SCANNED

APPENDIX 8

New York Vehicle Inspection Program Request for Proposals (RFP)

NYVIP Specification Summary

Optional NYTEST OBD Specifications

DMV/DEC

NEW YORK VEHICLE INSPECTION PROGRAM (NY-VIP)

REQUEST FOR PROPOSAL

March 3, 2003

FINAL DRAFT

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1 INTRODUCTION AND GENERAL REQUIREMENTS

1-1 INTRODUCTION

1-1.1 The New York State Department of Motor Vehicles (DMV), in conjunction with the New York State Department of Environmental Conservation (DEC), is issuing this Request For Proposal (RFP) to seek proposals from qualified bidders to:

1-1.1.1 Develop, test, install and maintain an Onboard Diagnostic (OBD) Vehicle Inspection Program (VIP) beginning with the 53 County Upstate New York areas, comprised of over 8,500 public vehicle inspection stations and 4.9 million vehicles and expanding into the 9 County New York Metropolitan Area (NYMA) with over 4,500 public inspection stations and 4.8 million vehicles.

1-1.1.2 Develop, procure, install, secure and manage a Communications network between the contractor and 13,300+ inspection stations. The connection between the contractor and DMV will be an interface using TCP/IP to DMV utilizing MQ Series and the state's NYeNet. A connection between DMV and the Contractor and DEC will also be established on the state's network.

1-1.1.3 Procure, set-up and maintain data servers to store and forward records from stations to the state agencies and back as defined in the specifications provided in Appendix I.

1-1.1.4 Develop, procure, install and maintain hardware and software to support the collection of NYS vehicle inspection data, including annual software updates as defined in the specifications in Appendix I.

1-1.1.5 Train approximately 200 state staff and initial beta sites in the use, operation, maintenance and management of the installed system and develop a computer-based training and testing module for approximately 58,000 certified inspectors statewide. The contractor will transmit the result of the certification test to DMV.

1-1.1.6 Develop and implement a marketing campaign designed to educate the motoring public about the change in inspection procedures.

1-1.1.7 Develop a help desk and repair technician network to support the 13,300+ stations and 58,000 inspectors with problem, conflict and communication failure issues as they relate to the installed NY-VIP.

1-1.2 NYS desires an OBD inspection system that achieves a number of performance standards included throughout this RFP. Overarching the entire project are the following higher level goals:

1-1.2.1 Efficient. The installed system shall be designed to achieve high output with a minimum of input. This goal can be demonstrated, for example, through use of rugged, reliable equipment designed to operate in a shop environment, a reliable

network that minimizes system downtime, and a user interface that minimizes data entry while assuring data integrity.

1-1.2.2 Economical. The emissions program shall be designed to be cost efficient. This goal can be demonstrated, for example, by a low cost per inspection, competitively priced equipment, and service delivery methods that leverage technology and minimize waste.

1-1.2.3 The designed system shall minimize data loss, system downtime, and unauthorized access.

1-1.2.4 Innovative. The system shall employ technologies that are forward looking and that may not yet exist in an installed emissions program.

1-1.2.5 Customer Friendly. The system shall meet or exceed the needs of the various stakeholders which will interact with the installed system, including but not limited to the motoring public, station owners, inspection technicians and the state program administrators.

1-2 SUMMARY OF CONTRACTOR RESPONSIBILITIES

The contractor shall be responsible for all elements related to the development, procurement, installation and maintenance of the Vehicle Inspection Program (VIP) or NY-VIP. To facilitate understanding of the terminology used for the NYS Emissions Program, a glossary of acronyms and terms are defined in Appendix M. The project will be broken into the following phases:

1-2.1 **Phase 1: System Design and Prototype Development Phase**. This phase involves the necessary tasks related to system design and development and the creation of a working prototype. This will require coding of the system per the specification described in Appendix I, obtaining DMV signoffs on system design documentation, and the development of both the technician training curricula and the marketing campaign.

1-2.2 **Phase 2: System Delivery Phase**. This phase focuses on the acquisition, delivery, installation and setup of the inspection equipment and software, beta/pilot testing software in NYS selected stations, training of the state personnel and pilot stations, setup of the help desk and communications network needed to support the system and rollout of the marketing campaign.

1-2.3 **Phase 3: System Start-Up Phase**. This phase will involve system acceptance, load testing, and turning on the system in all 53 upstate counties by June 30, 2004.

1-2.4 **Phase 4: System Maintenance Phase**. This phase will involve the ongoing maintenance of the NY-VIP system. This will include system enhancements, software updates, equipment servicing and repair, help desk support and new installations as required.

1-2.5 **Phase 5: Statewide Expansion into 9 County NYMA in 2005 Phase** This phase will include an expansion of the NY-VIP as a stand alone system into the 9 county area which includes New York City, Long Island, and Rockland and Westchester Counties. Expansion into the NYMA will add an additional 4,500+ stations, 23,000 inspectors and 4.8 million vehicles. This expansion will occur by April 1, 2005.

1-3 MINIMUM QUALIFICATIONS REQUIRED OF BIDDERS

The qualifications and experience of the "bidder" (the bidder, including all its proposed subcontractors) are of paramount concern to the State. Bidders must demonstrate how they meet the following minimum qualifications through verifiable references. The bidder must meet and provide descriptions of at least three recently completed projects, each detailed on a separate Corporate Experience and Reference Form (Appendix E). Of the projects described, at least two must be of a comparable size and/or scope and at least one must be a collaborative project with other vendors. "Out of the box" installation of application software cannot be included as experience. Recognizing that the emissions industry is one where people move from company to company regularly and that individuals may create new entities for the express purpose of responding to this RFP—NYS will accept verifiable experience completed by individuals as well as by companies.

In addition, bidders must indicate on the Experience and Reference Matrix (Appendix E) who/how the bidder (company or persons) met the specific minimum qualifications and include resumes of key staff assigned to each project. The bidder must also indicate whether or not key staff on the referenced resumes and projects are available to the NY-VIP program should your company be awarded the contract. The bidder must also list all vehicle Inspection Maintenance (I/M) programs it has managed over the last 10 years. In addition, for each I/M program, bidders must complete a separate Corporate Experience and Reference form (beyond the three demonstrating meeting the minimum qualifications). This I/M program list must identify the current status of each of the contracts, i.e. completed, system design phase, operational, etc. The 10-year list must be in descending chronological date order (i.e. most recent listed first). When evaluating bidder experience and references, DMV and DEC will be contacting references supplied by the bidder as well as known projects and references of the bidder from other sources. Subcontractors, identified as an apportionment of the bidder, must meet the minimum qualifications related to the scope of work being performed. DMV and DEC will evaluate the experience composite of both the bidder and their subcontractors. It is not required that any one project meet all requirements, but that all project descriptions taken together clearly demonstrate the bidder's experience and expertise for all requirements described below:

1-3.1 The Project Manager must have a minimum of 5 years of professional experience managing emissions testing projects and 5 years experience in application development, beta testing, system certification, and system integration.

1-3.2 The Database Administrator must have at least 5 years database administration experience, with at least two years experience with the database software the company is recommending.

1-3.3 Experience in all phases of a project design including Requirement Analysis, System Design, Database Design and Implementation and Application Development.

1-3.4 Experience in large system design and implementation. This involves implementations with more than 100 users on different local and/or wide area networks, and access to multiple databases with over two hundred thousand combined records.

1-3.5 System management including maintenance and feedback loops for system administration and update alerts, system administration, user and system documentation

including on-line help and installation of computer hardware including servers, networks, workstations/personal computers and essential peripheral devices.

1-3.6 Experience with hardware and software environment used at DMV/DEC, which includes software such as MS SQL Server, XML, Powerbuilder, Cold Fusion, Windows/9x, Windows/NT, MQ Series, TCP/IP, Foxpro, Oracle, and Oracle Forms and Oracle Reports.

1-3.7 Experience in integrating new network hardware and software with existing LAN and WANS across multiple platforms and in multiple locations.

1-3.8 Experience with developing and maintaining a service network capable of supporting multiple inspection facilities with timely equipment installation and service.

1-4 ISSUING OFFICER

The Contract Manager, Heather Rhoads, is the issuing officer and the sole point of contact in DMV for all matters relating to this RFP. All proposals and accompanying documentation must be packaged, sealed and submitted to:

Heather Rhoads, Contract Unit
New York State Department of Motor Vehicles
Room 137
6 Empire State Plaza
Albany, NY 12228
Phone: (518) 474-2692, FAX (518) 402-2320
Email: hrhoa@dmv.state.ny.us

1-5 RESPONSE DATES

Vendors may elect to mail, ship or hand deliver proposals to DMV. Packaged and sealed proposals must be received at DMV by 2:00 pm Eastern Standard Time (EST), on Tuesday, May 6, 2003. Faxed responses will not be accepted.

1-6 TENTATIVE TIMETABLE

EVENT	DATE
RFP Release Date	March 3, 2003
Deadline for receipt of bidder questions	March 17, 2003
Deadline for Confidentiality Agreement / Certificate of Nondisclosure	March 31, 2003*
Written responses to questions to be distributed to bidders	April 8, 2003
Mandatory Bidder's Conference	April 8, 2003
Deadline for Intent to Bid Form	April 29, 2003
Deadline for submitting proposals	May 6, 2003, 2:00 PM
Contractor Selection / Intent to Award	May 30, 2003
Contractor Negotiations Begin	June 10, 2003
Contractor Negotiations End	June 30, 2003
Anticipated Project Start (Contract Approval by OSC and AG)	August 29, 2003

EVENT	DATE
Anticipated Upstate NY-VIP Implementation Date	No later than June 30, 2004
Anticipated NYMA NY-VIP Implementation Date	No later than April 1, 2005

* See Section 1-8 for additional information on Confidentiality Agreement deadline.

DMV reserves the right, in its sole discretion, to modify any event, time, or date on the above schedule.

1-7 QUESTIONS REGARDING THIS RFP

All initial questions regarding this RFP must be received in writing or by fax or email by 3:30 PM, EST, on March 17, 2003. Notice of receipt of emailed questions will be automatically provided. It is the bidder's responsibility, if desired, to verify timely receipt of mailed or faxed questions; no automatic acknowledgement will be provided. A written response to all questions received in writing by the March 17th deadline will be distributed on April 8th to all RFP recipients who have properly executed and returned the Confidentiality Agreement (Section 1-8) by March 31, 2003.

Questions must be submitted to:
Heather Rhoads, Contract Unit
New York State Department of Motor Vehicles
6 Empire State Plaza
Albany, NY 12228
Phone: (518) 474-2692, FAX (518) 402-2320
Email: hrhoa@dmv.state.ny.us

1-8 CONFIDENTIALITY AGREEMENT / CERTIFICATE OF NON-DISCLOSURE

Bidders must submit the Confidentiality Agreement / Certificate of Non-disclosure and an Intent to Bid (all are in Appendix D) prior to submitting a bid proposal in response to this RFP.

Access to DMV/DEC confidential data will be granted only to bidders who have filed a notarized Confidentiality Agreement. The Confidentiality Agreement shall constitute an acknowledgment by the bidder that all information and/or documentation pertaining to DMV/DEC, their claimants, or their constituents, is confidential to the extent provided by law and may not be used for any purpose other than this RFP. Any other use of or release to any party or parties of DMV and/or DEC confidential information/documentation without the prior written consent of DMV shall constitute a breach of this admitted confidentiality and may result in disqualification of the bidder from this procurement or other sanctions as determined by DMV. Release of the NY-VIP system specification, Appendix I, is conditional upon submission of a Confidentiality Agreement. DMV will transmit Appendix I, to bidders electronically and/or via mail, upon receipt of the properly executed Confidentiality Agreement.

To execute the Agreement, complete, sign, and have notarized, the Confidentiality Agreement/Certificate of Nondisclosure and forward the original to Heather Rhoads by March 31, 2003 at 3:30 EST If documents are not submitted prior March 31, 2003, the bidder will not be admitted to the mandatory bidder's conference. Faxed submissions will not be accepted.

To execute the Intent to Bid, complete, sign, and forward the Intent to Bid form to Heather

Rhoads by April 29, 2003. Faxed submissions will not be accepted.

1-9 MANDATORY BIDDER'S CONFERENCE

Bidders are required to attend a mandatory bidder's conference to be held in Albany, NY on Tuesday, April 8, 2003 at 1:00 pm. At this conference, NYS will distribute written answers to bidder's questions submitted by March 17, 2003, NYS will provide additional confidential details related to system design (e.g. calculation of an emission receipt verification number), and key state personnel involved in the emissions program will describe the NY-VIP and answer questions as appropriate. Bidders are limited to five persons per company; although potential subcontractors can be considered a separate company for the purposes of attendance. To assist NYS in ensuring sufficient space and materials are available to all participants—bidders are required to complete the bidder conference attendance form, in Appendix D, and fax this form to Heather Rhoads at (518) 402-2320 by noon, EST on Tuesday, April 1, 2003. NYS will fax or email the location, directions and parking information to bidder's at the fax number indicated on their form on Friday, April 4th. Bidders are advised that only written communication issued by the DMV Contract Unit is binding for the purposes of this procurement. In the event NYS commits to providing additional information as a result of the bidder's conference, this information will be mailed to the bidders by Wednesday, April 16, 2003.

1-10 SUBMISSION OF PROPOSAL

Bidders must submit a complete response to this RFP, following the instructions detailed in Section 4 and using the format and forms provided in this RFP. Submission of the bidder's proposal, with a cover letter, shall be construed by DMV as the bidder's acceptance of the procedures, evaluation criteria, and other administrative instructions in the RFP. Bids can be withdrawn up until 2:00 pm on May 6, 2003. All received bidder proposals shall be considered as binding offers for nine (9) months from the date of the bid opening, May 6th.

1-11 DEMONSTRATIONS

NYS has elected, at this time, not to require demonstrations as part of the bid evaluation process.

1-12 THE NYS DEPARTMENT OF MOTOR VEHICLES RIGHTS

DMV reserves the right, in its sole discretion, to:

1-12.1 modify, correct and clarify requirements at any time during the process provided the changes are justified and that modifications would not materially benefit or disadvantage an offerer;

1-12.2 reject any and all proposals, in whole or in part, received as a result of this RFP;

1-12.3 waive or modify minor procedural technicalities, irregularities and omissions if, in its considered judgment, the best interest of the State will be served.

1-12.4 begin contract negotiations with another qualified bidder should DMV determine that the negotiations with the selected bidder will not result in an agreement with such bidder within 30 calendar days of first draft of the contract to such bidder;

1-12.5 select and award the contract to the bidder whose proposal represents the best value to New York State;

1-12.6 adjust or correct any arithmetic irregularities in proposals received after prior notification to the bidder;

1-12.7 make inquiries, at DMV's discretion and by means it may choose, into the bidder's background or statements made in the proposal to determine the truth and accuracy of all statements made therein;

1-12.8 consider late proposals in the event the bidder can show acceptable proof that they shipped their proposals in sufficient time, but through no fault of their own, the bid was delivered late;

1-12.9 disqualify all bidders who fail to submit a requirement; and.

1-12.10 issue amendments in the form of addenda to this RFP prior to the date for proposal submissions. Failure to acknowledge receipt of amendments in accordance with the instructions may result in the proposal not being considered. The bidder must mail, fax or email and acknowledgement that the amendment was received. Email is preferred for this response. The address is: hrhoa@dmv.state.ny.us.

1-13 INCURRING COSTS

The state is not liable for any costs incurred by bidders in the preparation and production of a proposal or for any work performed prior to approval of a contract by the Office of the State Comptroller.

1-14 DISCLOSURE OF PROPOSAL CONTENTS/CONFIDENTIALITY

1-14.1 To the extent permitted by law, bidders' proposals will not be disclosed, except for purposes of evaluation, prior to approval of the resulting contract by the Office of the State Comptroller. All material submitted becomes the property of DMV, and may be returned at DMV's sole discretion. DMV reserves the right to use any and all non-proprietary ideas presented in any response.

1-14.2 The contents of all proposals, correspondence, working papers, or any other medium submitted to DMV which disclose any aspect of the proposal shall be held in the strictest confidence until notice of intent to award. It should be noted that all proposals, as well as contracts are records generally available under New York State's Freedom of Information Law (FOIL). However, FOIL allows the agency, in its sole discretion, to decide whether to withhold information (1) that qualified as a trade secret or (2) if release of the information would substantially injure the Bidder's competitive position. The bidder may elect to mark as "confidential" information it submits which it feels should be withheld from disclosure. However, for each different type of information so designated, an informative explanation justifying the request for withholding must be provided. A conclusory statement that disclosure would be injurious will not be sufficient. If disclosure of the explanation would be injurious, this should also be indicated. It should be understood that, assuming the agency resists a FOIL request on trade secret or competitive position grounds, a court review of the agency's decision

could result, with the potential for an ultimate order that the information be released. The bidder would be notified if such a court action has begun and would be expected to participate in the legal defense of the non-disclosure decision.

1-14.3 If a bidder believes that any information in its proposal constitutes a trade secret and wishes such information not to be disclosed, if requested by a member of the public, pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officers Law, the bidder shall submit with its proposal a letter, specifically identifying by page number, line, or other appropriate designation, that information which is alleged to be a trade secret and explaining in detail why such information is allegedly a trade secret. Failure by any bidder to submit such a letter with its proposal identifying alleged trade secrets shall constitute a waiver by the bidder of any rights it may have under Section 89 (Subdivision 5) of the Public Officers Law relating to the protection of trade secrets.

1-14.4 In no event will DMV consider information to be a trade secret if that information is not the proprietary information or ideas of the bidder and so designated in the proposal, or if that information:

1-14.4.1 was known to DMV before submission of such proposal;

1-14.4.2 properly became known to DMV thereafter through other sources; or

1-14.4.3 is in the public domain.

1-15 NEWS RELEASES

No publicity or news releases pertaining to this procurement may be made without prior written approval of DMV, Associate Commissioner, Office for Communications, and then only in coordination with DMV.

1-16 NON-ENDORSEMENT

As a result of the selection of a bidder to supply services to DMV and DEC, neither agency is endorsing nor suggesting that the bidder's services are the best or only solution for DMV and DEC requirements. The bidder agrees to make no reference to either agency or this procurement or resulting contract in any literature, promotional material, brochures, sales presentation or the like without the express prior written consent of DMV.

1-17 USE OF DMV/DEC LOGOS

The bidder and contractor will not be permitted to use in any manner the DMV logos and DEC logos, or any official mark of NYS without prior approval by DMV and DEC. DMV and DEC reserve the right, in their sole discretion, to withhold approval. Any use of the logos or official marks shall be on the terms and conditions as NYS may set at the time it approves the request, if at all.

1-18 CONTACT WITH EMPLOYEES

From the issuing date of this RFP until a determination is made regarding the selection of a

contractor, DMV and DEC will not allow bidder staff to make direct contact with any DMV or DEC staff regarding this proposal without prior approval. Requests for contact must be directed to DMV Contract Officer, Heather Rhoads. (Section 1-7)

1-19 NOTIFICATION OF LOSING BIDS

Once the winning bidder has been selected by DMV, bidders whose proposals were not selected will be notified in writing, by DMV, of the name of the selected bidder.

1-20 SUBCONTRACTS AND SUBCONTRACTORS

For the purposes of this procurement, the bidder submitting the proposal will be the prime contractor. The prime contractor shall be held responsible for the performance of any and all subcontractors. DMV shall have the right to approve all subcontractors. NYS further reserves the right to review and approve subcontractor agreements between the prime contractor and any subcontractor. In the event NYS requests these documents, they shall be provided within 5 business days.

Given the scope of the project, it is anticipated that bidders are likely to partner and subcontract on this procurement. DMV will provide all bidders who receive this RFP with a list of all vendors who were mailed and/or requested this document. An updated list of bidders will be provided with the written responses to questions on April 8, 2003.

The bid proposals shall clearly identify the work to be performed by the bidder and the work to be performed by its subcontractors.

1-21 OPTIONAL ITEMS AND ORGANIZATION OF RFP AND PROPOSALS

Throughout the RFP, there are specific notations, which are described below. The term "bidder" is a person or company submitting a proposal in response to this RFP. The term "winning bidder", "contractor" and "vendor" are used to refer to the bidder who is selected to be awarded the contract.

In cases where DMV would like the bidder to provide additional information beyond a description of how the bidder will complete the requirements, these specifications are detailed in *italics* in the appropriate section.

The work, separated into phases, includes all requirements. It is DMV's intention to procure all mandatory requirements from the winning bidder.

Bidders are encouraged to provide optional equipment features (e.g. technician training, wireless connectivity, vehicle diagnostic tools) which they desire to market separately to stations, to enhance the NY-VIP inspection system. A discussion of these optional equipment features and instructions on how to provide information with the bidders submission is included in section 3-9. The costs associated with the optional equipment features should be specified in the appropriate section on the Hardware and Software Cost Summary form. The costs associated with these optional items will not be considered during the RFP Cost Evaluation.

In addition to responding to the scope of work as specified in Section 3 and required forms, vendors are asked to provide supplementary information from Section 1-3 (Experience and References).

2 NATIONAL AND STATE STANDARDS GUIDING PROGRAM

2-1 GENERAL GUIDELINES

The emissions testing program in NYS is guided by a variety of regulations at both the Federal and State level. In addition, the International Organization for Standardization (ISO) and the Society of Automotive Engineers (SAE) promulgate standards directly related to the emissions testing equipment that must also be considered. Generally all of the regulations and standards are consistent with each other. In any instance where they may be disparate, federal regulations will preempt NYS law.

2-2 FEDERAL REGULATIONS

2-2.1 Federal regulations detailing on-board diagnostic testing requirements for Inspection and Maintenance programs are contained under 40 CFR Parts 51, 85 and 86. These rules detail areas requiring OBD, what constitutes a passing inspection, training requirements, audit frequency, data reporting, and other program parameters. The most comprehensive summary of requirements can be found under EPA's final rule, "Amendments to Vehicle Inspection Maintenance Program Requirements Incorporating the Onboard Diagnostic Check" dated April 5, 2001 (Parts 51 and 85) and EPA's guidance, "Performing On-board Diagnostic System Checks as Part of a Vehicle Inspection and Maintenance Program" dated December 2000. New York requirements are based in part on these documents as contained within Appendix I, Technical Specifications. Additional technical guidance from the US Environmental Protection Agency related to OBD difficulties and problem vehicles was offered in October 2002. Unless otherwise stated, bidders are encouraged to offer alternative procedures, methods, or additional reporting required deemed advantageous based on experience encountered in other jurisdictions.

2-2.2 Federal regulations detailing the Driver's Privacy Protection Act are contained under Title 18 of the United States Code, section 2721-2725. These rules detail permissible uses of personal information that is disclosed for use in motor vehicle emissions records, as well as other uses. The winning bidder shall be required to execute an agreement with DMV as part of the negotiated contract, see Appendix F for a sample form.

2-3 NATIONAL STANDARDS

National organizations that promulgate standards related to this procurement include

International Organization for Standardization (ISO) (www.iso.org)

ISO 9141:1989	Road vehicles - Diagnostic systems- Requirements for Interchange of digital information
ISO 9141-2	Part 2: CARB requirements for interchange of digital information, AMENDMENT 1
ISO 9141-3	Part 3: Verification of the communication between vehicle and OBD II scan tool
ISO 11898	Road vehicles, Interchange of Digital Information, Controller Area Network

(CAN) for High Speed Communication (Amendment 1: 1995)

ISO 14230-1 Road vehicles - Diagnostic systems - Keyword Protocol 2000 - Part 1: Physical layer

ISO 14230-2 Road vehicles - Diagnostic systems - Keyword Protocol 2000 - Part 2: Data link layer

ISO 14230-3 Road vehicles - Diagnostic systems - Keyword Protocol 2000 - Part 3: Application layer

ISO 14230-4 Road vehicles - Diagnostic systems - Keyword Protocol 2000 - Part 4: Requirements for emission-related systems

ISO 15031-5 Road vehicles - Emissions related diagnostics - Communication between vehicle and test equipment - Emission related diagnostic services

ISO 15765-2 Road vehicles - Diagnostics on Controller Area Networks (CAN) - Part 2: Network layer services

ISO 15765-3 Road Vehicles – Diagnostics on Controller Area Networks (CAN) – Diagnostic services

ISO/DIS 15765-4 Road vehicles - Diagnostics on Controller Area Networks (CAN) - Part 4: Requirements for emission-related systems (DRAFT)

Society of Automotive Engineers, Inc. (www.sae.org)

SAE J1850 Class B Data Communications Network Interface

SAE J1930 Electrical/Electronic Systems Diagnostic Terms, Definitions, Abbreviations, and Acronyms

SAE J1962 Diagnostic Connector

SAE J1978 OBD II Scan Tool

SAE J1979 E/E Diagnostic Test Modes

SAE J2012 Recommended Practice for Diagnostic Trouble Code Definitions

SAE J2178-1 Class B Data Communication Network, Messages-Detailed Header Formats and Physical Address Assignments

SAE J2178-2 Class B Data Communication Network, Messages - Part 2: Data Parameter Definitions

SAE J2178-3 Class B Data Communications Network - Part 3: Frame IDs for Single -Byte Forms of Headers

SAEJ2178-4 Class D Data Communications Network, Messages – Message Definitions for Three Byte Headers

SAE J2190 Enhanced E/E Diagnostic Test Modes

SAE J2284 High-Speed CAN (HSC) for Vehicle Applications at 500 kbps

2-4 STATE LAWS – NYS DMV

The general legal authority for the Department of Motor Vehicles to require and implement enhanced emissions testing exists under Article 5 (Sections 301, periodic inspection of vehicles, 302, power and duties, 303 Official Inspection Stations, 304 Inspection and Certificates of Inspection, 304a Certified Inspectors, 305, fees, 306, enforcement, 307, voluntary inspection and 308, definitions) of the New York State Vehicle and Traffic Law (V&T).

2-5 STATE LAWS - NYS DEC

The general legal authority for the Department of Environmental Conservation to require and implement the air quality programs exist under Articles 3 (§3-0301, general functions, powers and duties of the Department and the Commissioner) and 19 (§19-0103, declaration of policy, §19-0105, declaration of purpose, §19-0301, power and duties, and §19-0317, air program evaluation) of the New York State Environmental Conservation Law (ECL). New York's Clean Air Compliance Act of 1993 established the Mobile Source Account (§26) to fund the Inspection/Maintenance (I/M) program and provided the express authority for the Departments of Motor Vehicles and Environmental Conservation to jointly administer the enhanced I/M programs (§28).

2-6 STATE REGULATIONS – NYS DMV

The NYS Department of Motor Vehicles regulations are referred to as 15 NYCRR Part 79 of the Motor Vehicle Commissioner's Regulations. The current regulations identify which vehicles are subject to an enhanced emissions test (e.g. first 2 Model Years <MY>, and vehicles more than 25 MYs old are exempt). There are also other vehicle exceptions (e.g. ambulances, farm equipment). The regulations also specify the type of emission test required (e.g. all non-diesel or non-electric vehicles under 8501 pounds, MY 1996 and newer—except for the first 2 model years are subject to an OBD II test). The regulations further define what is required of inspection stations, certified inspectors, and fees, as well as all the elements of an inspection—including safety equipment, emission control device check and tailpipe or OBD test requirements. These regulations are available online at:

www.nysdmv.com/repairshop.htm

2-7 STATE REGULATIONS – NYS DEC

The New York State Department of Environmental Conservation amended existing I/M regulations under 6 NYCRR Part 217 to include statewide implementation of on-board diagnostic testing on October 30, 2002. In particular, Section 217-1.3 states "... no person who owns, operates, or leases a non-electric or non-diesel powered motor vehicle ... shall operate said vehicle, or allow or permit it to be operated, in such a manner that:

(3) for model year 1996 and newer motor vehicles, the on-board diagnostic system;

- fails to function as designed, or
- fails to complete diagnostic routines for necessary supported emission control systems, or
- indicates that the Malfunction Indicator Light fails to illuminate at the starter switch Key-On-Engine-Off position, or

- the Malfunction Indicator Light is illuminated when the engine is running, or
- the Malfunction Indicator Light is commanded to be illuminated.

2-8 STATE STANDARDS – NYS OFT

The NYS Office for Technology (OFT) has established Information Technology policies and standards as they relate to developed systems in NYS, whether done in-house or by an outside contractor. The OFT policies related to this procurement can be found at the following URL:

http://www.oft.state.ny.us/policy/index.html.

and include the following policies:

General Technology Standards including: "Technology Policy 96-16", "Technology Policy 96-16A", and "Technology Policy 96-16B",

Website Accessibility including: "Technology Policy 99-3",

NYeNet including "Technology Policy 96-11".

3 SCOPE OF WORK (SEE ALSO APPENDIX I)

3-1 CURRENT SYSTEM BACKGROUND

New York State has operated a decentralized vehicle inspection program since 1955. Private businesses, licensed and approved by the DMV, perform safety and/or emissions inspections and issue compliance documents (stickers) to the motorists upon meeting the department's regulations (Commissioner Regulations Part 79—see Section 2-6). Although most of the facilities are located within NYS, there are a couple NYS inspection stations located outside of NYS borders. Compliance with the regulations is monitored and managed by the NYS DMV Division of Vehicle Safety Services (VSS) and Clean Air and the NYS DEC Division of Air Resources. The DMV VSS licenses and audits inspection stations to ensure they are operating in accordance with Commissioner Regulations. The NYS DEC approves hardware and software and compiles data for EPA reporting requirements. As vehicle technology has evolved over the years, so has the scope and complexity of the vehicle inspection program increased. In order to comply with EPA regulations and improve the air quality within NYS, DMV and DEC plan to incorporate OBDII technology into the current inspection process.

All MY 1996 and newer vehicles under 8501 pounds, manufactured for sale in the United States, have the ability to self-diagnose the state of the vehicle's sensors and systems, and detect potential emissions failures. This technology is referred to as On-Board Diagnostic Systems, or OBDII. Controlled by the vehicle's powertrain control module (PCM), the vehicle regularly monitors engine performance and other critical emissions related components to identify when there may be an emissions system related problem. If a potential or actual problem is identified, the vehicle's Malfunction Indicator Light (MIL) will illuminate, notifying the driver to have the vehicle serviced.

3-1.1 Current Upstate Inspection Process

3-1.1.1 The current Upstate inspection program is entirely paper-based. Although many inspection stations use PCs and scan tools in their daily work, they are not currently connected electronically to the NYS inspection process. The NY-VIP will move the inspection process from a paper-based system to a connected network.

3-1.1.2 Depending upon the age and weight of the vehicle, inspection stations currently perform a safety inspection, a presence check for emissions control devices, a gas cap presence check and an advisory visual inspection for MIL illumination. The results of all inspections are recorded onto one of the appropriate DMV Form 1074s, Motor Vehicle Inspection Record (VS-1074M, VS-1074SD and VS-1074SE), including test results, vehicle identification information and sticker number assigned. Inspection stations are required to maintain these forms for a minimum of two years.

3-1.1.3 The annual safety inspection is required for all motor vehicles, motorcycles and trailers. Inspections are performed at a licensed inspection station, by a certified inspector, who inspects the following components, as appropriate:

- Tires
- Wheels & Fasteners
- Steering
- Front end
- Suspension
- Chassis/Frame
- Window Glass
- Windshield Wipers
- Mirrors
- Horn
- Coupling Devices
- Exhaust System
- Lighting and Reflectors
- Service Brake System
- Emergency Brake Systems
- Seat Belts

3-1.1.4 The emissions control device (ECD) visual check focuses on the presence of the following emissions components:

- Positive crankcase ventilation system (PCV) for MY 1968 and newer vehicles
- Catalytic Converter for MY 1975 and newer vehicles
- Fuel Inlet Restrictor
- Exhaust Gas Recirculation Valve (EGR) for MY 1973 and newer vehicles
- Thermostatic Air Cleaner (TAC)
- Air Injection Systems (AIS)
- Evaporative Emission Control
- Gas cap presence check
- MIL light check

3-1.1.5 The gas cap check looks for missing, broken or cracked gas caps. The MIL check looks at Key On Engine Off (KOEO) and Key On Engine Running (KOER) positions. If the MIL fails to light (during KOEO) or remains lit (during KOER), the motorist is advised to have the vehicle repaired and that the vehicle may be covered under manufacturer's warranty.

3-1.1.6 For vehicles that pass the inspection, an inspection sticker is issued for the classification of the vehicle (low enhanced, safety only, diesel, heavy duty, trailer or motorcycle). Inspection stickers expire at the end of the month, one year from the month the vehicle passed the inspection. Failure to have a valid inspection sticker (expired/not appropriate type) is a violation of the NYS Vehicle and Traffic Law and vehicle owners can be ticketed by law enforcement.

3-1.1.7 The fees charged to the motorists are set in DMV Commissioners Regulations Part 79 and are currently:

Safety Only (vehicles under 10,000 lbs)	$10.00
Safety Only (vehicles 10,000-18,000 lbs)	$15.00
Safety Inspection of Trailers (under 18,000 lbs)	$6.00
Heavy Duty Safety Inspection (over 18,000 lbs)	$20.00
Safety Inspection of Trailer over 18,000 lbs	$12.00
All Semi-Trailers	$12.00
Motorcycles	$6.00
Low Enhanced Emission (in addition to safety where required)	$4.00

These fees are not subject to state and local sales tax. DMV requires that fees set cannot be exceeded; however in the Upstate area, stations can charge fees up to that set in regulation (or as little as $0.00). In the NYMA, the fee charged the motorist is both a price ceiling and a price floor.

3-1.2 Statewide Metrics (including Upstate)

3-1.2.1 The number of registered vehicles, public inspection stations and certified inspectors changes on a daily basis. The most current available metrics for the state are:

Selected Metrics: Upstate vs. NYMA

	Upstate	NYMA	As Of Date
# of Registered Vehicles	4,916,606	4,841,818	April 2002
# of Public Inspection Stations	8,798	4,594	Nov 2002
# of Certified Inspectors	35,555	22,883	Dec 2002
# of Counties Included	53	9	n/a

3-1.2.2 Additional detail, by NYS County, is available in Appendices L and M. We anticipate that most, but not all stations will elect to continue performing vehicle inspections. However, DMV will not guarantee that a minimum or maximum number of stations will participate.

3-1.2.3 NYS DMV Commissioner Regulations Part 79 also allow a person, association or corporation owning or leasing more than 25 motor vehicles registered in NYS to become a fleet inspection station. These facilities are licensed by DMV to perform inspections on their own vehicles, so long as they have an inspector certified by DMV and the appropriate equipment. See DMV regulations section 79.15 for additional information.

3-1.3 Enforcement and Oversight

3-1.3.1 NYS DMV

3-1.3.1.1 Pursuant to NYS's State Implementation Program (SIP) approved by the EPA on June 7, 2001, the DMV performs two overt audits and one covert audit annually on all facilities within the NYMA. In the upstate area, the SIP requires one overt audit annually per station and one covert audit per station every five years. DMV Automotive Facilities Inspectors (AFI) conduct these audits to ensure compliance with Part 79 of the DMV Commissioner Regulations. Stations that fail to comply with DMV regulations may be issued a notice of investigation, can be suspended pending hearing, and as a result of the hearing, can be fined or have their facilities license revoked depending upon the severity of the findings. Inspection stations subject to hearings can be levied suspensions and/or fines by an administrative law judge. AFI's are assigned to one of the six DMV regional offices, currently located in Farmingdale, Yonkers, Queens, Latham, Syracuse and Buffalo.

3-1.3.1.2 In addition, DMV VSS Clean Air staff regularly review all available data generated by the inspection program to monitor for non-compliance. In the event anomalies are discovered, an administrative stop and/or a referral to the regional offices may result.

3-1.3.1.3 NYS DMV also manages a consumer complaint hotline that accepts calls from motorists and referrals from other consumer advocacy groups (e.g. Attorney General). These calls are converted into referrals to the appropriate regional office for investigation and resolution. Typically these result in work being done over or a refund being issued to the consumer by the inspection station, repair facility, or dealer that initially caused the violation.

3-1.3.1.4 NYS DMV conducts quarterly sticker compliance reviews on vehicles by visiting parking lots and other places where a large volume of cars are parked to identify the level of compliance by motorists and stations with V&T and Commissioner Regulations. Vehicles with expired, inappropriate or forged stickers are reported to VSS Clean Air for enforcement action and are reported in the annual report submitted to the EPA.

3-1.3.2 NYS DEC

Pursuant to NYS's Statewide Implementation Program (SIP) approved by the EPA on June 7, 2001, NYS DEC performs equipment audits to ensure that the installed equipment is operating according to specifications as certified by DEC. In the event an inspection facility is found in non-compliance, they are issued a notice of deficiency and required to take the necessary steps to return the equipment to specifications or face an administrative hearing and/or sanctions.

In addition, DEC regularly reviews data generated by the inspection stations to identify data anomalies that require additional review. These data reviews are shared with DMV and are also the basis for facilities targeted for equipment audits. DEC has the responsibility of drafting and submitting Annual Reports and Progress reports to EPA and in determining the emissions reductions achieved as a result of the I/M program.

3-1.3.3 Local Enforcement

Pursuant to V&T Law Section 306(b), vehicles must have a valid (unexpired and appropriate) inspection sticker. Vehicles found in non-compliance can be issued a traffic ticket. In 2001, over 127,786 tickets were issued by law enforcement agencies across the state for vehicles having an expired, inappropriate, or fraudulent inspection sticker.

3-1.4 Inspector Certification

Motor Vehicle Inspectors are certified by NYS DMV, and authorized by their employer to perform thorough and efficient inspections of motor vehicles, including those

registered in another state. Certified inspectors are expected to have at least one year of vehicle repair experience or have attended high school or college automotive programs. In addition, they are required to attend a certification class and pass an exam for each group of vehicles they are certified to inspect. See the specification in Appendix 1 for a description of the vehicle groups. DMV VSS regional and clean air staff currently provides the ½ day and full day classes. Upon successful completion, each inspector is provided with a card (certificate) identifying the inspector, their card expiration date and the groups of vehicles they are certified to inspect. The cards are good for three years; prior to expiration inspectors are invited to renew their certification. Upon receipt of their renewal application and fee, a new card is mailed to the inspector.

3-2 PHASED APPROACH & SYSTEM REQUIREMENTS

3-2.1 Scheduling

3-2.1.1 The Vehicle Inspection Program Project has been broken into 5 mandatory phases that will need to be completed over the life of the 7-year contract. At the election of DMV, the contract's maintenance phase can be extended for two additional one (1) year periods (see Section 6-3). This election would result in a contract extension and amendment.

3-2.1.2 Actual time required for each phase will be determined by the winning bidders proposal, based on scope of work required at each phase. This will be detailed as part of Section 3-7.1.9. NYS desires to move to phase 3 (installed system in the Upstate area) as soon as reasonably possible, but no later than 10 months after the Contract approval.

3-2.1.3 Unless mutually agreed upon by the awarded contractor and NYS, each phase will be completed sequentially, with system acceptance by DMV at the end of each phase, prior to moving to the next phase.

3-2.1.4 The winning bidder shall be required to develop an iterative prototype. The prototype initially developed in phase 1 will be refined during phase 2 based on input received from NYS. The approved prototype will be the basis for the installed system in phase 3. Additional modifications will be required over the life of the contract during phase 4.

3-2.1.5 Bidders must describe their system development methodology. This will include a description of how the project will progress, specific system documentation deliverables and examples where available.

3-2.2 System Acceptance

3-2.2.1 Each phase will require a signoff by DMV before the next phase can begin. In addition, signoff will be required on the database design and network design prior to coding or installation of equipment.

3-2.2.2 Testing of each module, deliverable and phase shall be the responsibility of the winning bidder.

3-2.2.3 System Acceptance will be the responsibility of DMV and DEC. *Bidders must provide a detailed list of acceptance criteria items.*

3-2.3 System Testing

3-2.3.1 Testing by the contractor must occur prior to the implementation of each delivered version of software. Testing will ensure that the addition of new module(s) or feature(s) will not result in system degradation.

3-2.3.2 The system will be tested to see how the individual modules interact within the system, and how the system as a whole performs. The winning bidder shall test each module, deliverable, and phase to ensure that all the pieces work together and that specifications are met. Performance of these tests shall be the responsibility of the contractor. The expanded system/environmental testing, including remote sites, will be the joint responsibility of the contractor, DMV and DEC.

3-2.3.3 Where appropriate and approved in advance by NYS, DMV and DEC will provide staff to assist the contractor with user testing of various application functions to determine whether they meet system requirements, conform to business rules and as a means to provide feedback to the contractor on the effectiveness of the prototype.

3-2.3.4 DMV and DEC staff and remote users will assist in determining whether the system can handle high volumes of users concurrently placing demands on the system. The DMV VIP Project Manager and the contractor shall coordinate the scheduling of these tests. DMV and DEC technical staff will be available to assist in resolving any problems encountered. *Bidders must identify type of staff required (e.g. networking, DBAs), the number of staff, and an estimate of expected time required in hours.*

3-2.3.5 DMV must sign off on test plan and testing results prior to full implementation. *Bidders must provide a proposed test plan.*

3-2.4 System Documentation

3-2.4.1 All required system documentation, as specified in this section and in Appendix I, must be kept up to date by the winning bidder during the life of the contract.

3-2.4.2 Bidders must describe in detail the deliverables and system documentation to be provided at the end of each phase.

3-2.5 Hardware and Software Acquisition

3-2.5.1 The contractor shall be responsible for purchasing, installing and maintaining the hardware, software and licenses required for the NY-VIP during the life of the contract. The contractor shall be able to sell and/or lease the station equipment to stations that opt to enroll in the NY-VIP program at the cost submitted in their proposal in Appendix D, in the Software and Hardware Cost Summary for Station Equipment Hardware and Software. In the event the contractor opts to offer additional features, not required under this procurement,

as defined in section 3-9 Optional Equipment and approved by NYS, the stations which elect to procure these additional items will be required to pay the contractor the amount specified in their proposal.

3-2.5.2 The contractor shall be responsible for fully testing all hardware and software components that are installed as part of the Vehicle Inspection Program to ensure they work in accordance with the manufacturer's specifications. With respect to equipment hardware and packaged software used in the installed vehicle inspection program, regardless of procurement source, the contractor shall be responsible for replacement and installation of any and all components that fail during the life of the contract. All components loaded for the vehicle inspection program will require DMV approval in advance.

3-2.5.3 The contractor shall maintain an up-to-date list of all components purchased and installed for the VIP during the term of this contract. The list can be requested by DMV or DEC at any time and must at a minimum include hardware specifications and software versions. The component list will be aggregated for all stations; not individual stations. When subsequent substitutions are necessary due to original make/model no longer being manufactured or supported, the date the new DMV approved component began being installed will be captured.

3-2.5.4 Given the rapid pace of technological change, NYS agrees to consider reasonable hardware substitutions and software versions provided the cost and functionality are equivalent to that upon which the contract is originally awarded. DMV reserves the right to approve substitutions of actual make and model and version proposed by the contractor, as it is possible that the equipment specified in the original proposal may no longer be available at the time of purchase.

3-2.5.5 The bidder shall be responsible for specifying all hardware and software to be installed in order to perform the requirements spelled out in this RFP. This hardware and software must also be summarized in the Hardware and Software Summary.

3-2.5.6 The contractor's database software, specified by the bidder, must be either Oracle or Microsoft SQL Server.

3-2.5.7 Bidders must describe the level of resources to be devoted to the development of software, identify who will develop it and whether the software has been used previously in another program. In addition, bidders must describe the methods they plan to use for testing and ensure that the project schedule in 3-7.1.9 clearly shows the time allotted for development, testing, signoffs, etc.

3-2.6 Hardware and Software Maintenance

3-2.6.1 *The bidder must describe their service level agreements and how they will meet the requirements described further in this section.*

3-2.6.2 The contractor must respond to trouble calls immediately for their **servers** and **communication equipment**. The contractor shall replace or repair equipment within eight (8) hours of a problem identified and/or reported during normal business hours for servers and communications equipment.

3-2.6.3 The contractor must provide **server maintenance** service consistent with the Principal hours of operations, which are Monday through Saturday from 7:00 am to 7:00 PM, excluding the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas. Allowances will be made for preventative maintenance, based on manufacturer's recommended needs as proposed. No preventive maintenance work will be allowed that disables teleprocessing support.

3-2.6.4 The contractor shall make necessary arrangements to replace or repair **station equipment** within the following timeframes at no additional cost to the state or the stations during the life of the contract: first service visit, where required, within 48 hours. The second visit, where required, must be within five business days of the initial service request. At no time shall station equipment be down or inoperable for a period greater than 5 business days from the initial service request. These service requirements pertain to all facilities located within New York State. The contractor will not be required to provide this level of service to NYS inspection stations located outside of NYS. Failure to keep the station equipment operational may result in liquidated damages being assessed. A business day is defined as Monday through Friday from 7am to 7pm. If a call for service is received on Friday at 7pm, then service within 48 hours is defined as before 7pm on the following Tuesday, unless it is a holiday described in section 3-2.6.3, in which case service is required before 7pm on the following Wednesday. For further definition, the second visit, where required and assuming no holidays would be Friday before 7pm, if the initial service request was made the previous Friday before 7pm.

3-2.6.5 During the life of the contract, the winning bidder shall be responsible for obtaining and installing periodic software upgrades (new versions or service packs) at no cost to the state or the stations and at the request or discretion of DMV technical staff. This will generally occur when the software provider no longer provides support for that particular software or version. Additional details can be found later in section 3-6.2. Software can be items such as operating systems, device drivers and browsers.

3-2.6.6 The contractor shall set-up and maintain a **toll free help desk** for inspectors, which must be operational during the hours of Monday through Saturday from 7am – 5 pm, excluding the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas. A live operator must answer the toll free calls within three minutes during these hours.

3-2.6.7 Recognizing that many of the inspection station system components have a useful life of 2-4 years and the contract term is at least 7 years, the contractor shall be required to set up a reserve fund to address the costs of equipment replacement during the course of the contract. Equipment which is either

defective or has worn out due to normal wear and tear will be replaced by the contractor at no cost to the stations during the life of the contract. *The bidder must describe how this fund will be established, replenished, reported upon and used over the course of the contract. Do not list actual dollar amounts in this section of your response; instead list it as a percentage of the initial cost of all installed units, excluding any optional items defined in section 3-9. For example, if individual stations equipment costs $4,500 per unit—and your company, based on experience, believes an equipment reserve of $1,125 is adequate, indicate that 25% of the initial cost will be set aside in the reserve account.* Failure to keep the equipment replacement fund financed and operational may result in liquidated damages being assessed.

3-2.6.8 During the life of the contract, the winning bidder may be responsible for equipment upgrades or replacements involving hardware (new EPA requirements, new NYS requirements) at the request or discretion of DMV program and technical staff. These equipment upgrades, unforeseeable at this time, will be done in consultation with the contractor. In the event a station sells their equipment to another approved facility, the rights for equipment upgrades will transfer to the new owner so long as the contractor is duly notified and the new station has executed a NYS approved agreement with the contractor.

3-2.7 Custom Applications and Ownership

3-2.7.1 The contractor shall own all source code and applications developed for this contract by the contractor. DMV will assume ownership of the applications, source code and communications network in the event of contractor default.

3-2.7.2 The bidder must describe how they shall respond to incorrect application program errors in a timely manner. Include proposed timeframes and steps to be taken from initial problem notification to installation in the stations.

3-2.7.3 The bidder must describe how enhancement requests will be handled. Include proposed change order procedures and form, including timeframes.

3-2.7.4 The contractor shall be responsible for setting up a software escrow account where a copy of the source code, documentation and system schematics shall be deposited in the event of contractor default. This account will require approval by NYS and be set up during Phase 2; with updates provided as needed over the course of the contract. See section 6-20 for additional information on the software escrow account requirements. *The bidder must describe how this will be set up.*

3-2.7.5 The contractor is responsible for testing, evaluating and debugging all NY-VIP systems before the actual beginning of the program (phase 3). During phase 2, the contractor shall participate in the evaluation process for the purposes of pilot testing all systems and software before program implementation. This will require:

3-2.7.5.1 Station, contractor and NYS telecommunications system set up to enable real-time and batch data transmissions to and from

stations, the contractor, DMV and DEC to transmit inspection data and other system information. NYS will acquire necessary circuits from DMV to the Contractor using the NYeNet.

3-2.7.5.2 The contractor shall be required to work with DMV, DEC, the pilot stations and equipment subcontractors to make necessary adjustments to the system.

3-2.7.5.3 There will be no charge-per-inspection cost to the stations or to the state while they participate in the pilot and evaluation phase.

3-2.7.5.4 Where appropriate, system enhancements recommended by the pilot users that are approved by DMV will be incorporated and tested prior to the beginning of the program.

3-2.7.5.5 All data generated by the system will be owned by NYS. The contractor is responsible for securing the data and ensuring that any use by their staff are permissible uses.

3-2.8 Server and Hardware Location

3-2.8.1 The servers proposed by the contractor will be located at the contractor's facilities. NYS requires two servers at separate locations utilizing Heart Beat Monitoring to minimize the chance of losing the system due to a server or connection failure. The contractor server locations must be located within a NYS jurisdiction that facilitates access to the State's digital backbone. See http://www.oft.state.ny.us/nyt for additional information. *The bidder shall identify proposed locations for the servers.* The DMV servers and mainframe will be housed at the Swan Street Building in Albany and the DEC server will be housed at DEC's facility on 625 Broadway in Albany. The contractor shall be responsible for procuring and maintaining their own servers and NYS will be responsible for procuring and maintaining their own servers.

3-2.9 System Back-Up and Recovery

3-2.9.1 The contractor shall be responsible for regular back-up of data and work-in-progress as it relates to equipment and data installed as part of the vehicle inspection program.

3-2.9.2 Back-ups shall be managed in such a way that database recovery shall not take more than four (4) hours.

3-2.9.3 System recovery procedures will be reviewed as part of system design. Prior to system implementation, recovery procedures will be documented, tested and proved.

3-2.9.4 Bidders must detail how they propose to manage system back-up and recovery of the proposed system. Throughout the implementation activities, the contractor must ensure that any steps identified in the strategy as being necessary to maintain data and program integrity be built into this process.

3-2.9.5 The contractor shall be responsible for integrity of the data in the event that system recovery is required. The contractor must arrange for an uninterruptible power supply. The system must be designed to ensure no data loss can occur in the event of a failure in part of the network.

3-2.10 Disaster Recovery Plan

3-2.10.1 The bidder must provide a sample disaster recovery plan and describe how it shall meet the requirements in this section.

3-2.10.2 The contractor shall be responsible for developing and maintaining a disaster recovery plan which will provide procedures to be followed for the expeditious recovery of the data servers and other critical elements of the VIP. The plan should be updated as needed over the course of the contract or upon the request of the state.

3-2.10.3 The disaster recovery plan will include complete specifications for all hardware to be replaced, so that hardware can be ordered on an emergency basis.

3-2.10.4 The plan will include recovery of the operating system, system software and Relational Database Management System from back-ups.

3-2.10.5 The plan will include a procedure for testing the recovered system.

3-2.10.6 The plan will provide for recovery of the VIP within 72 hours of a disaster.

3-2.10.7 The winning bidder shall be responsible for demonstrating and testing their disaster recovery plan to prove to DMV technical staff that the system works as designed. The contractor must provide for disaster recovery services in the event of a major disruption and be ready to implement this plan when needed.

3-2.11 Security Requirements

3-2.11.1 The bidder must provide a sample security plan that describes how it will meet the requirements below. *Within the sample security plan, bidders must describe their solution for system security that will protect against unauthorized access, and altered or infected data within the entire emissions system and network (contractor to/from NYS and stations to/from contractor).*

3-2.11.2 DMV technical staff will review system design and specifications of the network and will sign off on the plan prior to installation.

3-2.11.3 The bidder shall develop and detail the necessary security to allow DEC and DMV to access the system and data in a manner that will not impact critical system performance while still meeting agency needs. The contractor must secure the host agency's network and data assets.

3-2.11.4 The winning bidder shall develop interfaces to existing Logon security within both agencies: Access to computer systems requires identification and authentication. Details will be provided to the winning bidder.

3-2.11.5 The winning bidder shall develop and detail the necessary Transaction Control and Database Security. Transactions entered into the agency's production databases must be checked for accuracy and authenticity. Database management systems (DBMS) shall implement security and authorization subsystems adequate to protect against unauthorized access and modification.

3-2.11.6 All access to networked systems must be logged. When determined to be critical to an agency, the logging of transactions must be included regardless of the operating platform. Log data must be classified as restricted. These logs must be retrievable through clearly defined procedures and must be maintained for the time periods prescribed for audit, legal and recovery purposes. Requirements for logging data must be clearly established as system architectural, technical or network designs are developed.

3-2.11.7 The proposed system must provide the Security Control capabilities to designate specific levels of access to the system as determined by DMV.

3-2.11.8 The contractor shall adhere to existing DMV/DEC security standards when interfacing with existing DMV and/or DEC applications. These standards and procedures will be shared with the winning bidder.

3-2.11.9 Inspection certificates are security items that must be inventoried and issuance carefully controlled. There are presently five series of certificates that could be entered into the NY-VIP system. *Bidders must describe how the proposed system will provide security for issuance and inventory control of inspection certificates utilizing the existing certificate format.*

3-2.12 Communications Software and Network Interfacing

3-2.12.1 The contractor shall be responsible for the development of the communications software and network interface, including:

3-2.12.1.1 All communications routines and specifications for required data,

3-2.12.1.2 Data formats (DMV line messages transmitted utilizing MQSeries),

3-2.12.1.3 Utility routines required for all inspection related activities.

3-2.12.1.4 Use of the NYeNet for communications between the contractor and DMV and DEC.

3-2.12.2 The contractor shall be responsible for translating data communication protocols and messages from each station to a format compatible with the needs of DMV, and conversely, translating data communication protocol and messages from DMV to a format compatible with the VIP and the testing equipment in the stations.

3-2.12.3 The communications software and all specifications shall be considered confidential and shall be protected.

3-2.12.4 The contractor shall work with DMV/DEC program and technical staff to develop a centralized SQL database that both agencies can use to monitor and report on the program. NYS will house this data on a server located in the Swan Street Building that will serve the needs of both agencies. Communications between the agencies will be established using the NYeNet. The contractor will develop routine data queries for each program, as well as give the ability to copy available data to a local PC by authorized DMV and DEC staff. The contractor will allocate a portion ($6,000 per year) of both the equipment reserve fund (section 3-2.6.7) and a portion (15 hours per year) of the software update hours (section 3-6.2) towards this purpose. The State and the contractor will reevaluate this state query and access function at a minimum of every 12 months during the annual software update process to identify required additions and modifications.

3-2.13 Billing Inspection Stations for Network and Inspection Services

3-2.13.1 The contractor is responsible for developing procedures, to be approved by DMV, for providing monthly billings; handling delinquent payments, and/or problems relating to non-payment of, or challenges to, the monthly billing. The procedures shall define "delinquent" or "problem" accounts and ensure that fair treatment is extended to all customers (stations).

3-2.13.2 *Bidders' procedures for handling collection of unpaid balances and related action initiated against an inspection facility must be clearly described in the proposal. Bidders are asked to provide a sample proposed agreement for use in the NY-VIP between the contractor and the inspection facilities.* Do not include costs on this form when submitting your proposal.

3-2.13.3 Any action taken against an inspection facility for either non-payment or delinquency in payment must be in accordance with pre-approved procedures. The DMV program manager must be formally contacted in writing (fax and email acceptable) prior to any action resulting in the termination of services to an inspection facility.

The contractor shall bill a standard per-call fee for all inspections, including safety only, diesel, OBD, heavy duty, etc. OBD and Low Enhanced inspections will require two phone calls and all other types of inspection will require a single call. For the OBD and Low Enhanced inspections, the system shall contact the DMV mainframe to validate vehicle, station and inspector information on the first call and transmit the inspection information on the second call. All other types of inspection will require a call to transmit the data only. **All contractor costs for meeting the contractual requirements and specifications in Appendix I, except station equipment costs paid for by the stations to the contractor, must be included in the per call fee only.** It is expected that a small number of "specialty" stations (e.g. only have trailers or only diesel) may be exempted from having a NY-VIP. NYS estimates this to be less than 500 stations statewide. To facilitate bidder analysis of possible inspection facilities likely to enroll in the NY-VIP program, additional data has been provided in Appendix M.

3-2.13.4 The contractor may bill for any offline NY-VIP inspection conducted offline and subsequently transferred to the contractor.

3-2.13.5 The contractor shall not charge the stations for data refresh, administrative hotline/help desk calls, software updates, messaging, service calls and equipment maintenance or replacement. All these costs are to be covered in the single per call fee charged by the contractor to the inspection stations.

3-2.13.6 DMV and the NYS OSC reserve the right to perform audits of the contractor's accounts and billings during the course of the contract and up to two years afterwards. The contractor shall be required to maintain all records for this contract for the contract term and two years afterwards. These audits will be performed at the contractor's facilities and will require the contractor to provide appropriate temporary space for at least two NYS auditors charged with this task. If the vendor's facilities are located outside of NYS, the contractor shall reimburse all appropriate travel costs.

3-2.13.7 During contract negotiations, the contractor shall submit to DMV the proposed station and contractor agreements for lease and/or purchase for NYS approval.

3-2.14 Anticipated Inspection Volume

There are approximately 5 million vehicles currently registered in the 53 County Upstate area that will require an annual vehicle inspection; of which approximately 45% are currently OBD enabled. In addition, there are approximately 5 million vehicles currently registered in the 9 County NYMA area also requiring an annual inspection. DMV estimates that annually, approximately 300,000 of all vehicles will also require reinspection following a change in ownership. Appendix L provides tables that detail registered vehicle information by county, model year, weight and fuel type. For the purposes of responding to this RFP, the following volumes should be used for proposal costing and will also be used for annual price increases/decreases as defined in section 3-2.15. The predicted volume is based on two calls for OBD eligible and Low Enhanced vehicles inspected and one call for all other inspections. It attempts to take into account that all eligible vehicles may not be inspected and that some vehicles will be inspected multiple times prior to passing the OBD test. The volumes are based on Upstate going "live" by June 30, 2004 and the NYMA going live April 1, 2005.

Contract Year	Predicted Inspection Volume
Year 1	12,434,828
Year 2	19,906,685
Year 3	20,111,847
Year 4	20,300,418
Year 5	20,699,179
Year 6	21,088,242
Year 7	21,158,550

3-2.15 Pricing Formula Based on Estimate/Versus Actual Number of Inspections

3-2.15.1 Recognizing that this contract will be a significant financial undertaking for the winning bidder, and that bidders will require some assurances for this investment, NYS will allow the winning bidder an annual price adjustment (increase/decrease) based on the inspection volume experienced for each full year of operation. The cost per call, as reported on the cost proposal form in Appendix D, will be increased or decreased on an annual basis based on the predicted inspection volume in section 3-2.14 and the adjusted charge per connection formula. During the 12th month of each operating year, the contractor and DMV will calculate the actual number of billable transactions experienced during the previous 11 months and shall then define the monthly average for the 11 months. The average monthly number will be used for the 12th month to arrive at an estimated number of billable transactions for the year (referred to as the "Extrapolated Twelve Month Volume"). In the event the Extrapolated Twelve Month Volume is lower than the Predicted Inspection Volume for the Year or exceed the estimate by 10%, the charge per connection for the following year will be adjusted.

3-2.15.2 The calculation, and resulting new cost per call, shall be rounded to the nearest tenth of a cent. Calculations will be made to five decimal places and rounding down will be from .00044 and below (to .000), and rounding up from .00045 and above (to .001).

3-2.16 Lower Volume Adjustment Procedure. In the event the extrapolated 12 month volume is less than the predicted inspection volume for any year of the contract, the charge per connection rate specified in Appendix D, for the next year, will be increased (to the nearest 10th of a cent) by application of the following formula:

$$\text{Adjusted Charge Per Connection Rate} = \frac{(.229752 \times \text{Predicted Volume}) + (.034242 \times \text{Extrapolated 12 Month Volume})}{\text{Extrapolated Twelve-Month Volume}}$$

3-2.17 Higher Volume Adjustment Procedure. In the event the 12-Month Extrapolated Volume exceeds the Predicted Operating Year Volume stated above by more than 10 percent (10%), the Cost Per Call specified in Appendix D will be decreased in accordance to the following procedure. The excess over 100% of the Predicted Inspection Volume will be determined. This percentage over, expressed as a decimal, will be multiplied by a factor of five-tenths (.5). The resulting decimal will be multiplied times the cost per call for the following year. The cost per call will decrease by this amount (to the nearest tenth of a cent) effective the first day of the following year.

3-3 PHASE 1: SYSTEM DESIGN AND PROTOTYPE DEVELOPMENT PHASE

3-3.1 System Architecture Review

3-3.1.1 To supplement information included in the RFP, the contractor shall be provided with access to key DMV and DEC Information Systems staff in an

effort to validate their proposal. This will involve meeting with Networking Administrators, Database Administrators and other key staff as requested.

3-3.1.2 The winning bidder shall determine any required upgrades to the DMV/DEC equipment to ensure quick processing of vehicle inspections to the database.

3-3.1.3 The contractor shall review DMV and DEC platforms and networks against equipment specified and validate that specified solution will seamlessly interface with the existing DMV and DEC equipment.

3-3.2 System and Database Design

The winning bidder shall be required to:

3-3.2.1 Develop conceptual system and database design to accurately reflect the requirements. DMV Database standards are included as Appendix J.

3-3.2.2 Use a data modeling tool, preferably Computer Associate's ERWin, provide both a logical and physical entity relationship diagram (ERD) showing the relationships between the attributes or data elements and the nature of the relationship between entities or database tables (e.g. one-to-one or one-to-many).

3-3.2.3 Document all business rules of the system.

3-3.2.4 Provide Table (entity) definitions that meet DMV and DEC standards.

3-3.2.5 Provide Column (attribute) definitions that meet DMV and DEC standards.

3-3.2.6 For data transmitted to DMV and DEC, all table, entity, column, attribute, relationship, device and database names must conform to DMV and DEC naming conventions.

3-3.2.7 DMV/DEC recognize that new data elements will be available from vehicle PCMs as the OBD technology evolves. The prevention and detection of fraud through data analysis is of critical importance to NYS. The contractor will be responsible for developing a database that can easily support additional elements for analysis purposes. During database design, NYS wishes to begin discussions on improving fraud detection and prevention through data analysis. As a result of these discussions, database modifications from what is included in the RFP/Specification may occur prior to initial system installation and will be evaluated annually as part of the annual software update process.

3-3.2.8 NYS desires an OBD test sequence that maximizes the ability for approved I/M equipment to communicate with OBD-equipped vehicles at a minimum success rate of 99.5%. *The bidder will be required to provide an analysis of the proposed Inspection and Maintenance OBD inspection process as defined in Appendix I and the Etools inspection flowchart at http://www.etools.org. Bidders must provide a detailed flowchart of their recommended OBD inspection process with their proposal. The inspection process should maximize the OBD communication rate, be user friendly, minimizes the need for data entry and re-entry, provides adequate reporting, and maintains*

conformity with any NY specific tables (e.g. readiness, exceptions). The response should note those aspects deemed advantageous by the bidder.

3-3.2.9 The contractor shall meet with staff from DMV and DEC individually to identify query and reporting needs for the shared State database defined in section 3-2.12.4. As a result of this needs analysis, the contractor will submit a system design for approval, using the existing DMV VSS servers and the NYeNet, which will facilitate the State's analysis and reporting functions.

3-3.3 Prototype Development

3-3.3.1 The contractor shall be responsible for developing a working prototype with at least 90% of the functionality of the system as described in Appendix I within the first 5 months of the contract. This prototype will be the basis for most of the work completed in subsequent phases. The prototype must be capable of supporting communications between the contractor and DMV/DEC using the NYeNet.

3-3.3.2 The contractor shall be responsible for providing the following system documentation:

3-3.3.2.1 General System Functions including business requirements, logical data model (ERD), and data dictionary.

3-3.3.2.2 Overall System Detail including system flow diagram and functional design narrative.

3-3.3.2.3 Application Structure Diagrams including transaction flow diagram, screen and report layouts, program specification or diagrams and object model (if using Object Oriented Programming)

3-3.3.2.4 Document "data or message passing" which includes detailed descriptions of methods used to pass data (or messages) from one platform to another and also details of the data in the data dictionary.

3-3.3.3 The prototype and documentation must be approved by DMV technical staff, before the contractor can proceed to the next phase. The review and approval of this initial documentation is expected to take two weeks. Key contractor staff must be available for questions during this time period. The submitted documentation shall require revisions over the course of the contract.

3-3.3.4 Once the prototype development is completed and the contractor has tested the applications and documented the remaining work to be done, two prototypes, one per agency, shall be delivered to DMV and DEC for review and evaluation. The prototypes will have the capacity to perform an inspection consistent with NYS regulations and should include appropriate hardware such as a scan tool, printer, input device, modem, PC or PDA and appropriate cables.

3-3.4 Technician Certification Training Curricula

3-3.4.1 The contractor shall develop computer based training curriculum for the upgrading of existing certified inspectors. The proposed inspector certification training will cover the following areas at a minimum:

3-3.4.1.1 The Basics of OBDII including MIL, DTCs, DLCs and readiness indicators.

3-3.4.1.2 Performing Inspections Using the VIP including data entry of the safety, ECD, gas cap check and OBD test portions and how to operate the equipment.

3-3.4.1.3 NYS requirements for an Inspection as per Part 79 of the Commissioner Regulations and how these are accomplished in NY-VIP (e.g. record keeping, what is a failure, etc.).

3-3.4.1.4 How to use and care for the equipment and basic troubleshooting (e.g. replace toner cartridges, add stickers to inventory, etc.).

3-3.4.1.5 How to generate and interpret some of the basic reports in the system (e.g. inspection receipt).

3-3.4.1.6 How to notify customer of why the vehicle failed the inspection and what is required to pass the inspection.

3-3.4.2 *Bidders must develop a draft training plan on how they propose to deliver Computer Based Training (CBT) through the NY-VIP.* This training plan must describe topics covered, design features and technologies employed. NYS requires an OBD certification exam be administered on the NY-VIP system. See Appendix 1 for additional detail.

3-3.4.3 The contractor shall deliver the first draft of the proposed user manual to the DMV program manager during Phase 1. The user manual shall be provided with each station delivered system. This draft will be provided in MS Word format (preferred) or PDF. This user manual will include the following minimum items:

- Overview of the system,
- Sample screens and reports,
- Step by step guide on how to perform an inspection,
- Description of the different sub-menus,
- Sticker inventory management,
- System reports and a description of the data elements,
- Adding users and setting permissions and passwords,
- How to install printer cartridges,
- Troubleshooting guide for equipment problems and where to call for resolution,
- Inputting repair information and how to issue a waiver,
- Reference tables for locating DLCs, describing DTCs, etc.
- Error messages
- Index

3-3.4.4 The draft CBT curricula and user manual are subject to DMV review and approval. These items should be delivered with the prototypes described above in Section 3-3.3.

3-3.4.5 In anticipation of the need for training, NYS has issued a survey to the inspector community to obtain information on OBD and training. A copy of the survey and results are in Appendix K.

3-3.5 Marketing Plan and Proposed Designs for Motorist Public Relations Campaign

3-3.5.1 The contractor shall be responsible for conducting a marketing public relations campaign designed to:

3-3.5.1.1 Inform motorists of the new OBD requirement

3-3.5.1.2 Clearly communicate the vehicles (light duty MY 1996 and newer) that are subject to the new test requirements

3-3.5.1.3 Describe how the new test will benefit the motorist

3-3.5.1.4 Describe how the MIL is an "early warning" system, designed to inform the motorist that there may be a problem

3-3.5.1.5 Describe that emission related repairs may be covered under the manufacturers warranty and checking first before authorizing costly repairs.

3-3.5.2 The contractor shall develop materials, pamphlets, advertisements and/or other media designed to communicate the requirements listed in 3-3.5.1. These materials will be subject to the approval of NYS communications staff at the end of this phase and prior to delivery in the next phase. It is expected that consumers will have questions in the event their vehicle fails an inspection, and a pamphlet, which can be generated from the NY-VIP system, shall be designed and available as a menu option. See Appendix I for more information on the mandatory pamphlet.

3-3.5.3 *Bidders are required to detail how they would approach the Upstate and NYMA campaigns in their response. Assuming that $1.5 million (of the contractor's funds) is allocated to this purpose, describe the type of media (e.g. TV, Radio, Newspapers, Billboards, etc.), timing and selected geographic markets, and frequency you propose to reach the target population. In addition, bidders should describe the messages used to educate motorists and for stations to share with motorists in the event the vehicle fails. It is anticipated that the DMV Commissioner will be available for voice, print and video material development as the spokesperson for the campaign. If material has been developed, please include samples. Describe also how your company proposes to evaluate the effectiveness of the campaign.* The bidder has the option to spend more than the assumed $1.5 million, but not less. If the bidder anticipates a higher cost, this should be reflected in their price.

3-4 PHASE 2: SYSTEM DELIVERY PHASE

3-4.1 Pilot Testing at Actual Inspection Stations

3-4.1.1 The contractor shall be required to furnish up to a total of 40 stations, selected by the state, and the DMV regional offices and DEC lab with the approved prototype hardware and software of the VIP from phase 1 for in-use testing. These locations will be within 20 miles of the upstate regional offices, located in Latham, Syracuse, Buffalo and/or Yonkers. These 40 pilot stations will pay the contractor for the delivered and installed equipment. At the end of the pilot, and before phase 3, these units will be replaced or upgraded as applicable at no additional cost, to reflect the software features and hardware that will be installed in all subsequent NY-VIP units.

3-4.1.2 The participating pilot station's certified inspectors and DMV/DEC staff will be given classroom training at DMV facilities in advance of the equipment delivery. The material covered in the contractor training will consist of the elements defined in section 3-4. Up to four classes will be provided for each of the six geographic locations.

3-4.1.3 The contractor shall set up a communications link for the pilot stations to be able to transmit data to the contractor, who will in turn interface with the DMV systems. The communications between the contractor and DMV and DEC via the NYeNet will be established during this phase. The contractor will assist DMV in setting up the shared database and necessary connections for DMV and DEC staff during this phase to access the approved query and reporting portal. Extensive queries must be completed and performed on a scheduled basis or set up as an overnight download to a local PC so that they do not degrade routine access by staff during normal business hours.

3-4.1.4 Bidders must describe in detail how they will manage bug tracking and system enhancement requests, as well as feedback from the certification course gathered during this phase for incorporation into the final delivered system.

3-4.2 Set up of Communications Network and Vehicle Inspection Database

3-4.2.1 The contractor shall procure and develop the necessary hardware and software to support communications between the stations and the contractor. The connection between the contractor and DMV/DEC must utilize the State's NYeNet communication network; DMV plans to pay for the costs of this service through the Mobile Source account. Representatives from NYS's Office For Technology (OFT) will be available during the bidder's conference to answer specific questions that were not already submitted in writing. The contractor can also opt to use the NYeNet as the telecommunications provider between themselves and the inspection stations if desired, although the cost of these competitively priced services would be assumed by the contractor.

3-4.2.2 The established communications system shall have multiple levels of security and access codes to regulate system access and prevent unauthorized user access.

3-4.2.3 The contractor shall develop procedures, to be approved by DMV networking staff, to identify communications failures and provide network troubleshooting. The contractor shall maintain a log of all communications failures including

date, time, description, corrective action and response time. The contractor shall provide on a periodic basis, or on demand, network services and system reports.

3-4.2.4 *Bidders shall detail the proposed data communications schema including a proposed network diagram describing protocols and proposed hardware and software to be used to pass data from stations to DMV and DEC via the contractor. The schema must include proposed communication lines, switching nodes, access points, network management systems and how the proposed system will ensure communication to and from all participating inspection stations. The communications hardware and software must be detailed on the Hardware and Software summaries included in Appendix D. The bidders must detail why this design was selected and the factors that entered into their decisions to go with the selected design.*

3-4.2.5 The communications network must be capable of supplying services twenty-four (24) hours a day, seven (7) days a week. Services shall be available 99% during the Principal Period of Operation, 7 am to 7 pm EST Monday through Saturday. Scheduled system maintenance requiring downtime shall be scheduled only at times outside of the Principal Period of Operation. *The bidder shall provide an estimate of what off-hour times and durations would be required for system maintenance.*

3-4.2.6 The contractor shall provide sufficient network capacity to ensure that connection failures (e.g. busy signals in a dial up solution) are kept below a maximum threshold of 1% during the Principal Period of Operation and 5% outside the Principal Period of Operation. Connections from the NY-VIP shall be programmed to end the transmission after 30 seconds if no connection is made. The contractor shall ensure that system throughput capabilities are sufficient to process the expected peak volume of transactions given the number of stations connected to the network. *The bidder shall describe a plan for monitoring network capacity and system throughput capabilities.*

3-4.2.7 The system must provide network service to the entire state and must support electronic communications between all participating inspection stations and the contractor. If the contractor is proposing a dedicated IP network (versus switched/dial-up), from the stations to the contractor, the contractor may want to consider utilizing the State's NYeNet. For more information on the NYeNet, go to www.oft.state.ny.us.

3-4.2.8 The network must comply with all applicable laws including public utilities requirements, sales tax requirements and tariffs as well as Federal Communications Commission requirements, as applicable.

3-4.2.9 The network must be expandable to allow for any increase in the number of incoming calls, a shift in peak load periods, an increase in data volumes and record sizes, and for expanded application development and database storage requirements. *Bidders must describe in detail how they will meet this requirement. Include in the response the proposed system's flexibility and expansion capability, number of peak load connections that can be supported, the company's ability to proactively expand capacity to meet needs and the*

system's capacity to support any required increase in initial data storage requirements.

3-4.2.10 The system will be supported by an uninterruptible power supply for all applications and data files to insulate the system from power fluctuations, power loss and must be able to maintain system operation for a minimum of 1 hour to allow for an orderly transfer to a backup system and shut down without loss of data. *Bidders must describe in detail how they shall meet this requirement.*

3-4.2.11 Bidders must describe potential causes for communications failures and describe the actions to be taken to prevent or correct any such failures. Include in this response the adequacy of the communications back-up plan (including data retrieval when necessary), effectiveness of avoiding data loss, comprehensiveness in identifying potential problems, effectiveness of the proposed system in handling each problem (action Plan) and effectiveness of preventative measures.

3-4.2.12 Network redundancy is required. *Bidders must describe the redundancy characteristics of the proposed solution. Include not only software and equipment, but also include procedures that are to be utilized in the event of network malfunctions. Also detail the degree to which the proposal covers all likely events, assessment of the bidder's ability to take immediate action, the degree to which the design minimizes exposure to system or software malfunction and adequacies of redundancies as a protection against unplanned events.*

3-4.3 Help Desk Set Up

3-4.3.1 The contractor shall be responsible for setting up a help desk for stations and inspectors. The help desk services must be available, at a minimum, during the Principal Period of Operation. Toll free calls must be answered by a live operator within 3 minutes during the Principal Period of Operation. Failure to meet this performance requirement may result in penalties and liquidated damages.

3-4.3.2 The help desk shall be able to address at least 90% of all calls during the first phone call—whether it is resolving billing inquiries, assistance with operation of the equipment, communication problem, dispatch of a service technician, etc.

3-4.3.3 The contractor shall report monthly the number of calls received, type of call (e.g. billing, service requests, technical assistance), and call duration.

3-4.3.4 The bidder shall describe how the help desk requirement will be satisfied. Describe the proposed methodology, how staff will be recruited and trained, the proposed location for the help desk, and how your company proposes to meet the 90% resolution on the first call requirement and the live operator within 3 minutes requirement.

3-4.4 Service Technician Support Network Set Up

3-4.4.1 The contractor shall be responsible for servicing and maintaining all installed equipment over the course of the contract in all 62 counties.

3-4.4.2 In the event each station-reported problem cannot be addressed over the phone, a service technician must arrive at the station within two business days. A business day in this instance is defined as Monday through Friday from 7am to 7pm, excluding the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas. If a call for service is received on Friday at 7pm, then service within 48 hours or 2 business days is defined as before 7pm on the following Tuesday, unless it is a holiday as defined above, in which case service is required before 7pm on the following Wednesday. For further definition, the second visit, where required and assuming no holidays, would be Friday before 7pm, if the initial service request was made the previous Friday before 7pm.

3-4.4.3 In instances where a technician has been dispatched to an inspection station for problem resolution, 75% of the service calls must be addressed in the first visit and 99% must be addressed in the second visit. After two unsuccessful repair calls, the appropriate equipment must be replaced. No station should be non-operational due to equipment or software failure for more than 5 business days. Failure to meet this service requirement shall result in payment of damages paid directly to the impacted station by the contractor. Any facility that has NY-VIP equipment that has been inoperable for more than 5 business days shall be entitled to "lost" inspection fees, so long as the station is in good standing with the contractor (i.e. no outstanding payments due). These "lost" fees will be based on average daily volume for that particular station based on the previous year's reported inspections and will be calculated as follows:

Average daily volume X Number of days down X appropriate fees for inspection type. For example, if a station was down completely for 6 calendar days (1 more than allowed) and they were a new car dealer who typically does "safety only" inspections and the dealer averaged 8 inspections per day in the past year and the fee for the safety only inspections was $10, then the new car dealer would be eligible to obtain from the contractor, the lost fees of 6 x 8 x 10 or $480. The contractor has the option of paying stations this directly or giving the station a "credit" against future services. If this same station was down for only 4 business days and the equipment finally became fully operational within the 5 business day requirement, they would not be entitled to a "lost fee" payment.

The performance standards described in this section are based on reported problems by stations, and the time performance is based on when the problem was reported. For example, if a station calls the help desk to report that the printer is not operating on day one, a service technician visits the shop on day three and fixes the problem in the first visit, this closes out this reported problem. However, assuming while the contractor's technician was at the station, the technician was informed of a new problem (e.g. cable to the DLC is frayed) not previously reported, this new problem starts the process all over again and the new problem must be fixed within 5 business days and 2 service calls. It is hoped that the contractor will have the necessary parts in their

service vehicle that the new problem can be resolved immediately—rather than dispatching a new technician within two days.

3-4.4.4 The contractor shall report on a monthly basis the number of service calls made in the previous reporting period, including how many were solved in the first visit, second visit, and third or subsequent visits, and any "lost fee" payment credits issued. Contractor must identify stations that require other services (e.g. upgrade electrical, restore phone service) that are outside of their control. In addition, the types of repairs required (e.g. list failed components with component unit number) must be reported.

3-4.4.5 The bidder shall describe how the service technician requirement will be satisfied. Describe proposed methodology including the number of and how staff will be recruited and trained, proposed location(s) for the service network and how your company proposes to meet the minimum of 75% of the problems resolved in the first visit and 99% of the problems resolved within two visits.

3-4.5 Inspector Certification Training Delivery

3-4.5.1 The mandatory CBT training must cover at a minimum, the elements described in Section 3-3.4.

3-4.5.2 The mandatory certification exam, in the NY-VIP station's unit, must include and test for all critical elements delivered in the training to ensure the certified inspectors understand the OBDII technology. Multiple versions of the test are required to minimize the possibility of the answers becoming public. The contractor is responsible for the security of the test questions and answers. In the event the questions and answers become compromised or outdated, the vendor will be required to update these during the contract.

3-4.5.3 The results of the certification exams must be transmitted to DMV upon successful completion of the exam on the NY-VIP terminal so that the certified inspector file can be updated. The contractor shall work with DMV to identify the best method and frequency to transmit the data electronically so that the DMV inspector file update can be automated.

3-4.5.4 Recognizing that Computer Based Training and Testing may not be sufficient for some technicians, NYS would like the contractor to offer other training and testing options that stations and/or technicians could elect to procure directly from the contractor. See section 3-9 for more information.

3-4.6 Acquisition, Delivery, Installation and Setup of Station Equipment

3-4.6.1 The contractor shall be responsible for the procurement, system set-up, payment collection, delivery and installation of the NY-VIP equipment to all the participating inspection stations.

3-4.6.2 The contractor is responsible for transmitting to DMV the TAS unit number, a description of the unit components and related serial numbers, and delivery receipt (including facility number and address at a minimum) of all delivered and installed systems within 48 hours of installation.

3-4.6.3 The delivered NY-VIP must include all required components in one delivery. A delivered system must include:

3-4.6.3.1 The NY-VIP analyzer with appropriate hardware (e.g. modem,), hardware drivers and software already installed.

3-4.6.3.2 The printer and associated cables, as applicable.

3-4.6.3.3 The bar code scanner and associated cable, as applicable.

3-4.6.3.4 The OBDII scan tool, connector, and associated cables, as applicable.

3-4.6.3.5 An appropriate connection to hook up the analyzer into the station provided communication system (e.g. phone line, cable connection or broadband).

3-4.6.3.6 A User Manual, as approved in Phase 1.

3-4.6.4 When delivered the NY-VIP system should need minimal set up at that time. Instructions to the user will be in the manual or computer based in the unit itself. However, some set-up and installation may be necessary before a station is able to utilize the computer based instructions, and some stations will need assistance connecting to the communication system.

3-4.6.5 Bidders shall describe in detail how they propose to acquire, assemble and deliver the NY-VIP system to participating inspection stations. The timetable proposed must be consistent with the project plan submitted in Section 3-7 and include the number of units delivered and installed each week. Bidders will describe the extent of set-up and installation that is necessary before any computer based instruction is available to the user. Bidders will also describe whether this set-up and installation is to be supplied by their staff at time of delivery, by service personnel after delivery (and the time between delivery and set-up), or Help Desk. If the installation assistance is to be provided to stations in the form of a user's manual, bidders will supply a sample of such a manual.

3-4.6.6 The contractor will be allowed to adjust costs charged to stations for the required NY-VIP equipment as follows:

3-4.6.6.1 Price decreases, from those initially provided to NYS on the proposal submission date, can occur at any time without NYS approval.

3-4.6.6.2 Price increases, from those initially provided during proposal submission, can occur annually, beginning one year from the date the system became operational as per DMV. The annual rate of increase cannot exceed either 5% or the published CPI, whichever is lower. In the event DMV requires additional hardware and software in Phase 4 as per section 3-6, these additional DMV approved costs can also be added to the cost of new equipment.

3-4.7 Marketing Campaign Roll-Out

3-4.7.1 Based on the approved Marketing Campaign Proposal from Phase 1, the contractor shall begin rolling out the campaign. The marketing campaign will rollout within 60 days from the beginning of Phase 2 and continue until October 2005 (6 months after NYMA inspections begin).

3-4.7.2 The contractor shall provide a monthly summary of completed media offerings to DMV including the message sent, the method used, the cost of message, the volume distributed/potential audience of message, the outlet who completed the public relations and the time and date(s) the message was delivered.

3-4.8 Inspection Station Website

3-4.8.1 The contractor shall set up and maintain a website for all inspection facilities and certified inspectors as a means of communication of pertinent information about the NY-VIP rollout. The website must be available 24 x 7 x 365.

3-4.8.2 The material posted to the website will be approved by DMV before the material is posted and available to the stations. DMV will strive to provide approval to the contractor within 48 hours of receipt of material. DMV reserves the right to edit submitted material.

3-4.8.3 The website will include, at a minimum, the following elements:

3-4.8.3.1 A schedule of the rollout with enough specificity that the station can anticipate, within one week, when their equipment will be delivered.

3-4.8.3.2 A schedule of when and where optional certification training classes, detailed in section 3-9, will be held (if applicable), whether space is still available and the ability to sign up for a class online.

3-4.8.3.3 An overview of the new system including images of the equipment, a list of features for each piece of equipment to be delivered and a description of the functions and features that will be available to them.

3-4.8.3.4 The inspection station agreement with the contractor, which can be downloaded and completed by the appropriate individuals. Forms must be made available in commonly available software that is easily accessible to the station. For example, if the form is in Adobe Acrobat, a link to download the software should also be available or if MS Word is used, a link to a MS Word viewer must be available.

3-4.8.3.5 An electronic version of the user manual that can be downloaded.

3-4.8.3.6 Other communication, consumer pamphlets, correspondence and files as deemed appropriate and necessary by DMV.

3-4.8.3.7 Information on software versions and update features included in this version.

3-4.8.3.8 A frequently asked questions section related to the OBD emissions program and a synopsis of questions from the Toll Free Hotline.

3-4.8.4 Bidders must provide details of the web page and how they will use the web page as a communication tool to inspectors and stations. Describe all anticipated items that the contractor plans to offer on the web page. Recognizing that not all stations and inspectors will have access to the Internet, describe how your company intends to reach the non-Internet enabled population with equivalent information.

3-5 PHASE 3: SYSTEM START-UP PHASE

3-5.1 System Rollout

3-5.1.1 Inspection stations will be allowed to begin performing inspections through the NY-VIP once the contract moves to phase 3 and all necessary approvals from Phase 1 and Phase 2 have been obtained. DMV will notify the contractor in writing of the anticipated start date that inspections can begin to be performed. The anticipated start date, also referred to as the operational date in section 6-3, will become the official anniversary date of the contract. DMV, through contractor reporting, will identify a date (typically within 2-3 months of the official start date) where all licensed businesses MUST use NY-VIP to perform inspections or cease operation. Phase 3 must be started within 10 months of initial contract approval.

3-5.1.2 During Phase 3, the contractor shall provide weekly reporting during this phase of stations who have received equipment the previous week and should be performing inspections and the number of stations expected to be online in each subsequent week during this phase. The weekly reports will also include communication tracking data on number of connects, number of failed connects (by reason), and average length of call by function (e.g. safety only inspection, data refresh, communications test).

3-5.1.3 The contractor shall provide up to 10 units of the approved NY-VIP equipment to the DMV regional offices, DMV VSS Central Office and the DEC facilities at no cost to the state. Any prototype units in use at DMV and DEC will be upgraded or replaced, if applicable, prior to the first sets being shipped to inspection stations.

3-5.2 System Acceptance and Load Testing

3-5.2.1 System capacity will be closely monitored in this phase by DMV technical staff to ensure that response time requirements, system sizing and messaging lengths are as efficient as possible to facilitate processing by inspectors and verification that no data loss is occurring.

3-5.2.2 Refinements to previously approved communication schema and processes may occur at this phase at the discretion of DMV.

3-5.3 Continuation Of Previous Phase Activities As Required

3-5.3.1 The contractor shall continue signing up facilities who desire to participate in the NY-VIP program.

3-5.3.2 If offered by the contractor, the contractor shall continue providing Optional Inspector Certification training as needed and reporting certification exam results to DMV within 48 hours.

3-5.3.3 The contractor shall continue maintaining the NY-VIP website and updating with new material as required.

3-5.3.4 The contractor shall continue the marketing campaign and reporting to DMV as defined in Section 3-4.7.

3-6 PHASE 4: SYSTEM MAINTENANCE PHASE

3-6.1 Station Equipment Maintenance

3-6.1.1 The contractor shall provide replacements and service to all reported deficiencies, at no cost to the stations, over the course of the contract. The contractor shall not be responsible for station equipment damage caused by misuse, vandalism, lack of care for the equipment or theft from a station. *Bidders must describe how they shall address handling service calls when equipment damage appears to be caused by the station, versus equipment which has exceeded its normal useful life.*

3-6.1.2 The contractor shall meet the service requirements as specified in Section 3-4.4, at no cost to the stations, over the course of the contract.

3-6.1.3 The contractor shall report the status of the equipment replacement reserve fund and component replacements and costs on a monthly basis.

3-6.2 Software Updates

3-6.2.1 Recognizing that requirements will change over the course of the contract term, NYS is directing bidders to allow sufficient hours and costs to allow for these anticipated changes. The changes will vary from year to year and can include new menu options (reports, system features), new EPA requirements (e.g. adding new diesel or Heavy Duty Vehicle OBD requirements or equipment), new state laws or regulatory changes, and other system enhancements deemed necessary by DMV (additional data elements). An example of potential items that may be required based on a scan of proposed OBD revisions, as defined by California's Air Resource Board (CARB) or EPA are:

Review Agency	Timeframe Expected	Potential Software Change
EPA §86.004-17(k)	MY 2004 - MY 2007	Heavy Duty Vehicles begin OBD testing – up to 14,000

		lbs
EPA Part 86	MY 2005	Alternate Fuel Vehicles are OBD Compliant
CARB 1968.2(e)	MY 2005	Changes in OBD monitors, e.g. variable valve timing
CARB 1968.2(f)	MY 2005 – CAN Only	More vehicle and engine parameters

3-6.2.2 DMV anticipates that COTS software (operating system, browser, virus protection, etc) will need to be upgraded over the course of the contract to enable additional security features and software protection. Generally these upgrades will be required when the software manufacturers no longer support the installed product or when known security holes have patches available.

3-6.2.3 In most cases, contractor custom software updates will be expected on an annual basis. However, there may be times when an update may be required in addition to the annual update cycle, especially during the first two years of the program. These "interim" updates take the form of either a routine simple table update (e.g. fee change or new exception added to readiness file) or software modifications (e.g. added component to safety inspection or software deficiency). NYS will attempt to keep these software modifications to a minimum, but in the event they are required, the change will be needed within 30 days of written notification. In the event of an emergency, i.e. a software deficiency has caused the system to crash and render it inoperable, a fix will be required within 3 business days of written notification. Routine table updates, typically the small files defined in Appendix 1, should be made within 3 business days of written notification.

3-6.2.4 Annual software update requests will typically be made in writing within 30 days, either before or after, the contract anniversary. These updates are expected to be coded and thoroughly tested by the contractor before submitting to DMV for approval within 90 days of the update notification. DMV and DEC will evaluate the software update prior to electronic transmission and automatic update of all station-installed NY-VIPs. Once approval is received from DMV, the update should be made available to stations within 2 weeks. The software update process must be constructed in such a way that the entire process can be completed within 30 minutes of a station opting for the software update process to begin.

3-6.2.5 For all software updates requested the contractor shall review the level of effort required and provide DMV with an estimate, of the number of hours by title required to complete each of the requested changes, within 2 weeks of receiving the request.

3-6.2.6 *Bidders shall include in their response to this section the number of hours they have budgeted for this purpose, by year, by title of anticipated person performing the work (e.g. project manager, software engineer, database administrator, etc) for each year of the contract. Include how these amounts*

were arrived at. The total "hours" will be made a part of the contract and will be reduced based on the DMV approved items and the contractor's estimates of level of effort. Hours not used in a given year will be rolled-over to subsequent years.

3-6.2.7 At least annually during the software update process, the state and the vendor will review the evolving OBD technology, anticipated regulatory changes and available data elements from a vehicle's PCM. This review will focus on the ability to detect and prevent fraud with data. As a result of the review, NYS may require additional data elements to be captured during the annual update cycle.

3-6.3 Hardware Updates

3-6.3.1 Given that technology changes rapidly, it is possible that system-wide hardware updates may be necessary over the course of the contract. The exact technology is unknown but could involve either one of the installed components or new devices (e.g. gas cap pressure test or diesel opacity test) that are not known at this time.

3-6.3.2 In the event hardware changes are required over the term of the contract, vendors shall be allowed cost plus and no more than an additional 15% pass through to account for their costs associated with the acquisition, delivery and installation of the new hardware. These hardware changes will be requested by DMV in writing and a reasonable timeframe provided (no less than 100 days). If the expected cost is less than $350 per station, the costs shall be borne by the contractor as part of the equipment reserve fund. If the expected cost is greater than the $350 per station, NYS will consider a per call price adjustment. A contract amendment shall be executed for any agreed upon price adjustment for this purpose. NYS can direct the vendor to use reserve funds for equipment upgrades if sufficient funds exist. For each requested hardware change by NYS, the contractor shall provide an accounting of estimated costs and impact on the equipment reserve fund for NYS approval within 10 business days from receipt of the hardware change request. Thirty (30) days after approval, acquisition and system wide installation, the contractor shall provide NYS with the actual costs (including vendor invoices), an accounting of the equipment reserve fund, and a reconciliation between the estimate and the actual costs.

3-6.4 System Performance Measures Expected at This Phase

3-6.4.1 Minimum 99.5% OBD communication success rate with NYS OBDII compliant fleet

3-6.4.2 Equipment service requirement 99% of problems resolved within 2 service calls.

3-6.4.3 99% Network communication success rate during the Principal Period of Operation.

3-6.5 Continuation Of Previous Phase Activities As Required Through 2nd Year of the Contract.

3-6.5.1 The contractor shall continue signing up facilities who desire to participate in the NY-VIP program.

3-6.5.2 If offered by the contractor, the contractor shall continue providing Optional Inspector Certification training as needed and reporting these results to DMV within 48 hours.

3-6.5.3 The contractor shall continue maintaining the NY-VIP website and updating with new material as required.

3-6.5.4 The contractor shall continue the marketing campaign and reporting to DMV as defined in Section 3-4.7.2.

3-7 MANAGEMENT PLAN

3-7.1 The bidder must provide a plan describing how your company would manage and implement this project on behalf of DMV and DEC. This plan must provide:

3-7.1.1 Your company's goals and objectives for this project.

3-7.1.2 The level of management attention which would be devoted to this project.

3-7.1.3 The names, titles, resumes and locations, as well as an organizational chart for all key personnel; i.e., personnel whose qualifications constitute the company's ability to meet the minimum qualifications to bid as outlined in Section 1-3 of this document. The amount of time and specific functions that each key person will be dedicated to this project must be described. In the event that personnel will be hired to work on this project, the qualifications and hiring of this staff must be detailed. Any local or sub-offices must be described including location and staff. DMV reserves the right to reject bids where key personnel are not identified and/or not adequately committed to the project.

3-7.1.4 A matrix which details a complete staffing plan for the project, identifying all staff and subcontractors, their responsibilities and qualifications, and how they will be applied to the various components, the tasks and functional areas of the project plan. Where subcontractors are identified, please also describe how their participation improves meeting project objectives. Describe the specific tasks and the amount of time that is projected to be dedicated to the project by each staff member, and timing of hiring for each new staff as appropriate. Describe any and all assumptions used to plan, staff, and manage this project including estimation methodology.

3-7.1.5 The specific staff resources, activities and time required from DMV and DEC.

3-7.1.6 The recommended level of oversight from DMV including frequency of regular progress meetings and written status/progress reports.

3-7.1.7 The recommended level, length and frequency of communication between your company and DMV.

3-7.1.8 The performance measures recommended to evaluate the effectiveness of this project.

3-7.1.9 A detailed project schedule describing how your company would implement this project on behalf of DMV/DEC. The project schedule, at a minimum, must explain the expected logical progression of the project and must include phases, milestones, and dates when it is expected that those milestones will be reached including prototype development through to maintenance of the installed system. The work plan must also include periodic review checkpoints for DMV technical and operations staff review. The review process must provide both agencies with the opportunity to determine if the project that is being developed will meet the needs of respective agencies. The design of each of the major phases of the project as well as the database designs and network diagram must be approved by appropriate DMV staff. The bidder must state the project management tool or technique that will be used to track the progress of the project and include Gantt and critical path types of charts which describe all of the steps and time estimates.

3-8 PHASE 5: EXPANSION INTO THE 9-COUNTY NYMA IN 2005

3-8.1 Given the reliability of OBD technology and the NYS vehicle population turnover to newer vehicles every year, NYS will expand the NY-VIP into the NYMA effective April 1, 2005 as a standalone system. NYS may also opt to continue the NY-TEST system, with their existing contractors, through 2006 or 2007 if current contract extensions are desired and approved in order to perform emissions testing on the older vehicles in the NYMA.

3-8.2 The scope of work for the NYMA expansion includes all appropriate mandatory requirements described in this RFP. For example, it would not be necessary to do another prototype or undergo phase 2 beta testing, but network diagrams and other documentations would need to be updated and training DMV/DEC staff in the Long Island and NYC regions would be expected.

3-8.3 Bidders must describe the necessary actions they will take to expand and replicate the Upstate program into the NYMA. This should include a timetable identifying lead-time required and critical tasks and milestones necessary to expand the program.

3-9 OPTIONAL STATION EQUIPMENT (STATION DISCRETION)

NYS recognizes that there are a variety of emissions and diagnostic tools and options that can and should be considered in a vehicle inspection program. Given our program goals of efficiency and cost effectiveness, NYS's base program will involve the same hardware and software installed over the entire network. However, stations are unique—some are large, some are small, some meet the needs of all makes and models and some specialize in certain brands, types or years. NYS is open to bidders providing recommended add-ons or upgrades to the system, which interface with the NY-VIP system, that stations could elect to purchase from the contractor.

These could be hardware related (e.g. wireless connectivity within a station, multiple units connected to a single server, broadband connectivity, a dynamometer, opacity meter, scopes, etc.) or software and/or service based (expanded OBD certification training, diagnostics, service bulletins, internet services, etc.). Any optional item to be marketed which interfaces with the NY-VIP system must be NYS tested and approved to ensure that it does not interfere with the installed NY-VIP before these items can be attached to NY-VIP and sold to stations. Any "option" which the bidder would like to initially market with the NY-VIP system should be included here. New "options" formulated over the course of the contract should be submitted to NYS as soon as practical for approval to sell. NYS will not evaluate these items' associated costs (as reported on the hardware, software cost summary) when reviewing cost proposals. NYS will require that software code and documentation for these optional items also be placed in the software escrow account in the event of a contractor's default.

3-9.1 *Bidders must detail recommended hardware add-ons or upgrades to be offered to stations during the initial NY-VIP sale. Include product sheets and benefits of the recommended hardware and how this can enhance the inspection maintenance process.*

3-9.2 *Bidders must detail recommended software and/or service based add-ons or upgrades to be offered to stations during the initial NY-VIP sale. Include a description of the services and sample screens as appropriate and the benefits of the recommended software and/or services and how these can enhance the inspection maintenance process.*

3-9.3 *Bidders must detail alternative training mechanisms (e.g. videos, classroom, in shop training, etc.) available to certified inspectors and inspection stations. Describe the methods and provide a proposed plan on how this will be carried out (e.g. if classroom training is identified as the best method, bidders should provide information on facilities, class size, trainers, etc.).* Face-to-face training options (e.g. classroom or in-shop training) shall include administering the contractor developed OBD inspector certification examination and transmission of the results to DMV.

3-9.4 The contractor will be allowed to adjust fees charged to stations for these optional items as follows:

3-9.4.1 Price decreases, from those as initially provided to NYS during the equipment or service approval process, can occur at anytime without NYS approval.

3-9.4.2 Price increases, from those initially provided to NYS during the equipment or service approval process, can occur annually from date of approval at a rate not to exceed either 5% or the published CPI, whichever is lower.

3-9.5 The contractor will be allowed to offer new emissions and diagnostic tools and options to stations and certified inspectors throughout the contract term. Any item that interfaces with the NY-VIP must be tested and approved by NYS in advance, before it can be marketed to inspection stations or certified inspectors. If the items to be sold do not directly interface with the NY-VIP, e.g. classroom training or training video, the contractor must notify the DMV Program Manager of the item, date of offering, planned marketing materials, and its initial offering price in advance of marketing. NYS reserves the right to require the contractor to cease selling items, through the website or service network, which do not directly relate to or enhance the NY-VIP system.

4 PROPOSAL RESPONSE REQUIREMENTS

4-1 INTRODUCTION

The objective of this section is to define a standard format for required responses to the Request For Proposal (RFP) for the NY Vehicle Inspection Program. Bidders must prepare a detailed response that strictly conforms to the specifications in this section.

4-2 SUBMISSION OF PROPOSAL

The bidder agrees to comply with all requirements of New York State laws by virtue of submission of the proposal. It is the bidder's responsibility to thoroughly review the proposal including all appendices, prior to submission of the proposal. Bidders are cautioned to verify their proposals before submission, as amendments to proposals or requests for withdrawal of proposals received by DMV after the bid opening will not be considered.

All information required by this RFP must be supplied by the bidder on the forms or in the format specified. If submitting more than one proposal, each proposal must be clearly labeled and submitted separately and prepared for a three-ring binder; do not submit bound volumes. Each Proposal Response Component must be clearly identified or tagged. Any attachment that is bound MUST have the Bidder's name and the Proposal Response Component name clearly identified on a cover sheet that is firmly attached to the document. Any unbound attachments must have the Bidder's name and the Proposal Response Component name clearly identified on each page of the document.

DMV expects all bidders to explain in careful detail how they will carry out the requirements, and how the successful bidder shall complete these requirements over the life of the contract. Any clarification or changes to requirements specified in this RFP will be consistent for all bidders and will be clearly communicated to all bidders who have submitted the appropriate documents.

Proposals must be organized into two volumes:

4-2.1 **Volume 1 — Program and Technical Proposal:** The bidder must submit twenty-five (25) copies of Volume 1, each clearly identified on the cover with the bidder's name and the words "NYS Department of Motor Vehicles and Department of Environmental Conservation, NY-VIP RFP Volume 1 —Program and Technical Proposal." Any outside packaging containing Volume 1 copies must be clearly marked with the words "NYS Department of Motor Vehicles and Department of Environmental Conservation, NY-VIP RFP, Volume 1 —Program and Technical Proposal."

4-2.2 **Volume 2 — Cost Proposal:** The bidder must submit six (6) copies of Volume 2, each clearly identified on the cover with the bidder's name and the words "NYS Department of Motor Vehicles, NY-VIP RFP, Volume 2 — Cost Proposal." All copies of Volume 2 must be packaged separately from Volume 1. Any outside packaging containing Volume 2 copies must be clearly marked with the words "NYS Department of Motor Vehicles, NY-VIP RFP, Volume 2 — Cost Proposal".

4-2.3 Cost Proposal Envelope

4-2.3.1 The cost proposal form (Appendix D) and the Software and Hardware Cost Summary (Appendix D) should be placed in a sealed envelope, clearly marked with the company's name and that the contents are the cost forms. This envelope should be separate from the binders, but can be packaged with Volume 2 – Cost Proposal Binders.

4-3 PROPOSAL OUTLINE AND ORGANIZATION OF VOLUME 1

Pages must be numbered and volume 1 must be organized and submitted in four parts as outlined below:

4-3.1 Volume 1 - Program and Technical Proposal Response

Part 1: Introduction Cover Letter

Trade Secret Letter (if applicable - Section 1-14)

Subcontractor Usage (Section 3-7.1.4)

Related Experience Statements (Appendix E)

Matrix Demonstrating How Bidder Meets Minimum Qualifications (Appendix E)

List of I/M Projects Managed in the Past 10 Years (RFP Section 1-3)

Key Requirement Checklist (Appendix D)

Part 2: Project Scope/Deliverables By Phase

Phased Approach (RFP Section 3-2)

Phase 1: System Design and Prototype Development (RFP Section 3-3)

Phase 2: System Delivery Phase (RFP 3-4)

Phase 3: System Start-Up Phase (RFP 3-5)

Phase 4: System Maintenance Phase (RFP 3-6)

Management Plan (RFP 3-7)

Phase 5: Expansion into NYMA (RFP 3-8)

Part 3: Gantt Chart and Resumes of Key Project Staff (including subcontractors)

Part 4: Technical Specifications of Proposed Hardware and Software Summary (Appendix D) including optional equipment descriptions as detailed in RFP section 3-9.

4-3.2 Volume 1 - Part 1 Instructions

4-3.2.1 Cover Letter

The letter must state that, if awarded the contract, the bidder shall comply with all the requirements set forth in this RFP, including the contract terms and conditions in Section 6, except as may be hereinafter modified and accepted by DMV. The letter must also state the names of all subcontractors, including their Federal Identification or Social Security number, and scope of work involved in the bidder's proposal.

The letter must be submitted on the bidder's official business letterhead and must be signed in blue ink by an authorized representative of the bidder. The proposals must be delivered with this cover letter, signed by an official authorized to bind the bidder to its provisions and agreeing that the bidder's proposal will remain valid for at least 9 months.

4-3.2.2 Related Experience Statement (Appendix E)

For evaluation purposes, the qualifications and experience of the contractor are of paramount concern to DMV. All minimum requirements detailed in Section 1-3 must be covered. The bidder must meet and provide at least three project descriptions which clearly demonstrate their expertise and experience as required in Section 1-3.

4-3.2.3 Bidder Matrix on How Minimum Qualifications Are Met (Appendix E)

To assist in the evaluation process, bidders are required to indicate how they meet each qualification specified in Section 1-3. Please cite the specific project and/or person which meets the qualifications.

4-3.2.4 Key Requirements Checklist (Appendix D)

To ensure that vendors meet DMV's key requirements, a checklist of the most critical items has been included as Appendix D. Bidders must certify that they have met these requirements within their proposal.

4-3.3 Volume 1 - Part 2 Instructions

For evaluation purposes, the bidder's proposal must be structured in the exact sequence specified in Section 4-3.1, Part 2. This part mirrors the major headings of the RFPs Section 3 (Project Scope/Deliverables by Phase). The headings and numerical structure in the RFP must be duplicated in the bidder's response in Part 2. The response must describe in detail how the bidder proposes to address each of the headings and subheadings in section 3. During evaluation, vagueness and omissions will not be interpreted in your favor. It is the bidder's responsibility to ensure that each subsection is described completely.

An example of the formatting required is below:

RFP TEXT:.
3-2.2 **System Acceptance** 3-2.2.1 Each phase will require a signoff by DMV before the next phase can begin. In addition, signoff will be required on the database design and network design prior to coding or installation of equipment. 3-2.2.2 Testing of each module, deliverable and phase shall be the responsibility of the winning bidder. 3-2.2.3 System Acceptance will be the responsibility of DMV and DEC. *Bidders must provide a detailed list of acceptance criteria items.*
BIDDER RESPONSE: 3-2.2 **System Acceptance**

Bidders will describe how they will manage the testing process and documentation of test results, how they will manage the transition from phase to phase and obtain necessary signoffs at appropriate milestones. In addition, bidders are required to include a detailed list of system acceptance items within their proposal.

4-3.4 Volume 1 - Part 3 Instructions

For evaluation purposes, bidders must submit a Gantt chart detailing specific deliverable and milestones for the project. This must correspond with the activities detailed in Part 2 of the proposal response. In addition, resumes of key staff proposed for this project as described in Section 3-7.9 must be included here.

4-3.5 Volume 1 – Part 4 Instructions

To facilitate evaluation across a variety of responses, a detailed Hardware/Software Technical Summary (Appendix D) must be completed. This must be a detailed list of all components anticipated by the bidder in order to carry out the RFP requirements during the life of the contract. Bidders should circle communication platform option bid (e.g., internet or dial-up) and identify the database software recommended. Items that do not appear on the form should be added in the appropriate free space or attach on a separate sheet in this section. Any optional items the bidder wishes to market with the initial NY-VIP sale to inspection stations should be described here.

4-4 COST PROPOSAL OUTLINE AND ORGANIZATION OF VOLUME 2

4-4.1 Volume 2 - Cost Proposal Format

Pages must be numbered and the required information organized and submitted in 2 parts as outlined below:

Part 5: Bidding Information:

- Cover Letter (same as volume 1)
- Financial Responsibility Statement (Appendix G)
- Statement of Non-Collusion (Appendix B)
- MacBride Act Questionnaire (Appendix C)
- Optional Pricing For Other Vendor Equipment (Appendix D)

Part 6: Corporate Information:

- Vendor Responsibility Questionnaire (Appendix D)
- Financial Statements
- Certificate of Incorporation
- Secretary of State Letter
- Proof of Funding
- Proof of Financial Viability (if in business less than 3 years)

Specific information on the Cost Proposal response can be found below in Section 4.4.2.

4-4.2 Volume 2 –Instructions

4-4.2.1 Part 5 – Bidding Information

This section will include a copy of the cover letter that appears in volume 1. In addition, 3 forms found in the appendix must be completed and included in this part: the Financial Responsibility Statement (Appendix G), the Statement of Non-Collusion (Appendix B), and the MacBride Act Questionnaire (Appendix C).

The optional pricing included in part 5 refers to the vendor optional add on equipment as defined in RFP Section 3-9. The optional pricing amount should be detailed on the last page of the Hardware and Software Cost Summary Form. The actual descriptions, product sheets, etc. should be included in Volume 1 in Part 4 of the vendor response.

4-4.2.2 Part 6 - Corporate Information

Submission of a bid or proposal in response to this RFP indicates acceptance of DMV's authority to research a bidder's financial status by obtaining financial materials, including but not limited to, credit reports, business reports or third party information. Findings that, in the judgment of the State, are significantly adverse may lead to proposal disqualification.

The evaluation committee will evaluate the financial statements and thoroughly research each bidder's financial status. Findings which, in the judgment of the State, are severely adverse will lead to proposal disqualification. A bidder may be disqualified from the bidding process for any one of the following reasons:

- severely adverse auditor findings, or
- severely adverse contingency notes, or
- severely adverse reports in trade financial references.

Due to the scope of work required by this RFP, bidders may need to subcontract with other companies. The NY-VIP requirements of the primary contractor and its subcontractors are covered in sections 1, 3, 4 and Appendix I. Bidders intending to use subcontractors on this project must include one of the following two options with their financial statement packages, along with their own financial information, documenting the stability of the subcontractors.

OPTION #1: The primary contractor must submit separate financial statements for each of the subcontracting companies. These statements must contain the same required information as the bidder's statements as defined later in this section. The subcontractor's financial statements must follow immediately behind the primary contractor financial information. Selection of this option will still require the primary contractor to have sole financial responsibility for the project.

OPTION #2: The bidder assumes sole financial responsibility, and must possess the financial stability to assume all related costs in the event a subcontractor defaults in its responsibilities. The bidder will describe steps the firm will take to protect the project from subcontractor default.

Each bidder shall submit a copy (whether incorporated or a partnership) of the firm's:

4-4.2.2.1 Corporate information required (where applicable) includes:

- Ticker Symbol of the bidder under which the company is traded;
- Exchange on which company stock is traded;
- Statement attesting that the company submitting a bid authorizes DMV to obtain financial and/or credit reports on the company from commercial sources.

4-4.2.2.2 Certified audited financial statements for each of the past three (3) calendar or fiscal years, as well as any interim statements issued since the date of the last annual audited financial statement. If the bidder is a partnership comprised of two or more corporations, the audited financial statements of each corporation must be submitted for the past three (3) years. If the bidder is a subsidiary, the submitted financial statement must be for the subsidiary's past three years - not that of the parent organization.

4-4.2.2.3 A copy of the firm's certificate of incorporation or the Partnership Certificate on file in the State in which the firm is principally located and a letter from the Secretary of State's office stating the corporation is in good standing with the State in which it is principally located.

- If the bidder is a partnership comprised of two or more corporations, then a copy of each partner's Certificate of Incorporation, along with a copy of the partnership papers, must be provided.
- If the bidder is not a New York corporation, the bidder must provide a copy of documents demonstrating it is fully authorized to do business in NYS.
- If the bidder is a partnership comprised of non-corporate partners, the bidder must provide a copy of its Certificate of Partnership.

4-4.2.2.4 Statement that bidder has the ability and resources to secure a letter of credit as specified in section 6-2. This statement will include a commitment to provide the letter upon contract approval and proposed bank from which the letter of credit will be maintained.

4-4.2.2.5 A list of corporate officers, including the firm's attorney.

4-4.2.2.6 In addition to the requirements cited in this section of the RFP, a New Firm, which shall mean a firm currently in business which has not continually conducted business during the calendar years of 2000, 2001, and 2002 shall provide proof of its financial viability as required by DMV.

4-4.2.2.7 All proof is subject to review by DMV and its acceptance or rejection is at the discretion of DMV. The DMV reserves the right to accept or reject alternative statements of financial condition, in lieu of the above requirements.

4-5 COST FORMS ENVELOPE (APPENDIX D)

The cost proposal form (Appendix D) and the Software and Hardware Cost Summary (Appendix D) should be placed in a sealed envelope, clearly marked with the company's name and that the contents are the cost forms. This envelope should be separate from the binders.

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5 EVALUATION OF PROPOSALS

5-1 EVALUATION OBJECTIVES

The objective of the evaluation conducted by DMV and DEC is to ensure that:

- The proposal selected represents the best value to New York State.
- The bidder selected has the technical experience and management ability necessary to successfully manage and complete the work on schedule and as described in their proposal.

The evaluation and selection process will establish a point score for each proposal based on a maximum total point score of one hundred (100) points. The program, technical and experience proposal score will be based on a maximum point score of fifty (50) points and the cost score is based on a maximum point score of fifty (50) points. The significant factors upon which bidders will be evaluated, and point scores derived, are delineated in this section. If a bid response fails to meet any of the requirements evaluated, the bidder may receive a zero score for that section.

5-2 DATA GATHERING

It is the bidder's responsibility to comply with the structure detailed in Section 4. Although the entire proposal will be considered, program, technical and experience evaluation will be primarily based upon the proposal's methodologies described in the bidder's response, verification of minimum qualifications, verification of bidder experience, and careful attention to detail within all.

If DMV has questions regarding any information in a bidder's proposal, DMV will submit those questions in writing to the bidder. The bidder's written response to those questions will be used to clarify the bidder's proposal.

5-3 PRE-SCREENING OF PROPOSALS FOR COMPLETENESS

Proposals submitted by bidders will first be evaluated in terms of their completeness. This pre-screening review will include general checks for compliance with the content and format specified in this RFP. Response requirements are defined in this RFP in Section 4.

Based on the pre-screening review of Volume 1 of any proposal and of Volume 2 of any proposal, a determination will be made concerning the completeness of the proposal in question. Any proposal failing to provide all response requirements as specified in this RFP may be removed from further consideration, and the bidder will be so advised by DMV. DMV reserves the right to allow bidders to provide any missing requirements the Department has deemed to be non-material. Proposals passing the pre-screening for completeness will be evaluated.

5-4 EVALUATION OF PROGRAM, TECHNICAL AND EXPERIENCE PROPOSAL

The program, technical and experience evaluation will comprise 50% of the total evaluation. Data gathered from proposals, questions and answers, and reference verification will be used in the proposal evaluation. The evaluation will measure if the proposed approach meets the

standards and objectives of the mandatory requirements as outlined in the RFP. The 50% allocation will be further divided into 3 areas: Program Requirements (15%), Information Services (IS) Technical Requirements (20%) and Corporate Experience (15%).

5-4.1 The Program Requirements will look at how effective the bidder's response is in meeting the goals and objectives of the program areas. This will involve how the response satisfies user requirements in terms of ease of use, user help functions specified, timeliness of service and system delivery, and meeting federal and state guidelines.

5-4.2 The IS Technical Requirements will look at the soundness of the hardware and software requirements specified, the effectiveness of system design and documentation, appropriateness of the project timeline, quality of staff assigned to the project, ease of integration with existing systems, required use of DMV/DEC resources, and overall integrity of proposed system design.

5-4.3 The Corporate Experience evaluation will look at bidder supplied references and resumes of key staff as defined in the minimum qualifications. Bidders' corporate customer references and references on key staff people will be contacted. They will be asked questions regarding their experience with the bidders' services. They will also be asked to verify the validity of the referenced experience as it relates to DMV requirements.

5-5 EVALUATION OF COST PROPOSALS

The cost evaluation will comprise 50% of the total evaluation and will be based solely on required, not optional, procurement items. The evaluation will consider only those mandatory costs that are reported on the bid forms as they relate to the NY Vehicle Inspection Program. The cost proposal forms will be assigned points based on the total cost of an installed system for an average inspection station (initial equipment cost plus cost of inspection call charges). The bidder who submits the lowest overall cost will receive the highest points for this section.

5-6 CONTRACTOR SELECTION PROCESS

DMV/DEC desires to select the most beneficial combination of:

- bidder's expertise;
- the quality and soundness of the bidder's proposal, plan and schedule;
- the bidder's qualifications and ability to successfully manage and complete the project;
- the bidder's price offer.

DMV will consider for selection only those bids that have scores on all four components of the proposal evaluation. Cost Point Scores will be added to Program, Technical and Experience Point Scores for each bid, and the bidders will be ranked by Final Point Score. The bidder receiving the highest Final Point Score (Program, Technical and Experience plus Cost) will be selected as the apparent winning bidder. The apparent winner will undergo a determination of the bidder's responsibility. A bidder may be declared non-responsible because of, but not limited to, questions that were answered in the affirmative on the Vendor Responsibility Questionnaire, including accompanying information, or adverse findings in the financial statements. Additionally, the apparent winner's ability to remain in business will be evaluated using D&B type reports and other public information sources on a pass/fail basis. In the event the ability to

remain in business is deemed to be questionable, the bidder could be removed from consideration. In the event the apparent winner is found to be non-responsible, the DMV may go to the bidder with the next highest score or may elect not to make a contract award. If the bidder's responsibility led to a satisfactory determination, VSS will make a recommendation to the Commissioner of Motor Vehicles that the apparent winner be awarded the contract. Upon concurrence of the Commissioner, a notice of award will be sent to all bidders.

In the event that two or more bidders receive the same highest Final Point Score, the bidder receiving the highest Cost Score (lowest overall cost of an average installed system) will be selected as the apparent winning bidder. If a tie remains, the bid with the highest IS Technical Score will be declared the apparent winner. DMV reserves the right to select an offer other than the lowest price offer.

At any time, DMV may designate an alternate proposed contractor and reserves the right to conduct negotiations with that alternate proposed contractor should negotiations with the first proposed contractor not proceed in a manner acceptable to DMV.

5-7 MODIFICATION OF PROPOSAL

5-7.1 Proposal modification by amendment will be accepted on the condition that:

5-7.1.1 the amendment arrives before the deadline for the proposal submission;

5-7.1.2 the amendment is in writing and signed by the bidder;

5-7.1.3 the proposal, as amended, conforms in all aspects to the requirements set forth in this RFP.

5-7.1.4 the amendment is clearly marked as an amendment on the document, on all pages of the document, including the date submitted.

5-8 WITHDRAWAL OF THE PROPOSAL

A proposal may be withdrawn with written notification by bidder to the issuing officer, Heather Rhoads, at any time prior to the proposal submission deadline.

5-9 DISQUALIFICATION OF BIDDERS

Failure to comply with mandatory requirements will result in the bid being deemed non-responsive. No further consideration will be given to the bidder.

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6 CONTRACTUAL PROVISIONS - DMV CONTRACT INFORMATION

6-1 CONTRACT AWARD

After evaluation of all acceptable bids by DMV/DEC staff, a contract will be awarded to the responsive and responsible bidder whose proposal meets the requirements of the request for proposals and receives the highest overall rating on the evaluation criteria. The award document will be a negotiated contract incorporating all of the requirements, terms and conditions of the request for proposals and the contractor's proposal.

Bid proposals must meet all of the criteria stated in this request for proposal. Any bid proposal that fails to meet the requirements listed in Sections 1, 3 and 4 will be automatically disqualified.

6-2 IRREVOCABLE LETTER OF CREDIT

The contractor shall furnish, concurrent with the signing of a contract, an irrevocable letter of credit for $2,000,000 (two million). The irrevocable letter of credit must be executed by the contractor and a bank licensed to do business in New York. The letter of credit will be held by the Department of Motor Vehicles and used, in part or whole, in the event damages are suffered by the State due to non-performance or default. The letter of credit shall be renewed, as appropriate, but shall remain in effect for the entire period of the contract. Additionally, liquidated damages may be assessed for delays or defaults in Contract performance (i.e. excessive delay in software updates) and, if assessed shall be drawn down on the letter of credit.

6-2.1 Contractor will provide an irrevocable letter of credit in the name of the New York State Department of Motor Vehicles, such letter of credit shall be in the amount of two million dollars ($2,000,000) and shall be drawn on a bank that is not affiliated with either contractor or the depository receiving funds from such contractor. (See Appendix D for Sample Letter of Credit.)

6-3 CONTRACT PERIOD

The contract shall become effective on the date it is approved by the New York State Office of the State Comptroller and shall continue for a period of seven years from the date the system became operational as determined by DMV. The contract may be extended for up to two additional one year periods through a written agreement by the contractor and DMV, subject to the approval of the New York State Attorney General and the Office of the State Comptroller.

6-4 CONTRACT EXECUTION

The contractor selected for this project, and DMV, will enter into contract negotiations to finalize terms and conditions. If contract negotiations are not concluded within 30 calendar days from the first draft of the contract, DMV reserves the right to disqualify the contractor and to negotiate a contract with the next highest scoring bidder.

The winning bidder will provide the first draft of the contract within 7 business days from contract award, which will be used as a starting point in negotiations. The New York State

Attorney General and the Office of the State Comptroller must approve the final contract. DMV may, at its discretion, include any provisions of Section 6 of the RFP without revision into the final contract.

6-5 BID PRICES

Bid prices must be entered on the forms provided in this request for proposals (Appendix D) and must be included with the bid proposal. The bid shall be inclusive of all services described in Sections 3, 6 and Appendix I.

6-6 HIERARCHY OF PRECEDENT

In the event of a conflict of interpretation between the parties, the order of the following documents shall prevail.

6-6.1 Appendix A;

6-6.2 Negotiated Contract with attached Appendices, exclusive of Appendix A;

6-6.3 The Request for Proposal (RFP) issued by the Department, including any subsequently issued amendments;

6-6.4 DMV's response to bidder's questions ;

6-6.5 The contractor's response to DMV's RFP; and

6-6.6 Any written correspondence concerning the RFP, exclusive of the cover letter submitted with the proposal and deemed to be part of the proposal.

6-7 SUBCONTRACTORS

6-7.1 DMV will deal only with the prime contractor. If a subcontractor is to be used, include in the bid proposal information describing the experience of all subcontractors and the type of service they will provide under this contract. While DMV's relationship will be with the bidder who wins the contract, any subcontractor will have to conform to the provisions of all applicable federal and New York State laws, and will have to meet the same criteria as if they were a prime contractor with DMV. The prime contractor will be held responsible for the performance of any and all subcontractors.

6-7.2 The winning bidder shall notify DMV of any chosen subcontractor(s) and DMV reserves the right to disapprove any such subcontractor(s).

6-8 ASSIGNMENT OF CONTRACT

The negotiated contract will not be transferable to any other party without the prior written approval of DMV, subject to the limitations cited in Appendix A. Such transfer will be effected by a contract amendment signed by the "old" contractor, the "new" contractor and DMV and subject to final approval by the Attorney General and the Office of the State Comptroller.

6-9 STANDARD CLAUSES FOR ALL NEW YORK STATE CONTRACTS

The contractor must agree to comply with the requirements of Appendix A, "Standard Clauses for All New York State Contracts". The provisions of Appendix A may not be revised by the contractor or DMV during contract negotiations.

6-10 POLICY STATEMENT ON WOMEN AND MINORITY-OWNED BUSINESS DEVELOPMENT

6-10.1 In July of 1988, Article 15-A of the Executive Law was passed by the New York Legislature. This law, in conjunction with Executive Order 21, which was promulgated in August of 1983, provides specific rules, regulations, and procedures for minority and women business participation in certain State contracts.

6-10.2 The DMV is required to implement the provisions of Article 15A for all its contracts in excess of $25,000 for labor, services, supplies, equipment, materials, or any combination of the foregoing.

6-10.3 In order to be awarded a DMV contract, every bidder must comply with the requirements, rules and regulations outlined in Article 15-A.

6-10.3.1 It is the policy of the State of New York to promote equality of economic opportunity for minority and women-owned business enterprises (M/WBEs) in State contracting. In order to comply with the State's objectives, the contractor shall use "good faith efforts" to provide meaningful participation by M/WBE subcontractors or suppliers in the performance of this contract.

6-11 INDEMNIFICATION

The contractor agrees to indemnify, keep and hold harmless the State of New York, its officials and employees, from any and all claims for injury or damage to person or property, arising out of the service to be performed under this proposal, including negligence, active or passive, or wrongful or improper conduct of the contractor, its agents or employees. The contractor will assume legal liability for injuries, deaths, losses, damages, claims or suits resulting from the contractor's operations.

The contractor shall provide its own Commercial General Liability insurance in an amount of five million dollars ($5,000,000.00) in the aggregate, which shall name DMV as an additional insured, and shall provide a confirmation of such insurance to DMV.

6-12 RIGHT TO CANCEL CONTRACT

The State reserves the right to cancel the complete contract or any portion thereof, at any time, by giving the contractor 30 days written notice.

6-13 TERMINATION FOR CAUSE

DMV retains the right to terminate the contract at any time if the contractor is insufficiently equipped, unqualified or otherwise unable to satisfy any of the terms and conditions of the contract negotiated between the contractor and DMV.

6-14 PAYMENT

The inspection stations will make payment for services rendered to the contractor under an agreement, as approved by DMV, which is in effect for both parties.

6-15 OWNERSHIP RIGHTS OF RFP SUBMISSION

6-15.1 The contents of all proposals, correspondence, working papers, or any other medium submitted to the State which disclose any aspect of the proposal will be held in the strictest confidence until notice of intent to award. It should be noted that all proposals and contracts are records generally available under the State's Freedom of Information Law (FOIL) or court ordered subpoena. However, FOIL allows the agency, in its sole discretion, to decide whether to withhold information:

6-15.1.1 if that information qualifies as a trade secret, or

6-15.1.2 if the release of the information would substantially injure the bidder's competitive position.

6-15.2 The bidder may elect to mark as "confidential" information it submits which it feels should be withheld from disclosure. However, for each different type of information so designated, an explanation justifying the request for withholding must be provided. A conclusory statement that disclosure would be injurious will not be sufficient. If disclosure of the explanation would be injurious, this should also be indicated. It should be understood that, assuming the agency resists a FOIL request on trade secret or competitive position grounds, a court review of the agency's decision could result, with the potential for an ultimate order that the information be released. The bidder would be notified if such court action is begun and would be expected to participate in the legal defense of the non-disclosure decision.

6-16 PUBLICITY

No publicity or news releases pertaining to this procurement may be made without prior written approval of DMV's Associate Commissioner, Office of Communications, and then only in coordination with DMV.

6-17 CONFLICT OF INTEREST

For the term of the awarded contract, and for one year after contract termination, the Contractor agrees not to offer employment to any employee of DMV or DEC without express written consent of the agency affected.

If the contractor becomes aware of a relationship which may be considered a conflict of interest, the contractor must notify DMV in writing immediately. Conflict of Interest is described in the NYS Public Officer's Law, Chapter 51, Article 4, Section 74 in the Code of Ethics.

6-18 DAMAGES FOR BREACH OF CONTRACT

The contractor shall be responsible for all employees and subcontractors to adhere to the requirements of the Contract entered into as a result of this RFP. Should the contractor fail to

adhere to the requirements of the Contract and after being given a 30 day period to correct such breaches after written notice, DMV shall be entitled to damages which shall be paid by drawing down the Letter of Credit (Section 6-2). The submission of a proposal represents the bidder's willingness to negotiate the damages for breach of contract with the Department during the normal contract negotiation process following the contract award.

In the event the contractor has severely failed to adhere to the requirements of the Contract, they will be found in default. In the event of default by the contractor, or in the event the company is ceased, liquidated or files bankruptcy, DMV will be entitled to the balance in the letter of credit, access to and ownership of the system documentation and code maintained in the software escrow account and will assume ownership of the data and communication servers and telecommunication lines owned, leased or maintained by the defaulted contractor within 3 business days of notification.

The following list of items may cause, at DMV's discretion, the assessment of liquidated damages in the amounts identified. The contractor is responsible for payment of liquidated damages at its own expense. Any liquidated damages assessed will be paid to the Commissioner of Motor Vehicles, or, at the discretion of DMV, charged against the irrevocable letter of credit.

Liquidated damages may be assessed by NYS for failure by the contractor to:

6-18.1 Maintain network uptime such that system available 99% during the principal periods of operation, 7am to 7pm EST Monday through Saturday. Failure to keep the system operational may result in liquidated damages of $50,000 for each 12-hour period that the system is down during the principal period.

6-18.2 Provide timely software updates within the prescribed timeframes. Software should be coded, tested and installed within 4 months of vendor notification. Failure to meet the 4-month timeframe may result in liquidated damages of $10,000 per day beyond the 4-month timeframe.

6-18.3 Provide timely, efficient service to stations. The first service call must be within 48 hours of notification (excluding weekends and six defined holidays) and 99% of all equipment problems must be resolved within 2 service calls. Service hours will be Monday through Friday from 7am to 7 pm. Failure to meet these timeframes and service resolution requirement may result in liquidated damages for lost fees as defined in section 3-4.4.3.

6-18.4 Provide timely help desk services. Station calls to the vendor are to be answered within 3 minutes during the principal hours of operation, 7am to 5pm EST Monday through Saturday, except the 6 defined holidays. Failure to meet this requirement may result in liquidated damages of $2,500 for each day out of compliance. This will be based on average call response for the entire 10-hour period. Failure to sufficiently staff the hotline during the principal hours will result in $1,000 an hour for each hour that staff is not available or for each day, on average, that exceeds the 3 minute wait time.

6-18.5 Meet minimum vehicle communication success rate of 99.5% for OBDII fleet. Failure to meet this connection rate beginning in Phase 3 may result in liquidated damages of $25,000 for each 1% not met in the preceding 90 days.

6-18.6 Meet contractual requirements. In the event the contractor does not meet any of the requirements as stated in the RFP, appendices and resulting contract may result in liquidated damages being assessed. The amount of damages will be determined based on the importance deemed by DMV for that deliverable. For example, failure to submit required reports by their due date may result into liquidated damages being assessed at the rate of $100 per day (until received) versus failure to implement an emergency software change may result in assessment of liquidated damages at a rate of $5,000 per day. These specific damages for breach of contract will be further defined during contract negotiations.

6-19 AMENDMENTS FOR CHANGES TO THE SCOPE AND TERM OF THE CONTRACT

The Contract executed as a result of this RFP shall be amended only by mutual consent of DMV and the contractor and with approval from the Attorney General and the Office of the State Comptroller.

6-20 ESCROW FOR SOFTWARE SOURCE CODE

The contractor shall establish and maintain, at its expense, an established escrow agreement in effect for perpetuity for the source code of the NY-VIP proprietary software delivered under the Contract.

6-20.1 ESCROW: The contractor is required to provide the name and contact address/phone number of the designated software escrow agent to the State. The escrow agreement has to name the State of New York as an irrevocable beneficiary, and the State of New York acting on behalf of Users/Subscribers of this Contract. The escrow agreement may not be terminated by either the contractor or the escrow agent without prior notice to the State of New York. Throughout the term of the Contract, the contractor shall be obligated to annually update and appropriately identify the deposited materials, including current versions of the source code for the most recent release, error corrections, enhancements or updates of software delivered under this Contract.

6-20.2 TERMS OF ESCROW: The escrow agent shall provide annual notice to the State that such escrow is in effect, and shall notify the State as to the version or releases held by such agent by providing the contents list for the escrow. The escrow agent shall, during the term of the escrow agreement, periodically inspect the deposit materials and compare them with the contents list for the escrow. Escrow agent may not raise any defenses against the State that the agent may have against the contractor to restrict the release of source code to the State. The escrow agreement shall not include any provisions relating to the release of the escrow contents that would require, prior to release, the State to submit to arbitration.

The Escrow Agreement shall require the escrow agent to provide the following notices and to release the escrow as follows:

6-20.2.1 Required Notice To State From Escrow Agent

The escrow agent is required to furnish written notice(s) to the State at the DMV VSS Office (Albany, NY address provided during negotiations) upon the happening of any one or more of the following events:

6-20.2.1.1 Failure of contractor to pay required escrow fees;

6-20.2.1.2 Voluntary termination or transfer of escrow account by contractor;

6-20.2.1.3 Entry of an order for relief under Title 11 of the United States Code against contractor, or any involuntary order;

6-20.2.1.4 The making of a general assignment by contractor for the benefit of creditors;

6-20.2.1.5 The appointment of a general receiver or trustee in bankruptcy of contractor's business or property;

6-20.2.1.6 Action by contractor under any state insolvency or similar law for the purposes of its bankruptcy, reorganization or liquidation;

6-20.2.1.7 Court ordered liquidation against contractor; or

6-20.2.1.8 Contractor's failure to update the source code and/or to deposit new code with escrow agent at least annually after the effective date of the escrow.

6-20.2.2 Requirement for Release of Source Code

The terms of the escrow shall provide for release of the source code upon the happening of one or more of the following events:

6-20.2.2.1 Failure of contractor to carry out NY-VIP ongoing maintenance or support obligations set forth in this Contract;

6-20.2.2.2 Failure of contractor to continue to do business in the ordinary course;

6-20.2.2.3 Existence of any one or more of the following circumstances, if uncorrected for more than sixty (60) days: (i) entry of an order for relief under Title 11 of the United States Code; (ii) the making by the contractor of a general assignment for the benefit of creditors; (iii) the appointment of a general receiver or trustee in bankruptcy of contractor's business or property; or action by the contractor under any state insolvency or similar law for the purposes of its bankruptcy, reorganization, or liquidation. The occurrence of the described events will not constitute a Release Condition if, within the specified sixty (60) day period, contractor (including its assignee or its receiver or trustee in bankruptcy) provides to the State adequate assurances, reasonably acceptable to the State as solely determined by State, of its

continuing ability and willingness to fulfill all of its maintenance and support obligations.

Additionally, if the State feels that a condition for release has occurred, the State shall notify the escrow agent, who shall notify contractor of the intended release. The contractor has a maximum of fifteen (15) business days to object to the release. If an objection is filed, the escrow agent shall continue to retain the source code until otherwise directed by mutual agreement of the parties or until otherwise directed by a court of competent jurisdiction. Notwithstanding the foregoing, if after an objection has been filed, the State certifies in writing an "emergency", as defined below, has occurred, the escrow agent shall immediately release the source code to the State. An "emergency" shall be defined as the State's written certification that, the State reasonably believes that a feature in the contractor product has caused the system to crash and render it inoperable and the contractor has refused to provide remedial assistance to correct the failure within three (3) business days from receipt of written notice, via e-mail, of the failure and such condition requires an immediate release of the source code for State's internal use to correct the failure in order to continue normal system operation and full functionality. Upon release of the source code, the State may release the source code to a third party, if necessary, for remedial maintenance purposes only.

6-20.3 CHANGES IN ESCROW: The escrow agreement has to designate the State as a "co-party", which is entitled to receive notice from the agent if there is any change in the status of the escrow agreement between the contractor and the agent, including notice of a proposed termination or transfer. Before the contractor can change a designated escrow agent, the escrow agent and the contractor shall provide the State a minimum advanced notice of sixty (60) days of the proposed change. Before the escrow may be moved or changed, the State has to be notified of the identity of the new proposed agent, and the new agent has to confirm the same terms of escrow vis-a-vis the State's interests.