

PROPOSAL SUBMISSION CHECKLIST

Please include the following with the proposal submission.
If the items highlighted below are not submitted with the proposal submission,
the Commonwealth **will** deem the proposal non-responsive.

All other items **MUST** be submitted prior to award.

- _____ SIGNED AND COMPLETED COVER SHEET (Section 8.10 of this RFP)

- _____ PROPOSED SOLUTION (TECHNICAL) BY CLOSING DATE
Section(s) 8.00 and 8.10 of this RFP

- _____ TRANSMITTAL LETTER – Section 8.10 of this RFP

- _____ PROOF OF REGISTRATION WITH SECRETARY OF STATE BY A FOREIGN ENTITY
(Section 11 of this RFP)

- _____ REQUIRED AFFIDAVIT(S) – Section 8.10 of this RFP

RFP TIMELINE

Release of RFP
8/13/2018

Written Questions due by: 4 p.m. EDT
8/21/2018

Anticipated Commonwealth Response to Written Questions
8/28/2018

Proposals Due by: 4:00 p.m. EDT
9/7/2018

Notification of accepted proposals and invitation to negotiate best and final offer.
TBD

REQUEST FOR PROPOSAL
FOR PERSONAL SERVICE CONTRACT

Cabinet for Economic Development/Office of Entrepreneurship
KY INNOVATION: REGIONAL INNOVATION FOR STARTUPS & ENTREPRENEURS (RISE)

This document constitutes a Request for Proposals for a Personal Service Contract from qualified individuals and organizations to furnish those services as described herein for the Commonwealth of Kentucky, Cabinet for Economic Development/Office of Entrepreneurship.

Offerors are advised that any personal service contract resulting from this RFP must comply with all applicable provisions of KRS 45A and KRS 12.210 prior to becoming effective.

A contract, based on this RFP, may or may not be awarded. Any contract award from this RFP is invalid until properly approved and executed by the Finance and Administration Cabinet and filed with the Legislative Research Commission, Government Contract Review Committee.

1.00 Purpose and Background

This RFP is intended to create innovation-driven entrepreneur ecosystems that are led by entrepreneurs for the sake of cultivating and growing new, high-growth startups/scaleups by taking advantage of regional dynamics, strengths, and sector clusters. Each region of Kentucky is invited to propose solutions that match the unique needs and preferences of the region, while creating solutions that can be leveraged across the Commonwealth.

The Commonwealth of Kentucky's Cabinet for Economic Development and its Office of Entrepreneurship (OOE) desire to enter into a partnership with an agency, university or 501(c)3 non-profit organization that can demonstrate the creativity and capability of developing and operating a regional innovation cluster in partnership with OOE's KY Innovation Office for the purpose of supporting entrepreneurs and high-growth, innovation-driven enterprises. The leader of this regional effort will be on the forefront of driving dynamic economic growth for the Commonwealth.

Following nearly two decades of a prescriptive approach to assisting startups and small businesses, the Commonwealth recognizes the need to build a more vigorous and adaptable 21st century entrepreneurial ecosystem. The Commonwealth's disparate regions can best do this through multi-stakeholder, public-private collaborations that catalyze and support a significant increase in scalable startups throughout their life cycles, spur innovation, increase technology transfer and advancement of promising intellectual property, and ultimately benefit the overall economy through industry and job growth.

The Commonwealth's economy has reached a critical but opportunity-laden crossroads that will determine our future. Rapid advances in technology continue to accelerate transformations in traditional sectors and the creation of new ones. This has made innovation and entrepreneurship even more essential to adapting and driving the advances in existing and emerging industries.

Although Kentucky has made progress in fostering early stage and high-potential growth ventures, many of its geographic regions lag or languish in innovative business creation, attraction and expansion. Even in parts of the state where more robust startup economies and communities of entrepreneurs exist, there are missed opportunities to capitalize on proximity to connections and assets that would drive even greater success.

This condition will persist if we continue to operate with a one-size-fits-all plan. In order to create a flourishing innovation economy, we can no longer consider each portion of the Commonwealth as identical. Conversely, we must embrace our regional strengths, advantages and business clusters.

Entrepreneurial ecosystems that cluster and integrate regional assets and expertise are proven to maximize each area's advantages, invigorating those economies while enriching the state's overall entrepreneurial ecosystem. Successful ecosystems are most often driven by the entrepreneurs themselves, ensuring that the culture of each region serves the needs of a greater number of innovators and businesses.

In recognition of aforementioned challenges and the compelling evidence that regional efforts lead directly to more vibrant economies, the Office of Entrepreneurship has launched a laser focused new strategy to assist startups, traditional small businesses, innovation driven entrepreneurs and investors. Our mission is to act as the central hub for meeting the needs of those potent constituencies where solutions are delivered at the speed of business, whether through available state programs or connections to the necessary collaborators. Empowering regional cluster leaders across the Commonwealth as the primary change agents in their region is an integral part of that mission and the key to building an economy that is robust, nimble and capable of thriving in the future.

The Commonwealth shares the US Economic Development Administration economic clusters definition: geographically bounded networks of similar, synergistic, or complementary entities that:

- Are engaged in or with a particular industry sector and its related sectors;
- Have active channels for business transactions and communication;
- Share specialized infrastructure, labor markets, and services; and/or

- Leverage the region’s unique competitive strengths to stimulate innovation and create jobs.

Regional clusters will be the hands-on catalysts for the expansive growth the Commonwealth seeks to cultivate. Each distinct regional affiliate of KY Innovation will encompass and marshal the potential of successful entrepreneurs, angels and venture capitalists, private sector companies, universities, non-profits, local governments, and other organizations with a role to play in fostering dynamic, resilient regional economies, job growth, and globally competitive communities.

To that end, the Commonwealth solicits proposals for clustering and leveraging regional resources to assist entrepreneurs, startups/scaleups and innovation-driven enterprises. This is a unique opportunity to transform the services supported by the Commonwealth for the entrepreneurial community and drastically increase the number of scale up businesses in the state. Potential for public-private collaboration and the inclusion of multiple partners with the ability to maximize collective impact as part of a regional cluster approach will be viewed favorably.

2.00 Scope of Work

Successful applicants must provide detailed plans to create clusters that foster vibrant cultures of innovation and commercialization that lead to strengthening and growth of the regional and statewide entrepreneurial ecosystems. **Cluster proposals and budgets should be based entirely on deliverable services and other activities during the fiscal year of the award period.**

KY Innovation regional cluster leaders are expected to build and develop the entrepreneurial ecosystem through the following:

- Form and show verifiable buy-in from a highly collaborative consortia made up of multiple stakeholders, including but not limited to entrepreneurs, private sector leaders, investors, institutions of higher education, incubators/accelerators, investors and investment funds, local/regional governmental and economic development organizations, non-profit organizations and other relevant entities.
- Increase the number of startups as compared to previous years.
- Increase the level of capitalization and investment in regional companies.
- Connect regional business to universities, regional entrepreneurs, and small businesses as a source of innovation and problem solving for new products and services to support the growth of those businesses.
- Offer a robust, targeted array of services including but not limited to engagement and outreach, counseling and mentorship, initiatives that “fast-track” scalable businesses, programming that provides a two-way connection for innovation and invention among

universities, entrepreneurs and the business community, incubator/accelerator facilities, and business support services.

Project specifications

The Commonwealth welcomes collaborative proposals that leverage efforts to provide greater services to the entrepreneurial community in Kentucky.

KY Innovation expects to provide regional funding at various levels depending on the scope and scale of a given proposal. The Commonwealth reserves the right to fund multiple proposals in a given region and the right to not fund any proposals in a region until such time that an acceptable proposal is submitted.

KY Innovation will fund proposals in amounts ranging from \$150,000-\$750,000 for the first year of operation. It is our intent to provide a higher level of “startup funding” in the first year to help accelerate proposed efforts and support talent attraction from the ranks of successful entrepreneurs who are interested in leading regional efforts. If contracts are renewed beyond the first year, funding will be reduced by 25% in renewal years. The Commonwealth reserves the right to renew this contract for up to two (4) additional one (1) year periods.

Capital expenditures that are connected to a RISE proposal will be considered as separate proposals and could be funded up to \$1,000,000 over the life of the project. Though these will be considered separately and in a timeframe that is most helpful to the applicant, each submission should explain how capital investment would further support cultivating a healthy regional entrepreneurship ecosystem.

Applicants must be able to demonstrate the ability to provide a 1:1 match of funds allocated by the Commonwealth, with a requirement that at least 50% of the match be cash and up to 50% in-kind. For example, projects funded at \$150,000 will be required to provide at least \$75,000 in cash and \$75,000 in-kind. **The cash portion of the match should only include monies that Offerer can apply directly to support operations, such as salaries, benefits and programming administered by the office.** The in-kind portion of the match should include only items that directly facilitate proposed programming versus complementary services/programming.

The Commonwealth reserves the right to evaluate all personnel compensated through the funding agreement pursuant to this RFP. Applicants must explain in detail as part of staffing plans required under section 3.00 of this RFP what, if, any personnel have already been identified for inclusion in program implementation, resume describing positions they previously held, what

their new position will entail, and the levels of compensation projected for each position funded through this program.

Regional clusters awarded funds by the Commonwealth will be evaluated across a set of metrics that are unique to the region and based generally on the number of startup businesses created that have been supported by cluster stakeholders directly, financial impact by both startups and innovative small businesses assisted directly through the regional cluster, revenue generated by startups and scaled small businesses, licensing deals and patents pending and awarded to companies assisted directly by cluster personnel.

Respondents should propose outputs, outcomes and metrics, all to be negotiated with the Commonwealth and the Office of Entrepreneurship following scoring and proposal acceptance. Failure to meet negotiated performance requirements and metrics could result in non-renewal of contracts for future renewal terms or termination of contracts for the current fiscal year. The Commonwealth reserves the right to terminate contracts resulting from this RFP at any time. Awardees will receive 30-days notice should the Commonwealth decide to sever the contract.

Reference the initial contract term and renewal options found under section 10.30 of this RFP.

3.00 Evaluation Criteria

TECHNICAL PROPOSAL WITH BUDGET/STAFFING PLANS:

All applicants must provide a technical proposal, budget narrative and staffing proposal of no more than twenty (20) total pages with margins no less than one-half inch (0.5”) using Arial, Calibri, Times New Roman, or a similar font of size no less than eleven (11) points in order to be considered for funding. Material beyond the fifteenth page will not be read or considered. A proposed budget, organizational chart and resumes should each be included as separate documents attached to their respective portions of the budget proposal.

TECHNICAL PROPOSAL:

A technical proposal of no more than fifteen (15) total pages with margins no less than one-half inch (0.5”) with font size no less than eleven (11) points is required. The narrative must include a staffing plan in order to be considered. Narratives of longer than fifteen (15) pages will not be considered.

The technical proposal will be judged on an applicant’s demonstrable readiness to build a public-private framework which promotes innovation and connects entrepreneurs, business founders, and established small businesses with necessary resources to capitalize, grow, and scale.

The technical proposal should include:

- A two (2) page executive summary that: Provides a clear definition of the regional service areas, as well as regional demographics, sector advantages, and other unique resources and challenges; a clear and concise vision for a regional cluster consortium; a compelling case for why the applicant is uniquely equipped to lead the construction of regional infrastructure for entrepreneurship; the level of funding requested; and what outcomes they expect to see at the conclusion of the funding term.
- A description of regional stakeholders involved in implementing the plan, stakeholders that have already agreed to participate, and specific roles each will play, as well as any formal agreements that will be entered into with each party. **Respondents will be required to provide commitment letters from all parties that have formally agreed to participate in the consortium. Commitment letters may be attached to the proposal as an appendix.**
- Specific services to be provided and by whom. This should include any direct and indirect engagement of both entrepreneurs and regional stakeholders, technical support, risk capital providers, or other relevant parties.
- Explanation of how the cluster will sustain successful programming and develop new initiatives to address regional needs.
- Plans for programming that provides a two-way connection for innovation and invention among universities, entrepreneurs and the business community.
- Methods of development and implementation of a mentorship network for business founders and innovative small businesses.
- Ways in which the cluster will engage, encourage, and directly assist with the formation and growth of angel and venture capital investment funds, including the means by which entrepreneurs will be connected to venture capital and any other sources of investment.
- A brief description of staffing needed in order to implement the project plan. This should include identification of preferred leadership for the regional cluster effort, current roles, if any, in promoting innovation and entrepreneurship, and what specific responsibilities they would have in facilitating the implementation, formation and successful functioning of the proposed regional cluster.
- A facility plan that includes the primary location of KY Innovation affiliate offices, as well as other physical spaces that will be utilized to successfully implement the proposal and support entrepreneurship broadly in the region.
- Internal outcomes and metrics by which program success will be evaluated, including tracking methods.

- A project timeline that includes the start date and duration of the project, as well as milestones tied to project metrics.
- Best practices and risk management procedures to ensure allocated funds and additional resources are maximized.
- **An explanation of how the Region’s proposal will result in resources that can be accessed by entrepreneurs statewide.**
- **A conclusion explaining how this investment by KY Innovation in the region will catalyze additional investment/allocation of resources towards growing a healthy entrepreneurial ecosystem.**

Budget

Applicants must provide a detailed budget that itemizes the amount and intended use of all state, matching, and in-kind resources to include pay scales and average hourly pay rates for labor for any purpose related to the proposed program. The budget should enumerate expenditures for all personnel, property, equipment, supplies and other items. The budget should include any additional cash or in-kind resources expected to be used above the matching obligations required by this program.

Budget narrative and staffing plan

A budget narrative and staffing plan of no more than five (5) pages with margins no less than one-half inch (0.5”) with font size no less than eleven (11) points is required. The narrative must include a staffing plan in order to be considered. Narratives of longer than five (5) pages will not be considered.

The budget narrative must:

- Clearly describe how funds in each line item of the budget will support the proposed project.
- Include the budget category to which the line item corresponds.
- Explain and justify how in-kind resources will be used and how cost estimates were calculated.
- Indicate whether the Commonwealth’s or awardee’s matching share are allocated to the line item.
- If any matching funds are allocated to a given line item, include a citation to the commitment letters.
- The non-Commonwealth share, whether in cash or in-kind, is expected to be paid out at the same general rate as the state share; however, if the applicant’s budget narrative proposes otherwise, applicants must also include information that clearly indicates what

project elements the matching share funds will support and explain why deviation from paying out at the same general rate is required for the project to be implemented.

- Match the total project cost listed in the budget.

The staffing plan must:

- Include position titles, job descriptions, and resumes of key personnel.
- Enumerate maximum annual salaries.
- Explain the percentage of time dedicated to the project and the total amount of annual salaries that would be charged to the project. The total amount of annual salaries that would be charged to the project must be consistent with the amount reflected on the “personnel” budget line item for each project year.
- Explain and justify expected compensation for each full and part-time employee.
- Include an organization chart that illustrates program management and partnership engagement.

Electronic Presentation:

All respondents are also required to provide a Power Point or equivalent presentation that summarizes and addresses their proposal for accomplishing the objectives described in this RFP for establishing and fostering thriving regional clusters. Slide decks should be no more than 20 pages.

Scoring

The technical, budget and staffing proposals will be scored on a 200 point scale. Application will be evaluated on the following 10 equally-weighted criteria on a scale between 0 and 20 points per criterion:

Technical portion:

- Entrepreneurial leadership, regional assets, support and partnerships.
- Projected impact of proposed services and programs
- Proposed economic and innovation impacts
- Creativity, sustainability, and adaptability
- Extent to which proposal capitalizes on regional strengths, needs, preferences, sector clusters

Budget/Staffing portion:

- Quality/experience/demonstrated entrepreneurship of proposed personnel

- Potential ROI
- Cost effectiveness/allocation of funds
- Level and quality of follow-on funding commitments from regional collaborators and private sector partners
- Efficacy of staffing plan/allocation of resources

4.00 Schedule of RFP Activities

The following schedule presents the major activities associated with the RFP distribution, written questions and proposal submission. The Commonwealth reserves the right at its sole discretion to change the Schedule of Activities, including the associated dates and times.

Release of RFP

8/14/2018

Written Questions due by: 4 p.m. EDT

8/21/2018

Anticipated Commonwealth Response to Written Questions

8/28/2018

Proposals Due by: 4:00 p.m. EDT`

9/7/2018

Notification of accepted proposals and invitation to negotiate best and final offer

TBD

All bidders are cautioned to be aware of the security in the **Old State Capitol Annex Building** located at **300 West Broadway, Frankfort, Kentucky**. All bids shall be time stamped in the **Cabinet for Economic Development/Office of Entrepreneurship** no later than the due date and time defined in this Solicitation. In person or courier delivered bids in response to this Solicitation shall be delivered to **Stephanie Rich, Division Director, Finance & Personnel Division**.

*NOTE: ALL TIME REFERENCES ARE TO THE EASTERN TIME ZONE.

5.00 Offeror Conference – N/A

6.00 Point of Contact

The Agency Contact named below shall be the offeror's point of contact. All communications, concerning this procurement shall be addressed to:

Marilyn LeBourveau
300 W. Broadway, Frankfort, KY 40601
(502) 352-3340 Office
marilyn.lebourveau@ky.gov

7.00 Questions Regarding this RFP

Questions must be submitted in writing to the Agency Contact. The Commonwealth will respond to salient questions in writing by issuing an Addendum to the Solicitation. The Addendum shall be posted to the on the agency website, kyinnovation.com.

8.00 Proposal Submission

Each qualified offeror shall submit only **one (1) proposal**. **Alternate proposals shall not be allowed**. Failure to submit as specified shall result in a non-responsive proposal.

The vendor should complete the **cover sheet and include as the face of the solicitation**. An authorized representative of the vendor **shall sign** where the face of the solicitation. **If the solicitation is not signed the proposal shall be deemed non-responsive**.

Acknowledgment of Addenda

It is the vendor's responsibility to check the web site for any modifications to this solicitation. Respondents are encouraged to acknowledge each addendum by signing and submitting the latest addendum with their response. However, signing the face of the solicitation as indicated above constitutes the vendor's acknowledgement of and agreement to be bound by the terms of all addenda issued.

All submitted technical proposals shall remain valid for a minimum of six (6) months after the proposal due date.

The **Technical Proposal** should include 8 copies marked technical proposal as well as a thumb/flash drives (in Microsoft Word, Microsoft Excel or PDF format). The Electronic Presentation required as a part of the Technical Proposal should be submitted on the

thumb/flash drive marked "Presentation" and included in the same package as the other Technical Proposal materials.

All proposals must be received no later than 4:00 p.m. 9/7/2018.

Proposal shall be submitted to the Agency Contact. The outside cover of the package containing the technical proposal shall be marked:

KY INNOVATION PROJECT: Regional Innovation for Startups & Entrepreneurs (RISE)

TECHNICAL PROPOSAL

Name of Offeror

ELECTRONIC OR FACSIMILE PROPOSALS SHALL NOT BE CONSIDERED.

8.10 Format of Technical Proposal

The Technical Proposal must be arranged and labeled in the manner set forth below.

Transmittal Letter – a Transmittal letter shall be submitted on Offeror's letterhead, and signed by an agent authorized to bind the Offeror. **The Transmittal letter shall include the following:**

- A statement that deviations are included, if applicable.
- A statement that proprietary information is included, if applicable.
- A statement that, if awarded a contract as a result of this Solicitation, the Offeror shall comply in full with all the requirements of the Kentucky Civil Rights Act, and shall submit all data required by KRS 45.560 to 45.640.
- A sworn statement that, pursuant to KRS 11A.040, that Offeror has not knowingly violated any provisions of the Executive Branch Code of Ethics.
- A statement certifying that the price in this proposal was arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.
- A statement affirming that the Offeror is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing with the Office of the Kentucky Secretary of State for the duration of any awarded contract resulting from this Solicitation.
- The name, address, telephone number, fax number and email address and website address, if available, of the contract person to serve as a point of contact for day-to-day operations.

- Subcontractor information to include the name of the company, address, telephone number and contact name, if applicable.
- Foreign entity's organization number issued by the Secretary of State in a certificate of authority or a statement of foreign qualification, if applicable.

Completed and Signed Cover Sheet and Addenda – An authorized representative **MUST** complete and sign the cover sheet for the solicitation and cover sheets for any addenda **include the following:**

- Name of Issuing Agency and Project Title
- Name, physical address, email and phone number of primary contact for Offeror(s)/Vendor(s)
- Name, physical address, email and phone number of primary contact for payment and/or remittance.
- FEIN number if applicable
- Date the form is completed and signed.

Signed and Notarized Required Affidavit for Bidders or Offerors - available at the following link:
<http://finance.ky.gov/services/forms/Pages/default.aspx>

Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status – if applicable. Available at the following link:
<http://finance.ky.gov/services/forms/Pages/default.aspx>

*Offerors not claiming Resident Bidder Status need not submit this affidavit.

Signed and Notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Qualified Bidder Status – if applicable. Available at the following link:
<http://finance.ky.gov/services/forms/Pages/default.aspx>

*Offerors not claiming Qualified Bidder Status need not submit this affidavit.

8.20 Certification Regarding Debarment and Suspension

In accordance with Federal Acquisition Regulation 52.209-5, the Offeror shall certify, by signing the Solicitation, that to the best of its knowledge and belief, the Offeror and/or its Principals is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency.

For the purposes of this certification, “Principals”, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of subsidiary, division, or business segment, and similar positions.

9.00 Rules of Procurement

To facilitate this procurement, various rules have been established. These are described in the following paragraphs.

Offerors should review and comply with the General Conditions and Instructions for Solicitation/Contract listed under “Response to Solicitation” located on the eProcurement web page at

<http://finance.ky.gov/services/policies/Documents/FAP%20110-10-00.pdf>

9.10 Technical Proposal Evaluation

The Cabinet for Economic Development/Office of Entrepreneurship will evaluate the proposal based on the technical portion of the Evaluation Criteria. Each Offeror is responsible for submitting all relevant, factual and correct information with their offer to enable the evaluator(s) to afford each vendor the maximum score based on the available data submitted by the Offeror. General Past Offeror Performance may be considered during review of credentials for proposed personnel in the award of this Contract. Offerors with a record of poor performance in job activities relevant to objectives stated in this RFP may be found non-responsive and ineligible for award.

9.20 Cost Proposal Evaluation – not applicable

9.30 Right to Reject/Waiver of Minor Irregularities

The Commonwealth reserves the right at its discretion to reject any and all offers. The Commonwealth also reserves the right at its discretion to waive informalities and minor irregularities in offers received.

9.40 Clarification of Proposals

The Commonwealth reserves the right at its discretion to request additional information as may reasonably be required for selection and to reject any proposals for failure to provide additional information on a timely basis.

The Commonwealth reserves the right to conduct discussions with any Offeror who has submitted a proposal to determine the Offeror's qualifications for further consideration. Such discussions shall not disclose any information derived from proposals submitted by other Offerors.

9.50 Best and Final Offers

The Commonwealth reserves the right at its discretion to request a Best and Final Offer (BAFO) for technical and/or cost proposals. Offerors are cautioned to propose their best possible offers at the outset of the process, as there is no guarantee that any Offeror will be allowed an opportunity to submit a Best and Final technical and/or cost offer.

9.60 Vendor Response and Public Inspection

This RFP specifies the format, required information and general content of proposals to be submitted in response to the RFP. The Cabinet for Economic Development/Office of Entrepreneurship shall not disclose any portions of the proposals prior to contract award to anyone outside the Cabinet for Economic Development/Office of Entrepreneurship, representatives of the agency for whose benefit the contract is proposed, representatives of the federal government, if required, and the members of the evaluation committee. After a contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any and all documents submitted by an Offeror in response to the RFP shall be available for public inspection after contract award pursuant to the Kentucky Open Records Act, KRS 61.870 to 61.884 ("the Act"). When responding to a request to inspect records submitted in response to this RFP, the Commonwealth will not redact or withhold any information or documents unless the records sought are exempt from disclosure pursuant to KRS 61.878 or other applicable law. Similarly, no such documents shall be exempt from public disclosure, regardless of the Offeror's designation of the information contained therein as "proprietary," "confidential," or otherwise, except in cases where the requested documents (or information contained therein) would be excluded from application of the Act under KRS 61.878(1)(c).

The Commonwealth of Kentucky shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejections of the proposal will not affect this right.

9.80 Right to Use Oral Presentations to Verify/Expand on Proposal

The Commonwealth reserves the right at its discretion to require Oral Presentations by some or all of the Offerors to verify or expand on the Technical or Cost Proposals.

9.85 Oral Presentation Evaluation Criteria

The highest ranking vendors may be requested to provide oral presentations/demonstrations to answer questions or to clarify the understanding of the evaluators in accordance with the requirements of this RFP. The oral presentation shall be scheduled at the discretion of the Commonwealth. The Commonwealth reserves the right not to require oral presentations/demonstrations at its discretion or in the event that they would not affect the final rankings.

9.90 Negotiation

After conducting the evaluation to determine the best proposal received, the Cabinet for Economic Development/Office of Entrepreneurship reserves the right to negotiate a fair and reasonable compensation based on the pricing submitted in the offeror’s proposal. If the negotiations fail to reach an agreement on a fair and reasonable compensation rate, the Cabinet for Economic Development/Office of Entrepreneurship reserves the right to proceed to the next highest ranked proposal or choose not to award a contract at that time. Other terms and conditions relating to the technical and/or cost proposals may be negotiated at the sole discretion of the Commonwealth.

9.95 Best Interests of the Commonwealth

The Commonwealth will rank all proposals in the manner set forth in the Evaluation Criteria. However, the Commonwealth reserves the right to reject any or all proposals in whole or in part before, during, or after negotiation based on the best interests of the Commonwealth.

CONTRACT AWARD, TERMS, AND CONDITIONS

10.00 Notification of Award

KCED/OOE will notify respondents regarding the disposition of their proposal.

10.10 Beginning of Work

This Contract is not effective and binding until approved by the Secretary of the Finance and Administration Cabinet and filed with the Legislative Research Commission’s Government Contract Review Committee. The Contractor shall not commence any billable work until a valid Contract has been fully executed. This Contract, including the components referenced in Section 10.20, shall represent the entire agreement between the parties. Prior negotiations,

representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

10.20 Contract Components and Order of Precedence

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award, shall create a valid contract between the Parties consisting of **the following**:

- Any written Agreement between the Parties.
- Any Addenda to the Solicitation.
- The Solicitation and all attachments hereto.
- Any Best and Final Offer.
- Any clarifications concerning the Contractor's proposal in response to the Solicitation.
- The Contractor's proposal in response to the Solicitation.

In the event of any conflict between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above.

10.30 Contract Term and Renewal Option

The initial term of the Contract is anticipated to be from 10/1/2018 through 6/30/2019.

This agreement is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the Contract and until the Contract has been filed with the Legislative Research Commission, Government Contract Review Committee.

The Commonwealth reserves the right to renew this contract for up to two (2) additional one (1) year periods.

Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705.

10.40 Changes and Modifications to the Contract

Pursuant to 200 KAR 5:311, no modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by the Contractor and the Commonwealth, and incorporated as a written amendment by the

Cabinet for Economic Development/Office of Entrepreneurship prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet, or this authorized designee, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

10.50 Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature are to be made to the Agency Contact.

11.00 Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Effective Date:

This contract is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission "LRC", Government Contract Review Committee. However, in accordance with KRS 45A.700, contracts in aggregate amounts of \$10,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after Government Contract Review Committee disapproval, unless the decision of the committee is overridden by the Secretary of

the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Renewals:

Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

LRC Policies:

Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm> and would impact any contract established under KRS 45A.690 et seq., where applicable.

Choice of Law and Forum:

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

Cancellation:

The state agency shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days written notice served on the Contractor by registered or certified mail. (See KRS 45A.695(1); see also 200 KAR 5:312).

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours:

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the agreement will be reduced by the amount specified in that document. If the contract funding is reduced, then the scope of work related to the contract may also be reduced commensurate with the reduction in funding. This reduction of the scope shall be agreeable to both parties and shall not be considered a breach of contract.

Authorized to do Business in Kentucky:

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/Pages/default.aspx>.

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity:

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the

time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees:

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website:
<http://www.lrc.ky.gov/statcomm/contracts/PSC%20INVOICE%20FORM.pdf>

Travel expenses, if authorized:

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this contract, or authorized in advance and in writing by the Commonwealth. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein:

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to the Commonwealth.

Purchasing and specifications:

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles:

The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KRS 11A.040 of the executive branch code of ethics relating to the employment of former public servants.

Campaign finance:

The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract has contributed more than the amount specified in KRS 121.056(2) to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, (i) that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and (ii) that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Access to Records:

The state agency certifies that it is in compliance with the provisions of KRS 45A.695, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents,

papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Social security: (check one)

_____ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for social security contributions relative to the compensation of the second party for this contract.

_____ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws:

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to corporate and utility tax, sales and use tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively..

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a

final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination:

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase

order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.