

**Consulting Services ITQ
CONTRACT 4400008111**

REQUEST FOR QUOTATIONS FOR

**Independent, Unbiased Advisor for Pennsylvania Liquor Control Board
Enterprise Resource Planning Project Implementation**

ISSUING OFFICE

Pennsylvania Liquor Control Board

RFQ NUMBER: 20200713

DATE OF ISSUANCE

July 20, 2020

This is a restricted solicitation under the Consulting Services ITQ, Invitation to Qualify (ITQ), - Contract #4400008111. Only those contractors qualified in the following service category under Contract #4400008111 may submit a quote in response to this RFQ.

**Commodity Code 80100000-ITQ-67 Consulting-Mgt General Gov Operations-
Strategic Planning.**

For more information about the Consulting Services ITQ, please click on the following link. <http://www.dgs.internet.state.pa.us/ITQ/Default.aspx>

REQUEST FOR QUOTES FOR
Project Manager for Pennsylvania Liquor Control Board
Enterprise Resource Planning Project Implementation

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Questions pertaining to this RFQ can be submitted as they arise via email to Issuing Officer Joshua Greene at josgreene@pa.gov from the date of issuance up to, and including, this date and time.	Contractors	All questions must be submitted by 12 Noon (ET) on Monday, July 27, 2020
Answers to Potential Contractor questions will be replied to all Contractors on the ITQ via email.	Issuing Office	All answers will be provided by 5 p.m. (ET) on Friday, July 31, 2020
Quotes must be received via email to Issuing Officer Joshua Greene at josgreene@pa.gov by this date and time. (electronic communication required)	Contractors	Quote must be received by 1 p.m. on Monday, August 10, 2020

PART I

GENERAL INFORMATION

- I-1. Purpose.** This request for quotes (RFQ) provides to those interested in submitting quotes for the subject procurement (“Contractors”) sufficient information to enable them to prepare and submit quotes for the Pennsylvania Liquor Control Board’s (“PLCB”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for an **independent, unbiased advisor for PLCB’s Enterprise Resource Planning (“ERP”) Project Implementation** (“Project”). This RFQ contains instructions governing the requested quotes, including: the requirements for the information and material to be included; a description of the service to be provided; requirements Contractors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFQ.
- I-2. Issuing Office.** The PLCB (“Issuing Office”) has issued this RFQ on behalf of the Commonwealth. The Issuing Officer for this RFQ and sole point of contact shall be Joshua Greene, Purchasing and Contract Administration, josgreene@pa.gov. Please refer all inquiries to the Issuing Officer.
- I-3. Overview of Project.** The PLCB seeks an independent and unbiased consultant experienced in Oracle ERP implementation and business transformation to advise the PLCB as it replaces its current on-premise ERP with a cloud-based Oracle ERP.
- I-4. Objectives.**

A. General.

The PLCB currently operates an on-premise Oracle ERP application stack, comprised of multiple applications, databases, and utilities. This ERP stack supports six major functional departments with differing, and sometimes conflicted functionality and priorities. A list of PLCB’s current Oracle ERP system components is provided in **Appendix B- Current PLCB Oracle Retail Software**.

The PLCB is engaging Oracle, subcontracting in part to Deloitte Consulting LLP, to provide services, software as a service (SaaS), software licensing and project management sufficient to support definition, design, architecture, change management and implementation of a new Oracle cloud-based ERP. The new ERP will allow the PLCB to commit to IT and organizational infrastructure improvements to transform from a traditional retail model to a wholesale, distribution and retail-focused business; standardize wholesale and retail business processes and financial reporting according to industry best practices; eliminate costly and resource-intensive system customizations; benefit from cloud-based software updates; more efficiently manage inventory acquisition, allocation and sell-through; improve master data management; standardize reporting; and achieve greater wholesale and retail efficiencies.

To achieve this complex technology implementation project involving cross-functional PLCB teams, a contracted integrator, and its sub-contracted partner, the PLCB seeks an independent, unbiased advisor to provide solution analysis and recommendations for improvement, based on industry standards and best practices, throughout the design and implementation of the ERP. Full implementation of the Project is anticipated to take two to three years.

B. Specific.

The Project will begin with a 16- to 20-week blueprinting engagement (the “Blueprint Phase”), which the PLCB expects to complete by the end of 2020. The end result of the Blueprint Phase will be the definition, design and architecture of a new Oracle cloud-based ERP that will be implemented over an estimated 27 months, including Blueprint Phase.

Additional information about the anticipated ERP implementation, including a preliminary project timeline and list of potential Oracle ERP applications – both of which will be refined in the Blueprint Phase, is available in **Appendix A, Additional ERP Project Detail** to this RFQ.

Specific tasks and responsibilities pursuant to this project are identified in section III-5 of this RFQ.

- I-5. Questions & Answers.** If a Contractor has any questions regarding this RFQ, the Contractor must submit the questions by email (**with the subject line “RFQ 20200713 Question”**) to the Issuing Officer named in **Section I-2** of the RFQ. If the Contractor has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Contractor shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions via email by “Replying To All” from the original email on the date of issuance. A Contractor who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its quote will not be responsive or competitive because the Commonwealth is not able to respond before the quote receipt date or in sufficient time for the Contractor to prepare a responsive or competitive quote. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Contractor to specific provisions in the RFQ. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Contractors.

The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFQ or formally issued as an addendum by the Issuing Office.

- I-6. Addenda to the RFQ.** If the Issuing Office deems it necessary to revise any part of this RFQ before the quote response date, the Issuing Office will email all Contractors on the listed ITQ.
- I-7. Electronic Version of RFQ.** This RFQ is being made available by electronic means. The Contractor acknowledges and accepts full responsibility to ensure that no changes are made to the RFQ. In the event of a conflict between a version of the RFQ in the Contractor's possession and the Issuing Office's version of the RFQ, the Issuing Office's version shall govern.
- I-8. Response Date.** To be considered for selection, electronic quotes must be submitted to the Issuing Office identified in **Section I-2** via email. Due to current office closure because of COVID-19, quotes will not be accepted by mail or other delivery service. The hour for submission of quotes shall remain the same. The Issuing Office will reject any late quotes.
- I-9. Incurring Costs.** The Issuing Office is not liable for any costs the Contractor incurs in preparation and submission of its quote, in participating in the RFQ process or in anticipation of receipt of the purchase order.

I-10. Quote Requirements.

- A. Quote Submission:** To be considered, Contractor should electronically submit a complete response to this RFQ to the Issuing Office, using the format provided in **Section 1-10B, providing one electronic copy of the Technical Submittal, one electronic copy of the Cost Submittal and one electronic copy of the Small Diverse Business and Small Business (SDB/SB) Participation Submittal and related Letter(s) of Intent**, all in Microsoft Office or Microsoft-Office compatible format, and any spreadsheets must be in Microsoft Excel. The Contractor may not lock or protect any cells or tabs.

The Contractor shall make no other distribution of its quote to any other Contractor or Commonwealth official or Commonwealth consultant. Each quote page should be numbered for ease of reference. An official authorized to bind the Contractor to its provisions must sign the quote. If the official signs the **Quote Cover Sheet (Appendix C to this RFQ)** and the Quote Cover Sheet is attached to the Contractor's quote, the requirement will be met.

For this RFQ, the quote must remain valid for 120 days or until a purchase order is fully executed. If the Issuing Office selects the Contractor's quote for award, the contents of the selected Contractor's quote will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Contractor submitting a quote specifically waives any right to withdraw or modify it, except that the Contractor may withdraw its quote by notice emailed to the Issuing Office prior to the exact hour and date specified for quote receipt. A Contractor may modify its submitted quote prior to the exact hour and date set for quote receipt only by submitting a new sealed quote or sealed modification which complies with the RFQ requirements.

- B. Quote Format:** Contractors must submit their quotes electronically via email in the format, including heading descriptions, outlined below. To be considered, the quote must respond to all quote requirements. Contractor should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Quote. All cost data relating to this quote and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal. Contractor should not reiterate technical information in the cost submittal. Each Quote shall consist of one email with the following **three separate attachments**:

1. Technical Submittal, in response to RFQ **Part III**;
2. Cost Submittal, in response to RFQ **Part IV**; and
3. Small Diverse Business and Small Business (SDB/SB) Participation Submittal, in response to RFQ **Part V**:
 - a. Complete and include **Appendix F - SDB/SB Participation Submittal Form**; and
 - b. Complete and include **Appendix G - SDB/SB Letter of Intent**. Contractor must provide a Letter of Intent for each SDB and SB listed on the SDB/SB Participation Submittal Form

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Contractor's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFQ.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Contractor to perform the Project, and the Contractor shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any quote if the evidence submitted by, or investigation of, such Contractor fails to satisfy the Issuing Office that such Contractor is properly qualified to carry out the obligations of the RFQ and to complete the Project as specified.

- I-11. Economy of Preparation.** Contractor should prepare quotes simply and economically, providing a straightforward, concise description of the Contractor's ability to meet the requirements of the RFQ.
- I-12. Alternate Quotes.** The Issuing Office has identified the basic approach to meeting its requirements, allowing Contractor to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate quotes.
- I-13. Discussions for Clarification.** Contractor may be required to make an oral or written clarification of their quotes to the Issuing Office to ensure thorough mutual understanding and Contractor responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to issuance of Purchase Order.
- I-14. Prime Contractor Responsibilities.** The selected Contractor will be required to assume responsibility for all services offered in its quote whether it produces them itself or by subcontract. Further, the Issuing Office and Project Manager will consider the selected Contractor to be the sole point of contact with regard to all contractual matters and purchase order matters.
- I-15. Quote Contents.**
 - A. Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Contractor' submissions in order to evaluate quotes submitted in response to this RFQ. Accordingly, except as provided herein, Contractor should not label quote submissions as confidential or proprietary or trade secret protected. Any Contractor who determines that it must divulge such information as part of its quote must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its quote, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
 - B. Commonwealth Use.** All material submitted with the quote shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any quote regardless of whether the quote becomes part of a Purchase Order. Notwithstanding any Contractor copyright designations contained on quotes, the Commonwealth shall have the right to make copies and distribute quotes internally and to comply with public record

or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

- C. Public Disclosure. After the issuance of a Purchase Order pursuant to this RFQ, all quote submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a quote submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix D** of the RFQ for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part III of this RFQ such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-16. Best and Final Offers.

- A. While not required, the Issuing Office reserves the right to conduct discussions with Contractor for the purpose of obtaining “best and final offers.” To obtain best and final offers from Contractor, the Issuing Office may do one or more of the following, in any combination and order:

1. Schedule oral presentations;
2. Request revised quotes;
3. Enter into pre-selection negotiations.

- B. The following Contractor will **not** be invited by the Issuing Office to submit a Best and Final Offer:

1. Those Contractor, which the Issuing Office has determined to be not responsible or whose quotes the Issuing Office has determined to be not responsive.
2. Those Contractor whose score for their technical submittal of the quote is less than 75% of the total amount of technical points allotted to the technical criterion.

The issuing office may further limit participation in the best and final offers process to those remaining responsible Contractor which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive quotes.

- C. The Evaluation Criteria found in **Section II-4**, shall also be used to evaluate the Best and Final offers.

- D. Any reduction to commitments to Small Diverse Businesses and Small Businesses must be proportional to the reduction in the total price offered through any BAFO process or contract negotiations unless approved by BDISBO.

- I-17. News Releases.** Contractor shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-18. Restriction of Contact. From the issue date of this RFQ until the Issuing Office selects a quote as the best value, the Issuing Officer is the sole point of contact concerning this RFQ. Any violation of this condition may be cause for the Issuing Office to reject the offending Contractor's quote. If the Issuing Office later discovers that the Contractor has engaged in any violations of this condition, the Issuing Office may reject the offending Contractor's quote or rescind its purchase order. Contractors must agree not to distribute any part of their quotes beyond the Issuing Office. A Contractor who shares information contained in its quote with other Commonwealth personnel and/or competing Contractor personnel may be disqualified.

Term of Purchase Order. The term of the purchase order will commence on the date set forth in the Notice to Proceed and purchase order issued to the selected contractor (“Effective Date”), which is anticipated to be by the end of 2020, and will expire at the conclusion of the ERP Project, anticipated to span about 27 months (including Blueprint Phase), unless it is terminated earlier pursuant to the terms of the purchase order.

No work may begin or be reimbursed prior to the date of issuance of the purchase order and notice to proceed. The selected Contractor will be paid after submitting invoices, provided it is in accordance with the work plan and approved by the Commonwealth Project Manager. Final payment will not be made until all Project work has been successfully completed.

I-19. Notification of Selection. The Issuing Office will notify the selected Contractor in writing of its selection as the best value contractor after the Issuing Office has determined, taking into consideration all of the evaluation factors, the quote that is the most advantageous to the Issuing Office.

I-20. Debriefing Conferences. Contractor whose quotes were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Contractor with other Contractor, other than the position of the Contractor’s quote in relation to all other Contractor quotes.

I-21. Terms and Conditions. The requirements and terms and conditions of Consulting Services ITQ #4400008111 shall govern all work conducted as a result of this RFQ.

PART II

CRITERIA FOR SELECTION

- II-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a quote must:
- A. Be timely received from an Contractor (see **Section I-8**); and
 - B. Be properly signed by the Contractor (see **Section I-10**); and
 - C. Be from a Contractor who is qualified in Commodity Code 80100000-ITQ-67 Consulting-Mgt General Gov Operations-Strategic Planning, under Contract #4400008111.
- II-2. Technical Nonconforming Quotes.** The two Mandatory Responsiveness Requirements set forth in **Section II-1** above are the only RFQ requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Contractor's quote, (2) allow the Contractor to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Contractor's quote.
- II-3. Evaluation.** The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted quotes. Independent of the committee, BDISBO will evaluate the Small Diverse Business and Small Business Participation Submittal and provide the Issuing Office with a rating for this component of each quote. The Issuing Office will notify in writing of its selection for negotiation the responsible Contractor whose quote is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors.
- II-4. Evaluation Criteria.** The following criteria will be used in evaluating each quote to determine Best Value:
- A. **Technical:** The Issuing Office has established the weight for the Technical criterion for this RFQ as 50% of the total points. Evaluation will be based upon the Offerors' response to Sections III-1 through III-6 of this RFQ. The final Technical scores are determined by giving the maximum number of technical points available to the quote with the highest raw technical score. The remaining quotes are rated by applying the Technical Scoring Formula set forth at the following webpage:
<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.
 - B. **Cost:** The Issuing Office has established the weight for the Cost criterion for this RFQ as 30% of the total points. The cost criterion is rated by giving the quote with the lowest total cost the maximum number of Cost points available. The remaining quotes are rated by applying the Cost Formula set forth at the following webpage:
<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.
 - C. **Small Diverse Business and Small Business Participation:** BDISBO has established the minimum evaluation weight for the Small Diverse Business and Small Business Participation criterion for this RFQ as 20% of the total points.

1. The Small Diverse and Small Business point allocation is based entirely on the percentage of the contract cost committed to Small Diverse Businesses and Small Businesses.
2. A total combined SDB/SB commitment less than one percent (1%) of the total contract cost is considered de minimis and will receive no Small Diverse Business or Small Business points.

Two thirds (2/3) of the total points are allocated to Small Diverse Business participation (SDB %).

3. One third (1/3) of the total points is allocated to Small Business participation (SB %).
4. Based on a maximum total of 200 available points for the Small Diverse Business and Small Business Participation Submittal, the scoring mechanism is as follows:

Small Diverse Business and Small Business Raw Score =
200 (SDB% + (1/3 * SB %))

5. Each Contractor’s raw score will be pro-rated against the Highest Contractor’s raw score by applying the formula set forth on the following webpage:
http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/RFQ_SCORING_FORMULA.aspx.
6. The Contractor’s prior performance in meeting its contractual obligations to Small Diverse Businesses and Small Businesses will be considered by BDISBO during the scoring process. To the extent the Contractor has failed to meet prior contractual commitments, BDISBO may recommend to the Issuing Office that the Contractor be determined non-responsible for the limited purpose of eligibility to receive Small Diverse Business and Small Business points.

II-5. Contractor Responsibility. To be responsible, a Contractor must submit a responsive quote and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for a Contractor to be considered responsible for this RFQ and therefore eligible for selection for best and final offers or selection for contract negotiations:

- A. The total score for the technical submittal of the Contractor’s quote must be greater than or equal to **75% of the available technical points; and**

The Issuing Office will award a contract only to a Contractor determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

II-6. Final Ranking and Award.

- A.** After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final Small Diverse Business and Small Business Participation Submittal scores, and the final cost scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B.** The Issuing Office will rank responsible Contractors according to the total overall score assigned to each, in descending order.
- C.** The Issuing Office must select as the Best Value Contractor the Contractor with the highest overall score.
- D.** The Issuing Office has the discretion to reject all quotes or cancel the request for quotes, at any time prior to the time a purchase order is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART III

TECHNICAL SUBMITTAL

III-1. Nature and Scope of the Project. The PLCB's ERP Project is a major and complex technology implementation project involving cross-functional PLCB teams, a contracted integrator and its sub-contracted partner. As such, the PLCB seeks an independent, unbiased advisor to provide solution analysis and recommendations for improvement, based on industry standards and best practices, throughout design and implementation of the ERP.

III-2. Restrictions and Requirements.

A. The selected Contractor will not perform functions on behalf of Commonwealth management nor make decisions on behalf of Commonwealth management. While the Contractor will be responsible for project assessment, independent and unbiased solution analysis and recommendations for improvement based on industry standards and best practices; and effective communication with and among ERP project leaders, the PLCB will ultimately be responsible for managing Oracle's accountability and delivery of its contracted services and deliverables.

B. Performance of Work Duties and Accessibility. The selected Contractor will be expected to support the project during traditional work hours, generally 8:30 a.m. to 5 p.m. Monday through Friday, although successful advising services may require occasional extra hours or work during non-traditional hours, as project needs dictate. Given the current COVID-19 pandemic and its interruption of traditional office operations, workspace for the Contractor will be made available at PLCB Headquarters in Harrisburg, PA, if/when it is deemed safe for personnel to return to the building. Contractors should assume supporting the Project remotely until further notice.

C. Substitutions. The PLCB must approve or disapprove any staffing substitutions and changes.

1. Any staffing substitutions must be submitted to the PLCB at least 45 days prior to the substituted or replaced staff starting work. In the event of a voluntary termination of employment by the assigned ERP Project Manager, notice of the proposed replacement should be provided to PLCB as soon as possible.
2. The PLCB must not incur any project delays due to knowledge transfer to new Contractor personnel resulting from staffing substitutions or replacement.
3. The PLCB reserves the right to require replacement of Contractor personnel if dissatisfied with performance.

D. Emergency Preparedness.

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.

2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a. Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - b. Identified essential business functions and key employees (within your organization) necessary to carry them out
 - c. Contingency plans for:
 - i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - d. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - e. How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

III-3. Statement of the Project. State in succinct terms your understanding of the Project or the service required by this RFQ.

III-4. Qualifications.

- A. Company Overview and Required Knowledge and Skills.** Contractor must provide an overview of its company and demonstrate extensive experience and skillsets relative to the following:
 1. Demonstrated experience in successfully managing Oracle ERP implementations (cloud implementations strongly preferred) and ERP implementations for retail/wholesale clients;
 2. Strong communication and presentation skills (written and oral), diplomacy and ability effectively facilitate groups and interact with all levels of staff and management;
 3. Strong organizational skills, attention to detail and ability to manage to a tight schedule;
 4. Excellent problem solving, critical thinking and analytical skills;
 5. Strong personal integrity and work ethic;
 6. Familiarity with the beverage alcohol industry preferred.
- B. Prior Experience.** Contractor must provide three detailed examples of recent (within the last 1-3 years) advisory services performed that are similar in nature and scope to the services stated in this RFQ. Experience shown should be work done by individuals who will be assigned to this Project as well as that of your company. Contractor should provide a detailed narrative for each project that includes the following:
 1. Project Name
 2. Scope and Size of Project
 3. Project Start and End Dates

4. Client Name
5. Client Address
6. Client Contact Name, Phone Number and Email address

C. Personnel. Contractor must provide the name(s) and resume(s) of the individual(s) to be assigned to this project showing a minimum of five years of relevant experience and demonstrating the qualifications and skills required to successfully advise the PLCB on this Project. Strong academic credentials with bachelor's degree required, master's degree preferred. Ensure resumes contain no personal information as these may become public documents.

D. Subcontractors: If applicable, Contractor shall provide a subcontracting plan for any and all subcontractors, including small and small diverse business subcontractors, who will be assigned to the Project. Subcontractors under this RFQ do not need to be a qualified ITQ Contractor since the prime contractor assumes responsibility for all services whether or not it provides them directly. Upon award of the Purchase Order resulting from this RFQ, subcontractors included in the quote submission are deemed approved. For each position to be subcontracted provide:

1. Name of subcontractor;
2. Primary contact name and email;
3. Address of subcontractor;
4. Description of services to be performed;
5. Number of employees by job category assigned to this project; and
6. Resumes (if appropriate and available).

III-5. Work Plan. Contractor will be responsible for performing the following tasks. Contractor shall describe in narrative form its approach for accomplishing the tasks.

A. *Continual project assessment and provision of independent and unbiased analysis and recommendations for improvement based on industry standards and best practices.* The Contractor – based on experience with ERP implementations and technology platforms, knowledge of retail and wholesale best practices, familiarity with financial reporting standards, understanding of opportunities for business process optimization and other relevant expertise – will provide independent and unbiased opinions on proposed solutions, approaches and plans to Project leads and sponsors.

The Contractor will be expected to provide an outsider's perspective and serve as the PLCB's "conscience" for the Project, identifying potential biases and misinformed assumptions and recommendations among any and all team members (Oracle, Deloitte, PLCB), so that such biases and misinformation can be appropriately considered and challenged. Noting in particular, the second and third ERP Project Key Assumptions in **Appendix A, Additional ERP Project Detail**, the Contractor will be responsible for facilitating the "why not" approach among PLCB staff to avoid customizations and minimize configurations.

The Contractor will be responsible for continual assessment and evaluation of the following throughout the ERP project:

1. **Modules/functionality proposed to be implemented:** Assess suitability of various software and hardware solutions (product suites, modules, tools, reports, dashboards, analytics, retail

technology, etc.) proposed to be part of the solution. Identify any deficiencies or alternatives the PLCB should consider.

2. **Project timelines:** Evaluate Project timelines both in terms of practicality as well as sensibility of phase and deliverable sequencing.
3. **Project management efficacy:** Assess soundness of overall approach to the Project, including project management, change management, engagement of sub-contractors and accountability and quality controls. Identify any gaps or deficiencies.
4. **Project costs:** Consider cost quotations time, materials, licensing, annual maintenance/support, etc. and advise as to acceptability of same and/or opportunities for cost savings balanced against quality of solution.

B. *Facilitation and delivery of effective communications.* The Contractor must coordinate and ensure timely and accurate communication of Project assessments to PLCB leadership and among PLCB business and technology individuals and workgroups directly involved in the Project. To support its independent analysis of the Project and recommendations for improvement, the Contractor will also be responsible for communicating with Oracle staff managing and implementing the Project and Deloitte representatives supporting Oracle.

C. *Regular project assessment, analysis, risk and resource reporting.* At least weekly, but with greater frequency as appropriate and/or as requested by the PLCB, the Contractor must provide a written report to the PLCB documenting the Contractor's assessment, analysis and communications efforts and concerns during the prior week. Such report should address Project progress within the context of the Project plan and timeline, risk assessment, resource evaluation and any other topics and issues critical to the success of the ERP implementation project.

PART IV
COST SUBMITTAL

IV-1. Cost Submittal. The information requested in this **Part IV** shall constitute the Cost Submittal. The Cost Submittal shall be emailed as a separate file. The total proposed cost should be broken down into the components set forth in **Appendix E – Cost Submittal Worksheet**. The percentage of commitment to Small Diverse Businesses and Small Businesses should not be stated in the Cost Submittal. Contractor should **not** include any assumptions in their cost submittals. If the Contractor includes assumptions in its cost submittal, the Issuing Office may reject the quote. Contractor should email the Issuing Office pursuant to **Section I-5** of this RFQ any questions about whether a cost or other component is included or applies. All Contractors will then have the benefit of the Issuing Office’s written answer so that all quotes are submitted on the same basis.

IV-2. Reimbursement. The Issuing Office will reimburse the Contractor for work satisfactorily performed after execution of a written contract and the start of the Contract term, in accordance with Contract requirements, and only after the Issuing Office has issued a Notice to Proceed.

IV-3. Invoicing. All services and costs identified above and performed in support of this Contract must be invoiced directly to the assigned PLCB Project Manager monthly. Invoices to the PLCB may only reflect charges for deliverables deemed acceptable by the PLCB.

Any questions or problems related to invoicing, bill payment debits/credits to invoices, or other monetary related topics identified by the Selected Offeror during the duration of the Contract term should be addressed directly to the PLCB Project Manager.

IV-4. Supplier Registration. The Contractor will be required to register with PLCB’s Supplier Unit and have their information entered into PLCB’s Oracle systems database. This registration must be completed before a contract can be fully executed and approved. To obtain this supplier number, the Supplier Registration Form PLCB-2348 will need to be completed on the form located at the following link:
<https://www.lcb.pa.gov/JoinOurTeam/Pages/Contract-Opportunities.aspx>

IV-5. iSupplier Portal. After supplier registration of the Contractor is completed by the PLCB, access to the iSupplier Portal will be automatically granted with the ability to view purchase orders, invoices and payments online. An auto-generated email will be sent from the PLCB’s Supplier Unit granting administrator rights with logon credentials and further instructions. It is the supplier’s responsibility to ensure that the supplier information contained in the Oracle system is accurate and complete and keep the PLCB updated with any data changes, including bank data. Failure to notify the PLCB of any changes to supplier information may result in delayed payments.

IV-6. State Tax Liability/Debt Obligation. The Commonwealth may set-off the amount of any state tax liability or other debt or obligation of the Contractor or its subsidiaries that is owed to the Commonwealth and is not being contested on appeal against any payments due the Contractor under the resulting Contract or any other contract with the Commonwealth.

PART V

SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL

V-1. Small Diverse Business and Small Business General Information. The Issuing Office encourages participation by Small Diverse Businesses and Small Businesses as prime contractors, and encourages all prime contractors to make significant commitments to use Small Diverse Businesses and Small Businesses as subcontractors and suppliers.

For credit in the RFQ scoring process, a Small Diverse Business must complete the DGS verification process; a Small Business must complete the DGS/BDISBO self-certification process. Information on these processes and forms can be found [here](#).

A Small Business must meet each of the following requirements:

- The business must be a for-profit, United States business;
- The business must be independently owned;
- The business may not be dominant in its field of operation;
- The business may not employ more than 100 full-time or full-time equivalent employees;
- The business, by type, may not exceed the following three-year average gross sales:
 - Procurement Goods and Services: \$20 million
 - Construction: \$20 million
 - Building Design Services: \$7 million
 - Information Technology Goods and Services: \$25 million

A Small Diverse Business is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, Disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

An Offeror that qualifies as a Small Diverse Business or a Small Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

A Small Diverse Business or Small Business may be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

The Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses can be accessed from:

<http://www.dgs.internet.state.pa.us/suppliersearch>

Questions regarding the Small Diverse Business and Small Business Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)

Room 601, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: RA-BDISBOVerification@pa.gov
Website: www.dgs.pa.gov

V-2. Small Diverse Business and Small Business (SDB/SB) Participation Submittal. All Offerors are required to submit the **Small Diverse Business and Small Business Participation Submittal Form and related Letter(s) of Intent** provided in **Appendices F and G and as described in Section I-10**. To receive points for Small Diverse Business or Small Business participation commitments, the Small Diverse Business or Small Business must be listed in the Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses as of the proposal due date and time. BDISBO reserves the right to adjust overall Small Diverse Business or Small Business commitments to correctly align with the Small Diverse Business or Small Business status of a prime contractor or subcontractor as of the solicitation due date and time, and also to reflect the correct sum of individual subcontracting commitments listed within the Letters of Intent.

- A. Offerors must indicate their status as a Small Diverse Business and as a Small Business through selection of the appropriate checkboxes.
- B. Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses and Small Businesses as subcontractors.
- C. Offerors must include a listing of and required information for each of the Small Diverse Businesses and/or Small Businesses with whom they will subcontract to achieve the participation percentages outlined on the Small Diverse Business and Small Business Participation Submittal.
- D. Offerors must include a Letter of Intent signed by both the Offeror and the Small Diverse Business or Small Business for each of the Small Diverse Businesses and Small Businesses identified in the Small Diverse Business and Small Business Participation Submittal form. At minimum, the Letter of Intent must include the following:
 1. The fixed numerical percentage commitment and associated estimated dollar value of the commitment made to the Small Diverse Business or Small Business; and
 2. A description of the services or supplies the Small Diverse Business or Small Business will provide; and
 3. The timeframe during the initial contract term and any extensions, options and renewals when the Small Diverse Business or Small Business will perform or provide the services and/or supplies; and
 4. The name and telephone number of the Offeror's point of contact for Small Diverse Business and Small Business participation; and
 5. The name, address, and telephone number of the primary contact person for the Small Diverse Business or Small Business.

- E. Each Small Diverse Business and Small Business commitment which is credited by BDISBO along with the overall percentage of Small Diverse Business and Small Business commitments will become contractual obligations of the selected Offeror.

NOTE: Offerors will not receive credit for any commitments for which information as above is not included in the Small Diverse Business and Small Business Participation Submittal. Offerors will not receive credit for stating that after the contract is awarded they will find a Small Diverse Business or Small Business.

NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of Small Diverse Business and/or Small Business Status or entitle an Offeror to receive credit for Small Diverse Business or Small Business participation.

V-3. Contract Requirements—Small Diverse Business and Small Business Participation.

All contracts containing Small Diverse Business and Small Business Participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:

- A. Each Small Diverse Business and Small Business commitment which was credited by BDISBO and the total percentage of such Small Diverse Business and Small Business commitments made at the time of proposal submittal, BAFO or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.
- B. All Small Diverse Business and Small Business subcontractors credited by BDISBO must perform at least 50% of the work subcontracted to them.
- C. The individual percentage commitments made to Small Diverse Businesses and Small Businesses cannot be altered without written approval from BDISBO.
- D. Small Diverse Business and Small Business commitments must be maintained in the event the contract is assigned to another prime contractor.
- E. The selected Offeror and each Small Diverse Business and Small Business for which a commitment was credited by BDISBO must submit a final, definitive subcontract agreement signed by the selected Offeror and the Small Diverse Business and/or Small Business to BDISBO within 30 days of the final execution date of the Commonwealth contract. A Model Subcontract Agreement which may be used to satisfy this requirement – **Model Form of Small Diverse and Small Business Subcontract Agreement** – is provided in **Appendix H**.

The subcontract must contain:

- 1. The specific work, supplies or services the Small Diverse Business and/or Small Business will perform; location for work performed; how the work, supplies or services relate to the project; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed.

2. The fixed percentage commitment and associated estimated dollar value that each Small Diverse Business and/or Small Business will receive based on the final negotiated cost for the initial term of the prime contract.
 3. Payment terms indicating that the Small Diverse Business and/or Small Business will be paid for work satisfactorily completed within 14 days of the selected Offeror's receipt of payment from the Commonwealth for such work.
 4. Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected Offeror's contract with the Commonwealth and that do not place disproportionate risk on the Small Diverse Business and/or Small Business relative to the nature and level of the Small Diverse Business' and/or Small Business' participation in the project.
- F.** If the selected Offeror and a Small Diverse Business or Small Business credited by BDISBO cannot agree upon a definitive subcontract within 30 days of the final execution date of the Commonwealth contract, the selected Offeror must notify BDISBO.
- G.** The Selected Offeror shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the contracting officer of the Issuing Office and BDISBO within ten (10) business days at the end of each quarter of the contract term and any subsequent options or renewals. This information will be used to track and confirm the actual dollar amount paid to Small Diverse Business and Small Business subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Selected Offeror if the Utilization Report is not submitted in accordance with the schedule above.
- H.** The Selected Offeror shall notify the Contracting Officer of the Issuing Office and BDISBO when circumstances arise that may negatively impact the selected Offeror's ability to comply with Small Diverse Business and/or Small Business commitments and to provide a corrective action plan. Disputes will be decided by the Issuing Office and DGS.
- I.** If the Selected Offeror fails to satisfy its Small Diverse Business and/or Small Business commitment(s), it may be subject to a range of sanctions BDISBO deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the selected Offeror is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the contract together with consequential damages; revocation of the selected Offeror's Small Diverse Business status and/or Small Business status; and/or suspension or debarment from future contracting opportunities with the Commonwealth.

APPENDIX A

ADDITIONAL ERP PROJECT DETAIL

ERP Project Guiding Principles:

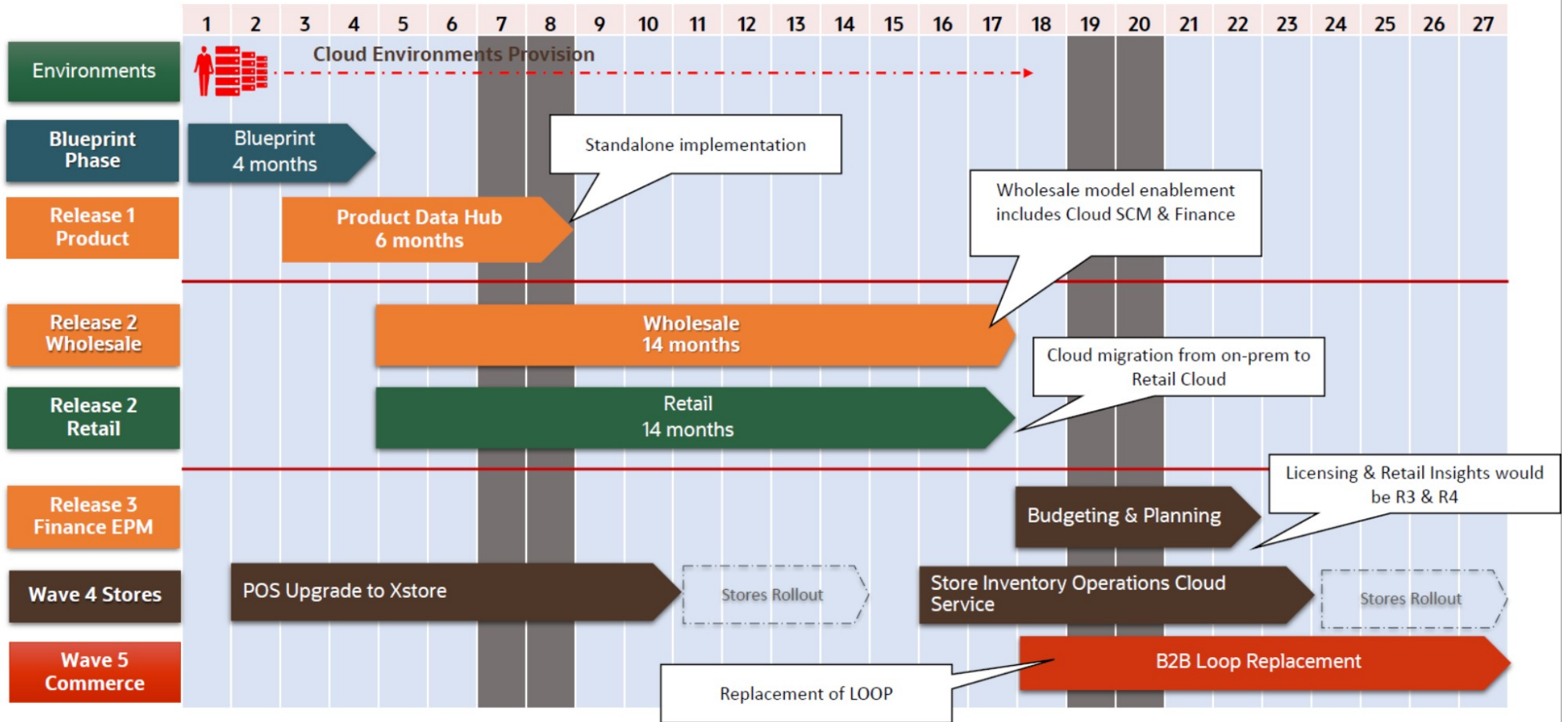
- Simplify and standardize business processes by leveraging standard out-of-the box cloud functionality – Retail, Supply Chain and Financials applications
- Prioritize implementation sequences by business value while limiting throw-away integration
- Leverage Oracle’s SaaS applications to drive down total cost of ownership
- Standardize product data and other master data processes

ERP Project Key Assumptions

- A core executive leadership team will be heavily engaged during the blueprint phase and drive key design decisions using a top-down approach
- Oracle’s Retail Reference Model and Deloitte’s Industry Print process models will be used to drive process design using a “Why not standard process/design” approach
- There will be NO customizations or extensions of Oracle Cloud functionality. Where applicable, process/manual workarounds and base configurations will be used.
- Change management strategy and plan will be developed upfront in the project, during the Blueprint Phase
- Implementation approach is modeled closer to a “Green Field” implementation than a traditional cloud migration
- Minimum data conversion assumed given implementation approach.

POTENTIAL ERP PROJECT TIMELINE
 (to be updated and refined in Blueprint Phase)

Implementation Roadmap



POTENTIAL ORACLE ERP APPLCATIONS

(to be refined in Blueprint Phase)

- Oracle Retail Merchandising Foundation Cloud Service
- Oracle Retail Invoice Matching Cloud Service
- Oracle Retail Pricing Cloud Service
- Oracle Retail Integration Cloud Service
- Oracle Retail Enterprise Inventory Cloud Service
- Oracle Retail Store Operations Cloud Service
- Oracle Retail Order Broker Cloud Service
- Oracle Retail Customer Management and Segmentation Foundation Cloud Service
- Oracle Retail Campaign and Deal Management Cloud Service
- Oracle Retail Loyalty and Awards Cloud Service
- Oracle Retail Gift Cards Cloud Service
- Oracle Retail Xstore Office Cloud Service
- Oracle Commerce Cloud Service (B2B)
- Oracle Retail Insights Cloud Service
- Retail Xstore Point of Service
- Oracle Fusion Enterprise Resource Planning Cloud Service
- Oracle Fusion Procurement Cloud Service
- Oracle Fusion Order Management Cloud Service
- Oracle Fusion Supply Chain Execution Cloud Service
- Oracle Fusion WebCenter Forms Recognition
- Oracle Enterprise Performance Management Enterprise Cloud Service
- Oracle Fusion Supply Chain Planning Suite Cloud Service
- Oracle Fusion Product Management Cloud Service

APPENDIX B

CURRENT PLCB ORACLE RETAIL SOFTWARE

(All software, with the exception of Oracle Retail Demand Forecasting, is currently on premises.)

- Oracle Retail Back Office
- Oracle Retail Category Management
- Oracle Retail Demand Forecasting (Cloud-based)
- Oracle Retail Store Inventory Management
- Oracle Financials
- Oracle Property Manager
- Oracle Retail Point of Service
- Oracle Retail Merchandising System
- Oracle iReceivables
- Oracle Hyperion Enterprise Planning Suite
- Oracle Performance Management
- Oracle Retail Allocation
- Oracle Enterprise Planning and Budgeting
- Oracle Procurement Contracts for Oracle Purchasing
- Oracle Retail Invoice Matching
- Oracle Retail Sales Audit
- Oracle Service Contracts
- Oracle Retail Active Retail Intelligence
- Oracle Project Costing
- Oracle Purchasing
- Oracle Marketing
- Oracle Retail Central Office
- Oracle Warehouse Management for Oracle Inventory Management
- Oracle Human Resources
- Oracle Retail Price Management
- Oracle iProcurement
- Oracle iSupplier Portal for Oracle Purchasing
- Oracle Inventory Management
- Oracle Order Management
- Oracle Retail Integration Bus
- Oracle Retail Data Warehouse

APPENDIX C
Consulting Services Contract 4400008111
QUOTE COVER SHEET

Enclosed in three separately sealed submittals is the quote of the Contractor identified below for the above-referenced RFQ:

Contractor Information:	
Contractor Name	
Contractor Mailing Address	
Contractor Website	
Contractor Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Contractor Federal ID Number	
Contractor SAP/SRM Vendor Number	

Submittals Enclosed and Separately Sealed:	
<input type="checkbox"/>	Technical Submittal <input type="checkbox"/> Domestic Workforce Utilization Certification
<input type="checkbox"/>	Small Diverse Business and Small Business Participation Submittal <input type="checkbox"/> Small Diverse Business and Small Business Participation Submittal Form <input type="checkbox"/> Small Diverse Business and Small Business Letter(s) of Intent
<input type="checkbox"/>	Cost Submittal

APPENDIX D
Trade Secret/Confidential Proprietary Information Notice

Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials that contain trade secrets or confidential proprietary information unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to trade secret law.

Name of submitting party:

Contact information for submitting party:

Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, grant application, technical schematics):

Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g.: *Response to RFQ #20200713. for XYZ being offered by XXXXXXXX. Documents required to be submitted under law ABC*)

Please provide a list detailing which portions of the material being submitted you believe constitute a trade secret or confidential proprietary information, and please provide an explanation of why you think those materials constitute a trade secret or confidential proprietary information. Also, please mark the submitted material in such a way to allow a reviewer to easily distinguish between the parts referenced below. (You may attach additional pages if needed)

Note: The following information will not be considered a trade secret or confidential proprietary information:

- **Any information submitted as part of a vendor's cost proposal**
- **Information submitted as part of a vendor's technical response that does not pertain to specific business practices or product specification**
- **Information submitted as part of a vendor's technical or disadvantaged business response that is otherwise publicly available or otherwise easily obtained**
- **Information detailing the name, quantity, and price paid for any product or service being purchased by the Commonwealth**

<u>Page Number</u>	<u>Description</u>	<u>Explanation</u>
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Acknowledgment

The undersigned party hereby agrees that it has read and completed this form and has marked the material being submitted in accordance with the instructions above. The undersigned party acknowledges that the Commonwealth is not liable for the use or disclosure of trade secret data or confidential proprietary information that has not been clearly marked as such, and which was not accompanied by a specific explanation included with this form.

The undersigned agrees to defend any action seeking release of the materials it believes to be trade secret or confidential, and indemnify and hold harmless the Commonwealth, its agents and employees, from any judgments awarded against the Commonwealth in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives so long as the Commonwealth has possession of the submitted material, and will apply to all costs unless and until the undersigned provides a written statement or similar notice to the Commonwealth stating that it no longer wishes to exempt the submitted material from public disclosure.

The undersigned acknowledges that the Commonwealth is required to keep all records for at least as long as specified in its published records retention schedule.

The undersigned acknowledges that the Commonwealth reserves the right to reject the undersigned's claim of trade secret/confidential proprietary information if the Commonwealth determines that the undersigned has not met the burden of establishing that the information constitutes a trade secret or is confidential. The undersigned also acknowledges that if only a certain part of the submitted material is found to constitute a trade secret or is confidential, the remainder of the submitted material will become public; only the protected information will be removed and remain nonpublic.

If being submitted electronically, the undersigned agrees that the mark below is a valid electronic signature.

Signature

Title

Date

APPENDIX E

COST SUBMITTAL WORKSHEET

The selected Contractor will be compensated on a fixed-fee basis.

- A. Any travel or materials required by the Contractor to support its delivery of services in support of this project must be reflected within the fixed price proposed for this Project. No additional travel or materials reimbursements will be made by the PLCB.
- B. Payment will be made monthly in arrears, dividing the total fixed-fee cost quote by 27 months.

Instructions: Contractor should provide a comprehensive fixed-fee cost quotation for delivery of services in support of this project, assuming 27 months of work from the Effective Date. Using the template below, provide as much detail as possible regarding roles, rates and hours supporting the fixed fee quote.

Fixed-Fee Cost Quote: \$ _____

Supporting Cost Quote Detail:

ROLE	RATE	ESTIMATED HOURS

Listing SDB and SB Subcontractors

The Contractor must list in the chart below the SDBs and SBs that will be used to meet the percentage commitments provided above. Include the SDB/SB firm name, SDB or SB designation, SDB/SB Primary Contact Information, a description of the service or supplies the SDB/SB will provide, fixed percent of total contract cost committed, estimated dollar value of each commitment, and an indication as to the Contractor’s intent to utilize the SDB/SB subcontractor for contract options or renewals. Include as many pages as necessary. **Contractor must also include a Letter of Intent as indicated in RFQ Part V, Section V-2 for each SDB/SB listed.**

SDB/SB Name	SDB or SB	Primary Contact Name & Email	Description of Services or Supplies to be provided	% of total Contract Cost Committed	Estimated \$ value of Commitment	Will SDB/SB be used for options/renewals? (yes/no)

**APPENDIX G
SMALL DIVERSE AND SMALL BUSINESS
LETTER OF INTENT**

[DATE]

[SDB/SB Contact Name

Title

SDB/SB Company Name

Address

City, State, Zip]

Dear **[SDB/SB Contact Name]**:

This letter serves as confirmation of the intent of **[Contractor]** to utilize **[Small Diverse Business (SDB) or Small Business (SB)]** on RFQ **[RFQ number and Title]** issued by the **[Commonwealth agency name]**.

If **[Contractor]** is the successful vendor, **[SDB or SB]** shall provide **[identify the specific work, goods or services the SDB/SB will perform]** during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below: **[identify the specific time periods during the initial contract term and any extensions, options and renewals when the component work, goods or services will be provided or performed.]**

These services represent **[identify fixed numerical percentage commitment]** of the total cost in the **[Contractor's]** cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that **[SDB or SB]** will receive an estimated **[identify associated estimated dollar value that the fixed percentage commitment represents]** during the initial contract term.

[SDB/SB] represents that it meets the small or small diverse business requirements set forth in the RFQ and all required documentation has been provided to **[Contractor]** for its SDB/SB submission.

We look forward to the opportunity to serve the **[Commonwealth agency name]** on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Contractor Name

Title

Company

Phone number

SDB or SB Name

Title

Company

Phone number

APPENDIX H

MODEL FORM OF SMALL DIVERSE AND SMALL BUSINESS SUBCONTRACTOR AGREEMENT

This Subcontractor Agreement ("Subcontract") is made effective as of _____, 20____, by and between _____, ("Contractor") and _____, a Small Diverse Business or Small Business ("Subcontractor") (collectively referred to as the "Parties").

RECITALS

Contractor has entered into a contract dated _____ (the "Prime Contract") with the Department of _____ of the Commonwealth of Pennsylvania ("Commonwealth"). Under the Prime Contract, Contractor has agreed to provide certain supplies, services or construction ("Services") to the Commonwealth.

In connection with the Procurement leading to the Prime Contract, Contractor and Subcontractor entered into a letter agreement dated _____ ("Letter of Intent") whereby the Contractor committed a certain percentage of work ("Small Diverse Business or Small Business Commitment") under the Prime Contract to the Subcontractor.

As contemplated by the Letter of Intent and in accordance with the provisions of the Procurement and Prime Contract, the Parties have agreed to enter into this Subcontract to fulfill the Small Diverse Business or Small Business Commitment expressed in the Letter of Intent and as required by the Prime Contract.

DEFINITIONS

The following words and terms when used in this Subcontract shall have the following meanings:

Bureau – The Department's Bureau of Diversity, Inclusion and Small Business Opportunities.

Contracting Officer – The person authorized to administer and make written determinations for the Commonwealth with respect to the Prime Contract.

Department – The Department of General Services of the Commonwealth of Pennsylvania.

Issuing Office – The department, board, commission or other agency of the Commonwealth of Pennsylvania that issued the Procurement.

Procurement – The Invitation for Bids, Request for Quotes, Request for Quotes or other solicitation and all associated final procurement documentation issued by the Commonwealth to obtain quotes from firms for award of the Prime Contract.

Small Business – A business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Small Diverse Business – A Department-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, or disability-owned small business.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. Subcontractor Representations. Subcontractor represents and warrants to Contractor as follows:

(a) Subcontractor is self-certified as a Small Business in accordance with the requirements and procedures established by the Bureau of Diversity, Inclusion and Small Business Opportunities; [Subcontractor is also verified as a Small Diverse Business by the Bureau of Diversity, Inclusion and Small Business Opportunities in accordance with the requirements and procedures established by the Bureau;]

(b) Subcontractor possesses the necessary knowledge, experience, expertise, capital, resources and personnel required to perform the Services it will provide under this Subcontract;

(c) Subcontractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(d) The execution and performance by Subcontractor of the terms and provisions of this Subcontract have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract by Subcontractor will violate any provision of law, any order of any court or other agency of government, the organizational documents of Subcontractor or any indenture, agreement or other instrument to which Subcontractor is a party, or by which Subcontractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Subcontractor pursuant to, any such indenture agreement or instrument;

(e) Subcontractor has obtained all licenses, permits and approvals required to perform the Services it will provide under this Subcontract; and

(f) Subcontractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

2. Contractor Representations. Contractor represents and warrants to Subcontractor as follows:

(a) Contractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(b) The execution and performance by Contractor of the terms and provisions of this Subcontract by Contractor have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract will violate any provision of law, any order of any court or other agency of government, the organizational documents of Contractor or any indenture, agreement or other instrument to which Contractor is a party, or by which Contractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Contractor pursuant to, any such indenture agreement or instrument;

(c) Contractor has obtained all licenses, permits and approvals required to perform the Services to be provided by Contractor under the Prime Contract; and

(d) Contractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

3. Relationship of the Parties. The provisions of this Subcontract are not intended to create, nor shall be deemed or construed to create, any joint venture, partnership or other relationship between Contractor and Subcontractor, other than that of independent entities contracting with each other solely for the purpose of carrying out the provisions of this Subcontract. Neither of the Parties to this Subcontract, nor any of their respective employees, agents, or other representatives, shall be construed to be the agent, employee or representative of the other party. Neither party shall have the authority to bind the other party, nor shall a party be responsible for the acts or omissions of the other party, unless otherwise stated in this Subcontract. Similarly, the Parties expressly acknowledge that neither the Contractor nor the Subcontractor is an agent, employee or representative of the Commonwealth and each party covenants not to represent itself accordingly.

4. Prime Contract Flow-Down.

(a) General. This agreement is a subcontract under the Prime Contract and all provisions of the Prime Contract and any amendments thereto applicable to the Services being performed by the Subcontractor shall extend to and be binding upon the Parties as part of this Subcontract.

(b) Specific. The Parties agree to comply with the following provisions of the Prime Contract, which are incorporated herein by reference:

- (1) The Americans with Disabilities Act Provisions.
- (2) Nondiscrimination/Sexual Harassment Clause.
- (3) Contractor Integrity Provisions.
- (4) Contractor Responsibility Provisions.

(c) Termination. Should the Prime Contract be terminated pursuant to the terms and conditions provided in the Procurement, such termination shall have the same effect on this Subcontract. Payment for Services provided as of the date of termination must be made in accordance with the Section 13 of this Subcontract.

(d) Audit Provisions. The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents, and records of the Parties to the extent that the books, documents, and records relate to the Parties' compliance with the provisions set forth in subsection (b) above or to the Small Diverse Business or Small Business Commitment effectuated through this Subcontract. The Parties shall preserve such books, documents, and records for a period of three years from the date of final payment hereunder. The Parties shall give full and free access to all such records to the Commonwealth and/or its authorized representatives.

5. Order of Precedence. The Letter of Intent, Procurement and Prime Contract are incorporated herein by reference into this Subcontract. In the event of any conflict or inconsistency among the individual components of this Subcontract, such conflict or inconsistency shall be resolved by observing the following order of precedence:

- (a) This Subcontract;
- (b) The Letter of Intent;
- (c) The Prime Contract; and
- (d) The Procurement.

6. Further Action. The Parties shall take such actions and complete, execute and deliver any and all documents or instruments necessary to carry out the terms and provisions of this Subcontract, to effectuate the purpose of this Subcontract, and to fulfill the obligations of each party hereunder.

7. Description of Services. Subcontractor will perform the following Services for the Contractor which Contractor is obligated to provide to the Commonwealth under the Prime Contract:

[DESCRIBE IN DETAIL THE SPECIFIC SUPPLIES, SERVICES OR CONSTRUCTION THE SUBCONTRACTOR WILL PROVIDE OR PERFORM]

8. Small Diverse Business or Small Business Commitment. The above-referenced Services represent ___ % of the final negotiated total cost for the initial term of the Prime Contract. Any proposed change to the Small Diverse Business or Small Business Commitment must be submitted in writing to the Bureau which will make a recommendation to the Commonwealth Contracting Officer regarding a course of action.

9. Performance of Services. Subcontractor may not subcontract more than 50% of the work subcontracted to it hereunder without written permission from the Bureau. Subcontractor will perform the Services strictly in accordance with any applicable plans and specifications as contained in the Prime Contract and the reasonable deadlines set by Contractor in view of the requirements of the Prime Contract, and in a good workmanlike manner consistent with industry standards, meeting all applicable local, state and federal laws, regulations and policies.

10. Location of Services. Subcontractor will provide the Services at the following address(es):

11. Timeframe for Performance of Services. The Services will be provided by Subcontractor during the initial term of the Prime Contract, and during any extensions, options or renewal periods of the Prime Contract exercised by the Commonwealth, as more specifically set forth below:

[IDENTIFY THE SPECIFIC TIME PERIODS DURING THE INITIAL CONTRACT TERM AND EXTENSIONS, OPTIONS AND RENEWALS WHEN THE SUBCONTRACTOR WILL PERFORM COMPONENT SERVICES]

12. Pricing of Services. Subcontractor shall provide or perform the Services at the pricing specified in Exhibit ___ to this Subcontract. [ATTACH A BILL OF MATERIALS, RATE CARD OR OTHER APPROPRIATE COST SHEET COVERING THE SERVICES TO BE PROVIDED.]

13. Payment for Services. Contractor shall exert reasonable and diligent efforts to collect prompt payment from the Commonwealth. Contractor shall pay Subcontractor in proportion to amounts received from the Commonwealth which are attributable to the Services performed by Subcontractor. Contractor shall pay Subcontractor within fourteen (14) days after the Contractor

receives such payment from the Commonwealth, unless the parties expressly agree upon a different payment schedule or structure as set forth below:

14. Utilization Reports. Both the Contractor and Subcontractor shall complete Quarterly Utilization Reports (or similar type documents containing the same information) and submit them to the Contracting Officer and to the Bureau within ten (10) business days at the end of each quarter. This information will be used to determine the actual dollar amount paid to Subcontractor and will also serve as a record of fulfillment of Contractor's Small Diverse Business and Small Business Commitments. If there was no activity during the quarter, then the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Contractor if its Utilization Report is not submitted in accordance with the schedule above.

15. Change Orders. If the Commonwealth issues any change order or other formal contract instrument either expanding or limiting the work to be performed under the Prime Contract, the Parties shall accept such Change Orders. Contractor agrees to provide Subcontractor with written notice of any such change orders that affect the Services to be provided by the Subcontractor hereunder as soon as practical after Contractor receives such notice. Any resulting increase or decrease in the Services, Small Diverse Business or Small Business Commitment provided for in Paragraphs 7 or 8 above must be in writing, mutually agreed to, and signed by both Parties and communicated to the Bureau. If the Parties are unable to reach an agreement regarding any adjustment to the Services, Small Diverse Business or Small Business Commitment necessitated by a Commonwealth Change Order, the Parties must submit the matter in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

16. Force Majeure. Neither party will incur any liability to the other if its performance of any obligation under this Subcontract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemic and quarantines, general strikes throughout the trade, and freight embargoes. The existence of such causes beyond a party's control shall extend the period for performance to such extent as may be necessary to enable complete performance in the exercise of reasonable diligence after the causes have been removed.

17. Dispute Resolution.

(a) The Parties will attempt to resolve any dispute arising out of or relating to this Subcontract through friendly negotiations.

(1) The Parties expressly acknowledge and confer upon the Bureau and Contracting Officer the authority to adjudicate disputes that the Parties cannot resolve amicably

concerning the Parties' compliance with their Small Diverse Business and Small Business Commitments as provided in the Prime Contract and this Subcontract.

(2) The Bureau may recommend to the Contracting Officer a range of sanctions it deems appropriate if the Bureau determines a party has failed to satisfy or perform its Small Diverse Business or Small Business commitment. Such sanctions include, but are not limited to, one or more of the following: a determination that the party is not responsible under the Contractor Responsibility Program; withholding of Prime Contract and/or Subcontract payments; suspension or termination of the Prime Contract and/or Subcontract together with consequential damages; revocation of the party's Small Business self-certification status and/or Small Diverse Business verification status; and/or suspension or debarment of one or both parties from future contracting opportunities with the Commonwealth.

(3) The Parties' acknowledge that their prior performance in meeting their Small Diverse Businesses and Small Businesses contractual obligations will be considered by the Bureau during future procurement scoring processes. To the extent a party has failed to meet prior contractual commitments, the Bureau may recommend to the Issuing Office that the party be determined non-responsible for the limited purpose of eligibility to receive SDB/SB points or consideration as a qualified Small Diverse Business or Small Business.

(b) Nothing herein shall be construed to prevent either party from seeking such relief as provided by law in a court or tribunal of competent jurisdiction.

18. Notices. Any written notice to any party under this Subcontract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to the following:

If to Contractor:

If to Subcontractor:

19. Waiver. No waiver by either party of any breach of this Subcontract shall be deemed to waive any other breach. No acceptance of payment or performance after any breach shall be deemed a waiver of any breach. No failure or delay to exercise any right by a party upon

another's default shall prevent that party from later exercising that right, nor shall such failure or delay operate as a waiver of any default.

20. Severability. If any provision of this Subcontract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Subcontract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

21. Assignment. Neither party may assign or transfer this Subcontract without the prior written consent of the Commonwealth. If Contractor's Prime Contract with the Commonwealth is assigned to another contractor, the new contractor must maintain the Small Diverse Business and Small Business Commitment set forth in the Prime Contract as implemented through this Subcontract.

22. Applicable Law. This Subcontract shall be governed by the laws of the Commonwealth of Pennsylvania.

23. Entire Agreement. This Subcontract constitutes the entire agreement of the Parties regarding the subject of this Subcontract as of the date of execution. No other agreement or understandings, verbal or written, expressed or implied, are a part of this Subcontract unless specified herein.

24. Amendment. This Subcontract may be modified or amended only if made in writing and signed by both Parties. Any proposed change to the Contractor's Small Diverse Business or Small Business Commitment to Subcontractor must be submitted in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

25. Binding Effect. This Subcontract shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, representatives, successors and assigns.

26. Counterparts. This Subcontract may be executed by the Parties in counterparts, each of which together shall be deemed an original but all of which together shall constitute one and the same instrument. A party's delivery of a duly executed signature page of this Subcontract in electronic format shall have the same force and effect as delivery of an original signature page.

ADDITIONAL TERMS AND CONDITIONS

[THE PARTIES MAY INCLUDE ADDITIONAL TERMS AND CONDITIONS APPROPRIATE FOR THE SERVICES TO BE PROVIDED SO LONG AS THEY ARE COMMERCIALY REASONABLE TERMS FOR THE APPLICABLE BUSINESS OR INDUSTRY, ARE NO LESS FAVORABLE THAN THE TERMS OF THE PRIME CONTRACT, AND DO NOT PLACE DISPROPORTIONATE RISK ON THE SMALL DIVERSE BUSINESS OR SMALL BUSINESS RELATIVE TO THE NATURE AND LEVEL OF THE SMALL DIVERSE BUSINESS' OR SMALL BUSINESS' PARTICIPATION IN THE PROJECT. SUCH TERMS MAY INCLUDE:

Background Checks
Confidentiality/Disclosure of Information
Data Security
Insurance
Invoicing Requirements
Environmental Protection
Intellectual Property Rights
Record Retention/Audits
Service Level Agreements (SLAs) (consistent with Prime Contract SLAs)
Public Works Construction Requirements (including Bonding, E-Verify, Prevailing Wage, and Prompt Payment provisions)

IN WITNESS WHEREOF, the Parties hereto have caused this Subcontract to be executed by their duly authorized officers as set forth below.

Contractor

Subcontractor

Insert Company Name

Insert Company Name

By: _____
Signature

By: _____
Signature

Printed Name

Printed Name

Title

Title

Date

Date