to or provided to CPA by Successful Respondent in its performance under the Contract. CPA may inspect, test and evaluate the requested items prior to acceptance and payment.

22. Refunds. Successful Respondent will promptly refund or credit, within thirty (30) calendar days, any funds erroneously paid by CPA not expressly authorized under the Contract.

23. Invoicing; Travel-related Expenses; Withholding of Payments. To be paid, Successful Respondent must submit one copy of an itemized invoice showing the PO number to CPA's Accounts Payable Division at biapp@cpa.texas.gov for all requested Services and/or items delivered, inspected, tested, evaluated and accepted by CPA. CPA will not reimburse for travel, meals, lodging or other related expenses unless specifically provided in the Contract. In that event, Successful Respondent will invoice such costs to CPA based on actual expenses and CPA shall not be liable for reimbursement of expenses that: (1) were not pre-approved in writing by CPA, or (2) exceed the current State of Texas' Travel Regulations. Receipts are required to validate invoicing.

24. Termination and Cancellation Circumstances. CPA may terminate or cancel the Contract in any one of the following circumstances:

24.1. Mutual Agreement. Upon the mutual, written agreement of CPA and Successful Respondent, the Contract may be terminated or cancelled.

24.2. CPA Upon 30 days' Notice. CPA may, in its sole discretion, terminate or cancel the Contract with thirty (30) calendar days' written notice to Successful Respondent. Upon termination under this provision, Successful Respondent shall refund to CPA any amounts attributable to the terminated months remaining in the Contract within thirty (30) calendar days of the termination effective date.

24.3. Successful Respondent's Nonperformance. If Successful Respondent fails to comply with any requirement of the Contract, including, but not limited to, those requirements included in this RFP, CPA may immediately terminate or cancel all or any part of the Contract, may obtain substitute requested Services and/or items, may withhold acceptance and payments to Successful Respondent, may revoke any prior acceptance, may require Successful Respondent to refund amounts paid prior to revocation of acceptance and may pursue all rights and remedies against Successful Respondent under the Contract and any applicable law. In addition, CPA will report defaulting Successful Respondent to the Statewide Procurement Division for possible action by the Statewide Procurement Division against defaulting Successful Respondent. CPA may also report such nonperformance in the Vendor Performance Tracking System available at: <https://www.comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/>.

24.4. Excess Obligations Prohibited. The Contract is subject to termination or cancellation, without penalty to CPA, either in whole or in part, subject to the availability of state funds. CPA is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If CPA becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either CPA's or Successful Respondent's delivery or performance under the Contract impossible or unnecessary, the Contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Part 24.4, CPA will not be liable to Successful Respondent for any damages that are caused or associated with such termination or cancellation, and CPA will not be required to give prior notice. Termination under this Part 24.4 shall not affect CPA's right to use previously paid Licensed Software through the term of each such license, nor any maintenance or support paid prior to such termination.

CPA reserves the right to recover reasonable costs, fees, expenses and other amounts or damages available to CPA under the Contract or under applicable law, including, but not limited to, attorneys' fees and court costs, if termination or cancellation is at Successful Respondent's request or if CPA terminates or cancels the Contract for cause. This right is in addition to any other remedies available to CPA under the Contract or under applicable law. CPA reserves the right to pursue any and all applicable rights and remedies if the Contract is terminated for any reason and CPA does not expressly waive such rights or remedies.

25. Substitute Hardware, Software, Services or Warranties. In the event CPA terminates or cancels the Contract for Successful Respondent's nonperformance or for cause, CPA may procure, upon reasonable terms and in a manner as it deems appropriate, substitute requested items similar to those that were terminated or cancelled. Respondent will be liable to CPA for any excess or additional costs incurred by CPA in acquiring these requested items, plus court costs and attorneys' fees. CPA's recovery of costs under this paragraph is in addition to any other remedies available to CPA under the Contract or under applicable law.

26. Notice of Termination or Cancellation Delivery. Any termination by CPA of the Contract that requires notice may be accomplished by CPA's delivery to Successful Respondent of a written notice of termination or cancellation specifying that the Contract is terminated or cancelled.

27. Hours. If requested by CPA, Successful Respondent will provide delivery on-site at CPA five (5) days a week, Monday through Friday, 8:00 am to 5:00 pm CT, excluding weekends and State of Texas holidays, unless otherwise defined in Section II (Specifications).

28. Respondent Assignments. Successful Respondent hereby assigns to CPA all claims of Successful Respondent's rights, title, and interest in and all claims and causes of action Successful Respondent may have under the antitrust laws of Texas or the United States or overcharges associated with the Contract.

29. Taxes. Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. CPA will furnish Tax Exemption Certificates upon request. Respondent represents and warrants that it shall pay all taxes or similar amounts resulting from the Contract, including, but not limited to, any federal, State or local income, sales or excise taxes of Respondent or its employees. CPA shall not be liable for any taxes resulting from the Contract.

Successful Respondent will serve as an independent contractor under the Contract. Successful Respondent must be able to demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2s to Respondent's employees. Successful Respondent will be solely responsible for payment of all taxes, including, but not limited to, state, federal, foreign, or local taxes, income taxes, withholding taxes, social security taxes, pension contributions, and any other form of payroll or any other taxes, for Successful Respondent and Successful Respondent's employees. CPA will have no responsibility for payment of any such taxes or amounts related to such taxes. At Successful Respondent's sole cost and expense, Successful Respondent will secure and maintain all insurance premiums that are required by this RFP or the Contract or insurance premiums that are necessary to protect the interests of the State of Texas and CPA or that Successful Respondent may need or desire for Successful Respondent or Successful Respondent's employees. Successful Respondent shall indemnify CPA and pay to CPA all costs, penalties, losses and other amounts resulting from the Successful Respondent's omission or breach of this Part 29.

30. Warranties. Notwithstanding any disclaimers in the Proposal or other Respondent Documents and notwithstanding any other provision of this RFP to the contrary, Successful Respondent warrants and guarantees all of the following with respect to all requested items required under the Contract:

30.1. RFP and Manufacturer's Warranties. Successful Respondent warrants and guarantees that all items provided shall meet all specifications of the Contract, including, but not limited to, this RFP; in addition, Successful Respondent shall provide manufacturer's standard warranty for all items provided.

30.2. Replacement and Other Warranties. Successful Respondent will provide a one (1) year, full replacement warranty for all items provided and will provide any other warranties specified in Section II (Specifications). These warranties begin on the date CPA accepts the requested items.

All warranties required by the Contract survive beyond the termination, cancellation or expiration date of the Contract. Respondent Documents and the requirements of this RFP will not be construed to limit any rights or remedies otherwise available to CPA under this RFP, the Contract, or any applicable law.

31. Termination or Cancellation Effectiveness. Unless otherwise specified in this RFP or the Contract, any termination or cancellation of the Contract will be effective upon the date specified in CPA's notice of termination or cancellation.

32. Limitation on Authority; No Other Obligations. Respondent shall have no authority to act for or on behalf of CPA or the State of Texas, except as expressly provided for in the Contract; no other authority, power or use is granted or implied. Respondent may not incur any debt, obligation, expenses or liability of any kind on behalf of CPA or the State of Texas.

33. Public Information Act. Notwithstanding any provisions of this RFP to the contrary, Respondent understands that CPA will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code), as interpreted by judicial

opinions and opinions of the Office of the Texas Attorney General (Attorney General). Information, documentation, and other material in connection with this RFP or the Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Successful Respondent is required to make any information created or exchanged with the State of Texas pursuant to this RFP or the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State. Specific formats acceptable to CPA include Word, Excel, and pdf. All Proposals become the property of CPA and may be subject to release to any requester under the provisions of the Texas Public Information Act. After the award and execution of a contract for a particular procurement, Proposals submitted shall be presumed to be public information and subject to disclosure unless a specific exception to disclosure under the Texas Public Information Act applies. CPA advises each Respondent to consult with its legal counsel regarding disclosure issues and take the appropriate precautions to safeguard trade secrets or other proprietary information. CPA assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Respondent.

34. Confidential Information; Nondisclosure Agreements. Successful Respondent and Successful Respondent's employees and subcontractors, if any, shall not disclose to anyone, directly or indirectly, any information designated by CPA as confidential or information accessed as a result of the Contract without the prior written consent of CPA. In addition, Successful Respondent must sign the Nondisclosure Agreement located in Section VIII (Nondisclosure Agreement) and include it with its Proposal.

If a Respondent asserts that any portion of its Proposal is confidential, then Respondent must specify the confidential portions in its Proposal. Respondent must stamp in bold red letters the term "**CONFIDENTIAL**" on that specific part or page of the Proposal that Respondent asserts to be confidential. Respondent must submit in writing specific detailed reasons, including any relevant legal authority, stating why Respondent asserts the material is confidential. Merely making a blanket claim that the entire Proposal is protected from disclosure because it contains some proprietary information is not acceptable and will not render the entire Proposal confidential. CPA will not accept vague and general claims as to confidentiality; CPA will determine whether a claim is general or vague in nature. CPA will consider all Proposals and parts of Proposals that are not marked as confidential as public information after the Contract is awarded. The successful Proposal may be considered public information even though parts are marked confidential.

In the event CPA receives a request for portions of a Proposal marked as "**CONFIDENTIAL**" CPA shall forward the request to the Attorney General for an opinion on whether CPA may withhold such information from disclosure under the Texas Public Information Act. CPA will notify the Respondent whose Proposal is the subject of the request when the information is forwarded to the Attorney General. CPA assumes no obligation for asserting legal arguments on behalf of a Respondent. See Section V, Part 2 (Contract Award; Copyright; Reissuance) regarding possible disqualification of a Proposal due to certain copyrighted portions.

Within three (3) days of receipt, Successful Respondent shall refer to CPA any third-party requests, received directly by Successful Respondent, for information to which Successful Respondent has access as a result of or in the course of performance under the Contract. The provisions of this Part 34 survive the termination or expiration of the Contract.

35. No Other Benefits. Respondent has no exclusive rights or benefits other than those set forth herein.

36. Parties Bound. The Contract will be binding upon and inure to the benefit of CPA and Successful Respondent and to their respective heirs, executors, administrators, legal representatives and successors.

37. Assignment. Successful Respondent may not assign its rights under the Contract or delegate the performance of its duties under the Contract without the prior written consent of CPA. Any attempted or purported assignment or delegation in violation of this provision is void and without effect.

38. Time Limits. Time is of the essence in the Contract. Successful Respondent shall strictly comply with all of the deadlines, requirements, and Standards of Performance of the Contract.

39. No Waiver. No provision of the Contract, a PO or POCN or this RFP shall constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies or immunities available to CPA as an agency of the State of Texas or otherwise available to CPA. The failure to enforce or any delay in the enforcement of any privileges, rights, defenses, remedies or immunities detailed in the Contract or otherwise available to CPA by law will not constitute a waiver of said privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. **By issuing a PO, by its conduct prior to or subsequent to issuing the PO or by executing the Contract, CPA does not waive any privileges, rights, defenses, remedies or immunities available to CPA as an agency of the State of Texas or otherwise available to CPA. The modification of any privileges, rights, defenses, remedies or immunities available to CPA must be in writing, must reference this section, and must be signed by CPA to be effective. Such modification of any privileges, rights, defenses, remedies or immunities available to CPA will not constitute a waiver of any subsequent privileges, rights, defenses, remedies or immunities under the Contract or under applicable law.**

40. CPA Not Liable Upon Termination. If the Contract is terminated for any reason, CPA and the State of Texas will not be liable to Successful Respondent for any damages, claims, losses or any other amounts arising from or related to any such termination.

41. Personal Injury; Property Damage. Successful Respondent shall be liable for any bodily injury or personal injury to any individual caused by Successful Respondent or Successful Respondent's employees or Successful Respondent's defective products. In the event of loss, destruction or damage to any CPA or State of Texas property by Successful Respondent or Successful Respondent's employees, Successful Respondent shall indemnify CPA and the State of Texas and pay to CPA and the State of Texas the full cost of repair, reconstruction or replacement of the lost, destroyed or damaged property, at CPA's election. Successful Respondent will reimburse CPA and the State of Texas for such property damage within ten (10) calendar days after Successful Respondent's receipt of CPA's notice of amount due.

42. INDEMNIFICATION. SUCCESSFUL RESPONDENT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND CPA, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM, ANY ACTS OR OMISSIONS OF SUCCESSFUL RESPONDENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT, INCLUDING ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUCCESSFUL RESPONDENT WITH THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUCCESSFUL RESPONDENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE ATTORNEY GENERAL. SUCCESSFUL RESPONDENT AND CPA AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

43. INDEMNIFICATION (INTELLECTUAL PROPERTY). SUCCESSFUL RESPONDENT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS CPA AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS, AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF SUCCESSFUL RESPONDENT PURSUANT TO THE CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE, OR OTHER SERVICE PROVIDED THEREUNDER; AND/OR (3) CPA'S AND/OR SUCCESSFUL RESPONDENT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO CPA BY SUCCESSFUL RESPONDENT OR OTHERWISE TO WHICH CPA HAS ACCESS AS A RESULT OF SUCCESSFUL RESPONDENT'S PERFORMANCE UNDER THE CONTRACT. SUCCESSFUL RESPONDENT AND CPA AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. NOTICE SHALL BE CONSIDERED TIMELY IF DELIVERED WITHIN FIVE (5) BUSINESS DAYS. SUCCESSFUL RESPONDENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY SUCCESSFUL RESPONDENT WITH THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUCCESSFUL RESPONDENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE ATTORNEY GENERAL. IN ADDITION, SUCCESSFUL RESPONDENT WILL REIMBURSE CPA AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES, OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF CPA DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF SUCCESSFUL RESPONDENT OR IF CPA IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, CPA WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND SUCCESSFUL RESPONDENT WILL PAY ALL REASONABLE COSTS OF CPA'S COUNSEL. SUCCESSFUL RESPONDENT REPRESENTS AND WARRANTS THAT IT HAS DETERMINED WHAT LICENSES, PATENTS AND PERMITS ARE REQUIRED UNDER THE CONTRACT AND HAS ACQUIRED ALL APPLICABLE LICENSES, PATENTS, AND PERMITS.

44. Governing Law and Venue. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas.

45. Record Retention. Successful Respondent shall maintain and retain all records relating to the performance of the Contract, including supporting fiscal documents adequate to ensure that claims for Contract funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Successful Respondent for a period of seven (7) years (a) after the Contract expiration date or (b) until all audit, claim, litigation, negotiation, open records request, administrative review, or other action involving the Contract or documents are resolved, whichever is later.

- 46. CPA Right to Audit.** Successful Respondent will make available at reasonable times and upon reasonable notice, and for reasonable periods, work papers, reports, books, records, and supporting documents kept current by Successful Respondent pertaining to the Contract for purposes of inspecting, monitoring, auditing, or evaluating by CPA or the State of Texas.
- 47. Notices.** Unless noted elsewhere in this IFB, any written notices required by this RFP or a Contract will be by electronic mail with delivery receipt requested to: bid.cpa@cpa.texas.gov or to the electronic mail address provided in Respondent's Proposal; hand delivery to Respondent's office address, as specified in Respondent's Proposal or to Comptroller's Procurement Section, c/o Texas Comptroller of Public Accounts, 111 E. 17th Street, Austin, Texas, 78774; or by U.S. certified mail with return receipt requested, addressed to the appropriate party's address. Notice will be effective on receipt. Notwithstanding the foregoing, service of legal process or other similar communications will not be given by electronic mail and will not be deemed duly provided. Legal notice must be provided to: Comptroller's Contracts Section, c/o Texas Comptroller of Public Accounts, 111 E. 17th Street, Suite 310-C, Austin, Texas, 78774. The designated notice addresses in this Section may be changed by written notification. Successful Respondent and Comptroller shall provide each other with day-to-day operational contacts.
- 48. Unfair Business Practices.** Respondent represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that it has not been found to be liable for such practices in such proceedings. Respondent certifies that it has no officers who have served as officers of other entities that have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit, and that such officers have not been found to be liable for such practices in such proceedings.
- 49. Immigration.** Respondent represents and warrants that it shall comply with the requirements of the Immigration and Nationality Act (8 U.S.C. § 1101 *et seq.*) and all subsequent immigration laws and amendments.
- 50. Franchise Taxes.** Respondent represents and warrants that it is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171 of the Texas Tax Code.
- 51. False Statements.** Respondent represents and warrants that all statements and information prepared and submitted in its Proposal are current, complete, true and accurate. Submitting a Proposal with a false statement or material misrepresentations made during the performance of a Contract are each a material breach of contract and may void the submitted Proposal and the Contract.
- 52. Force Majeure.** Except as otherwise provided, neither Successful Respondent nor CPA shall be liable to the other for any delay in, or failure of performance, of any requirement included in the Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, pandemics, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing, with proof of receipt, within three (3) business days of the existence of such force majeure, or otherwise waive this right as a defense.
- 53. Subcontracts.** Successful Respondent may not subcontract for any of the equipment, software, warranties, or Services required under the Contract without the prior written consent of CPA. Should Successful Respondent subcontract any such items, Successful Respondent expressly understands and acknowledges that in entering into such subcontract(s), CPA is in no manner liable to any subcontractor(s) of Successful Respondent. In no event shall this provision relieve Successful Respondent of the responsibility for ensuring that the services rendered under all subcontracts are rendered in compliance with the Contract. Successful Respondent will retain responsibility for ensuring that the performances rendered under any subcontracts comply with all requirements of the Contract as if Successful Respondent rendered such performances. Successful Respondent shall comply with all applicable Historically Underutilized Business (HUB) requirements of Texas law and the Contract.
- 54. Title; Ownership; Licenses.** CPA and the State of Texas will receive and Successful Respondent will convey to CPA and the State of Texas clear title, ownership, and licenses, whichever applies, to all items provided by Successful Respondent under the Contract.
- 55. Severability.** If any provision of the Contract will, for any reason, be held to violate any applicable law, and so much of the Contract is held to be unenforceable, then the invalidity of such a specific provision will not be held to invalidate any other provisions, which other provisions will remain in full force and effect unless removal of said invalid provisions destroys the legitimate purpose of the Contract, in which event the Contract will be canceled.
- 56. Recycled, Remanufactured, or Environmentally Sensitive Materials.** Under Section 2155.445 of the Texas Government Code (relating to preference to recycled materials), CPA will give preference in the solicitation of products made of recycled, remanufactured, or environmentally sensitive products if the products meet applicable specifications as to quantity and quality.

57. Entire Agreement. Except as expressly provided otherwise herein, the Contract will represent the entire agreement by and between CPA and Successful Respondent regarding the subject matter of this RFP. The Contract may not be changed except by CPA's written POCN or otherwise by the mutual, written agreement of the parties.

58. Dispute Resolution Processes. Chapter 2260 of the Texas Government Code ("Chapter 2260") prescribes dispute resolution processes for certain breach of contract claims applicable to certain contracts for goods and services. As required by Chapter 2260, CPA has adopted rules under Chapter 2260, codified at 34 Texas Administrative Code §§1.360 – 1.387, and may adopt revisions to these rules throughout the Contract Term. Successful Respondent and CPA shall comply with such rules.

The dispute resolution process provided in Chapter 2260 must be used, as further described herein, by CPA and the Successful Respondent to attempt to resolve any dispute arising under the Contract:

(A) If the Successful Respondent's claim for breach of contract cannot be resolved informally with CPA, the claim shall be submitted to the negotiation process provided in Chapter 2260. To initiate the process, the Successful Respondent shall submit written notice, as required by Chapter 2260, to the individual identified in the Contract for receipt of notices. Any informal resolution efforts shall in no way modify the requirements or toll the timing of the formal written notice of a claim for breach of contract required under Section 2260.051 of the Texas Government Code. Compliance by the Successful Respondent with Chapter 2260 is a condition precedent to the filing of a contested case proceeding under Chapter 2260. (B) The contested case process provided in Chapter 2260 is the Successful Respondent's sole and exclusive process for seeking a remedy for an alleged breach of contract by CPA if the parties are unable to resolve their disputes under subparagraph (A) of this Section.

(C) Neither the execution of a contract by CPA nor any other conduct of any representative of CPA relating to a Contract shall be considered a waiver of sovereign immunity to suit.

For all specific breach of contract claims or disputes under the Contract not subject to Chapter 2260, the following shall apply:

Should a dispute arise out of the Contract, CPA and the Successful Respondent shall first attempt to resolve it through direct discussions in a spirit of mutual cooperation. If the parties' attempts to resolve their disagreements through negotiations fail, the dispute will be mediated by a mutually acceptable third-party to be chosen by CPA and the Successful Respondent within fifteen (15) days after written notice by one of them demanding mediation under this Section. The Successful Respondent shall pay all costs of the mediation unless CPA has appropriated funds available to pay up to half of such costs. By mutual agreement, CPA and the Successful Respondent may use a non-binding form of dispute resolution other than mediation. The purpose of this Section is to reasonably ensure that CPA and the Successful Respondent shall in good faith utilize mediation or another non-binding dispute resolution process before pursuing litigation. CPA's participation in or the results of any mediation or another non-binding dispute resolution process under this Section or the provisions of this Section shall not be construed as a waiver by CPA of (1) any rights, privileges, defenses, remedies or immunities available to CPA as an agency of the State of Texas or otherwise available to CPA; (2) CPA's termination rights; or (3) other termination provisions or expiration dates of the Contract.

Notwithstanding any other provision of the Contract to the contrary, Successful Respondent shall continue performance and shall not be excused from performance during the period any breach of contract claim or dispute is pending under either of the above processes. However, Successful Respondent may suspend performance during the pendency of such claim or dispute if Successful Respondent has complied with all provisions of Section 2251.051 of the Texas Government Code, and such suspension of performance is expressly applicable and authorized under that law.

59. Applicable Law and Conforming Amendments. Successful Respondent must comply with all laws, regulations, requirements and guidelines applicable to a vendor providing services and products described in this RFP to the State of Texas, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the Contract Term. CPA reserves the right, in its sole discretion, to unilaterally amend the Contract prior to award and throughout the Contract Term to incorporate any modifications necessary for CPA's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements and guidelines.

60. Media Releases. Successful Respondent shall not use CPA's name, logo or other likeness in any press release, marketing material or other announcement without CPA's prior written approval. CPA does not endorse any vendor, commodity or service. Respondent is not authorized to make or participate in any media releases or public announcements pertaining to this procurement, the Proposal or the Services without CPA's prior written consent, and then only in accordance with explicit written instructions from CPA. Disclosure of any Proposal prior to Contract award or violation of this Part 60 may result in disqualification of Respondent's Proposal and subject the Respondent to other action deemed appropriate by CPA.

61. Direct Deposit. Certain payments from the State of Texas may be directly deposited into Successful Respondent's bank account or may be made by warrant. Successful Respondents who may be eligible for direct deposit and who choose to be paid by direct deposit, must complete the form titled "Vendor Direct Deposit Authorization" and return it as soon as possible to: Comptroller of Public Accounts, Attention: Budget and Internal Accounting Division, Accounts Payable Section, LBJ State Office Building, 111 E. 17th Street, Austin, Texas 78774. The form may be requested from the Accounts Payable Section.

62. Equal Employment Opportunity. Respondent represents and warrants its compliance with all applicable, duly enacted state and federal laws governing equal employment opportunities.

63. Americans with Disabilities Act (ADA). Respondent represents and warrants that it will comply with the requirements of the ADA and its implementing regulations, as each may be amended.

64. Protest Procedures. Any actual or prospective Respondent who is aggrieved in connection with this RFP, evaluation, or award of the Contract may formally protest, as provided in CPA's rules at 34 Texas Administrative Code §1.72. Respondents may protest any term or condition of this RFP within ten (10) business days of issuance of this RFP, as provided in 34 Texas Administrative Code §1.72.

65. Debts and Delinquencies Affirmation. Respondent acknowledges and agrees that, to the extent Respondent owes any debt, including, but not limited to, delinquent taxes, delinquent student loans, and child support owed to the State of Texas, any payments or other amounts Respondent is otherwise owed under the Contract may be applied by CPA toward any debt Respondent owes the State of Texas until the debt is paid in full. These provisions are effective at any time Respondent owes any such debt or delinquency. Successful Respondent shall comply with Sections 403.055, 403.0551, and 2252.903 of the Texas Government Code and other applicable laws and regulations regarding satisfaction of debts or delinquencies to the State of Texas.

66. Acceptance of PO Terms. By submitting a Proposal, acknowledging and accepting the PO, or delivering any of the required items under the PO, Respondent acknowledges, accepts and agrees to all terms of the PO, including, but not limited to, this RFP; however, this acceptance by Respondent of all terms of this RFP by submission of an Proposal does not apply to terms to which Respondent specifically takes an exception and offers an alternative in Respondent's Proposal as provided in Section II.

67. State Auditor's Right to Audit. In addition to and without limitation on the other audit provisions of this RFP or the Contract, pursuant to Section 2262.154 of the Texas Government Code, the Texas State Auditor's Office ("State Auditor") may conduct an audit or investigation of any entity receiving funds from the State of Texas directly under any contract or indirectly through a subcontract under the contract. The acceptance of funds by Successful Respondent or any other entity or person directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the State Auditor, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, Successful Respondent or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. Successful Respondent shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Successful Respondent and the requirement to cooperate is included in any subcontract it awards.

68. Prohibited Use of Appropriated or Other Funds under Control of State Agency; Lobbying. Respondent represents and warrants that CPA's payments to Respondent and Respondent's receipt of appropriated or other funds under the Contract are not prohibited by Sections 556.005, 556.0055, or 556.008 of the Texas Government Code.

69. Most-favored Customer. Successful Respondent represents and warrants that all prices, charges, benefits, warranties and terms granted to CPA pursuant to the Contract are comparable or more favorable to CPA than the prices, charges, benefits, warranties and terms that Successful Respondent has heretofore offered to any person or entity for the products and/or services covered under any other agreement. If at any time during the term of the Contract Successful Respondent shall contract with any other person or entity for prices, charges, benefits, warranties and terms more favorable to such person or entity than the terms in the Contract, Successful Respondent must notify CPA of such more favorable terms and CPA, in its sole discretion, may require that such more favorable prices, charges, benefits, warranties or other terms be available to CPA under the Contract, and be retroactive to the effective date of such Contract.

70. Rolling Estoppel. If Successful Respondent is aware a problem exists and fails to report the problem to CPA, Successful Respondent continues to be responsible for meeting the goals and timelines established in the Contract. Under these circumstances, CPA will not be liable for any detrimental consequences.

71. Property Rights. For purposes of this RFP, the term "Work" is defined as all work papers, work products, materials, approaches, designs, specifications, systems, software, programs, source code, documentation methodologies, concepts, intellectual property or other property developed, produced or generated in connection with the Services. CPA and Successful Respondent intend the Contract to be a contract for the Services and each considers the Work and any and all documentation or other products and results of the Services to be rendered by Successful Respondent to be a work made for hire. Successful Respondent and Successful Respondent's employees will have no rights in or ownership of the Work and any and all documentation or other products and results of the Services or any other property of CPA. Successful Respondent acknowledges and agrees that the Work (and all rights therein) belongs to and shall be the sole and exclusive property of CPA.

If for any reason the Work would not be considered a work-for-hire under applicable law, Successful Respondent does hereby sell, assign, and transfer to CPA, its successors and assigns, the entire right, title and interest in and to the copyright in the Work and any registrations and copyright applications relating thereto and any renewals and extensions thereof, and in and to all

works based upon, derived from, or incorporating the Work, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present, or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing. Successful Respondent agrees to execute all papers and to perform such other property rights, as CPA may deem necessary to secure for CPA or its designee the rights herein assigned.

In the event that Successful Respondent has any rights in and to the Work that cannot be assigned to CPA, Successful Respondent hereby grants to CPA an exclusive, worldwide, royalty-free, irrevocable, and perpetual license to directly and indirectly reproduce, distribute, modify, create derivative works of, publicly perform and publicly display, such rights to make, have made, use, sell and offer for sale any products developed by practicing such rights, and to otherwise use such rights, with the right to sublicense such rights through multiple levels of sublicenses.

No later than the first calendar day after the termination or expiration of the Contract or upon CPA's request, Successful Respondent shall deliver to CPA all completed, or partially completed, Work and any and all documentation or other products and results of the Services. Failure to timely deliver such Work or any and all documentation or other products and results of the Services will be considered a material breach of the Contract. Successful Respondent will not make or retain any copies of the Work or any and all documentation or other products and results of the Services without the prior written consent of CPA.

72. Evaluation Process. Evaluation of Proposals will begin as soon as practical after receipt. Only those Proposals that are responsive to this RFP will be evaluated, using the criteria and the weights set forth in Section I. Clarifications on issues raised in the Proposals may be sought from individual Respondents. Best and Final Offers may be sought from the Respondents whose Proposals are ranked most highly by the evaluation committee. CPA reserves the right in its sole judgment and discretion, and at any time upon failure of negotiations, to reissue or withdraw this RFP rather than continue with negotiations.

73. Outsourcing. Respondent acknowledges that CPA may, in its sole discretion, enter into an outsourcing agreement with another provider that shall perform certain services for CPA. If CPA enters into a written agreement for outsourcing, Successful Respondent shall, as consistent with the terms of the Contract, grant the outsourcing vendor the right to use and access the services and/or equipment (e.g., software, hardware) on the same terms and conditions that Successful Respondent has granted CPA the right to use and access such services and/or equipment; provided, the outsourcing vendor also agrees that it (i) shall only use the services and/or equipment for the benefit of CPA, and (ii) shall enter into a confidentiality agreement with CPA, which contains confidentiality terms that are substantially no less restrictive than the confidentiality terms contained in this RFP and the Contract. In addition, Successful Respondent shall either fully cooperate with all transition activities regarding outsourcing or Successful Respondent agrees that CPA shall have the right to immediately terminate or assign to the outsourcing vendor the Contract without any liability for any amounts to Respondent.

74. Information Security Requirements for Successful Respondent. Successful Respondent shall comply with all applicable state and federal laws and regulations regarding confidentiality, privacy, and security pertaining to confidential CPA information. If communications with Successful Respondent necessitate the release of confidential CPA information, each individual who will require access to or may be exposed to that information must sign the CPA Confidential Treatment of Information Acknowledgment (CTIA) form. See Section IX for the CTIA.

75. Internal Revenue Service Data. See Exhibit 7 (Safeguarding Contract Language) of IRS Publication No. 1075, revised November 2021.

a. **Performance.** In performance of this Contract, Contractor agrees to comply with and assume responsibility for compliance by officers or employees with the following requirements:

- (1) All work will be performed under the supervision of Contractor.
- (2) Contractor and Contractor's officers or employees to be authorized access to FTI must meet background check requirements defined in IRS Publication 1075. Contractor will maintain a list of officers or employees authorized access to FTI. Such list will be provided to Comptroller (Agency) and, upon request, to the IRS.
- (3) FTI in hardcopy or electronic format shall be used only for the purpose of carrying out the provisions of this Contract. FTI in any format shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Inspection or disclosure of FTI to anyone other than Contractor or Contractor's officers or employees authorized is prohibited.
- (4) FTI will be accounted for upon receipt and properly stored before, during, and after processing. In addition, any related output and products require the same level of protection as required for the source material.
- (5) Contractor will certify that FTI processed during the performance of this Contract will be completely purged from all physical and electronic data storage with no output to be retained by Contractor at the time the work is completed. If immediate purging of physical and electronic data storage is not possible, Contractor will certify that any FTI in physical or electronic storage will remain safeguarded to prevent unauthorized disclosures.

(6) Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to Agency. When this is not possible, Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide Agency with a statement containing the date of destruction, description of material destroyed, and the destruction method.

(7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.

(8) No work involving FTI furnished under this Contract will be subcontracted without the prior written approval of the IRS.

(9) Contractor will ensure that the terms of FTI safeguards described herein are included, without modification, in any approved subcontract for work involving FTI.

(10) To the extent the terms, provisions, duties, requirements, and obligations of this Contract apply to performing services with FTI, Contractor shall assume toward the subcontractor all obligations, duties and responsibilities that Agency assumes toward Contractor, and the subcontractor shall assume toward Contractor all the same obligations, duties and responsibilities which Contractor assumes toward Agency under this Contract.

(11) In addition to the subcontractor's obligations and duties under an approved subcontract, the terms and conditions of this Contract apply to the subcontractor, and the subcontractor is bound and obligated to Contractor hereunder by the same terms and conditions by which Contractor is bound and obligated to Agency under this Contract.

(12) For purposes of this Contract, the term "Contractor" includes any officer or employee of Contractor with access to or who uses FTI, and the term "subcontractor" includes any officer or employee of the subcontractor with access to or who uses FTI.

(13) Agency will have the right to void this Contract if Contractor fails to meet the terms of FTI safeguards described herein.

b. Criminal Sanctions. Contractor acknowledges that this Section 9.36 serves as written notice of the information provided in this Section 9.36(b), as required by Exhibit 7, Section II (Criminal Sanctions).

(1) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any FTI for a purpose not authorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five (5) years, or both, together with the costs of prosecution.

(2) Each officer or employee of a contractor to whom FTI is or may be accessible shall be notified in writing that FTI accessible to such officer or employee may be accessed only for a purpose and to the extent authorized herein, and that access/inspection of FTI without an official need-to-know for a purpose not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as one (1) year, or both, together with the costs of prosecution.

(3) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that any such unauthorized access, inspection or disclosure of FTI may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each unauthorized access, inspection, or disclosure, or the sum of actual damages sustained as a result of such unauthorized access, inspection, or disclosure, plus in the case of a willful unauthorized access, inspection, or disclosure or an unauthorized access/inspection or disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC sections 7213, 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

(4) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(5) Granting a contractor access to FTI must be preceded by certifying that each officer or employee understands the agency's security policy and procedures for safeguarding FTI. A contractor and each officer or employee must maintain their authorization to access FTI through annual recertification of their understanding of the agency's security policy and procedures for safeguarding FTI. The initial certification and recertifications must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, a contractor and each officer or employee must be advised of the provisions of IRC sections 7213, 7213A, and 7431 (see Exhibit 4, *Sanctions for*

Unauthorized Disclosure, and Exhibit 5, *Civil Damages for Unauthorized Disclosure*). The training on the agency's security policy and procedures provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For the initial certification and the annual recertifications, the contractor and each officer or employee must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

c. **Inspection.** The IRS and Agency, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. Based on the inspection, corrective actions may be required in cases where Contractor is found to be noncompliant with FTI safeguard requirements.

76. Independent Contractor. Successful Respondent has the sole obligation to supervise, manage and direct the performance of its obligations under the Contract. Successful Respondent and Successful Respondent's employees, representatives, agents, subcontractors, suppliers, and third-party service providers shall serve as independent contractors in providing the Services. Neither Respondent nor CPA is an agent of the other and neither may make any commitments on the other party's behalf. Should Respondent subcontract any of the services required in the Contract, Respondent expressly understands and acknowledges that in entering into such subcontract(s), CPA is in no manner liable to any subcontractor(s) of Respondent. In no event shall this provision relieve Respondent of the responsibility for ensuring that the services performed under all subcontracts are rendered in compliance with the Contract. Respondent shall have no claim against CPA for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits or employee benefits of any kind. Successful Respondent and Successful Respondent's employees, representatives, agents, subcontractors, suppliers, third-party service providers, and similar entities shall not be employees of CPA. The Contract shall not create any joint venture, partnership, agency or employment relationship between Successful Respondent and CPA.

77. Representations and Warranties related to Software. If any software is provided under the Contract, Successful Respondent represents and warrants each of the following:

- Successful Respondent has sufficient right, title and interest in the software to grant the license required by the Contract;
- if Successful Respondent is a software publisher, Successful Respondent has implemented processes for the protection, detection, remediation, mitigation and timely customer notification of software vulnerabilities associated with its software;
- the software does not infringe upon or constitute a misuse or misappropriation of any patent, trademark, copyright, trade secret or other proprietary right;
- the software and any software update, software enhancement/release, software patch/fix, and software upgrade does not contain viruses, malware, spyware, key logger, back door or other covert communications, or any computer code intentionally designed to disrupt, disable, harm, or otherwise impede in any manner, including aesthetical disruptions or distortions, the operation of the computer program, or any other associated software, firmware, hardware, or computer system, (including local area or wide-area networks), in a manner not intended by its creator(s); and
- the software does not contain any computer code that would disable the software or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as "time bombs", "time locks", or "drop dead devices") or that would permit Successful Respondent to access the software to cause such disablement or impairment (sometimes referred to as a "trap door" or "back door").

78. Use of State Property. Successful Respondent is prohibited from using State Property for any purpose other than performing the Services. State Property includes, but is not limited to, CPA's office space, identification badges, CPA information technology equipment and networks (e.g., laptops, portable printers, cell phones, iPads, external hard drives, data storage devices, any CPA-issued software and the CPA Virtual Private Network ("VPN client")) and any other resources of CPA. Successful Respondent shall not remove State Property from the continental United States. In addition, Successful Respondent may not use any computing device to access CPA's network or e-mail while outside of the continental United States. Successful Respondent shall not perform any maintenance services on State Property unless the Contract expressly authorizes such services. During the time that State Property is in the possession of Successful Respondent, Successful Respondent shall be responsible for (i) all repair and replacement charges incurred by CPA that are associated with loss of State Property or damage beyond normal wear and tear, and (ii) all charges attributable to Successful Respondent's use of State Property that exceeds the Contract scope. Successful Respondent shall fully reimburse such charges to CPA within ten (10) calendar days of Successful Respondent's receipt of CPA's notice of amount due. Use of State Property for a purpose not authorized by the Contract shall constitute breach of contract and may result in termination of the Contract and the pursuit of other remedies available to CPA under the Contract, at law, or in equity.

79. Business Attire; Conduct; CPA guidelines. Successful Respondent shall ensure that Successful Respondent's employees conduct themselves in a professional manner and are in appropriate business attire when on CPA's premises. In addition,

Successful Respondent shall ensure that its employees comply with all guidelines established by CPA for independent contractors required to provide services on CPA's premises. These guidelines may address issues that include, but are not limited to, the following: building security, IT security, preservation of records, safety, professional conduct, use of State property, non-disclosure of confidential information, drug-free and alcohol-free workplace rules and other requirements for on-site independent contractors.

80. Technology Access Clause. Respondent expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Respondent represents and warrants to CPA that the technology provided to CPA for purchase is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of:

- providing equivalent access for effective use by both visual and non-visual means;
- presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and
- being integrated into networks for obtaining, retrieving and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this Part 80, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means, such as assistive devices or services that would constitute reasonable accommodations under the Americans with Disabilities Act, as amended, or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays and customizable display appearance.

In accordance with Section 2157.005 of the Texas Government Code, the Technology Access Clause contract provision remains in effect for any contract entered into before September 1, 2006.

81. Electronic and Information Resources Accessibility Standards. Respondent represents and warrants that any electronic and information resources products developed, procured, maintained, or used by CPA directly or used by the Respondent under the Contract that requires the use of such product, or requires the use, to a significant extent, of such product in the performance of a service or the furnishing of a product complies with the applicable State of Texas Accessibility requirements for Electronic and Information Resources specified in the Department of Information Resources' rules at 1 Texas Administrative Code Chapter 213.

82. Drug-Free Workplace. Respondent represents and warrants that it shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 and maintain a drug-free work environment.

83. Occupational Safety and Health Law. Respondent represents and warrants that all articles and services quoted in Respondent's Proposal meet or exceed the safety standards established and promulgated under the *Federal Occupational Safety and Health Act*, any successor laws, and its regulations in effect or proposed as of the date of this RFP.

84. Pre-contract Costs. Respondent is responsible for all expenses related to the preparation and submission of a Proposal. CPA shall pay no costs or other amounts incurred by any entity in responding to this RFP or incurred prior to the Effective Date.

85. No CPA Indemnification. Any requirement that CPA defend, indemnify, or hold harmless the Successful Respondent or other entity is hereby deleted from the Proposal and Respondent Documents.

86. Disaster Recovery Plan. Upon CPA's request, Respondent shall provide to CPA the descriptions of its business continuity and disaster recovery plans.

87. SPD Statewide Contract. This Contract, authorized by Statewide Procurement Division's (SPD) delegation letter dated November 17, 2020, may be terminated with thirty (30) days' written notice from CPA to Contractor if SPD awards a statewide contract for the same or similar good or service.

VI. Execution of Proposal

1. By signature hereon, Respondent represents and warrants that the provisions in this Execution of Proposal apply to Respondent and all of Respondent's principals, officers, directors, shareholders, partners, owners, agents, employees, subcontractors, independent contractors, and any other representatives who may provide Services under, who have a financial interest in, or otherwise are interested in this RFP or any Contract.
2. By signature hereon, Respondent represents and warrants its intent to furnish the requested items at the prices quoted in its Proposal.
3. By signature hereon, Respondent represents and warrants that it has read and understood and shall comply with CPA's Anti-Fraud Policy located on CPA's website at <https://comptroller.texas.gov/about/policies/ethics.php>, as such Policy currently reads and as it is amended throughout the term of the Contract.
4. By signature hereon, Respondent represents and warrants that its prices include all costs of Respondent to provide the requested items that meet all specifications of this RFP, and that its prices will remain firm for acceptance for a minimum of one hundred twenty (120) days from deadline for submission of Proposals.
5. By signature hereon, Respondent represents and warrants that each employee, including replacement employees, will possess the qualifications, education, training, experience and certifications necessary to perform the Services in the manner required by this RFP.
6. By signature hereon, Respondent represents and warrants that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest or not reasonably create an appearance of impropriety.
7. By signature hereon, Respondent represents and warrants that, pursuant to Section 2155.003 of the Texas Government Code, it has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with the submitted Proposal.
8. By signature hereon, Respondent represents and warrants that it is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171 of the Texas Tax Code.
9. By signature hereon, Respondent represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Respondent nor any firm, corporation, partnership, or institution represented by Respondent, or anyone acting for such a firm, corporation or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws; or (2) communicated directly or indirectly the contents of its Proposal to any competitor or any other person engaged in the same line of business as Respondent.
10. By signature hereon, Respondent represents and warrants that all statements and information prepared and submitted in response to this RFP are current, complete, and accurate.
11. By signature hereon, Respondent represents and warrants that the individual signing this document and the documents made part of this RFP and Proposal is authorized to sign such documents on behalf of the Respondent and to bind the Respondent under any contract that may result from the submission of the Proposal.
12. By signature hereon, Respondent represents and warrants that if a Texas address is shown as the address of the Respondent on this Proposal, Respondent qualifies as a Texas Bidder as defined by Section 2155.444(c) of the Texas Government Code.
13. Check below if Respondent is claiming a preference under 34 Texas Administrative Code §20.306 or Chapter 2155, Subchapter H of the Texas Government Code:
 - ☐ Goods produced or offered by a Texas bidder that is owned by a Texas resident service-disabled veteran
 - ☐ Goods produced in Texas or offered by a Texas bidder that is not owned by a Texas resident service-disabled veteran
 - ☐ Agricultural products grown in Texas
 - ☐ Agricultural products offered by a Texas bidder
 - ☐ Services offered by a Texas bidder that is owned by a Texas resident service-disabled veteran
 - ☐ Services offered by a Texas bidder that is not owned by a Texas resident service-disabled veteran
 - ☐ Texas Vegetation Native to the Region
 - ☐ USA produced supplies, materials or equipment of persons with mental or physical disabilities
 - ☐ Products made of recycled, remanufactured, or environmentally sensitive materials including recycled steel
 - ☐ Energy Efficient Products
 - ☐ Rubberized asphalt paving material
 - ☐ Recycled motor oil and lubricants
 - ☐ Products produced at facilities located on formerly contaminated property
 - ☐ Products and services from economically depressed or blighted areas

- ☐ Vendors that meet or exceed air quality standards
- ☐ Recycled or Reused Computer Equipment of Other Manufacturers
- ☐ Foods of Higher Nutritional Value
- ☐ Commercial production company or advertising agency located in Texas

14. By signature hereon, under Section 231.006, Texas Family Code, regarding child support, Respondent certifies that the individual or business named in the Proposal is not ineligible to receive the specified payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any Respondent subject to Section 231.006, Texas Family Code, must include names and Social Security numbers of each person with at least 25% ownership of the business entity submitting the Proposal. This information must be provided prior to award. If applicable, enter the Name and Social Security Number for each person below:

Name: _____	SSN: _____
Name: _____	SSN: _____
Name: _____	SSN: _____

FEDERAL PRIVACY ACT NOTICE: This notice is given pursuant to the Federal Privacy Act. Disclosure of your Social Security Number (SSN) is required under Section 231.006(c) and Section 231.302(c)(2) of the Texas Family Code. The SSN will be used to identify persons that may owe child support. The SSN will be kept confidential to the fullest extent allowed under Section 231.302(e) of the Texas Family Code.

15. By signature hereon, in accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Respondent certifies that it is not: (1) the executive head of CPA, (2) a person who at any time during the four years before the date of the Contract was the executive head of CPA, or (3) a person who employs a current or former executive head of CPA.
16. By signature hereon, pursuant to Section 2155.004(a) of the Texas Government Code, Respondent certifies that neither Respondent nor any person or entity represented by Respondent has received compensation from CPA to participate in the preparation of specifications or solicitation on which this RFP or a Contract is based. In addition, under Section 2155.004(b) of the Texas Government Code, Respondent certifies that the individual or business entity named in this Proposal or Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.
17. By signature hereon, in accordance with Section 2155.4441 of the Texas Government Code, Respondent agrees that during the performance of a contract for services it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside Texas.
18. By signature hereon, Respondent represents and warrants that CPA's payments to Respondent and Respondent's receipt of appropriated or other funds under the Contract are not prohibited by Sections 556.005, 556.0055 or 556.008 of the Texas Government Code.
19. By signature hereon, Respondent certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, "*Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism*", published by the United States Department of the Treasury, Office of Foreign Assets Control.
20. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting an Proposal or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Respondent certifies that the individual or business entity named in its Proposal or Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.
21. By signature hereon, if Respondent is submitting a proposal for the purchase or lease of computer equipment, then Respondent hereby certifies its compliance with Chapter 361, Subchapter Y of the Texas Health and Safety Code related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules at 30 Texas Administrative Code Chapter 328.
22. By signature hereon, Respondent represents and warrants that it is not aware of and has received no notice of any court or governmental agency actions, proceedings or investigations, etc., pending or threatened against Respondent or any of the individuals or entities included in Part 1 of this Section VI within the five (5) calendar years immediately preceding the submission of Respondent's Proposal in response to this RFP that would or could impair Respondent's performance under the Contract, relate to the solicited or similar goods or services, or otherwise be relevant to CPA's consideration of Respondent's Proposal. If Respondent is unable to make the preceding representation and warranty, then Respondent instead represents and warrants that it has included as a detailed attachment in its Proposal a complete disclosure of any such court or governmental agency actions, proceedings or investigations, etc. that would or could impair Respondent's performance under the Contract, relate to the solicited or similar goods or services, or otherwise be relevant to CPA's

consideration of Respondent's Proposal. In addition, Respondent represents and warrants that it shall notify CPA in writing within five (5) business days of any changes to the representations or warranties in this clause and understands that failure to so timely update CPA shall constitute breach of contract and may result in immediate termination of the Contract.

23. By signature hereon, Respondent represents and warrants that it and each of its subcontractors have the requisite resources, qualifications and independence to conduct the services free from outside direction, control, or influence, and subject only to the accomplishment of CPA's objectives.
24. By signature hereon, Respondent represents that neither Respondent or any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representative of such subcontractors, proposed in the Proposal has been convicted of a felony criminal offense, or that if such a conviction has occurred Respondent has fully advised CPA of the facts and circumstances in its Proposal.
25. By signature hereon, Respondent represents and warrants that if selected for a Contract, Respondent will submit to CPA a Certificate of Interested Parties prior to Contract award in accordance with Section 2252.908 of the Texas Government Code.
26. By signature hereon, pursuant to Section 2271.002 of the Texas Government Code, Respondent certifies that either (i) it meets an exemption criterion under Section 2271.002; or (ii) it does not boycott Israel and will not boycott Israel during the term of the Contract. Respondent shall state any facts that make it exempt from the boycott certification in its Proposal.
27. By signature hereon, Respondent represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
28. By signature hereon, Respondent certifies that the offering entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity. Entities ineligible for federal procurement are listed at <http://www.sam.gov>.
29. By signature hereon, Respondent represents and warrants that it will comply with the requirements of Section 552.372(a) of the Texas Government Code as applicable. Except as provided by Section 552.374(c) of the Texas Government Code, the requirements of Subchapter J, Chapter 552 of the Government Code, may apply to the Contract and Respondent agrees that the Contract can be terminated if Respondent knowingly or intentionally fails to comply with a requirement of that subchapter.
30. Under Section 2155.0061 of the Texas Government Code, Respondent certifies that the individual or business entity named in this Proposal is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate.
31. Pursuant to Government Code Section 2275.0102, Respondent certifies that neither it nor its parent company, nor any affiliate of Respondent or its parent company, is: (1) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Government Code Section 2275.0103, or (2) headquartered in any of those countries.
32. If Respondent is required to make a verification pursuant to Section 2276.002 of the Texas Government Code, Respondent verifies that Respondent does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must so indicate in its Proposal and state why the verification is not required.
33. If Respondent is required to make a verification pursuant to Section 2274.002 of the Texas Government Code, Respondent verifies that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. If Respondent does not make that verification, Respondent must so indicate in its Proposal and state why the verification is not required.
34. Pursuant to Section 161.0085 of the Texas Health and Safety Code, Respondent certifies that it does not require its customers to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive service from Respondent's business. Respondent acknowledges that such a vaccine or recovery requirement would make Respondent ineligible for a state-funded contract.
35. Respondent certifies that neither it, nor its holding companies or subsidiaries, is: (a) listed in Section 889 of the 2019 National Defense Authorization Act; (b) listed in Section 1260H of the 2021 National Defense Authorization Act; (c) owned by the government of a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R Section 791.4; or (d) controlled by any governing or regulatory body located in a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R Section 791.4.

36. By signature hereon, Respondent represents and warrants that it has read and agrees to all terms and conditions of this RFP, unless Respondent specifically takes an exception and offers an alternative provision in Respondent's Proposal as provided in Section II.

An authorized representative on behalf of Respondent must complete and sign the following:

<hr/>		<hr/>	
Signature of Authorized Representative		Date Signed	
<hr/>		<hr/>	
Printed Name & Title of Authorized Representative		Phone Number	
<hr/>		<hr/>	
Entity Name ("Respondent")		Fax Number	E-mail Address
<hr/>		<hr/>	<hr/>
Federal Employer Identification Number		Unique Entity ID	
<hr/>		<hr/>	
Physical Street Address		City, State, Zip Code	
<hr/>		<hr/>	
Mailing Address, if different		City, State, Zip Code	
<hr/>		<hr/>	

VII. Conflict of Interest/Disclosure Statement

A. Disclosures. Provide the requested information in the space provided; indicate "N/A" as appropriate.

1. Respondent must disclose any proposed personnel who are current or recent former employees of CPA or the State of Texas.

2. Respondent must disclose the following:

- a. any existing or potential conflicts of interest or possible issues that might create appearances of impropriety relative to Respondent's and its proposed subcontractors' submission of an Proposal, possible selection as Successful Respondent, or its performance of the contract.

- b. all past and present contractual, business, financial or personal relationships between Respondent and CPA and between Respondent's proposed subcontractors, if any, and CPA.

For each item, Respondent must also provide a detailed explanation of why Respondent does or does not believe such item poses a conflict of interest, potential conflict of interest, or appearance of impropriety issue relative to Respondent's submission of an Proposal, possible selection as the Successful Respondent, or its performance of the contract.

B. Defined Terms. For purposes of the disclosure statements required by this solicitation, the terms below are defined as follows:

- "past" is defined as within the two (2) calendar years prior to the deadline for submission of proposals in response to this solicitation.
- "CPA" is defined as the statewide elected official who heads the agency, as well as the agency's employees or recent former employees.
- "recent former employees" are defined as those CPA employees who have terminated agency employment within the two (2) calendar years prior to the deadline for submission of Proposals in response to this solicitation.
- "personal relationship" is defined as a current or past connection other than a clearly contractual, business, financial or similar relationship and includes family relationships or other connections outside simply providing a response to this solicitation. For this purpose, "family relationship" means a relationship within the third degree of consanguinity or second degree of affinity; see Chapter 573 of the Texas Government Code, which defines these degrees of consanguinity and affinity. Connections other than such family relationships fall within this definition and must be disclosed if:
 - (a) a reasonable person could expect the connection to diminish Respondent's independence of judgment or effectiveness in the performance of the Respondent's responsibilities to CPA or the State of Texas under the contract;
 - (b) a reasonable person could expect the connection, within the overall context of Respondent's submission of an Proposal, possible selection as Successful Respondent or its performance of the contract, to create an issue for the agency's consideration relative to a potential appearance of impropriety or conflict of interest; or
 - (c) the relationship is with a CPA or other State of Texas employee with authority to make decisions or recommendations on state contracting or procurement or this solicitation. For purposes of this provision, those persons with authority to make decisions or recommendations are those persons who fall within the definition of "purchasing personnel" in Section 2262.004(a)(2) of the Texas Government Code.

C. Continuing Duty to Disclose. If circumstances change or additional information is obtained subsequent to submission of the Proposal, Successful Respondent's duty to disclose under these provisions continues under the term of the contract and does not end with submission of a Proposal or receipt of contract award.

D. Disclosures under these provisions are information that will be evaluated by CPA; however, all information provided will not necessarily lead to a restriction or disqualification. Issues will be considered on a case-by-case basis in the best interests of the State of Texas. If Respondent is in doubt about whether information should be disclosed, Respondent should consult with its legal counsel. Failure to disclose any required information under these provisions may be cause for proposal disqualification or termination of the contract resulting from this solicitation. CPA reserves the right, in its sole discretion, to determine if an issue should result in proposal disqualification or termination of the contract.

Signature of Authorized Representative

Date Signed

Printed Name & Title of Authorized Representative

Entity Name ("Respondent")

VIII. Nondisclosure Agreement

In consideration of Texas Comptroller of Public Accounts (“CPA”) communicating with the undersigned Respondent regarding a potential contract resulting from the referenced solicitation (*e.g.*, RFP, RFO, IFB) and because of the sensitivity of certain information provided to Respondent, both parties agree that all information regarding CPA or gathered, produced, collected or derived from or related to the potential contract, or provided to Respondent under a resulting contract (“Confidential Information”) must remain confidential subject to release only upon prior written approval of CPA, and more specifically agree as follows:

1. The Confidential Information may be used by Respondent only to assist Respondent in connection with the business relationship contemplated in the solicitation or performance of a contract with CPA resulting from the solicitation.
2. Respondent shall not, at any time, use the Confidential Information in any fashion, form, or manner except in its capacity as proposed consultant or independent contractor to CPA.
3. Unless otherwise provided in the solicitation or resulting contract, Respondent agrees to maintain the confidentiality of all Confidential Information in the same manner that it protects the confidentiality of its own materials of like kind, but in no event less than reasonable care. Respondent shall take reasonable precautions to protect the Confidential Information including, but not limited to, not disclosing Confidential Information in any manner to any person, firm, or entity, except for authorized employees, agents, or contractors of Respondent with a need to know who are bound by confidentiality obligations at least as stringent as those contained in this agreement prior to any disclosure of such Confidential Information.
4. The Confidential Information may not be copied, reproduced, disclosed, distributed, or otherwise divulged without CPA’s prior written approval. Confidential Information and any copies thereof shall be CPA’s exclusive property.
5. All Confidential Information made available to Respondent, including copies thereof, must be returned to CPA upon the first to occur of (a) expiration or termination of any contract resulting from the solicitation, or (b) request by CPA.
6. The foregoing does not prohibit or limit Respondent’s use of the information (including, but not limited to, ideas, concepts, know-how, techniques and methodologies) (a) previously known to it, provided such prior knowledge was not subject to a confidentiality obligation, (b) independently developed by it, (c) acquired by it from a third-party under no obligation of confidentiality to CPA, (d) which is or becomes part of the public domain through no breach by Respondent of this nondisclosure agreement or other contractual obligations to CPA, or (e) approved by CPA in writing for unrestricted disclosure.
7. If Respondent is required by applicable law, regulation, or legal process to disclose any Confidential Information, then Respondent shall provide CPA with prompt notice of any such requirement prior to delivery of the Confidential Information to allow CPA a reasonable opportunity to seek a protective order or equivalent.
8. This nondisclosure agreement shall become effective as of the date Confidential Information is first made available to Respondent and shall survive the expiration or termination of any contract resulting from the solicitation and be a continuing requirement.
9. The breach of this nondisclosure agreement by Respondent shall entitle CPA to immediately terminate any contract with Respondent resulting from the solicitation upon written notice to Respondent for such breach. The parties acknowledge that the measure of damages in the event of a breach of this nondisclosure agreement may be difficult or impossible to calculate, depending on the nature of the breach. Regardless of whether CPA elects to terminate any contract with Respondent resulting from the solicitation upon the breach hereof, CPA may require Respondent to pay to CPA the sum of \$5,000 for each breach as liquidated damages. This amount is not intended to be in the nature of a penalty, but is intended to be a reasonable estimate of the amount of damages to CPA in the event of a breach hereof by Respondent of this nondisclosure agreement. CPA does not waive any right to seek additional relief, either equitable or otherwise, concerning any breach of this nondisclosure agreement.
10. This nondisclosure agreement is governed by and construed under the laws of the State of Texas. Any and all obligations of this agreement are due in Travis County, Texas and venue is proper in only such county.

Signature of Authorized Representative

Date Signed

Printed Name & Title of Authorized Representative

Entity Name (“Respondent”)

IX. Confidential Treatment of Information Acknowledgment



Comptroller
of Public
Accounts
FORM

70-223
(Rev: 8-
22/13)

Texas Comptroller of Public Accounts Confidential Treatment of Information Acknowledgement (CTIA)

I have read and understand the Comptroller's Summary Public Information Disclosure Manual, a copy of which has been made available to me. I understand that confidential information made available to me by the Comptroller's office may include the Comptroller's own information and information held by the Comptroller's office from other entities. I understand that confidential information is to be held in strictest confidence, and I will act in accordance with applicable federal and state laws, regulations, and Comptroller policy with regard to the safekeeping and disclosure of confidential information. I understand that I am not to use such information to the detriment of the Comptroller's office or the State of Texas.

I understand that it is my responsibility to consult with the Comptroller's office and obtain approval to disclose confidential information made available to me, and to ensure that any and all disclosures I make are made to people or entities authorized to receive such information.

I understand that I shall either return to the Comptroller's office or destroy any confidential information in my possession according to Comptroller guidelines when I no longer require such information for authorized purposes.

I understand that computer system password(s) I receive or devise to access computer systems, which may be made available to me for my use by the Comptroller's office, are confidential. I will not disclose to any unauthorized person any password(s) which I am given or devise, and I will not write such password(s) or post them where they may be viewed by unauthorized people. I understand that I am responsible for any computer transactions performed as a result of access authorized by use of my password(s). I understand that use of a password not issued specifically to me, or to a group of which I am a member, is expressly prohibited.

I understand that criminal and/or civil penalties and/or civil damages may apply if I obtain unauthorized access to, or make an unauthorized disclosure or inspection of, certain types of confidential information (e.g., IRS Federal Taxpayer Information,


Protected Health Information, Sensitive Personal Information). Such penalties and/or damages may include, but are not limited to, the following:

- a misdemeanor, punishable by up to 1 year in jail and/or up to a \$4,000 fine (Texas Labor Code §301.085);
- a misdemeanor, punishable by up to 1 year in jail and/or up to a \$1,000 fine (Texas Tax Code §171.361);
- a misdemeanor, punishable by up to 180 days in jail and/or up to a \$2,000 fine (Texas Tax Code §22.27(c));
- a felony, punishable by up to 5 years in prison and/or a fine of up to \$5,000 (26 USC §7213);
- a misdemeanor, punishable by up to 1 year in jail and/or up to a \$1,000 fine (26 USC §7213A);
- civil damages equal to sum of the greater of \$1,000 for each unauthorized inspection/disclosure or sum of actual damages sustained plus punitive damages for gross negligence, and the cost of action (26 USC §7431); and
- civil and criminal penalties related to criminal justice information (28 CFR §20.25).

I understand that an attempt to circumvent any computer security system or other security control by any means is a violation of Comptroller policy. I also understand that failure to observe these restrictions may constitute a "Breach of Computer Security" as defined in Texas Penal Code, Section 33.02(b), and that such an offense constitutes a Class B misdemeanor, a state jail felony, or a felony of the first, second or third degree.

I understand that any copyrighted material including, but not limited to, commercial computer software, which may be made available to me for my use by the Comptroller's office, is protected by copyright laws and is not to be copied for any reason without permission from the copyright owner. I understand that the violation of copyright laws, including computer software, may result in fines and/or imprisonment.

By my signature hereon, I acknowledge my understanding of the contents of this form and the continued applicability of these provisions after my access to confidential information and computer systems has been terminated.

Printed name of person requesting access		Name of employer	
		Date	
Work phone (Area code and number)		Work email address	

For general questions regarding this form, contact the Comptroller's Information Security Office by calling 512-936-5671.

Under Ch. 559, Government Code, you are entitled to review, request and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at 1-800-531-5441, ext. 6-6057.

X. Certification Regarding Public Nature of the Proposal

The Legislative Budget Board (LBB) has established a database of state agency contracts pursuant to Section 322.020 of the Texas Government Code. See the LBB website at <http://www.lbb.texas.gov>. Following the contract award resulting from this solicitation, CPA plans to upload to the LBB contracts database the complete contract, except for information that is not subject to disclosure under Chapter 552 of the Texas Government Code. Information that is not subject to disclosure under Chapter 552 of the Texas Government Code must be referenced in an appendix that generally describes the information without disclosing the specific content of the information. In submitting an Proposal in response to this solicitation, Respondent acknowledges that it understands and accepts this requirement.

Respondent **must initial below EITHER Item 1 or Item 2, as appropriate. DO NOT INITIAL BOTH ITEMS.**

By signature hereon, Respondent certifies the following:

1. _____ Respondent does not assert that any portion of its Proposal is confidential.

OR

2. _____ Respondent has stamped in bold red letters the term “**CONFIDENTIAL**” on the specific part or page of the Proposal considered to be confidential by Respondent. In the table below or as an attachment to this form submitted with the Proposal, Respondent has identified by page number(s) the location of all information in the Proposal asserted to be confidential by Respondent as well as provided an explanation, including any relevant legal authority, for why Respondent reasonably considers the identified portion(s) of its Proposal to be confidential and exempt from public disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code.

Page No. of Proposal	General description of the designated information	Explanation, including relevant legal authority, in support of the confidential treatment of the designated portion(s) of the Proposal.

Signature of Authorized Representative

Date Signed

Printed Name & Title of Authorized Representative

Entity Name (Respondent)

XI. Respondent Exceptions

If Respondent takes any exception to any provisions of this RFP, the exceptions must be specifically and clearly identified by section number in Respondent's Proposal using this response template. In its Proposal, Respondent must provide a proposed alternative for each exception and must explain the necessity for the change. If a Respondent takes a "blanket exception" to the entire RFP or does not propose alternate language for CPA's consideration, Respondent's Proposal may be considered non-responsive and disqualified from further consideration.

Item Number	RFP Section and Part Reference	Original RFP Language	Respondent's Proposed Alternative and Explanation for Necessity for Change