



Federation of Tax Administrators

REQUEST FOR PROPOSAL (RFP)

NATIONAL FUEL DIVERSION REGISTRY

FEDERATION OF TAX ADMINISTRATORS (FTA)

<https://www.taxadmin.org/>

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1. SUMMARY AND BACKGROUND

The Federation of Tax Administrators (FTA) was organized in 1937 to improve the quality of state tax administration by providing services to state tax authorities and administrators. These services include research and information exchange, training, and intergovernmental and interstate coordination. The Federation also represents the interests of state tax administrators before federal policymakers where appropriate. FTA serves the principal tax collection agencies of the 50 states, the District of Columbia, New York City and Philadelphia, and is financed primarily from annual dues assessed to those member tax agencies.

FTA is currently accepting proposals to develop, design, launch, and host a National Diversion Registry (fuel movement) web application. The purpose of this Request for Proposal (RFP) is to solicit proposals from various candidate organizations, conduct a fair and extensive evaluation based on criteria listed herein, and select the candidate who best represents the direction FTA wishes to go.

FTA is looking for a turnkey solution to allow suppliers and carriers to log fuel diversions/imports as well as allowing states the ability to access the diversion/import information. Historic and statistical reporting capability is also required.

The expectation is that the selected internet service provider will deliver a solution in which petroleum product carriers and suppliers will be able to register interstate transaction information and states (fifty states plus the District of Columbia, New York City, and Philadelphia) will be able to access such information.

The provider will develop, maintain and monitor an internet service which provides detailed information in a format determined by the FTA Motor Fuel Uniformity Committee on all reported diversions, reported imports/exports crossing the State's jurisdictional boundaries entered by the fuel industry. The states will have the ability to access the data online and to download the information for further work.

2. PROPOSAL GUIDELINES

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until **5pm EST December 20, 2019**. Any proposals received after this date and time will be returned to the sender. All proposals must be signed by an official agent or representative of the company submitting the proposal.

If the organization submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in proposals must be all-inclusive to include any outsourced or sub-contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organizations being contracted and state the portions of the work which are being outsourced or sub-contracted to each party.

All costs must be itemized to include an explanation of all fees and costs, including those which are due from the participating states as well as from motor fuel industry (suppliers, carriers).



Contract terms and conditions will be negotiated upon selection of the winning bidder for this RFP. All contractual terms and conditions will be subject to review by the FTA legal department and will include scope, budget, schedule, and other necessary items pertaining to the project.

3. PROJECT PURPOSE AND DESCRIPTION

The purpose of this project is as follows:

FTA is looking for a turn-key solution to allow suppliers and carriers to log fuel diversions/imports as well as allowing states the ability to access the diversion/import information.

The bidder selected will develop, maintain and monitor an internet service which provides detailed information in a FTA Uniformity-developed format on all reported diversions, reported imports/exports crossing the State's jurisdictional boundaries entered by the fuel industry. The states will have the ability to access the data online and to download the information for further work. All data entered and stored in the Fuel Movement Registry will be owned by the FTA member states, and may not be used by the provider for any purposes other than the satisfaction of this RFP, without the express written permission of FTA. The states will be able to download various reports of diversion/import activity. Fuel industry participants will be able to download reports of their own activity and aggregated, anonymized statistics only. No industry participant may view or obtain data entered by another industry participant.

Project Description:

FTA is requesting that the provider utilize the most currently accepted web-based technology to create a web application that is user friendly and is easy to enter or modify content. All hardware and software utilized must be under current OEM support, and must be maintained at current patch level. Use of "bleeding edge" technology is discouraged. The application will allow the fuel industry to enter information regarding import/export and diversions to be stored for the participating states to access online and to download for further review. In case of erroneous entry, the party entering the original data, and only that party, will be able to modify the entry. The system shall maintain a date/timestamped audit log of all web transactions, which cannot be altered by any party. All Data entered and stored in the National Fuel Diversion Registry, both the primary transactional data base and the audit log, will be retained for an eight (8) year period. After this retention period the data will be archived or destroyed as approved by a majority vote of the FTA Member States

Contact Person:

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4. PROPOSAL FORMAT AND QUANTITY

Proposer shall submit one (1) Proposal electronically to the FTA by sending an email to Support@taxadmin.org requesting a one-time link to upload the proposal to FTA's secure document storage repository. Proposer's electronic copy of the Proposal must be formatted using Adobe Acrobat (pdf), Microsoft Word (.doc or .docx) or Microsoft Excel (.xls or .xlsx). The submittal requires a minimum of a 12 point font on all documents. The Proposal must include the Proposer's Authorized Representative's Signature. Any violation of the above requirements, FTA will deem response in violation and will exclude the RFP from consideration.

5. EXECUTIVE SUMMARY (EVALUATED)

Proposer shall provide an Executive Summary, not to exceed three (3) pages, that describes how the proposed Solution will meet the FTA's National Fuel Diversion Registry solution needs. The Executive Summary should serve to summarize how the functional and non-functional features will fulfill the diversion solution and needs. Proposer's response must delineate any potential single points of failure in the proposed Solution.

The Executive Summary may also contain a high-level "block" diagram of the proposed Solution in addition to the three (3) pages. This diagram will not count towards the page limit for Proposals.

The Executive Summary should also summarize the depth and breadth of the experience of Proposer, Key Persons and any other personnel and summarize the advantages Proposer will bring to the Implementation and on-going operations.

6. COST MODEL (EVALUATED)

As a nonprofit association of state government agencies, FTA relies solely on funds provided by its members, as allocated by their respective legislatures. For this reason, FTA needs for the National Fuel Diversion Registry application to be developed, maintained, and hosted in as economical a manner as possible. The following is the desired cost model.

- a. FTA will assess all participating state agencies an annual fee for the use and support of the Registry. Currently the annual fee is in the amount of \$4000.
- b. In order to be able to mandate that Fuel suppliers and carriers participate in the system by entering all diversions/imports into the application, there will be NO fee or charge for entering or modifying diversion/import information.
- c. A per-transaction fee may be charged to fuel industry participants for reports, ad hoc queries, or other non-essential services.
- d. Advertising or marketing of any form is not permitted on the application site or during use of the application.
- e. FTA will consider any proposal for additional funding through fees for non-essential services only.



7. TERMS OF SERVICE AND SERVICE LEVEL AGREEMENT(S)

FTA wishes to purchase a perpetually renewable, non-transferable license to the developed products and services, to be renewed on a not less than annual basis. All responses to this RFP must state the proposed terms of service (or other licensing or subscription terms).

FTA also requires the establishment of a Service Level Agreement including proposed scheduled availability of the products and services, percentage of uptime within scheduled availability, mean time between failures (MTBF), response time for reported errors, and estimated mean time to resolution. All responses to this RFP must include the proposed terms of this Service Level Agreement. Preferred SLA shall include the following:

The vendors solution must be up and operational 24/7/365 except for downtime for maintenance and upgrades. Maintenance and upgrades must be performed between the hours of midnight and 4:00am eastern time on Monday through Sunday. All planned exceptions must be approved by the FTA.

8. EVENT SCHEDULE

Event	Date and Time
RFP released	November 7, 2019
Submission of Questions	November 22, 2019
FTA Provides Answers to Questions	November 29, 2019
RFP Proposal Submission Date	December 20, 2019
Issuance or Notice of Intent to Award	January 17, 2020
Contract Execution	Not later than March 1, 2020

9. REFERENCES (EVALUATED)

The vendor must provide three (3) References related to motor fuel tax, audit or cross-match solutions or similar type of expertise in other excise tax type solutions. The vendor must have both government and industry tax experience.

10. PROJECT FUNCTION (EVALUATED)

The scope of this project includes all design, development, coding, licensing, and hosting of FTA's fuel movement registry web site.

The following data must be captured to achieve a successful project:

- Terminal utilizing IRS-assigned fuel terminal codes and EPA Bulk Facilities designations
- Manifest Number/Bill of Lading
- Manifest Date/Bill of Lading
- Railcar Number
- Origin State
- Destination State
- Original Destination State
- Supplier/Consigner
- Supplier/Consigner FEIN
- Carrier
- Carrier FEIN
- Product utilizing FTA Motor Fuel Uniformity assigned product codes
- Net Gallons
- Gross Gallons

Provide a list of any additional data that will be captured and available for use by industry or the participating states.

Data such as the Federal Employment Identification Number (FEIN) and transactional data will be maintained and therefore it must not be viewable over the internet except in a secure environment and then only to the trading partners (supplier/consignor, carrier, consignee and the applicable states) involved in a transaction. Explain the functional design approach and technology that will be utilized to achieve this.

Only FTA-authorized state participants will be able to view and download all data. Industry participants will be able to enter diversion records, and to modify records that they have individually entered. Explain the functional design approach and technology that will be utilized to achieve this.

The application shall deliver an Email notification to Supplier, Wholesaler/Consignor, Carrier and both participant states each time a diversion is registered using FTA-authorized contact information.

The solution should be compatible with the following browsers:

- Chrome
- Mozilla Firefox
- Safari
- Internet Explorer

Responses to this RFP must list all browsers which will be supported by the proposed solution.

11. PROPOSED CONTACT PERSONNEL (EVALUATED)

Vendor must supply the names, position in the company, email address and phone number for the following positions required for this project;

Must be provided in a similar table shown below

	Name	Position	Email	Phone
Contact for this RFP				
Project Manager				
Contact for system solution				
Lead Developer				
Lead Architect				
Contact for Billing and all Financial Matters				
Any other personnel Vendor Deems essential				

12. REQUEST FOR PROPOSAL AND PROJECT TIMELINE

Request for Proposal Timeline:

All proposals in response to this RFP are due no later than **5pm EST December 20, 2019**.

Evaluation of proposals will be conducted from December 20, 2019 until December 31, 2019. If additional information or discussions are needed with any bidders during this two-month window, the bidder(s) will be notified.

The selection decision for the winning bidder will be made no later than January 17, 2020.

Upon notification, the contract negotiation with the winning bidder will begin immediately. Contract negotiations will be completed by March 1, 2020.

Notifications to bidders who were not selected will be completed by January 20, 2020.

Project Timeline:

Project execution phase must be started by June 1, 2020.

13. SECURITY AND BUSINESS CONTINUITY

Successful bidder will be expected to follow basic controls for security of the provider's computer operations, the web site, and data protection as appropriate. To that end, each response to this RFP must include a copy of the Summit Security Assessment with a full status response for all controls marked as Year One. The assessment documentation must be requested by emailing support@taxadmin.org and downloading it from the secure FTA repository.

Any breach of the solution, including both the application and its underlying hardware and software, and any unauthorized access to, or loss of, application data must be reported to FTA within one business day of discovery or such breach or access.

As part of the security assessment, please list and briefly describe any and all security breaches, loss of data, or other unauthorized access over the past three years.

Proposed Solution must be hosted and supported by the winning vendor and have a secondary redundancy backup to support if primary database becomes unavailable, compromised, or held for ransom. Response to the RFP must include all locations at which FTA data is stored. If a commercial cloud provider is utilized, the specific provider must be specified, and all data storage must be onshore within the United States.

14. FORMAT FOR PROPOSALS

All proposals must be submitted in the following format:

- A. Executive Summary – as previously described.
- B. Functional Proposal – Describe in detail how the desired functions will be provided, including user interfaces and functionality.
- C. Technical Proposal – Describe in detail all technologies that will be part of the solution. The Security and Business Continuity assessment will be part of this section, as well as the proposed Service Level Agreement.
- D. Financial Proposal – Describe in detail the cost model for the solution, including the licensing model to be utilized. Costs must be separated into initial costs to develop the system and ongoing costs to operate and maintain the system. Please provide a five year detailed breakdown of anticipated costs, and how the bidder anticipates that those costs will be funded. Include all anticipated or requested sources and amounts of needed funding, including amount of state assessment and any per-transaction fees for non-essential additional services.
- E. Credential Proposal – Provide requested information on personnel to be assigned, company experience in similar projects, and all relevant credentials. Personnel described in the RFP must be the actual persons who will be assigned to the project in the roles specified in the RFP. Any subsequent substitution of personnel will require FTA approval.
- F. Project Plan – Provide an estimated project plan in a pdf format but developed using MS Project, Excel, or similar tool, and showing detailed project tasks and projected timeline. Plan must clearly indicate all tasks to be performed by FTA and/or participating states or industry.



- G. Training Plan – Describe in detail the content and delivery method for all training to be conducted for FTA and state agency personnel, and for fuel industry personnel, delineated by functionality such as supplier or carrier. Training plan must cover both training at initial implementation, and the availability of ongoing training as both agencies and industry experience staffing turnover.

All questions and answers must be submitted to Cindy Anders Robb of the FTA at cindy.anders-robb@taxadmin.org by November 22, 2019 and all responses to the questions will be posted on the FTA website by 5:00pm eastern on November 29, 2019.

15. CONTRACT TERMS AND NEGOTIATIONS

Contract negotiations will commence following posting of intent to award. In addition to normal contractual provisions, such as provisions for limitations of liability, termination, and dispute resolution, the Service Level Agreement, as proposed by the Bidder and modified by any subsequent negotiations, will become part of the Contract.

While it is acknowledged that any Project Plan is a roadmap, and is subject to unforeseen modifications, any undue delay in the development or implementation of the application will incur penalties to the Contractor according to negotiated provisions.

16. PROPOSAL EVALUATION CRITERIA

Federation of Tax Administrators (FTA) will evaluate all proposals based on the Proposal format. To ensure consideration for this Request for Proposal, each section of your proposal should be complete and include all of the requested information:

- Overall proposal suitability: proposed solution(s) must meet the scope and needs included herein and be presented in a clear and organized manner
- Functional Proposal – Does the proposal include all desired functionality in a user friendly, workable solution?
- Technical Proposal – Does the proposed solution utilize appropriate and supported technologies, which are neither outdated nor “bleeding edge,” and are implemented in a secure manner to ensure data privacy and business continuity?
- Financial Proposal - Value and cost: Bidders will be evaluated on the five year total cost of ownership (TCO) of their solution(s) based on the work to be performed in accordance with the scope of this project
- Credential Proposal - Technical expertise and experience: Bidders must provide descriptions and documentation of technical expertise and relevant experience for both the company and the proposed staff.
- Project Plan – Is the proposed plan complete, reasonable to achieve, and within a reasonable timeline?
- Training Plan – Does the proposed plan address the initial and ongoing needs of all participants, including both state agency personnel and the various roles of the industry personnel? Will it be provided in a timely and convenient manner?