

**PERSONAL INCOME TAX (PIT) SYSTEM  
REQUEST FOR PROPOSALS CONTRACT (#0A1228)  
AMENDMENT 3**

**This Amendment 3** to contract #0A1228 (the "Amendment") is between the State of Ohio, Department of Administrative Services (the "State") and FAST LP (the "Contractor"). This Amendment changes the terms of the Personal Income Tax (PIT) System Request for Proposals contract (#0A1228) (the "Contract").

WHEREAS, the State and Contractor entered into the Contract on May 26, 2022; and

WHEREAS, the State and Contractor determined that an amendment is necessary to address certain revisions to the Contract; and

WHEREAS, the purpose of this Amendment is to add additional taxes, fees and charges to the existing tax processing system.

NOW, THEREFORE, the Contract is amended as follows:

1. In Supplement 1, Requirements and Project Delivery, of the Contract, new Article 6 Additional Statements of Work and/or Deliverables is added for the purpose of including additional statements of work to the Contract.
2. In Supplement 1, Requirements and Project Delivery, Article 6 Additional Statements of Work and/or Deliverables, add the following as new section 6.1 Additional Taxes, Fees, and Charges Statement of Work.

**6.1 Additional Taxes, Fees and Charges Statement of Work**

**A. Incorporate Ohio Department of Taxation (ODT) administered Taxes, Fees and Charges.**

The Contractor must incorporate the following ODT taxes, fees, and charges into the existing Ohio Tax System (OTS) solution:

1. Sales and Use Tax
2. Employer Withholding Tax (Including School District)
3. Commercial Activity Tax (CAT)
4. Financial Institutions Tax (FIT)
5. Petroleum Activity Tax (PAT)
6. Resort Area Gross Receipts Excise Tax
7. Municipal Electric Light and Telephone Companies (MELT) Tax
8. Wireless 911 Charge
9. Municipal Net Profit Tax (MNPT)
10. Alcoholic Beverage Tax
11. Casino Tax
12. Horseracing Tax
13. Kilowatt-Hour Tax
14. Motor Fuel Tax
15. International Fuel Tax Agreement (IFTA)
16. Natural Gas Distribution (Mcf Tax)
17. Public Utility Excise Tax (PUET)
18. Public Utility Property Tax (PUPP)
19. Replacement Tire Fee
20. Severance Tax
21. Sports Gaming Receipts
22. Tobacco (Including Cigarette, MSA, OTP and Vapor)
23. Pass Through Entity (including composite, trust withholding, and electing) & Fiduciary Income Taxes (PTE)

Additionally, the Contractor must incorporate any new state tax enacted during the term of the Contract into the OTS solution as described in Section 6.1 E.

## **B. Interfaces**

The Contractor must incorporate ODT's current business systems interfaces into the OTS solution. These include, but are not limited to, the following:

1. Internal Systems
  - a. Bankruptcy application – Receives files from bankruptcy system.
  - b. Cigarette Stamp Portal.
  - c. Cognos – System for pulling reports.
  - d. GoAnyWhere Web Client – File exchange system for counties and state agencies.
  - e. Fairfax Quick Modules – Receives metadata and images from data entry and scanners.
  - f. FileNet – Electronic Document System.
  - g. "Mini"-Ohio Administrative Knowledge System (OAKS) – Interfaces with State's financial system for refunds and distribution.
  - h. Ohio Department of Taxation's Website – Monthly and/or quarterly reports and ability for customers to upload files (ASCII and XML).
  - i. Online Notice Response System – System that enables taxpayers to respond to ODT electronically.
  - j. CBTS (Ohio Telefile) – An electronic means for Sales Tax taxpayers who hold a county vendor's license to file returns and remit payments. Integrate OTS Visit with call flows related to all taxes, fees and charges being incorporated into OTS as part of this section 6.1.
  - k. Tableau – System that provides dashboard reporting on inventory and production reporting.
  - l. TaxMaster (BRUTUS) – schedule creates tax form and inputs tax form on an audit case; post tax form to obligation (refund unit, VDAs).
  - m. TCAPPS/MCAPPS – Tracks tax credits across multiple taxes.
  - n. Workfront – System that tracks inventory and requests from taxpayers.
  - o. Municipal Electric Light & Telephone Companies (MELT) Tax System.
  - p. Public Utilities Personal Property (PUPP) Tax System.
2. Online Portals
  - a. Cigarette Stamp Portal – Interacts with Gateway.
  - b. Clerk of Courts Portal – Remit sales tax collected on boat and motor sales.
  - c. County Auditor Portal – County Auditors can issue vendor licenses and facilitate transfers within same county.
  - d. E-Payments- Online portal for taxpayers to make payments. ACH debit and Credit card payments are allowed.
  - e. Municipality/Local Government Portal.
  - f. Ohio Business Gateway – Online portal for taxpayers and tax preparers to register, file returns, and pay.
  - g. Ohio Treasurer of State (TOS) - Allows taxpayers to remit payment for various taxes.
3. Other Agencies (File Exchange – Flat, CSV, XML, etc.)
  - a. Attorney General's Office – Certified assessments and payment files.
  - b. Bureau of Worker's Compensation – File transfers and refund offsets.
  - c. Clerk of Courts – Refund Offsets.
  - d. County Auditors – Send and receive cigarette information and PUPP data.
  - e. Department of Administrative Services (State Printing) – Prints correspondence and checks.
  - f. Department of Administrative Services (OIT) – Ohio Business Gateway and Address geocoding and boundary file for the Finder.
  - g. Department of Commerce – Division of Liquor Control.
  - h. Department of Job and Family Services – Offset data.
  - i. Department of Public Safety – ATPS Information for title sales.

- j. Development Services Agency file transfer for credits.
  - k. Internal Revenue Service Modernized eFile (MeF).
  - l. IFTA Clearing House – Send IFTA data.
  - m. Horse Racing Commission – Yearly file transfers.
  - n. OAKS – State's financial system.
  - o. Ohio Casino Commission – Daily files sent via Cognos and receive withholding data.
  - p. Ohio Lottery – Year end file exchange for Ohioans with \$600 threshold.
  - q. Ohio Department of Natural Resources – Send oil, gas, coal and mineral data.
  - r. Ohio Department of Transportation – Send monthly report via Cognos.
  - s. Ohio Treasurer of State - Online portal for taxpayers to make ACH credit payments.
  - t. Other states – Send exporter reports from Cognos.
  - u. Public Utilities Commission of Ohio – Send daily and annual files.
  - v. Streamlined Governing Board – Registration and update extracts are received from the registration system.
- 4. Non-State Agency Systems
    - a. IFTA Clearinghouse to cross-check data.
    - b. Internal Revenue System – Modernized eFile (MeF) and datasets.
    - c. Streamline Sales Tax Application – Online filing service for streamlined sales tax members.
  - 5. Data Warehouse
 

Tax Discovery and Audit system – Teradata platform for Data mining and IBM SPSS modeler to build models for generating leads for Audit team.
  - 6. Fraud Prevention
 

Business taxes do not currently have an identity confirmation quiz process, fraud prevention is done with system cross-checks and account review.

#### **C. Live Chat Functionality**

The Contractor must add live chat functionality to the OTS solution through an e-Services Assistant & Assistant Dashboard. This will provide the following characteristics:

- 1. The FAST e-Services Assistant ("Assistant") which allows customers to navigate e-Services by chatting with a fully automated assistant that can answer common questions and guide them to places in e-Services based on pre-configured topics, questions, and responses. By answering simple inquiries, the Assistant enables customers to complete more tasks online – reducing calls and visits to agencies.
- 2. The Assistant answers can include buttons or links that take the user directly to windows in e-Services to perform activities or view information.
- 3. During interactions where the Assistant has low confidence, meaning it is unable to answer a request based on its known responses, it can ask a customer to rephrase a question until it is able to answer (e.g., "I'm not sure what you meant, can you ask another way?"). Customers can also report when the Assistant responds with an unhelpful or inaccurate answer.
- 4. Internal users can review customer questions that triggered a low confidence report by the Assistant as well as Assistant responses that were reported as unhelpful by customers. Based on this feedback, users can build a robust knowledge base that provides more accurate answers and better serves customers over time.
- 5. During the interaction, the Assistant can offer the customer the option to live chat with an agency representative at any point in time. The live chat functionality will offer real-time online communication that will allow an agency customer support representative to address customers' needs and provide personalized help. This solution must have the ability for an



ODT representative to have more than one session active at a time and offer a survey to the customer at the end of the session. This solution must include reporting and quality management to support this technology and process.

#### **D. Project approach**

The project will consist of four 10-14-month rollouts described below in subsection E.

The Contractor must utilize the phased approach described in Supplement 1, Section 5 Project Delivery for each rollout to achieve the objectives of this section 6.1.

##### **Project Phases**

1. Preparation
2. Definition
3. Base Configuration
4. Development
5. Conversion
6. Testing
7. User Training
8. Rollout
9. Production Support

##### **Rollout Payment Milestones**

1. **Base Configuration Complete**  
During the Base Configuration Phase, the Project team will agree on a scope for the Base Configuration. The Project team will perform the agreed configurations and present the OTS with its Base Configuration to ODT through a series of Base Configuration verification sessions. The Base Configuration Complete milestone is achieved after these sessions have been delivered and verified.
2. **Testing Preparation Complete**  
The Testing Preparation Complete milestone is achieved when the Project is positioned to begin Business Testing, as outlined in the FAST Implementation Methodology. This includes preparing the Test Plan, building out a testing facility, setting up the test environment, and identifying the following: testers, business test conditions, business test cycles, an approach to executing Business Testing, End-to-End Testing approach, and acceptance criteria. Testers have also received training in how to use the OTS and how to conduct Business Testing.  
  
All development will not be complete at this time. The functional teams will continue to develop functionality, which will be verified by the Business Analysts prior to the scheduled testing start for that functionality. For example, all interfaces will not be completed at the start of testing, but each interface will be ready in time for testing that interface.
3. **System Acceptance and Production Rollout**  
The System Acceptance and Production Rollout milestone is achieved when ODT makes the decision to go-live and the rollout is migrated into production. This milestone also marks the completion of the tasks in the Development, Conversion, Testing, User Training, and Rollout Phases.

#### **E. Project Schedule and Deliverables**

This section 6.1 adds rollouts 2 through 5 below to the existing project schedule. Rollout 1 was completed in September 2023. ODT and the Contractor agree to collaborate on a tentative project timeline showing which taxes will be included in each rollout. ODT and the Contractor agree that modification of the project timeline will be based on mutual agreement.

ODT and the Contractor understand that modification of the project timeline may include additional state taxes later enacted during the term of the Contract. ODT and Contractor agree that additional state taxes later enacted during the term of the Contract may be added to any of the rollouts provided they do not substantially increase the size and scope of the work to be performed in each rollout. ODT and Contractor agree that additional state taxes later enacted during the term of the Contract may also replace another tax or taxes tentatively scheduled for a particular rollout at no additional cost to ODT provided the work is similar in size and scope to the tax or taxes being replaced. Should the size and scope of a rollout be exceeded by the substitution or addition of a particular tax or taxes, ODT and Contractor agree to address the increased size and scope in a future contractual amendment.

1. Rollout 2 – Date of State Signature to December 2024
    - a. GenTax Initial License Installation
    - b. Base Configuration Complete
    - c. Testing Preparation Complete
    - d. System Acceptance and Production Rollout
  2. Rollout 3 – January 2025 to November 2025
    - a. Base Configuration Complete
    - b. Testing Preparation Complete
    - c. System Acceptance, Production Rollout
  3. Rollout 4 – December 2025 to November 2026
    - a. Base Configuration Complete
    - b. Testing Preparation Complete
    - c. System Acceptance and Production Rollout
  4. Rollout 5 – December 2026 to November 2027
    - a. Base Configuration Complete
    - b. Testing Preparation Complete
    - c. System Acceptance and Production Rollout
- F. Responsibilities: Without limiting the Contractor's and ODT's responsibilities elsewhere under the Contract:
1. The Contractor must:
    - a. Meet all documented dates in this section 6.1. Both parties agree this is estimated to be a four-year initiative to support the work being completed. All work is to be performed under one or more valid purchase orders.
    - b. Work with the ODT project manager to assure the project is on track and successful.
    - c. Work with ODT to timely resolve issues.
    - d. Provide a project manager for the duration of this project to ensure success.
    - e. Be responsible for the implementation and maintenance of safeguards that are in compliance with the policies, regulations, and laws that govern the various data classifications available to the various call centers listed in this section 6.1. The Contractor must work with ODT's project manager and security team to validate the approach and implementation of the required safeguards at all phases of the OTS integration. The Contractor must begin defining the requirements necessary for compliance with these safeguards during the Definition phase of the project and validate them through each subsequent phase of the project, however, ODT will only require that the safeguards are in place prior to the final implementation date. The Contractor must ensure data is protected and cannot be inadvertently accessed by administrators or staff of any other agency.
    - f. Acknowledge and agree that the controls required to be compliant with the safeguards are subject to change and that continual approval is required from ODT, as well as State and federal oversight entities at various stages of the project. Such approvals must continue into production and throughout the life of the project.
    - g. Act in good faith to maintain resource continuity throughout the life of the project. If a resource needs to be replaced, the Contractor must follow the Replacement Personnel section of Attachment Four and advise ODT on timing.

2. ODT must:
  - a. Provide the Contractor with access to ODT's existing systems as necessary to complete the project.
  - b. Provide Contractor with available documentation for prior year usage.
  - c. Provide the Contractor with necessary requirements and rules for completing the tasks listed in this section 6.1.
  - d. Designate and schedule personnel, as appropriate, to participate in project definition and testing sessions and meetings, including, but not limited to, personnel from ODT information systems division management, and business and operations management.
  - e. Make any required changes to network configurations, infrastructure, and necessary host integrations.
  - f. Coordinate and facilitate discussions and manage tasks with ODT's present vendors and solution providers.
  - g. Provide the team resources appropriate VPN access for the duration of the project.
  - h. Have subject matter experts available to the Contractor as needed, subject to ODT's regular business hours (8:00 a.m. to 5:00 p.m. Monday through Friday, excluding State holidays) or as mutually agreed by ODT and Contractor.
  - i. Provide a project manager for this effort. The ODT project manager must be the point of contact for ODT to the team project manager and is responsible for ensuring all ODT staff are available for the tasks to be outlined in the project plan.
  - j. Provide a resource(s) for the execution of all Business Testing test scripts for the components included within this section 6.1.

3. Contractor and ODT must:
  - a. Allocate the necessary resources to the project to meet project timelines. Schedule delays because of resource availability may result in change order requests.
  - b. Agree that Microsoft Teams must be used for all team meetings requiring conference calls or screen sharing.

**G. Fees.** The total not-to-exceed cost for this section 6.1 (Rollouts 2 through 5) including Deliverables (\$54,000,000.00), Licensing, Hyper Care, Application Support, Hosting Services and Software Maintenance for the remainder of the Contract is \$95,650,000.00 as detailed in the Cost Proposal. These fees will be invoiced to and paid by ODT. The State must only be invoiced for each deliverable upon acceptance by ODT. The Cost Proposal provides the payment schedule for all other fees.

3. Delete Supplement 1, Section 5.3 Project Financial Management in its entirety and replace it with the following:

### **5.3 Project Financial Management**

Financial management activities that the Contractor must be responsible for include:

- A.** Management of the unanticipated project services funding pool of 2,000 hours, and
- B.** Management of project scope changes relative to the baselined project development as defined in this supplement.
  1. For purposes of this supplement and the project development activities defined herein, the Contractor must be fully accountable for managing project costs within the scope of the not-to-exceed Contract price for services acquired by ODT as well as managing the funding pool for approved unanticipated project services. Hours used will be deducted from the funding pool based upon mutual agreement between the parties.
  2. The 2,000 hours of the funding pool may be used with no additional cost to ODT through the term of the Contract. After utilization of the 2,000 hours, additional hours will only be billed to and paid by ODT for actual hours approved by ODT and worked by Contractor at the hourly rate in the rate card contained in the Contract. The additional hours will be invoiced monthly



in arrears for approved hours used in the previous month.

3. With respect to managing costs associated with project development and delivery, the Contractor must perform monthly analysis of project scope changes against the baselined requirements, deliverables and work products as defined in this supplement. This analysis must be reviewed monthly to determine whether adjustments to the not-to-exceed Contract price are required to reflect the current scope, inclusive of all project Change Requests.
4. Attachment Nine, Cost Proposal, of the Contract is amended to add a new tab titled "Amendment 3" for a total not-to-exceed amount of \$95,650,000.00. The revised Cost Proposal, Attachment Nine Cost Proposal Amendment 3, is incorporated into the Contract as if fully rewritten herein and is effective as of the effective date of this Amendment.

This Amendment shall become effective as of the date of the State's signature and shall remain in full force and effect for the term of the Contract. Except as modified by this Amendment, all other terms, conditions and pricing of the Contract shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the dates appearing below.

**FAST LP**

**STATE OF OHIO  
DEPARTMENT OF ADMINISTRATIVE SERVICES**

By: 

By: \_\_\_\_\_

Name: Carmen Kurushima

Name: Kathleen C. Madden

Title: Partner

Title: Director

Date: November 3, 2023

Date: \_\_\_\_\_

### SUMMARY OF AMENDMENTS

| Amendment Number | Effective Date | Description  |
|------------------|----------------|--|
| 3                | Pending        | SOW to add additional taxes, fees and charges for collection and distributions to the Contract.                          |
| 2                | 7/17/2023      | Added FIVS and FMS value added services to the Contract and incorporated the FDS subscriber agreement into the Contract. |
| 1                | 1/4/2023       | Additional Tax Distributions   |