

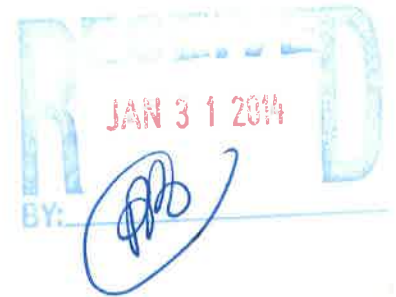
BOBBY JINDAL  
Governor



TIM BARFIELD  
Secretary

State of Louisiana  
Department of Revenue

January 21, 2014



The Honorable James R. Fannin  
Chairman, Joint Legislative Committee on the Budget  
Post Office Box 94062  
Baton Rouge, Louisiana 70804

RE: LDR Request for JLCB Agenda Item Pursuant to R.S.39:1514(D)

Dear Representative Fannin:

The Department of Revenue respectfully requests that the following contracts be placed on the JLCB agenda for the February meeting. Pursuant to R.S. 39.1514(D), consideration of an extension on contract number 707604 with Fast Enterprises, LLC and an extension on contract number 707989 with Scan Optics, LLC beyond three years is requested.

**Contract # 707604** – This contract is a three year, statewide contract for the support and upgrade of the integrated tax system, DELTA. The DELTA system supports and processes the majority of functions for tax administration. The DELTA system is built upon a Custom off the Shelf (“COTS”) software package known as Gentax which is provided by Fast Enterprises, LLC. The contract deliverables included an upgrade to the COTS software (Version 9) that has many new functionalities and processing efficiencies. Many of the functions that needed to be developed through customized code have been built into the core product which makes for simplified and easy maintenance. It is imperative that the department take full advantage of the evolving enhancements and upgrades to the core software product.

The planned upgrade was temporarily suspended due to an expenditure savings plan implemented by the Department in FY13 and pending the outcome of the Tax Reform legislation introduced during the 2013 legislative session. Work on the upgrade resumed in December, 2013. Deliverables for the software upgrade to the integrated tax system will not be completed by the June 30, 2014 contract termination date. An extension of one year is requested with a revised termination date of June 30, 2015. If the extension is approved, a BA-7 will be submitted to request carry forward of the related budget authority and self-generated revenue from FY14 to FY15.

In addition to the extension, the maximum amount of the contract is being increased in order to provide the day to day system support that is contracted for annually.

*Contributing to a better quality of life*

Honorable James R. Fannin  
January 21, 2014  
Page 2

**Contract # 707989** – This contract is a statewide contract for the upgrade of the front end processing system, Tax Express, used to process paper tax returns, payments and correspondence for output to the integrated tax system, DELTA. The upgraded system will provide increased functionality over the older version. The upgraded version is built upon newer technologies that are recommended for integration with DELTA. The upgrade to DELTA (see above request) and the Tax Express upgrade were planned to be implemented together. The Tax Express upgrade would not have worked with the current version of DELTA. Many changes to the current version of DELTA would have been required to support Tax Express, therefore the Department decided to implement Tax Express only in the upgraded DELTA environment. Due to the delay of the DELTA upgrade, the Tax Express upgrade must also be delayed.

Deliverables for the Tax Express upgrade will not be completed by August 31, 2014. An extension of one year is requested with a revised termination date of August 31, 2015. If the extension is approved, a BA-7 will be submitted to request carry forward of the related budget authority and self-generated revenue from FY14 to FY15.

Thank you in advance for your consideration of our request to have these contracts included on the JLCB February, 2014 agenda. I am enclosing a copy of the contracts and contract amendments for your convenience. If you have any questions or need any additional information, please feel free to contact Barry Aucoin, Information Technology Deputy Director at (225) 219 -2600.

Sincerely,



Natalie A. Howell, CPA, CIA  
Undersecretary  
Louisiana Department of Revenue  
(225) 219 – 2710

NH/teb

Enclosures

# CONTRACT AMENDMENT REQUEST

Requesting Division: Information Technology

Date: 01/10/2014

Project Manager: Bridgette Thibodeaux

Cost Center:

CFMS#: 707604

Amendment # 5

## Type of Contract:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Contract | <input type="checkbox"/> Cooperative Agreement |
| <input type="checkbox"/> Amendment           | <input type="checkbox"/> Interagency Agreement |

Contracting Party Address:

## Types of Amendments:

- |   |   |
|---|---|
| <input type="checkbox"/> Time Extension             | <input checked="" type="checkbox"/> Date Extended |
| <input checked="" type="checkbox"/> Budget Increase | <input type="checkbox"/> Scope of Services        |
| <input type="checkbox"/> Other (explain):           |   |

## **Reason(s) for Amendment:**

To extend the contract for a fourth year, provide for a new hourly rate beginning July 1, 2014 and to increase the contract amount.

## APPROVALS

Division Director: \_\_\_\_\_ Date: \_\_\_\_\_

Appointing Authority: \_\_\_\_\_ Date: \_\_\_\_\_

CRISP Team's Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Secretary Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Budget Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Financial Services Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Office of Contractual Review # 440200258

CFMS # 707604

Amendment # 5

Amendment to Agreement between  
State of Louisiana  
Department of Revenue

AND  
Fast Enterprises LLC  
800 Park Boulevard,  
Suite 720  
Boise, Idaho 83712

### **AMENDMENT PROVISIONS**

The amendment is to reflect the change in the term of the contract and the compensation and maximum amount of contract.

#### **CHANGE AGREEMENT FROM:**

##### **2.1 TERM OF CONTRACT**

This contract shall begin on July 1, 2011 and shall end on June 30, 2014.

#### **CHANGE AGREEMENT TO:**

##### **2.1 TERM OF CONTRACT**

This contract shall begin on July 1, 2011 and shall end on June 30, 2015.

#### **CHANGE AGREEMENT FROM:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$15,317,080.50. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Amnesty 2013 Services will be compensated at a rate of \$175.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

#### **CHANGE AGREEMENT TO:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$18,467,080.50. Beginning July 1, 2011 and through June 30, 2014, System Support Services will be compensated at a rate of \$150.00 per hour. Beginning July 1, 2014 and through June 30, 2015, System Support Services will be compensated at a rate of \$175.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Amnesty 2013 Services will be compensated at a rate of \$175.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

**This Amendment becomes Effective: March, 2014.**

This amendment is signed and entered into on the date indicated below:

\_\_\_\_\_  
FAST ENTERPRISES, LLC

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TIM BARFIELD, SECRETARY  
LOUISIANA DEPARTMENT OF REVENUE

\_\_\_\_\_  
DATE

707604

707604

STATE OF LOUISIANA

CONTRACT

On this \_\_\_\_ day of \_\_\_\_\_, 2011, the Louisiana Department of Revenue, (hereinafter sometimes referred to as the "State"), and Fast Enterprises, LLC, 800 Park Boulevard, Suite 720, Boise, Idaho 83712, (hereinafter sometimes referred to as the "Contractor"), do hereby enter into a contract under the following terms and conditions.

**1.0 SCOPE OF SERVICES**

Contractor hereby agrees to furnish services to State as specified in Section 3.0.

**1.1 CONCISE DESCRIPTION OF SERVICES**

Contractor will provide support services of the integrated tax system software-GenTax. Services include, but are not limited to, configuration assistance, application development, installation of software upgrades, analysis, fixing defects in site specific modules, production support, consulting and training. Software upgrades include all patches, updates, new releases, and other enhancements related to the Software

**1.2 COMPLETE DESCRIPTION OF SERVICES**

A full description of the scope of services is contained in the following Attachments which are made a part of this contract:

Attachment I - Statement of Work/Services

Attachment II - Contractor Personnel and other Resources

Attachment III - State Furnished Resources

Attachment IV - Insurance Requirements for Contractors

Attachment V - Confidentiality Requirement

**2.0 ADMINISTRATIVE REQUIREMENTS**

**2.1 TERM OF CONTRACT**

This contract shall begin on July 1, 2011 and shall end on June 30, 2014.

Receiving Party where the Receiving Party can document such independent development; or (vii) is deemed public record as part of the Louisiana public records laws.

Confidential Materials will mean all tangible materials containing Confidential Information, including but not limited to drawings, schematics, written or printed documents, computer disks, tapes, and compact disks, whether machine or user readable.

Any information which falls within the definitions of Confidential Information or Confidential Materials and which was disclosed or provided to the Receiving Party by the Disclosing Party or an agent of the Disclosing Party prior to the Receiving Party's signing of this contract will be deemed to be included in and covered by the terms and conditions of this contract.

The Receiving Party will hold all Confidential Information and Confidential Materials in confidence, will use the Confidential Information and Confidential Materials only for the purpose for which they are disclosed, will reproduce the Confidential Information and Confidential Materials only to the extent necessary for such purpose, and will not disclose the Confidential Information or Confidential Materials to any third party without the Disclosing Party's prior written consent.

The Receiving Party will take reasonable security precautions, at least as great as the precautions to protect its own confidential information, to keep Confidential Information and Confidential Materials confidential.

The Receiving Party may disclose Confidential Information or Confidential Materials only to the Receiving Party's employees or consultants on a need-to-know basis. The Receiving Party will have executed appropriate written agreements with its employees and consultants sufficient to enable it to comply with all the provisions of the contract.

If the Receiving Party becomes legally obligated to disclose Confidential Information or Confidential Materials by any governmental entity with jurisdiction over it, the Receiving Party will give the Disclosing Party prompt written notice sufficient to allow the Disclosing Party to seek a protective order or other appropriate remedy. The Receiving Party will disclose only such information as is legally required and will use its reasonable best efforts to obtain confidential treatment for any Confidential Information or Confidential Materials that is so disclosed.

The Receiving Party will segregate all Confidential Materials from the Confidential Materials of others to prevent comingling.

The Receiving Party will not reverse engineer, de-compile or disassemble any of the Confidential Materials without the prior written consent of the Disclosing Party.

At no time, under any circumstances, will any Contractor Confidential Materials be removed from State property without the prior written consent of the Contractor.

The Receiving Party will notify the Disclosing Party immediately upon discovery of any unauthorized use or disclosure of the Confidential Information or Confidential Materials, or any

and costs which may be finally assessed against the STATE in any action for infringement of a United States Letter Patent with respect to the Services furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the STATE shall give the CONTRACTOR: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at CONTRACTOR's sole expense, and (iii) assistance in the defense of any such action at the expense of CONTRACTOR. Where a dispute or claim arises relative to a real or anticipated infringement, the STATE may require CONTRACTOR, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The CONTRACTOR shall not be obligated to indemnify that portion of a claim or dispute based upon: i) STATE's unauthorized modification or alteration of a Service; ii) STATE's use of the Service in combination with other services not furnished by CONTRACTOR; iii) STATE's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if CONTRACTOR believes that it may be enjoined, CONTRACTOR shall have the right, at its own expense and sole discretion as the STATE's exclusive remedy to take action in the following order of precedence: (i) to procure for the STATE the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non- infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the STATE up to the dollar amount of the Contract.

For all other claims against the CONTRACTOR where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, CONTRACTOR's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges for services rendered by the CONTRACTOR under the Contract. Unless otherwise specifically enumerated herein mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the CONTRACTOR is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The STATE may, in addition to other remedies available to them at law or equity and upon notice to the CONTRACTOR, retain such monies from amounts due CONTRACTOR, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## 2.8 FORM OF SOFTWARE

State agrees that the customization to the core software supplied under this contract that becomes a part of the GenTax product shall be delivered to State in object code form only. Contractor will maintain the software source with an escrow agent and list State as an authorized recipient of the source code in the event that: (i) a receiver is appointed for Contractor or for its property and assets; (ii) any proceeding under any bankruptcy or insolvency laws are commenced by or against Contractor; or (iii) Contractor breaches its maintenance and support agreement with the State.



### 3.5 STATE FURNISHED RESOURCES

State will make available to the Contractor for use in fulfillment of this contract those resources described in Attachment III.

### 3.6 STATE STANDARDS AND GUIDELINES

Contractor shall comply with State standards and guidelines related to systems development, installation, software distribution, security, networking, and usage of State resources.

### 3.7 ELECTRONICALLY FORMATTED INFORMATION

Where applicable, State shall be provided all documents in electronic format, as well as hard-copy. Electronic media prepared by the Contractor for use by the State will be compatible with the State's comparable desktop application (e.g., spreadsheets, word processing documents). Conversion of files, if necessary, will be Contractor's responsibility. Conversely, as required, Contractor must accept and be able to process electronic documents and files created by the State's current desktop applications.

### 4.0 ACCEPTANCE OF DELIVERABLES

Contract deliverables will be submitted, reviewed, and accepted monthly as performed in accordance with the applicable specifications for Contractor's work in the Statement of Work.

### 5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$8,100,000 at a rate of \$150.00 per hour.

Payment will be made within 30 days of receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were provided.

### 6.0 TERMINATION

#### 6.1 TERMINATION FOR CAUSE

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause

## **11.0 RIGHT TO AUDIT**

Contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agencies of the State where appropriate the right to inspect and review all books and records pertaining to services rendered under this contract. Contractor shall comply with federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific program activities.

## **12.0 RECORD RETENTION**

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder for at least three years after final payment, or as required by applicable Federal law, if Federal funds are used to fund this contract.

## **13.0 AMENDMENTS IN WRITING**

Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when they have been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

## **14.0 FUND USE**

Contractor agrees not to use funds received for services rendered under this Contract to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

## **15.0 NON-DISCRIMINATION**

Contractor agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination committed by Contractor, or failure to comply with these obligations when applicable shall be

## **ATTACHMENT I**

### **STATEMENT OF WORK/SERVICES**

#### **GOALS AND OBJECTIVES**

The purpose of this contract is to acquire the Services needed for support of the software product called GenTax (hereinafter referred to as "Software" and/or "GenTax") - an integrated tax system software package developed by the Contractor. The support is needed to keep the production GenTax environment operational and to take full advantage of all features of GenTax as they become available and are deemed appropriate to implement.

#### **SCOPE OF SERVICES**

Contractor will provide support services of the integrated tax system software-GenTax. Services include, but are not limited to, configuration assistance, application development, installation of software upgrades, analysis, fixing defects in site specific modules, imaging conversion, production support, consulting and training. Software upgrades include all patches, updates, new releases, and other enhancements related to the Software.

Contractor is not required to provide Services for nonqualified software. Nonqualified software is software not supplied by the Contractor, and software for which State does not allow the Contractor to incorporate modifications. The State is responsible for removing nonqualified software to allow Contractor to perform the contracted Services.

Services provided under this contract in support of strategic planning initiatives and business process change shall be determined and approved by a team of Louisiana Department of Revenue personnel. Designated service requests will include the desired result of the change to the software, sample forms, field edits, business rules or other supporting documentation describing the change. These service requests will define target completion dates for final specification agreement and for implementation of the changes, budgeted hours and types of services needed to make the requested change, the estimated cost of the change, on-site support requirements, the project plan, and deliverables and acceptance criteria. An authorized representative of the Contractor and the designated project manager for the State will approve the final software specification for work to proceed. It is expected that multiple strategic service requests will be worked on simultaneously, or in a priority order determined by the State.

#### **Deliverables:**

Contractor will provide the following support services as contract deliverables.

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,

## **ATTACHMENT II CONTRACTOR PERSONNEL AND OTHER RESOURCES**

### **1.0 PC WORKSTATIONS**

Contractor will provide its own workstations, any workstation resident software and maintenance thereof.

### **2.0 NETWORK CONNECTIVITY**

Any Contractor-provided workstations or devices to be connected to the State's network must comply with State network and security standards. Contractor must provide the hardware components, operating system, and software licenses necessary to function as part of the State network. All hardware and software must be reviewed before it is used on the Local Area Network, and may be made operable on the Local Area Network with written approval of the State.

## **ATTACHMENT IV**

### **INSURANCE REQUIREMENTS FOR CONTRACTORS**

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The cost of such insurance may be included in the Contractor's bid.

#### **A. MINIMUM SCOPE AND LIMITS OF INSURANCE**

##### **1. Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, the Employers Liability limit is increased to a minimum of \$1,000,000. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

##### **2. Commercial General Liability**

Commercial General Liability insurance shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. Insurance Services Office Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana) is to be used in the policy. Claims-made form is unacceptable.

##### **3. Automobile Liability**

Automobile Liability Insurance shall have a minimum limit per occurrence of \$1,000,000. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana) is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

#### **B. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions. At the option of the Agency, the Contractor shall procure a surety bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### **C. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

##### **1. General Liability and Automobile Liability Coverages**

**F. SUBCONTRACTORS**

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for furnishing separate certificates for each subcontractor to the Agency. All coverages for subcontractors shall be subject to all of the requirements stated herein.

facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in NIST SP 800-53. To meet functional and assurance requirements, the security features of the environment provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (8) The contract will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, the IRS reviewing office.
- (9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

## II. CRIMINAL/CIVIL SANCTIONS

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or returns information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information of a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5000 or imprisonment for as long as 5 years, or both, together with costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n). Additional criminal penalties may be imposed under state law pursuant to La.R.S.47: 1508 et. Seq.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return

Office of Contractual Review # 440200258

CFMS # ~~707164~~ 707604

Amendment # 1

Amendment to Agreement between State of Louisiana  
~~Department of Revenue~~

---

AND

Fast Enterprises LLC  
800 Park Boulevard,  
Suite 720  
Boise, Idaho 83712

### **AMENDMENT PROVISIONS**

The amendment is to reflect the change in the scope of services and the compensation and maximum amount of contract.

#### **CHANGE AGREEMENT FROM:**

##### **1.0 SCOPE OF SERVICES:**

##### **1.1 CONCISE DESCRIPTION OF SERVICES**

Contractor will provide support services of the integrated tax system software-GenTax. Services include, but are not limited to, configuration assistance, application development, installation of software upgrades, analysis, fixing defects in site specific modules, imaging conversion, production support, consulting and training. Software upgrades include all patches, updates, new releases, and other enhancements related to the Software.

#### **CHANGE AGREEMENT TO:**

##### **1.0 SCOPE OF SERVICES:**

##### **1.1 CONCISE DESCRIPTION OF SERVICES**

Contractor will provide support services of the integrated tax system software-GenTax. Services, ( hereinafter sometimes referred to as "System Support Services"), include, but are not limited to, configuration assistance, application development, installation of



software upgrades, analysis, fixing defects in site specific modules, imaging conversion, production support, consulting and training. Software upgrades include all patches, updates, new releases, and other enhancements related to the Software.

Contractor will provide support services for the Department's integrated tax system software, Delta, to support modernized processing in the Department's Revenue Processing Center (hereinafter sometimes referred to as "RPC"). Services, ( hereinafter sometimes referred to as "RPC Modernization Services"), include, but are not limited to, enhancing payment and return interfaces, development of XML schema for all tax forms to be processed by RPC, software modifications needed to support the transition to transaction based processing within RPC, and software modifications to Revenue Accounting modules in order to perform classification of funds.

#### **CHANGE AGREEMENT FROM:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee \$8,100,000 at a rate of \$150.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

#### **CHANGE AGREEMENT TO:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee \$8,950,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

## **ATTACHMENT 1**

### **STATEMENT OF WORK/SERVICES**

#### **SCOPE OF SERVICES**

##### **ADD:**

Contractor will provide support services for the Department's integrated tax system software, Delta, to support modernized processing in the Department's Revenue Processing Center. Services include, but are not limited to, enhancing payment and return interfaces, development of XML schema for all tax forms to be processed by RPC, software modifications needed to support the transition to transaction based processing within RPC, and software modifications to Revenue Accounting modules in order to perform classification of funds.

##### **CHANGE AGREEMENT FROM:**

##### **DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - Refund Debit Card Processing,
  - Implementation of the Fiduciary Tax,
  - Redesign of Non-resident Professional Athlete Tax Processing,
  - Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement; and

- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives.

## **CHANGE AGREEMENT TO:**

### **DELIVERABLES**

**Contractor will provide the following services as contract deliverables**

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - Refund Debit Card Processing,
  - Implementation of the Fiduciary Tax,
  - Redesign of Non-resident Professional Athlete Tax Processing,
  - Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;
- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing; and
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification.

**The Amendment becomes Effective: November 2011.**

This amendment is signed and entered into on the date indicated below:

  
\_\_\_\_\_  
JAMES LA...  
FAST ENTERPRISES LLC

4-Jan-2012

DATE

  
\_\_\_\_\_  
CYNTHIA BRIDGES, SECRETARY  
LOUISIANA DEPARTMENT OF REVENUE

1/6/2012

DATE

**APPROVED**  
Office of the Governor  
Office of Contractual Review

FEB 14 2012

  
\_\_\_\_\_  
Sandra G. Kellen  
DIRECTOR

Office of Contractual Review # 440200258

CFMS # 707604

Amendment # 2

Amendment to Agreement between State of Louisiana  
Department of Revenue

AND

Fast Enterprises LLC  
800 Park Boulevard,  
Suite 720  
Boise, Idaho 83712

### **AMENDMENT PROVISIONS**

The amendment is to reflect the change in the scope of services and the compensation and maximum amount of contract.

#### **CHANGE AGREEMENT FROM:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee \$8,950,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

#### **CHANGE AGREEMENT TO:**

##### **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$10,750,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the

Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

**CHANGE AGREEMENT FROM:**

**ATTACHMENT I  
DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - Refund Debit Card Processing,
  - Implementation of the Fiduciary Tax,
  - Redesign of Non-resident Professional Athlete Tax Processing,
  - Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;
- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing; and
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification.

**CHANGE AGREEMENT TO:**

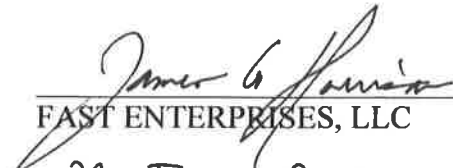
**ATTACHMENT I  
DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - Refund Debit Card Processing,
  - Implementation of the Fiduciary Tax,
  - Redesign of Non-resident Professional Athlete Tax Processing,
  - Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;
- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing;
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification; and
- Implement version 9 core code, configure and customize core code to suit LDR needs, and convert site-specific code to operate in the version 9 environment.

**This Amendment becomes Effective: July, 2012.**

This amendment is signed and entered into on the date indicated below:

  
FAST ENTERPRISES, LLC  
29-June-2012

DATE

  
JANE SMITH, SECRETARY  
LOUISIANA DEPARTMENT OF REVENUE

July 3, 2012  
DATE

APPROVED  
Office of the Governor  
Office of Contractual Review

AUG -1 2012

  
DIRECTOR



Office of Contractual Review # 440200258

CFMS #707604

Amendment # 3

**Amendment to Agreement between State of Louisiana**  
*Department of Revenue*

AND

*Fast Enterprise, LLC*

*800 Park Boulevard*

*Suite 720*

*Boise, Idaho 83712*

**Amendment Provisions**

The amendment is to reflect the change in the scope of services and the compensation and maximum amount of contract.

**CHANGE AGREEMENT FROM:**

**5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$10,750,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

**CHANGE AGREEMENT TO:**

**5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$11,062,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

## **CHANGE AGREEMENT FROM:**

### **ATTACHMENT I**

### **DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - o Refund Debit Card Processing,
  - o Implementation of the Fiduciary Tax,
  - o Redesign of Non-resident Professional Athlete Tax Processing,
  - o Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;

- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing;
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification; and
- Implement version 9 core code, configure and customize core code to suit LDR needs, and convert site-specific code to operate in the version 9 environment.

**CHANGE AGREEMENT TO:**

**ATTACHMENT I**

**DELIVERABLES**

Contractor will provide the following services as contract deliverables


- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - o Refund Debit Card Processing,
  - o Implementation of the Fiduciary Tax,
  - o Redesign of Non-resident Professional Athlete Tax Processing,
  - o Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;

- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;
- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing;
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification;
- Implement version 9 core code, configure and customize core code to suit LDR needs, and convert site-specific code to operate in the version 9 environment; and
- Developing, testing, and implementing changes to Delta to support a paperless billing process.


**This amendment becomes effective: July 1, 2012**

No amendment shall be valid until it has been executed by all parties and approved by the Director of the office of Contractual Review, Division of Administration.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

  
 FAST ENTERPRISES, LLC

13-Oct-2012  
 DATE

  
 TIM BARFIELD, EXECUTIVE COUNSEL  
 LOUISIANA DEPARTMENT OF REVENUE  
 Undersecretary - Secretary's Designee

10/19/2012  
 DATE

APPROVED  
 Office of the Governor  
 Office of Contractual Review

OCT 31 2012

  
 DIRECTOR

Office of Contractual Review # 440200258

CFMS #707604

Amendment # 4

**Amendment to Agreement between State of Louisiana**

*Department of Revenue  
AND  
Fast Enterprise, LLC  
800 Park Boulevard  
Suite 720  
Boise, Idaho 83712*

**Amendment Provisions**

The amendment is to reflect the change in the scope of services and the compensation and maximum amount of contract.

CHANGE AGREEMENT FROM:

**5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$11,062,000. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

CHANGE AGREEMENT TO:

**5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fixed fee of \$15,317,080.50. System Support Services will be compensated at a rate of \$150.00 per hour. RPC Modernization Services will be compensated at a rate of \$125.00 per hour. Amnesty 2013 Services will be compensated at a rate of \$175.00 per hour. Payments will be made upon successful completion and after review and written approval by the State of the deliverables. All deliverables shall be in conformity with any specifications contained in this contract and/or any attachments hereto or amendments hereof and commonly accepted industry standards. Payment will be made upon receipt and approval by the Undersecretary of the Department of Revenue of monthly invoices to be delivered on or after the first business day following the end of the month in which the Services were performed.

## **CHANGE AGREEMENT FROM:**

### **ATTACHMENT I**

#### **DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - o Refund Debit Card Processing,
  - o Implementation of the Fiduciary Tax,
  - o Redesign of Non-resident Professional Athlete Tax Processing,
  - o Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;

- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing;
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification;
- Implement version 9 core code, configure and customize core code to suit LDR needs, and convert site-specific code to operate in the version 9 environment; and
- Developing, testing, and implementing changes to Delta to support a paperless billing process.

**CHANGE AGREEMENT TO:**

**ATTACHMENT I**

**DELIVERABLES**

Contractor will provide the following services as contract deliverables

- Installing, testing and rollout of Service Packs,
- Monitoring System Performance, recommending changes to enhance performance and implementing agreed upon performance enhancing measures,
- Analyzing Interventions / Online Exceptions and correcting defects that generate them,
- Performing System Stabilization,
- Imaging Conversion,
- Production Support,
- Tech Team Support,
- New year change Support,
- Service Request Review, Design, Implementation Support and Quality Assurance
- Developing and implementing changes to GenTax in support of changes in LDR business processes. Identified process changes are:
  - o Refund Debit Card Processing,
  - o Redesign of Withholding Tax Processing,
- Developing and implementing changes to GenTax in support of legislative mandates,
- Developing and implementing changes to GenTax in support of the federally mandated International ACH Agreement;
- Developing and implementing changes to GenTax in support of LDR strategic planning initiatives;

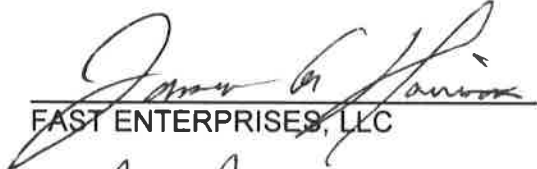
- Developing, testing, and implementing changes to Delta for enhancing payment and return data interfaces;
- Developing, testing, and implementing changes to Delta for enhancing document imaging interfaces;
- Development of XML schema for all tax forms processed within RPC beginning with tax period January, 2000 through and including June, 2014;
- Developing, testing, and implementing changes to Delta in support of RPC's transition to transaction based processing;
- Developing, testing, and implementing changes to Revenue Accounting modules in order to perform funds classification;
- Implement version 9 core code, configure and customize core code to suit LDR needs, and convert site-specific code to operate in the version 9 environment; and
- Developing, testing, and implementing changes to Delta to support a paperless billing process.
- Developing, testing, and implementing changes to DELTA to support Amnesty 2013;
- Developing , testing, and implementing changes to DELTA to support the addition of Individual Income Tax(IIT) to the Taxpayer Access Point(TAP)
- Developing , testing, and implementing changes to DELTA to support Financial Institution Data Matching(FIDM)
- Developing , testing, and implementing changes to DELTA to support the State Reciprocal Program(SRP)
- Developing , testing, and implementing changes to DELTA to support LDR/La Workforce Commission(LWC) data matching fraud detection program being implemented by the Division of Administration(SAS Project)
- Developing , testing, and implementing changes to DELTA to support Business credit Management
- Developing , testing, and implementing changes to DELTA to support Tobacco Settlements; and
- Developing , testing, and implementing changes to DELTA to support processing of Composite Partnership tax returns.



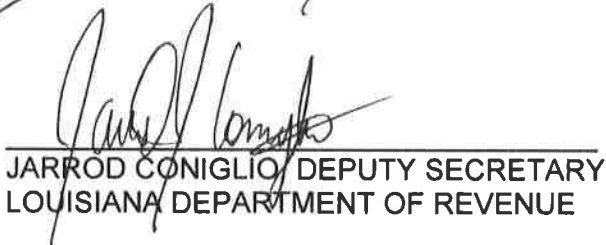
**This amendment becomes effective: August, 2013**

No amendment shall be valid until it has been executed by all parties and approved by the Director of the office of Contractual Review, Division of Administration.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

  
FAST ENTERPRISES, LLC

4-Oct-2013  
DATE

  
JARROD CONIGLIO, DEPUTY SECRETARY  
LOUISIANA DEPARTMENT OF REVENUE

10/8/13  
DATE

Office of the Governor  
Office of Contractual Review

DEC 12 2013

  
DIRECTOR

## CONTRACT AMENDMENT REQUEST

Requesting Division: Information Technology

Date: 01/13/2014

Project Manager: Bridgette Thibodeaux

Cost Center:

CFMS#: 707989

Amendment # 3

**Type of Contract:**

- |   |  |
|---|--|
| <input type="checkbox"/> Contract             | <input type="checkbox"/> Cooperative Agreement |
| <input checked="" type="checkbox"/> Amendment | <input type="checkbox"/> Interagency Agreement |

Contracting Party Address:

**Types of Amendments:**

- |   |   |
|---|---|
| <input type="checkbox"/> Time Extension   | <input checked="" type="checkbox"/> Date Extended |
| <input type="checkbox"/> Budget Increase  | <input type="checkbox"/> Scope of Services        |
| <input type="checkbox"/> Other (explain): |   |

**Reason(s) for Amendment:** To modify the contract term and schedule requirements.

<b>APPROVALS</b>
------------------

Division Director: _____	Date: _____
Appointing Authority: _____	Date: _____
CRISP Team's Approval: _____	Date: _____
Secretary Approval: _____	Date: _____
Budget Approval: _____	Date: _____
Financial Services Approval: _____	Date: _____

**Amendment to Agreement dated September 7, 2011 between State of Louisiana**

*Department of Revenue*

AND

*Scan Optics, LLC  
169 Progress Drive  
Manchester, CT 06040*

**Amendment Provisions**

The amendment is to reflect the change in the term of the contract, payment terms and schedule requirements.

**Change Agreement from:**

**2.0 ADMINISTRATIVE REQUIREMENTS**

**2.1 TERM OF CONTRACT**

This contract shall begin on September 1, 2011 and shall end on August 31, 2014.

**Change Agreement to:**

**2.0 ADMINISTRATIVE REQUIREMENTS**

**2.1 TERM OF CONTRACT**

This contract shall begin on September 1, 2011 and shall end on August 31, 2015.

**Change Agreement from:**

**2.4 PAYMENT TERMS**

In consideration of the services required by this Contract, State hereby agrees to pay to Contractor a maximum fee of \$1,426,880. Payments are predicated upon successful completion and written acceptance by the State of the described tasks and deliverables as provided in Section 1.2.4. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every

reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of the *Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.*

The State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. The major milestones are defined in the Contractor's proposal dated August 15, 2011 and modified by the Statement of Work Revision dated July 24, 2013. During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. Payment tasks and estimated start and end dates are as follows:

Name	Start	Finish	Milestone Amount
Detail Design Document Review 1		03/09/12	\$75,000
Detail Design Document Review 2		07/06/12	\$75,000
Configuration of Servers Installation of TaxExpress (Core) & Databases	09/30/13	10/02/13	\$4,608
Process Flow - Review & Approval	09/30/13	10/07/13	\$2,400
IMF/BMF Download/Sync Completion	10/01/13	10/09/13	\$3,584
Detail Design Chapters 1 thru 6 Introduction, Mail Opening, Doc prep, Batching, Scanner interfaces, Importer, Form classification and Form ID	09/30/13	10/10/13	\$5,281
Check21 -Integration & Bank File Submission Test	10/08/13	10/16/13	\$3,072
Edit Money Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Heads Down Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Correspondence Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Detail Design Chapters 7 & 8 Upstream batch repair & Edit Queues	10/10/13	10/24/13	\$6,601
Develop Importer, ICE, OCR services	09/30/13	10/28/13	\$10,240
Money Job Scanner Job (IBML)	10/10/13	10/29/13	\$6,000
Project Management	10/01/13	10/31/13	\$16,211
Detail Design Chapters 9, 10 11 & 14 Snippet keying, DC Checks, DC returns	10/24/13	11/01/13	\$3,961
Edit No money Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
Image Only Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
System Administration Setup & Training Users, Roles, Permissions	10/08/13	11/06/13	\$10,752
Detail Design Chapters 12 & 13 Balancing (DC Review) & Downstream Transaction Repair	11/01/13	11/13/13	\$5,281
No money Scanner Job (IBML)	10/10/13	11/14/13	\$6,000
Deliver & Install 1D/2D barcode reader	10/08/13	11/14/13	\$512
Delivery & Install A2iA (CAR/LAR)	10/08/13	11/14/13	\$5,632
Project Management	11/01/13	11/30/13	\$16,211
Detail Design Chapters 15 & 16 Data Entry (NDC Verify and NDC Knowledge Worker)	11/13/13	12/03/13	\$9,242
Upstream Batch Repair Application	10/24/13	12/06/13	\$15,872

Name	Start	Finish	Milestone Amount
Snippet Keying Application	11/01/13	12/09/13	\$13,312
Detail Design Chapters 17 thru 21 - Virtual Solutions Interface, Name/Address/Central Registration, Unclassified mail, Send back	12/03/13	12/13/13	\$5,281
Balancing (DC Review) Application	11/13/13	12/19/13	\$13,312
Detail Design Chapters 22 thru 24 - Supervisor Delete Review, Express 21, H/W S/W Requirements	12/13/13	12/25/13	\$5,281
Form ID Application	10/10/13	12/27/13	\$28,672
Deposit Critical Checks Application	12/09/13	12/31/13	\$8,192
Project Management	12/01/13	12/31/13	\$16,211
Detail Design Chapter 25 & 26 Payment Record Output & Vouchers,SendBack	12/25/13	01/06/14	\$3,840
Detail Design Chapter 27 Withholding Output & Validations	01/06/14	01/14/14	\$2,880
Payment Output Data Records to Delta	01/06/14	01/21/14	\$5,632
Detail Design Chapter 28 Sales Output & Validations	01/14/14	01/22/14	\$2,880
Vouchers & Declarations (51 total) Setup:OCR,Validations,DE App,Test,Output	11/13/13	01/23/14	\$50,606
Supervisor Delete Review Application	12/25/13	01/23/14	\$10,752
Downstream Transaction Repair Application	12/19/13	01/24/14	\$13,312
Detail Design Chapter 29 Corporation Output & Validations	01/22/14	01/31/14	\$3,360
Project Management	01/01/14	01/31/14	\$16,211
Verify Pull Application	01/23/14	02/05/14	\$4,608
Detail Design Chapter 30 Income Output & Validations	01/31/14	02/11/14	\$3,360
Edit Queues Application	12/06/13	02/17/14	\$26,112
Missing Paper Tracker IDs Application	01/24/14	02/17/14	\$8,192
Interactive Post Update Application	02/05/14	02/18/14	\$4,608
Detail Design Chapters 31, 32 Excise & Severance	02/11/14	02/20/14	\$3,360
Detail Design Chapter 33 Image Only, Heads Down	02/20/14	02/25/14	\$1,440
Deposit Critical Returns Application	12/31/13	02/26/14	\$20,992
Detail Design Chapter 34 Regional Correspondence (out of original scope)	02/25/14	02/27/14	\$960
Project Management	02/01/14	02/28/14	\$16,211
Virtual Solutions Interface	12/13/13	03/03/14	\$28,672
Detail Design Chapter 35 Menu Structure	02/27/14	03/06/14	\$2,400
Detail Design Chapter 36-37 Paper Tracker and Time Tracking	03/06/14	03/10/14	\$960
Detail Design Chapter 38 Verify Pull	03/10/14	03/12/14	\$960

Name	Start	Finish	Milestone Amount
Sparkhound Interface	03/03/14	03/14/14	\$5,120
Images Output to Delta	02/25/14	03/26/14	\$10,752
Name/Address & Central Registration Application	02/17/14	03/31/14	\$15,360
Project Management	03/01/14	03/31/14	\$16,211
Performance Monitor Application	02/25/14	04/09/14	\$15,360
Training, UAT, Parallel Testing Support Thru Turnover	09/30/13	04/11/14	\$60,000
TimeTracker Application	02/25/14	04/16/14	\$18,432
Unclassified Mail Application	03/31/14	04/24/14	\$9,216
Menu Customization	03/06/14	04/25/14	\$18,432
Project Management	04/01/14	04/30/14	\$16,211
Excise Forms - payments and image only Setup:ICE,OCR,Validations,DE App,Test,Output	01/23/14	05/01/14	\$57,882
Sales (35 forms in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	11/29/13	05/02/14	\$91,797
Withholding (14 forms in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	01/14/14	05/09/14	\$65,230
KFP Batch Control Application	04/24/14	05/20/14	\$9,216
Tracking (PaperTracker) Application	03/10/14	05/21/14	\$24,576
End User Documentation User Guide Supervisor Guide Administrator Guide	03/06/14	05/29/14	\$28,800
Project Management	05/01/14	05/31/14	\$16,211
Income 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/11/14	06/02/14	\$20,492
Send Back Application	05/20/14	06/04/14	\$5,632
Email Adapter	05/05/14	06/20/14	\$17,920
Project Management	06/01/14	06/30/14	\$16,211
Corporation 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/26/14	07/16/14	\$66,361
Severance (8 Forms) Setup:ICE,OCR,Validations,DE App,Test, Output	01/23/14	07/18/14	\$46,784
Miscellaneous Forms Setup:ICE,OCR,Validations,DE App,Test,Output	01/23/14	07/18/14	\$43,712
Project Management	07/01/14	07/31/14	\$16,211
Fax Adapter	06/16/14	08/01/14	\$17,920
Archive and Purge Setup/Configure Process	06/04/14	08/08/14	\$24,064
Reports Scanner Stats Report Doc Prep Report Data Entry Reports Administrative Reports Dashboard Cognosor Sparkhound Report Integration	03/10/14	08/26/14	\$22,528
Project Management	08/01/14	08/31/14	\$16,210

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

Ten percent (10%) of fees approved by the State Project Director to be paid shall be withheld as retainage pending successful completion of the Contract. Upon completion and acceptance of all deliverables contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid within thirty (30) days.

**Change Agreement to:**

**2.4 PAYMENT TERMS**

In consideration of the services required by this Contract, State hereby agrees to pay to Contractor a maximum fee of \$1,426,880. Payments are predicated upon successful completion and written acceptance by the State of the described tasks and deliverables as provided in Section 1.2.4. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of the *Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.*

The State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. The major milestones are defined in the Contractor’s proposal dated August 15, 2011 and modified by the Statement of Work Revision dated July 24, 2013. During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. Payment tasks and estimated start and end dates are as follows:

Name	Start	Finish	Milestone Amount
Detail Design Document Review 1		03/09/12	\$75,000
Detail Design Document Review 2		07/06/12	\$75,000
Configuration of Servers Installation of TaxExpress (Core) & Databases	09/30/13	10/02/13	\$4,608
Process Flow - Review & Approval	09/30/13	10/07/13	\$2,400
IMF/BMF Download/Sync Completion	10/01/13	10/09/13	\$3,584
Detail Design Chapters 1 thru 6 Introduction, Mail Opening, Doc prep, Batching, Scanner interfaces, Importer, Form classification and Form ID	09/30/13	10/10/13	\$5,281
Check21 -Integration & Bank File Submission Test	10/08/13	10/16/13	\$3,072
Edit Money Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Heads Down Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Correspondence Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Detail Design Chapters 7 & 8 Upstream batch repair & Edit Queues	10/10/13	10/24/13	\$6,601
Develop Importer, ICE, OCR services	09/30/13	10/28/13	\$10,240
Money Job Scanner Job (IBML)	10/10/13	10/29/13	\$6,000
Project Management	10/01/13	10/31/13	\$16,211

Name	Start	Finish	Milestone Amount
Detail Design Chapters 9, 10 11 &14 Snippet keying, DC Checks, DC returns	10/24/13	11/01/13	\$3,961
Edit No money Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
Image Only Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
System Administration Setup & Training Users,Roles,Permissions	10/08/13	11/06/13	\$10,752
Detail Design Chapters 12 & 13 Balancing (DC Review) & Downstream Transaction Repair	11/01/13	11/13/13	\$5,281
No money Scanner Job (IBML)	10/10/13	11/14/13	\$6,000
Deliver & Install 1D/2D barcode reader	10/08/13	11/14/13	\$512
Delivery & Install A2iA (CAR/LAR)	10/08/13	11/14/13	\$5,632
Project Management	11/01/13	11/30/13	\$16,211
Detail Design Chapters 15 & 16 Data Entry (NDC Verify and NDC Knowledge Worker)	11/13/13	12/03/13	\$9,242
Upstream Batch Repair Application	10/24/13	12/06/13	\$15,872
Snippet Keying Application	11/01/13	12/09/13	\$13,312
Detail Design Chapters 17 thru 21 - Virtual Solutions Interface, Name/Address/Central Registration, Unclassified mail, Send back	12/03/13	12/13/13	\$5,281
Balancing (DC Review) Application	11/13/13	12/19/13	\$13,312
Detail Design Chapters 22 thru 24 - Supervisor Delete Review, Express 21, H/W S/W Requirements	12/13/13	12/25/13	\$5,281
Form ID Application	10/10/13	12/27/13	\$28,672
Deposit Critical Checks Application	12/09/13	12/31/13	\$8,192
Project Management	12/01/13	12/31/13	\$16,211
Detail Design Chapter 25 & 26 Payment Record Output & Vouchers,SendBack	12/25/13	01/06/14	\$3,840
Detail Design Chapter 27 Withholding Output & Validations	01/06/14	01/14/14	\$2,880
Payment Output Data Records to Delta	01/06/14	01/21/14	\$5,632
Detail Design Chapter 28 Sales Output & Validations	01/14/14	01/22/14	\$2,880
Vouchers & Declarations (51 total) Setup:OCR,Validations,DE App,Test,Output	11/13/13	01/23/14	\$50,606
Supervisor Delete Review Application	12/25/13	01/23/14	\$10,752
Downstream Transaction Repair Application	12/19/13	01/24/14	\$13,312
Detail Design Chapter 29 Corporation Output & Validations	01/22/14	01/31/14	\$3,360
Project Management	01/01/14	01/31/14	\$16,211
Verify Pull Application	01/23/14	02/05/14	\$4,608
Detail Design Chapter 30 Income Output & Validations	01/31/14	02/11/14	\$3,360



Name	Start	Finish	Milestone Amount
Edit Queues Application	12/06/13	02/17/14	\$26,112
Missing Paper Tracker IDs Application	01/24/14	02/17/14	\$8,192
Interactive Post Update Application	02/05/14	02/18/14	\$4,608
Detail Design Chapters 31, 32 Excise & Severance	02/11/14	02/20/14	\$3,360
Detail Design Chapter 33 Image Only, Heads Down	02/20/14	02/25/14	\$1,440
Deposit Critical Returns Application	12/31/13	02/26/14	\$20,992
Detail Design Chapter 34 Regional Correspondence (out of original scope)	02/25/14	02/27/14	\$960
Project Management	02/01/14	02/28/14	\$16,211
Virtual Solutions Interface	12/13/13	03/03/14	\$28,672
Detail Design Chapter 35 Menu Structure	02/27/14	03/06/14	\$2,400
Detail Design Chapter 36-37 Paper Tracker and Time Tracking	03/06/14	03/10/14	\$960
Detail Design Chapter 38 Verify Pull	03/10/14	03/12/14	\$960
Sparkhound Interface	03/03/14	03/14/14	\$5,120
Images Output to Delta	02/25/14	03/26/14	\$10,752
Name/Address & Central Registration Application	02/17/14	03/31/14	\$15,360
Project Management	03/01/14	03/31/14	\$16,211
Performance Monitor Application	02/25/14	04/09/14	\$15,360
Training, UAT, Parallel Testing Support Thru Turnover for vouchers (all taxes), Sales tax, Withholding Tax, Individual Income Tax, and Corporation Tax	09/30/13	04/11/14	\$30,000
Training, UAT, Parallel Testing Support Thru Turnover for Excise Tax, Severance Tax, and Miscellaneous other Taxes	01/19/15	06/26/15	\$30,000
TimeTracker Application	02/25/14	04/16/14	\$18,432
Unclassified Mail Application	03/31/14	04/24/14	\$9,216
Menu Customization	03/06/14	04/25/14	\$18,432
Project Management	04/01/14	04/30/14	\$16,211
Excise Forms - payments and image only Setup:ICE,OCR,Validations,DE App,Test,Output	01/09/14	06/26/15	\$57,882
Sales (35 forms in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	11/29/13	05/02/14	\$91,797
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End User Documentation User Guide Supervisor Guide Administrator Guide	03/06/14	05/29/14	\$28,800
Project Management	05/01/14	05/31/14	\$16,211
Income 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/11/14	06/02/14	\$20,492
Send Back Application	05/20/14	06/04/14	\$5,632

Name	Start	Finish	Milestone Amount
Email Adapter	05/05/14	06/20/14	\$17,920
Project Management	06/01/14	06/30/14	\$16,211
Corporation 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/26/14	07/16/14	\$66,361
Severance (8 Forms) Setup:ICE,OCR,Validations,DE App,Test, Output	01/09/15	06/26/15	\$46,784
Miscellaneous Forms Setup:ICE,OCR,Validations,DE App,Test,Output	01/09/15	06/26/15	\$43,712
Project Management	07/01/14	07/31/14	\$16,211
Fax Adapter	06/16/14	08/01/14	\$17,920
Archive and Purge Setup/Configure Process	06/04/14	08/08/14	\$24,064
Reports Scanner Stats Report Doc Prep Report Data Entry Reports Administrative Reports Dashboard Cognosor Sparkhound Report Integration	03/10/14	08/26/14	\$22,528
Project Management	08/01/14	08/31/14	\$16,210

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

Ten percent (10%) of fees approved by the State Project Director to be paid shall be withheld as retainage pending successful completion of the Contract. Upon completion and acceptance of all deliverables contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid within thirty (30) days.

**Change Agreement from:  
ATTACHMENT I**

**3.0 SCHEDULE REQUIREMENTS**

It is anticipated that work will begin on or around September 1, 2011 with a completion target date of August 31, 2014.

Work under this proposal will be performed by Scan-Optics employees or its contractors in accordance to the Project Plan contained within its proposal dated August 15, 2011 and as modified by the Statement of Work Revision dated July 24, 2013.

**Change Agreement to:  
ATTACHMENT I**

### **3.0 SCHEDULE REQUIREMENTS**

It is anticipated that work will begin on or around September 1, 2011 with a completion target date of August 31, 2015.

No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

\_\_\_\_\_  
*(Contractor's Signature)*                      *(Date)*

Contractor's Name: \_\_\_\_\_

Contractor's Title: \_\_\_\_\_

\_\_\_\_\_  
*(Agency Signature)*                      *(Date)*

Title: \_\_\_\_\_

Agency's Name: LOUISIANA DEPARTMENT OF REVENUE

**STATE OF LOUISIANA  
CONTRACT**

On this 7<sup>th</sup> day of September, 2011, the State of Louisiana, Department of Revenue, hereinafter sometimes referred to as the "State", and Scan-Optics, LLC, located at 169 Progress Drive, Manchester, CT 06040, hereinafter sometimes referred to as the "Contractor", do hereby enter into a Contract under the following terms and conditions.

**1 SCOPE OF SERVICES**

**1.1 CONCISE DESCRIPTION OF SERVICES**

The State desires to upgrade its current TaxExpress™ system to Scan Optics LLC's TaxExpress 3D™ system. Scan-Optics LLC will work with the Louisiana Department of Revenue (LDR) to design, develop, install, test, and implement a comprehensive deposit, remittance, return, image processing and data capture system ("System") utilizing TaxExpress 3D™. The System shall provide ICR/OCR capture, image assisted data entry, deposit and remittance processing for the taxes and fees administered by the State. The TaxExpress 3D upgrade will include recommendations for all equipment/changes necessary to accomplish the State's objectives beginning with mail receipt and including all tasks through data and image transfer to LDR's integrated tax system ("Delta") and deposit of funds into the State's bank account(s).

**1.2 STATEMENT OF WORK**

A full description of the Statement of Work can be found in Attachment I which is made a part of this Contract.

**1.2.1 GOALS AND OBJECTIVES**

The State's principle goals and objectives are:

- To upgrade the State's end-to-end processing to provide more streamlined and accurate processing with technologies and processes that are relevant for the current and future needs of its Revenue Processing Center ("RPC"). This will allow for an increase in employee productivity by providing improved processes and automating labor intensive tasks, improvement in the accuracy of the capture of tax data before updating the taxpayer's account history, and a reduction and simplification of systems maintenance tasks and costs.
- To upgrade its mail handling processes to automate and improve incoming document identification, accountability, and front end processing in order to capture more data in a timelier manner. Enhanced document identification and data capture will allow RPC to: a) track documents as they move through work processes so that bottlenecks can be detected early and corrective action taken, b) monitor key performance indicators, c) improve customer service, and d) upgrade its front end processing system to reduce the number of operating platforms and software systems. The goal is to have a front end processing system that is built using a scalable modular design. These modules shall enable RPC to select desired functionality needed for processing documents, reduce the need for extensive coding, and to reduce overall maintenance costs. The TaxExpress 3D system will provide for more efficient support, internal control of documents processed, improved interfaces with Delta and Delta imaging, and improved processing times.
- To upgrade its forms processing system to have as much of the data capture process as is technically feasible to be automated via ICR/OCR technology. The goal is to enable LDR to process more unstructured forms. The movement to unstructured forms will allow for more

### **1.2.3 MONITORING PLAN**

The State Project Director for this Contract will be Greg Montagnino, Director of Information Technology Division. The State Project Director will monitor the services provided by the Contractor and the expenditure of funds under this Contract.

The State Project Coordinator for this Contract will be Boyd Winn, Director of the Revenue Processing Center. The State Project Coordinator will be primarily responsible for the day-to-day contact with the Contractor and day-to-day monitoring of the Contractor's performance.

The monitoring plan is the following:

The Contractor shall keep the State informed of the status of the work by timely contact, written or verbal, as work progresses.

Contractor assignments will be tracked via the Project Work Plan. Formal scope of work, personnel assignments, target completion dates, and actual completion dates will be documented and monitored. Contractor assignments will be subject to the same quality assurance criteria as all other IT assignments.

Performance measures to be used for monitoring each assignment will include timeliness and accuracy of the work based on the specifications stipulated in the scope of the assignment and the deadline indicated for each work assignment.

### **1.2.4 DELIVERABLES**

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

#### **1.2.4.1 ACCEPTANCE OF DELIVERABLES**

Contract deliverables will be submitted, reviewed, and accepted according to the following procedure:

*A. General.* Except where this Contract provides different criteria, work will be accepted if it has been performed in accordance with the applicable specifications for Contractor's work in the Statement of Work, the Contractor's Proposal, and/or as subsequently modified in State- approved design documents developed within this Project, and in the accepted final documentation.

*B. Submittal and Initial Review.* Upon written notification by Contractor that a Deliverable is completed and available for review and acceptance, the State Project Director will use best efforts to review the Deliverable within five (5) business days after the Deliverable is presented to the State Project Director, but in no event later than ten (10) business days after the Deliverable is presented to the State Project Director. Within the applicable period, the State Project Director will direct the appropriate review process, coordinate any review outside the Project team, and present results to any user committees and/or Steering Committee for approval, as needed. The initial review process will be comprehensive with a view toward identifying all items which must be modified or added to enable a Deliverable to be approved. A failure to deliver all or any essential part of a Deliverable shall be cause for non-acceptance.

*C. Notification of Acceptance or Rejection.* If no notification is delivered to Contractor within the applicable period, the Deliverable will be considered approved. If State disapproves a Deliverable, State will notify Contractor in writing of such disapproval, and will specify those items which, if modified or added, will cause the Deliverable to be approved.

invoice and under a valid contract. Payment will be made only on approval of Clarence Lymon, Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.

The State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. The major milestones are defined in the Contractor's proposal dated August 15, 2011. During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. Payment tasks with anticipated milestone dates are as follows:

<u>Description</u>	<u>Payment Amount</u>	<u>Date</u>
Detail Design Document Review 1	\$ 75,000.00	11/11/11
Detail Design Document Review 2	\$ 75,000.00	12/28/11
Final Detail Design Document Review	\$ 80,400.00	4/11/12
IBML Scanner Application	\$ 20,923.16	5/03/12
Opex 3690i Application	\$ 20,923.16	5/07/12
Sales and Withholding Recognition	\$ 20,923.16	5/14/12
Sales & Withholding Verify/KW	\$ 20,923.16	5/17/12
Deposit Critical	\$ 20,923.16	6/18/12
Deposit 21	\$ 20,923.16	7/12/12
Forms Process	\$ 20,923.16	7/20/12
Snippet Interface	\$ 20,923.16	7/31/12
Data Interfaces	\$ 20,923.16	8/22/12
Images Process	\$ 20,923.16	9/12/12
Data output	\$ 20,923.16	9/21/12
Exception Work Queue (Edit, Delete, Registration)	\$ 20,923.16	9/21/12
LDR E-Voucher Application	\$ 20,923.16	10/04/12
LDR Paper Tracking (Box Tracking)	\$ 20,923.16	10/16/12
Reports	\$ 20,923.16	10/17/12
Email Process	\$ 20,923.15	10/23/12
Statistics	\$ 20,923.15	11/13/12
Archive	\$ 20,923.15	11/30/12
Remote Sites	\$ 20,923.15	12/21/12
Rec/DE Severance	\$ 159,788.00	12/31/12
Rec/DE Income 2000-2011/2012	\$ 159,788.00	2/19/13
Rec/DE Corporation 2000-2011/2012	\$ 159,788.00	3/28/13
Rec/DE Excise	\$ 159,788.00	5/07/13
Rec/DE Miscellaneous Taxes	\$ 159,788.00	5/07/13

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

Ten percent (10%) of fees approved by the State Project Director to be paid shall be withheld as retainage pending successful completion of the Contract. Upon completion and acceptance of all deliverables contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid within thirty (30) days.

secret or intellectual property right, provided that the STATE shall give the CONTRACTOR: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at CONTRACTOR's sole expense, and (iii) assistance in the defense of any such action at the expense of CONTRACTOR. Where a dispute or claim arises relative to a real or anticipated infringement, the STATE may require CONTRACTOR, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The CONTRACTOR shall not be obligated to indemnify that portion of a claim or dispute based upon: i) STATE's unauthorized modification or alteration of a Service; ii) STATE's use of the Service in combination with other services not furnished by CONTRACTOR; iii) STATE's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if CONTRACTOR believes that it may be enjoined, CONTRACTOR shall have the right, at its own expense and sole discretion as the STATE's exclusive remedy to take action in the following order of precedence: (i) to procure for the STATE the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non- infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the STATE up to the dollar amount of the Contract.

For all other claims against the CONTRACTOR where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, CONTRACTOR's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges for services rendered by the CONTRACTOR under the Contract. Unless otherwise specifically enumerated herein mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the CONTRACTOR is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The STATE may, in addition to other remedies available to them at law or equity and upon notice to the CONTRACTOR, retain such monies from amounts due CONTRACTOR, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **5 CONTRACT CONTROVERSIES**

Any claim or controversy arising out of the Contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1524-26.

## **6 FUND USE**

Contractor agrees not to use Contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.



Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and CONTRACTOR agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

CONTRACTOR agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination committed by CONTRACTOR, or failure to comply with these obligations when applicable shall be grounds for termination of this Contract.

## **13 INSURANCE REQUIREMENTS FOR CONTRACTORS**

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The cost of such insurance may be included in the Contractor's bid.

### **A. MINIMUM SCOPE AND LIMITS OF INSURANCE**

#### **1. Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, the Employers Liability limit is increased to a minimum of \$1,000,000. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

#### **2. Commercial General Liability**

Commercial General Liability insurance shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. Insurance Services Office Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana) is to be used in the policy. Claims-made form is unacceptable.

#### **3. Automobile Liability**

Automobile Liability Insurance shall have a minimum limit per occurrence of \$1,000,000. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana) is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

### **B. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions. At the option of the Agency, the Contractor shall procure a surety bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

### **C. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

## **F. SUBCONTRACTORS**

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for furnishing separate certificates for each subcontractor to the Agency. All coverages for subcontractors shall be subject to all of the requirements stated herein.

## **14 APPLICABLE LAW**

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this Contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

## **15 CODE OF ETHICS**

The Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this Contract. The Contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this Contract.

## **16 SEVERABILITY**

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

## **17 COMPLETE CONTRACT**

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this Contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

## **18 ENTIRE AGREEMENT & ORDER OF PRECEDENCE**

This Contract together with the Contractor's proposal which is incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the Contract and its amendments; second priority shall be given to the provisions of the Contractor's Proposal.

THUS DONE AND SIGNED on the date(s) noted below:

## **ATTACHMENT I**

### **STATEMENT OF WORK**

#### **1.0 INTRODUCTION**

The State desires to upgrade their current TaxExpress™ system to Scan Optics LLC's *TaxExpress 3D™* system. Scan Optics LLC will work with the Louisiana Department of Revenue (LDR) to design, develop, install, test, and implement a comprehensive deposit, remittance, return, image processing and data capture system utilizing TaxExpress 3D™. The system shall provide ICR/OCR capture, image assisted data entry, deposit and remittance processing for the taxes and fees administered by the State. The TaxExpress 3D upgrade to will include recommendations for all equipment/changes necessary to accomplish the State's objectives beginning with mail receipt and including all tasks through data and image transfer to LDR's integrated tax system and deposit of funds into the State's bank account(s).

#### **2.0 DESCRIPTION OF SERVICES/TASKS**

Scan-Optics LLC will provide the services described in its proposal dated August 15, 2011 for the design, development, implementation, testing, and training needed to complete the upgrade to TaxExpress 3D. The upgrade will improve the remittance, return, data capture, and image capture processes that support all functions within the Revenue Processing Center beginning with mail receipt and includes all tasks through data and image transfer to Revenue's integrated tax system and the depositing of funds into the State's bank account(s). LDR shall provide all hardware and off-the-shelf software. The upgrade will be a fully supported package for the imaging, data capture and remittance processing functions including any system utilities required for the efficient operation of the system and the imaging functions. The software will support the scanning, data capture, verification, indexing, storage, retrieval, viewing, printing and management functions of a data capture and remittance processing system.

Scan-Optics will work with LDR to identify, install and integrate all required hardware equipment and off the shelf software required to support TaxExpress 3D

Scan-Optics LLC will be responsible for providing interfaces between the proposed upgrade and the LDR integrated tax system for the transfer of captured data and images. The interface must be capable of transmitting the data and images in the current required formats, and must be easily modified to output the data in whatever new format may result from changes to the integrated tax system.

Scan-Optics LLC will be responsible for providing interfaces between the proposed upgrade and the State's bank for the depositing of funds into the State's bank account(s).

Scan-Optics LLC will provide manuals that progressively describe, in narrative fashion, each step involved in performing the activities associated with a particular function supported by the proposed upgrade. The manual for each function shall be organized by activity and contain a comprehensive table of contents and a comprehensive index so as to direct readers to proper procedures of each activity. The manuals shall be printed on 8.5" by 11" paper and provided in standard, three ring binders to permit the incorporation of new instructions and revisions without the need for re-writing or reordering the entire manual. Scan-Optics LLC will provide a master copy of each manual for the State to duplicate as well as a soft copy of the manual in MS Word or other State approved electronic format. Scan-Optics LLC will keep the manuals current as the project progresses from phase to phase.

Scan-Optics LLC will provide complete system documentation for all custom software developed as part of the proposed upgrade. Documentation will include:

monitor progress against key project milestones and provide important information for identifying schedule and resource problems.

Status reports will be provided to the State on a monthly basis. The status reports will include hours worked by the Contractor's consulting staff, tasks completed during that time period by the project team, tasks delayed, reasons for delay, and tasks in-progress. In addition, the status report will include any issues that arose during the reporting period and the steps taken to resolve those issues. The report will be delivered to the State's project manager within five business days of the period covered.

The performance by the Contractor and expenditure of funds under the resulting contract will be monitored by:

- Reviewing completed deliverables
- Supervising and directing LDR staff in their assistance with the tasks required.
- Reviewing the monthly status reports.
- Verifying monthly Contractor invoices, time sheets, and task breakdowns to determine if billing for work completed is accurate.

## 5.0 DELIVERABLES

Scan-Optics agrees to provide the following deliverables within the time frames specified herein:

Deliverable	Description
Technical Assessment	Provide <i>Technical Assessment</i> . Scan-Optics will review those areas of the State's data processing environment; such as: standards and guidelines, development tools, technical resources, hardware capacities, software supported, networks, facilities, specified arrangements, etc related to the Statement of Work to be provided; and, if warranted, prepare a memorandum identifying areas where, in Scan-Optics' opinion, the State's technical environment may materially impair Scan-Optics from successfully completing the Contract.
Project Planning	Provide <i>Project Plan</i> . Scan-Optics will perform necessary analysis tasks and develop a Project Plan incorporating the functional and technical requirements as specified in the Statement of Work. The project plan will encompass such tasks as: defining business strategies, information needs, organization strategies, application strategies, information technology strategies, implementation strategies; and defining and planning specific projects to be implemented. An outline specifying the nature of the content, format, and level of detail for the Project Systems Plan will be developed/finalized by Scan-Optics LLC and approved by the State Project Director.
Detail Design Requirements	Provide <i>Detail Design Requirements</i> . Scan-Optics will perform necessary information gathering and analysis tasks and develop a Detail Design Requirements that incorporates the functional and technical requirements of the State according to the Statement of Work. An outline specifying the nature of the content, format, and level of detail for this document will be developed/finalized by Scan-Optics LLC and approved by the State Project Director.
Software Installation	Provide <i>Software Installation</i> . Scan-Optics will perform software installation tasks as applicable; such as: database setup, file sizing, software retrofitting, and installation of software releases, application table setup, operation setup, file migrations, installation test, system integration, integration test, and performance tuning.
Systems Test and Acceptance Test Support	Provide <i>Systems Test and Acceptance Test Support</i> . This includes tasks such as functional support on system functionality, script development and data setup, technical support on executing special jobs or cycles to facilitate testing, assisting in the actual execution of test scripts and review of results, and development of an acceptance test calendar with all of the appropriate cycles.
Interface Testing	Provide <i>Interface Testing</i> . This includes such tasks as: development and testing of extract programs, input interfaces, output interfaces, and front-end programs that are identified in the Implementation Planning document.
Training Materials	Provide <i>Training Materials</i> . This includes: all Instructor Lead Training (ILT) materials; Computer Based Training (CBT) materials; and application student guides as described in the Implementation Plan.
Documentation	Provide <i>Documentation</i> . This includes: Online Features Manuals; User Guides; Errors and Diagnostics Manual; Operations Guide; Reports Manual; and Application Quick Reference Cards as specified in the Implementation Plan.
Change Control	Provide <i>Change Control</i> . Scan-Optics will develop and implement with State approval, procedures and forms to provide a method for defining, reviewing, prioritizing, scheduling, and

## **ATTACHMENT II IRS CONFIDENTIALITY**

### **I. PERFORMANCE**

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the contractor or the contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (8) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

### **II. CRIMINAL/CIVIL SANCTIONS:**

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to

Office of Contractual Review # 440-200259  
CFMS #707989  
Amendment #1

**Amendment to Agreement between State of Louisiana  
Department of Revenue  
AND  
Scan Optics, LLC  
169 Progress Drive,  
Manchester, CT 06040**

**Amendment Provisions**

The amendment is to reflect the change in term of the contract.

**Change Agreement from:**

**2 ADMINISTRATIVE REQUIREMENTS**

**2.1 TERM OF CONTRACT**

This contract shall begin on September 1, 2011 and shall end on August 31, 2013. State has the right to contract up to a total of three years with the concurrence of the Contractor and all appropriate approvals.

**Change Agreement to:**

**2 ADMINISTRATIVE REQUIREMENTS**

**2.1 TERM OF CONTRACT**

This contract shall begin on September 1, 2011 and shall end on August 31, 2014.

**2.4 PAYMENT TERMS**

**This section previously read:**

Payment will be made only on approval of Clarence Lymon, Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.

**This section now reads:**

Payment will be made only on approval of Natalie Howell, Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.





BOBBY JINDAL  
Governor



CYNTHIA BRIDGES  
Secretary

State of Louisiana  
Department of Revenue

September 23, 2011

Ms. Sandra G. Gillen  
Division of Administration  
Office of Contractual Review  
P. O. Box 94095  
1201 North Third Street, Room 7-246  
Baton Rouge, Louisiana 70804-9095

RE: Justification for Multi-Year Contract-CFMS# 707989

Dear Ms. Gillen:

Please consider this justification for the Department of Revenue to enter into a multi-year contract with Scan Optics, LLC. The Contract is for upgrading Department's front end processing system and by extending the contract term beyond 12 months provides the continuity of services and a firm fixed price. Funds for the current fiscal year of the contract are available and estimated requirements covering the period of the contract are reasonably firm and continuing and such a contract will serve the best interests of the State.

If further information is needed, please call Elizabeth Kunjappy at (225) 219-2123.

Sincerely,

  
Elizabeth Kunjappy  
La Department of Revenue

EK/ek

*Contributing to a better quality of life.*



**BOBBY JINDAL**  
Governor



**TIM BARFIELD**  
Executive Counsel

## State of Louisiana Department of Revenue

November 14, 2012

Sandra G Gillen, State Purchasing Director  
Office of State Purchasing  
Claiborne Building  
Baton Rouge, LA 70802

Dear Ms. Gillen:

This request is to enter into a sole source contract with Scan Optics, LLC to upgrade the front end processing system used by the Department's Revenue Processing Center (RPC) to process paper tax returns, payments and correspondence for output to the Department's integrated tax system (Delta). The system was initially built around the VistaCapture product from Scan Optics and implemented in 1998. The VistaCapture product is written in VB.6 and uses Microsoft SQL Server 2000/2003 for its database. The upgrade includes:

- Replacing the VistaCapture product with the latest version of the software which has been rebranded as *TaxExpress 3D*. Tax Express 3D is built upon Microsoft's .net development platform and utilizes Microsoft SQL Server 2008;
- Implementation of transaction based processing in order to reduce the manual sorting of incoming documents into like types;
- Support of remote data capture to integrate the document capture function in remote offices into the RPC processes; and
- Enhancement of the data and image interface with the Delta system.

Scan Optics, LLC is the only company who can provide the needed services to assist Revenue in the upgrade of the existing system. This is documented in the attached letter. The services are needed to upgrade proprietary software owned by Scan Optics, LLC.

Microsoft has announced that it will end support for VB.6 in 2014. The upgrade of this system will allow Revenue enough time to complete the upgrade before support for VB.6 ends. Also, VB.6 is not compatible with SQL Server 2008 and is hindering the Department's move to this new database platform.

Upgrading this system is part of the Department's strategy for the modernization of the Revenue Processing Center.

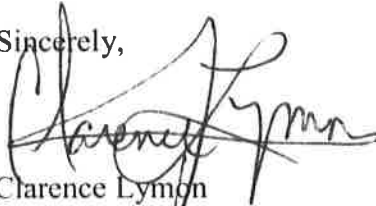
*Contributing to a better quality of life*

617 North Third Street, Post Office Box 66378, Baton Rouge, Louisiana 70896-6378  
225-219-2020 • Fax 225-219-0867 • TDD 225-219-2114  
[www.revenue.louisiana.gov](http://www.revenue.louisiana.gov)

Ms. Sandra G. Gillen  
November 14, 2012  
Page 2

If you require additional information, please contact Elizabeth Kunjappy at 225-219-2123 or  
Greg Montagnino at 225-219-2676.

Sincerely,



Clarence Lymon  
Undersecretary

CL/pg

**BOBBY JINDAL**  
GOVERNOR



**KRISTY H. NICHOLS**  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Contractual Review**

October 30, 2013

Ms. Elizabeth Kunjappy ,CPPB  
Procurement Director  
Department of Revenue & Taxation  
Controllers Division  
Post Office Box 66987  
Baton Rouge, LA 70806-6987

Dear Ms. Kunjappy:

Enclosed are approved copies of the following amendment submitted to us and received in our office on October 23, 2013.

**Department of Revenue & Taxation**  
**OCR# 440-200259    AMENDMENT # 02    CFMS # 707989**  
**Scan-Optics LLC**

We appreciate your continued cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Bartfay Rice".

Pamela Bartfay Rice, Esq.  
Interim Director

PBR/LH

Enclosure

**Amendment to Agreement dated September 7, 2011 between State of Louisiana**

*Department of Revenue*

AND

*Scan Optics, LLC  
169 Progress Drive  
Manchester, CT 06040*

**Amendment Provisions**

**Change Agreement from:  
1.2.3 MONITORING PLAN**

The State Project Director for this Contract will be Greg Montagnino, Director of Information Technology Division. The State Project Director will monitor the services provided by the **Contractor** and the expenditure of funds under this Contract.

The State Project Coordinator for this Contract will be Boyd Winn, Director of the Revenue Processing Center. The State Project Coordinator will be primarily responsible for the day-to-day contact with the Contractor and day-to-day monitoring of the Contractor's performance.

The monitoring plan is the following:

The Contractor shall keep the State informed of the status of the work by timely contact, written or verbal, as work progresses.

Contractor assignments will be tracked via the Project Work Plan. Formal scope of work, personnel assignments, target completion dates, and actual completion dates will be documented and monitored. Contractor assignments will be subject to the same quality assurance criteria as all other IT assignments.

Performance measures to be used for monitoring each assignment will include timeliness and accuracy of the work based on the specifications stipulated in the scope of the assignment and the deadline indicated for each work assignment.

**Change Agreement to:**

**1.2.3 MONITORING PLAN**

The State Project Director for this Contract will be Bridgette Thibodeaux, Director of Information Technology Division. The State Project Director will monitor the services provided by the **Contractor** and the expenditure of funds under this Contract.

The State Project Coordinator for this Contract will be Andrew Perilloux, Director of the Revenue Processing Center. The State Project Coordinator will be primarily responsible for the day-to-day contact with the Contractor and day-to-day monitoring of the Contractor's performance.

The monitoring plan is the following:

The Contractor shall keep the State informed of the status of the work by timely contact, written or verbal, as work progresses.

Contractor assignments will be tracked via the Project Work Plan. Formal scope of work, personnel assignments, target completion dates, and actual completion dates will be documented and monitored. Contractor assignments will be subject to the same quality assurance criteria as all other IT assignments.

Performance measures to be used for monitoring each assignment will include timeliness and accuracy of the work based on the specifications stipulated in the scope of the assignment and the deadline indicated for each work assignment.

### **Change Agreement from:**

#### **2.4 PAYMENT TERMS**

In consideration of the services required by this Contract, State hereby agrees to pay to Contractor a maximum fee of \$1,426,880. Payments are predicated upon successful completion and written acceptance by the State of the described tasks and deliverables as provided in Section 1.2.4. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of *Clarence Lymon, Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.*

The State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. The major milestones are defined in the Contractor's proposal dated August 15, 2011. During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. Payment tasks are as follows:

<u>Description</u>	<u>Payment Amount</u>
Detail Design Document Review 1	\$ 75,000.00
Detail Design Document Review 2	\$ 75,000.00
Final Detail Design Document	\$ 80,400.00
IBML Scanner Application	\$ 20,923.16
Opex 3690i Application	\$ 20,923.16
Recognition	\$ 20,923.16
Sales & Withholding Verify/KW	\$ 20,923.16
Deposit Critical	\$ 20,923.16
Deposit 21	\$ 20,923.16
Forms Process	\$ 20,923.16
Snippet Interface	\$ 20,923.16
Data Interfaces	\$ 20,923.16
Images Process	\$ 20,923.16
Data output	\$ 20,923.16
Exception Work Queue (Edit, Delete, Registration)	\$ 20,923.16

LDR E-Voucher Application	\$ 20,923.16
LDR Paper Tracking (Box Tracking)	\$ 20,923.16
Reports	\$ 20,923.16
Email Process	\$ 20,923.15
Statistics	\$ 20,923.15
Archive	\$ 20,923.15
Remote Sites	\$ 20,923.15
Rec/DE Income 2000-2012	\$ 159,788.00
Rec/DE Corporation 2000-2012	\$ 159,788.00
Rec/DE Severance	\$ 159,788.00
Rec/DE Excise	\$ 159,788.00
Rec/DE Miscellaneous Taxes	\$ 159,788.00

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

Ten percent (10%) of fees approved by the State Project Director to be paid shall be withheld as retainage pending successful completion of the Contract. Upon completion and acceptance of all deliverables contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid within thirty (30) days.

**Change Agreement to:**

**2.4 PAYMENT TERMS**

In consideration of the services required by this Contract, State hereby agrees to pay to Contractor a maximum fee of \$1,426,880. Payments are predicated upon successful completion and written acceptance by the State of the described tasks and deliverables as provided in Section 1.2.4. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 days of the approval of invoice and under a valid contract. Payment will be made only on approval of the *Undersecretary of the Department of Revenue, not to be unreasonably withheld or delayed.*

The State has identified certain tasks as payment tasks. Payment tasks are those which represent the completion of major milestones of the project. The major milestones are defined in the Contractor's proposal dated August 15, 2011 and modified by the Statement of Work Revision dated July 24, 2013. During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. Payment tasks and estimated start and end dates are as follows:

Name	Start	Finish	Milestone Amount
Detail Design Document Review 1		03/09/12	\$75,000
Detail Design Document Review 2		07/06/12	\$75,000
Configuration of Servers Installation of TaxExpress (Core) & Databases	09/30/13	10/02/13	\$4,608
Process Flow - Review & Approval	09/30/13	10/07/13	\$2,400

Name	Start	Finish	Milestone Amount
IMF/BMF Download/Sync Completion	10/01/13	10/09/13	\$3,584
Detail Design Chapters 1 thru 6 Introduction, Mail Opening, Doc prep, Batching, Scanner interfaces, Importer, Form classification and Form ID	09/30/13	10/10/13	\$5,281
Check21 -Integration & Bank File Submission Test	10/08/13	10/16/13	\$3,072
Edit Money Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Heads Down Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Correspondence Scanner Job (IBML)	09/30/13	10/17/13	\$6,000
Detail Design Chapters 7 & 8 Upstream batch repair & Edit Queues	10/10/13	10/24/13	\$6,601
Develop Importer, ICE, OCR services	09/30/13	10/28/13	\$10,240
Money Job Scanner Job (IBML)	10/10/13	10/29/13	\$6,000
Project Management	10/01/13	10/31/13	\$16,211
Detail Design Chapters 9, 10 11 & 14 Snippet keying, DC Checks, DC returns	10/24/13	11/01/13	\$3,961
Edit No money Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
Image Only Scanner Job (IBML)	09/30/13	11/04/13	\$6,000
System Administration Setup & Training Users, Roles, Permissions	10/08/13	11/06/13	\$10,752
Detail Design Chapters 12 & 13 Balancing (DC Review) & Downstream Transaction Repair	11/01/13	11/13/13	\$5,281
No money Scanner Job (IBML)	10/10/13	11/14/13	\$6,000
Deliver & Install 1D/2D barcode reader	10/08/13	11/14/13	\$512
Delivery & Install A2iA (CAR/LAR)	10/08/13	11/14/13	\$5,632
Project Management	11/01/13	11/30/13	\$16,211
Detail Design Chapters 15 & 16 Data Entry (NDC Verify and NDC Knowledge Worker)	11/13/13	12/03/13	\$9,242
Upstream Batch Repair Application	10/24/13	12/06/13	\$15,872
Snippet Keying Application	11/01/13	12/09/13	\$13,312
Detail Design Chapters 17 thru 21 - Virtual Solutions Interface, Name/Address/Central Registration, Unclassified mail, Send back	12/03/13	12/13/13	\$5,281
Balancing (DC Review) Application	11/13/13	12/19/13	\$13,312
Detail Design Chapters 22 thru 24 - Supervisor Delete Review, Express 21, H/W S/W Requirements	12/13/13	12/25/13	\$5,281
Form ID Application	10/10/13	12/27/13	\$28,672
Deposit Critical Checks Application	12/09/13	12/31/13	\$8,192
Project Management	12/01/13	12/31/13	\$16,211
Detail Design Chapter 25 & 26 Payment Record Output & Vouchers, SendBack	12/25/13	01/06/14	\$3,840

Name	Start	Finish	Milestone Amount
Detail Design Chapter 27 Withholding Output & Validations	01/06/14	01/14/14	\$2,880
Payment Output Data Records to Delta	01/06/14	01/21/14	\$5,632
Detail Design Chapter 28 Sales Output & Validations	01/14/14	01/22/14	\$2,880
Vouchers & Declarations (51 total) Setup:OCR,Validations,DE App,Test,Output	11/13/13	01/23/14	\$50,606
Supervisor Delete Review Application	12/25/13	01/23/14	\$10,752
Downstream Transaction Repair Application	12/19/13	01/24/14	\$13,312
Detail Design Chapter 29 Corporation Output & Validations	01/22/14	01/31/14	\$3,360
Project Management	01/01/14	01/31/14	\$16,211
Verify Pull Application	01/23/14	02/05/14	\$4,608
Detail Design Chapter 30 Income Output & Validations	01/31/14	02/11/14	\$3,360
Edit Queues Application	12/06/13	02/17/14	\$26,112
Missing Paper Tracker IDs Application	01/24/14	02/17/14	\$8,192
Interactive Post Update Application	02/05/14	02/18/14	\$4,608
Detail Design Chapters 31, 32 Excise & Severance	02/11/14	02/20/14	\$3,360
Detail Design Chapter 33 Image Only, Heads Down	02/20/14	02/25/14	\$1,440
Deposit Critical Returns Application	12/31/13	02/26/14	\$20,992
Detail Design Chapter 34 Regional Correspondence (out of original scope)	02/25/14	02/27/14	\$960
Project Management	02/01/14	02/28/14	\$16,211
Virtual Solutions Interface	12/13/13	03/03/14	\$28,672
Detail Design Chapter 35 Menu Structure	02/27/14	03/06/14	\$2,400
Detail Design Chapter 36-37 Paper Tracker and Time Tracking	03/06/14	03/10/14	\$960
Detail Design Chapter 38 Verify Pull	03/10/14	03/12/14	\$960
Sparkhound Interface	03/03/14	03/14/14	\$5,120
Images Output to Delta	02/25/14	03/26/14	\$10,752
Name/Address & Central Registration Application	02/17/14	03/31/14	\$15,360
Project Management	03/01/14	03/31/14	\$16,211
Performance Monitor Application	02/25/14	04/09/14	\$15,360
Training, UAT, Parallel Testing Support Thru Turnover	09/30/13	04/11/14	\$60,000
TimeTracker Application	02/25/14	04/16/14	\$18,432
Unclassified Mail Application	03/31/14	04/24/14	\$9,216
Menu Customization	03/06/14	04/25/14	\$18,432
Project Management	04/01/14	04/30/14	\$16,211
Excise Forms - payments and image only Setup:ICE,OCR,Validations,DE App,Test,Output	01/23/14	05/01/14	\$57,882
Sales (35 forms in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	11/29/13	05/02/14	\$91,797



Name	Start	Finish	Milestone Amount
Withholding (14 forms in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	01/14/14	05/09/14	\$65,230
KFP Batch Control Application	04/24/14	05/20/14	\$9,216
Tracking (PaperTracker) Application	03/10/14	05/21/14	\$24,576
End User Documentation User Guide Supervisor Guide Administrator Guide	03/06/14	05/29/14	\$28,800
Project Management	05/01/14	05/31/14	\$16,211
Income 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/11/14	06/02/14	\$20,492
Send Back Application	05/20/14	06/04/14	\$5,632
Email Adapter	05/05/14	06/20/14	\$17,920
Project Management	06/01/14	06/30/14	\$16,211
Corporation 2011 and prior (in original scope) Setup:ICE,OCR,Validations,DE App,Test,Output	02/26/14	07/16/14	\$66,361
Severance (8 Forms) Setup:ICE,OCR,Validations,DE App,Test, Output	01/23/14	07/18/14	\$46,784
Miscellaneous Forms Setup:ICE,OCR,Validations,DE App,Test,Output	01/23/14	07/18/14	\$43,712
Project Management	07/01/14	07/31/14	\$16,211
Fax Adapter	06/16/14	08/01/14	\$17,920
Archive and Purge Setup/Configure Process	06/04/14	08/08/14	\$24,064
Reports Scanner Stats Report Doc Prep Report Data Entry Reports Administrative Reports Dashboard Cognosor Sparkhound Report Integration	03/10/14	08/26/14	\$22,528
Project Management	08/01/14	08/31/14	\$16,210

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the Contract.

Ten percent (10%) of fees approved by the State Project Director to be paid shall be withheld as retainage pending successful completion of the Contract. Upon completion and acceptance of all deliverables contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid within thirty (30) days.

**Change Agreement from:  
ATTACHMENT I**

### **3.0 SCHEDULE REQUIREMENTS**

It is anticipated that work will begin on or around September 1, 2011 with a completion target date of August 31, 2013.

Work under this proposal will be performed by Scan-Optics employees or its contractors in three phases and in accordance to the Project Plan contained within its proposal dated August 15, 2011.

Phase I will be the Analysis and Requirements gathering phase used to create and document new business rules and processes required for the TaxExpress3D™ software-based solution. It is anticipated that this phase will be completed in April, 2012.

Phase II will be the development and configuration of all specific business rules, processes and workflow required to process Sales and Withholding tax families. It is anticipated that this phase will be completed in January, 2013.

Phase III will be the implementation of the remaining tax families: Income, Corp, Excise, Severance and Miscellaneous. Tax families will be implemented sequentially in an order determined by the State. It is anticipated that this phase will be completed in June, 2013.

**Change Agreement to:  
ATTACHMENT I**


**3.0 SCHEDULE REQUIREMENTS**

It is anticipated that work will begin on or around September 1, 2011 with a completion target date of August 31, 2014.

Work under this proposal will be performed by Scan-Optics employees or its contractors in accordance to the Project Plan contained within its proposal dated August 15, 2011 and as modified by the Statement of Work Revision dated July 24, 2013.

No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

 10/4/13  
(Contractor's Signature) (Date)

Contractor's Name: Mitch Wright

Contractor's Title: CFO

 10/21/13  
(Agency Signature) (Date)

Title: D.S.

Agency's Name: LOUISIANA DEPARTMENT OF REVENUE

**APPROVED**  
Office of the Governor  
Office of Contractual Review

OCT 30 2013

\_\_\_\_\_  
DIRECTOR