

Texas Department of Transportation: Toll Operations Division

Request for Information: Customer Service Center Staffing and Operations Services

Draft Scope

12-5-2017

Request for Information

This Request for Information (RFI) is issued by the Toll Operations Division (TOD) of the Texas Department of Transportation (TxDOT) seeking industry comment on the proposed scope of work for a Customer Service Center supporting the agency's toll operations. This RFI is issued solely to obtain information to assist the Department in its planning process and to identify vendors that may be interested in participating in any future procurement.

The information received in response to this RFI will be reviewed and evaluated by a team composed of staff from different functional areas within the department. It is the department's intent to analyze the responses to determine appropriate and suitable solutions to meet the department's requirements and to potentially develop specifications for a future Request for Proposals (RFP).

This RFI does not constitute a Request for Qualifications (RFQ), an RFP, a Request for Offer (RFO) or other solicitation document, nor does it infer intent to conduct a solicitation in the future. This RFI does not commit the department to contract for any supply or service, nor will any response to this RFI be considered in the evaluation of any response to a solicitation document. The department will not pay for any information or administrative cost incurred in response to this RFI.

Information Requested

For this RFI, TxDOT seeks general comments about, and a critique of, the scope of work presented and the extent to which it is compatible with the types of services normally provided by vendors engaged in Customer Service and Call Center operations. TxDOT is not seeking proposals to provide the services, but rather confirmation that the scope of work as presented conforms to industry norms. Given the nature of this RFI, comments, recommendations and suggested revisions to the scope of work may be submitted in any written form to the Point of Contact below.

Response Format

In addition to comments and a critique of the scope of work presented, please provide a summary of respondent organization and other you deem relevant. Respondents are invited to provide a written summary, and any additional literature, of how best to address this RFI. The response should be organized with separate sections as follows:

1.1 Title Page –

The title page should include:

(a) The following title & subtitle:

Customer Service Center Staffing and Operations Services
Response to the Request for Information from
The Texas Department of Transportation, Toll Operations Division

(b) Company name, address, and point-of-contact name, Email address and phone number

1.2 Company Overview –

(a) Company Profile – A statement describing respondent company, products,

services

(b) Point-of-Contact – Identification of a single point of contact to respond to any questions regarding the response, including name, Email address, phone number, and address

1.3 Critique of Scope

Any relevant comments and critique of the scope of work presented is appreciated. Respondents may choose to respond to this section in any written form. TOD is interested in all feedback from respondents concerning all areas of this scope, however, TOD especially seeks information regarding industry norms and vendor suggestions in the following areas:

1. Key Performance Metrics – categories and targets
2. Responsibilities regarding System Monitoring

1.4 Attachments

Any relevant materials, documents, white papers, websites, etc., that help support comments and critiques made in section 1.3

RFI Issuance Date: December 8, 2017

RFI Response Deadline: January 15, 2018 at 3:00 p.m. CST

RFI Website and Addenda: Additional information regarding the RFI, including the proposed scope of work, may be found on the RFI website at:

<https://www.txdot.gov/business/opportunities.html>

TxDOT will post any addenda to the RFI on the RFI website. At its option, TxDOT may elect to follow-up directly with respondents with more detailed questions or to clarify submissions.

Questions: Questions regarding this RFI should be submitted in writing to the Point of Contact at the email address listed below. TxDOT will post responses to questions on the RFI website without identifying the party(ies) submitting the questions. Respondents are encouraged to submit questions prior to January 11, 2018.

Contracting Office Address:

Texas Department of Transportation - Toll Operations Division
12719 Burnet Road
Austin, TX 78727

Point of Contact:

Logan Brown
Texas Department of Transportation - Toll Operations Division
(Ph): 512-874-9254
(E-mail): logan.brown@TxDOT.gov

Confidentiality/Public Information Act

All written correspondence, exhibits, photographs, reports, other printed material, tapes, electronic

disks, and other graphic and visual aids submitted to the department in response to this RFI are, upon their receipt by the department, the property of the State of Texas, may not be returned to the submitting parties, and are subject to the Government Code, Chapter 552, Public Information Act (the "Act"). Respondents should familiarize themselves with the provisions of the Act. In no event shall the State of Texas, the department, or any of their agents, representatives, consultants, directors, officers, or employees be liable to a respondent for the disclosure of all or a portion of the information submitted in response to this RFI.

If the department receives a request for public disclosure of all or any portion of a response, the department will use reasonable efforts to notify the applicable respondent of the request and give such respondent an opportunity to assert, in writing and at its sole expense, a claimed exception under the Act or other applicable law within the time period specified in the notice issued by the department and allowed under the Act.

If a respondent has special concerns about information which it desires to make available to the department but which it believes constitute a trade secret, proprietary information, or other information excepted from disclosure, such respondent should specifically and conspicuously designate that information **by placing "CONFIDENTIAL" in the center header of each page affected**. Blanket, all-inclusive identifications by designation of whole pages or sections as containing proprietary information, trade secrets, or confidential commercial or financial information are discouraged and may be deemed invalid. Nothing contained in this provision shall modify or amend requirements and obligations imposed on the department by the Act or other applicable law, and the provisions of the Act or other laws shall control in the event of a conflict between the procedures described above and the applicable law.

The department will submit a request for an opinion from the Office of the Attorney General prior to disclosing any documents designated as "confidential." The respondent shall then have the opportunity to assert its basis for non-disclosure to the Office of the Attorney General; however, it is the sole responsibility of the respondent to monitor such proceedings and make timely filings. The department may, but is not obligated, to make filings of its own concerning possible disclosure; however, the department is under no obligation to support the positions of respondent. Under no circumstances will the department be responsible or liable to a respondent or any other party as a result of disclosing any such labeled materials, whether the disclosure is deemed required by law, by an order of court, or occurs through inadvertence, mistake, or negligence on the part of the department or its officers, employees, contractors, or consultants.

The department will not advise a submitting party as to the nature or content of specific documents entitled to protection from disclosure under the Act or other Texas laws or as to the interpretation of such laws. Each respondent is advised to contact its own legal counsel concerning the effect of applicable laws to the submitting party's own circumstances.

In the event of any proceeding or litigation concerning the disclosure of any material submitted by the respondent, the department will be a stakeholder retaining the material until otherwise ordered by a court or such other authority having jurisdiction with respect thereto, and the respondent shall be responsible for otherwise prosecuting or defending any action concerning the materials at its sole expense and risk; provided, however, that the department reserves the right, in its sole discretion, to intervene or participate in the litigation in such manner as it deems necessary or desirable.

EXHIBIT A – GLOSSARY OF TERMS

ABBREVIATIONS

ACH	Automated Clearing House
ADA	Americans with Disabilities Act
AET	All Electronic Tolling
ALPR	Automatic License Plate Recognition
COSO	Committee of Sponsoring Organizations
CPN	Cash Payment Network
CSC	Customer Service Center
CSR	Customer Service Representative
CUSIOP	Central United States Interoperability
DMV	Department of Motor Vehicles
ETC	Electronic Toll Collection
GAAP	Generally Accepted Accounting Principles
GL	General Ledger
IBT	Image Based Transaction
ID	Identification/Identifier
IOP	Interoperability
IRS	Internal Revenue Service
IT	Information Technology
IVR	Interactive Voice Response
NACHA	National Automated Clearing House Association
NIOP	National Interoperability
NSF	Non-Sufficient Funds
NTP	Notice to Proceed
OCR	Optical Character Recognition
ORT	Open Road Tolling
PCI	Payment Card Industry
PCI DSS	Payment Card Industry Data Security Standard
PDF	Portable Document Format
PIN	Personal Identification Number
PII	Personally identifiable information
PMP	Project Management Plan
POS	Point of Sale
QA	Quality Assurance
QC	Quality Control
RFP	Request for Proposal
SB	Senate Bill
SH	State Highway
SMS	Short Message Service
SOP	Standard Operating Procedure
SSAE	Statements on Standards for Attestation Engagements
SSIOP	Southern States Interoperability
TOD	Toll Operations Division
TxDOT	Texas Department of Transportation

DEFINED TERMS

Capitalized terms used but not defined in this Contract shall have the generally accepted industry meanings. Section references are to the Contract unless otherwise indicated.

“Account” shall mean a customer account created by a customer, CSR or automatically by the System that includes but is not limited to information such as an associated license plate, Transponder, customer demographics, and/or vehicle information, as well as, in most cases, associated contact and/or billing information.

“Administrative Review” shall mean the process for contesting a notice of toll evasion violation or notice of delinquent toll evasion violation as described in Texas Transportation Code.

“Agreement” shall mean the Customer Service Center (CSC) Operations Contract. Also referred to as Contract.

“Annual Budget” shall mean the annual budget for the Contractor Provided Facilities Cost and Third Party Service Providers costs approved by TOD. The Annual Budget shall be prepared in monthly detail with a breakdown approved by TOD and in current dollars for each year of expenditure with respect to all Fiscal Years.

“Approve” or “Approval” shall, when capitalized in this Agreement, refer to acceptance of a process, submittal, vendor, document, condition, action or Deliverable in writing by TOD. Approval by TOD shall not be construed to mean endorsement or assumption of liability by TOD for the adequacy, completeness, correctness or efficacy of any such matter approved by TOD, nor shall it relieve the Contractor of its responsibilities under the Agreement.

“Authorized User” shall mean, using a role-based login, a user with specific authority to perform a function(s) in the System. An Authorized User could be the Contractor, TOD user, or a Third-Party Service Provider or other third party designated by TOD.

“Automatic License Plate Recognition” or “ALPR” shall mean the process of using optical software to automatically find, record, and identify the characters and jurisdiction of issuance of vehicle license plates. ALPR determines license plate data to a degree of certainty called a ‘confidence level’. ALPR is used as an aid in automating the Transaction identification and image review processes.

“Balanced Scorecard” shall mean the performance metric used in strategic management to identify and improve various internal functions of a business and their resulting external outcomes. It is used to measure and provide feedback to organizations.

“Burdened Labor Cost” shall mean Burdened Rates multiplied by hours expended by the Contractor.

“Business Day” shall mean Monday through Friday, excluding Holidays.

“Business Rules” shall mean the TOD business rules applicable to the Scope of Services (Exhibit B) as they are updated and amended from time to time.

“Case” shall mean work items that are tracked within an issue tracking and management system, in this case the TOD System.

“Cash Payment Network” shall mean a third-party provider

“Change” shall mean: (a) Any addition, decrease, omission, deletion or removal to or from the Services that changes the requirements; (b) Any addition, decrease, omission, deletion or removal to or from the Services that has a direct quantifiable impact on the values of the efficiencies assumed in the Approved Staffing Model; and (c) Any addition, omission or change to policy limits or deductibles of the insurance policies or principal amounts of bonds; but excluding, (e) changes resulting from action or inaction of Subcontractors (unless arising from causes that otherwise give rise to a right to a Change Order); (f) the action or inaction of Other TOD Contractors (including failure to organize and integrate their work with Contractor’s Work; (g) untimely delivery of equipment or material required to be provided by Contractor, or unavailability or defectiveness or increases in costs of material, equipment or products specified by the Contract Documents to be provided by Contractor; (h) delays in any permit or approval required to be obtained by Contractor; (i) correction of nonconforming Work, including rejected Submittals; j) costs covered by insurance proceeds received by or on behalf of Contractor; k) failure by Contractor to comply with Contract Requirements; l) weather- related delays (other than Force Majeure Events); m) delays from other situations (other than Force Majeure Events) which were or should have been anticipated by Contractor because they arise out of the nature of the Work; and n) all other events beyond TOD’s control for which TOD has not agreed to assume liability.

“Change Order” is a written instrument prepared by TOD stating a change in the Work.

“Contractor” shall mean the party providing the Services under this Contract.

“Contractor Project Manager” shall mean the Contractor Key Personnel who is assigned as the single point of contact who is authorized to direct the Work for the Contractor. The Contractor Project Manager is also the CSC Operations Manager.

“Commercial Account” shall mean for vehicles with more than two axles and for accounts with more than five TxTags. You can manage an unlimited number of cars and trucks with one Commercial Tag Account. You will only need to monitor one toll account balance, and you can view toll road activity for all vehicles on one account statement.

“Credit Card” shall mean a card issued by a financial company giving the holder an option to borrow funds, usually at a Point of Sale without the use of PIN. For purposes of this Project, payments and recurring payments may be made with any of the following Credit Cards: American Express, Discover, MasterCard, Visa and Debit Cards bearing one of these logos. This can include a prepaid card (such as an American Express card, which contains a prepaid balance).

“Customer Correspondence” shall mean any and all information in written or electronic copy sent to and from the CSC to a customer.

“Customer Satisfaction Survey Provider” shall mean service provided by a third-party business for customer satisfaction surveys focused on improving customer interactions by measuring customer perceptions of how well the company delivers on the critical business functions.

"Customer Service Center" or "CSC" shall mean the facility that houses the equipment, software, and personnel required to establish, manage, and maintain customer accounts; provide customer service; process Transactions and license plate images, and prepare customer statements for toll bills, collections, and courts and habitual violator programs in accordance with the SOPs. Customer Service Center also refers to, the location that houses the integrated system that contains infrastructure equipment, software, and services required to manage customer accounts, process toll payments, obtain correct Account name

and address information, and prepare billing and invoicing for payment processing.

“Debit Card” shall mean a card which allows customers to electronically access their funds from a bank account and which may require a PIN.

“Deduction” shall be the amount calculated in the Balanced Scorecard as a decrease in Compensation for performance of Services that does not satisfy the Performance Objectives.

“Deliverable” shall mean all documentation and any items of any nature submitted by the Contractor to TOD’s Project Manager for review and Approval pursuant to the terms of this Agreement.

“Department of Motor Vehicles” or “DMV” shall mean the Texas Department of Motor Vehicles.

“Dispute” shall mean any Dispute between TOD and Contractor hereunder, including any demand by Contractor for payment of money or damages arising from Work done by or on behalf of Contractor in connection with this Contract which is disputed by TOD.

“Effective Date” shall mean the date the Contract is fully executed by all parties. For clarification, this Contract is binding as of the date executed by the parties, and shall go into effect and govern the performance of the Parties as of the Effective Date.

“Employee” shall mean a Staff member who is engaged by the Contractor through an arrangement or relationship legally considered under Federal or state law to be that of employer and employee, as opposed to an arrangement under which the Staff member is considered to be an independent contractor.

“Error” shall mean an error, omission, inaccuracy, deficiency or other defect.

“Expended Labor Cost” shall be the sum of the Billable Key Personnel Rates multiplied by actual hours plus the Billable Additional Staff Rates multiplied by actual hours.

“Financing Entities” shall mean the financial institution(s) (including their agents and participants) providing TOD with custodial, trustee, lockbox or other banking services.

“Fiscal Year” or “FY” shall mean the year beginning September 1 and ending the following August 31.

“Fleet Account” shall mean a company with a large fleet, a TxTag Fleet Account is the most convenient way to manage toll transactions. With a Fleet Account license plate numbers are used to track toll usage, rather than TxTag stickers, and you’ll have access to a daily electronic file to monitor transactions and toll payments.

“Go-Live” shall mean the date on which Contractor assumes full responsibility for operation of the CSC.

“Governmental Person” shall mean any federal, state, local or foreign government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than TOD.

“Governmental Rule” shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Person, which is applicable to the Work, whether now or hereafter in effect.

“Habitual Violator” shall mean the registered owner of a vehicle that is identified committing a Violation.

“Holidays” shall mean CSC observed holidays as approved by TOD and set forth in Exhibit B, Scope of Services.

“Image Based Transaction” or “IBT” shall mean the method by which toll charges are recorded based upon license plate images when a valid Transponder is not detected. IBT products may include TxTag, Pay By Mail and Interoperable transactions.

“Interoperable Agencies” shall mean the agencies that manage toll roads, toll bridges or other similar facilities that are interoperable with TOD through interoperable agreements.

“Invoice” shall mean the written document that Contractor submits to TOD requesting payment of Compensation.

“Key Personnel” shall mean the personnel identified in Exhibit B, Key Personnel.

“Labor Profit Allowance” shall mean the rate, expressed as a percentage, for Contractor profit related to Work being performed under this Contract.

“Legacy System” shall mean the CSC System currently in use by TOD in performance of the Services. This is the System that shall be used by the Contractor in performance of the Services until it is replaced.

“Losses” shall mean any loss, damage (including personal injury, property damage and natural resource damages), injury, liability, cost, expense (including attorneys’ fees and expenses (including those incurred in connection with the enforcement of any provision of this Contract)), fee, charge, demand, investigation, proceeding, action, suit, claim, judgment, penalty, fine or Third Party Claims.

“Mobile App” shall mean the TOD mobile application that allows customers to create and manage their TOD Account, receive notifications, or make payments on a mobile device platform (such as, Apple IOS, Google Android or Windows Mobile).

“Notice” shall mean any formal communication addressing Agreement modifications and Approvals, not daily operations.

“Notice of Succession” shall mean the written notice provided by TOD to the Contractor that the Contract is being terminated.

“Notice to Proceed” or “NTP” shall mean a written notice from TOD to Contractor authorizing and directing Contractor to commence performance of the Work.

“Operations Phase” shall mean the period of time commencing on the Transition completion date and ending upon expiration or earlier termination of the Term.

“Operational Readiness Checklist” shall mean the list of tasks and activities the Contractor must complete to demonstrate that the Contractor is ready to commence complete Operation of the TOD CSC and performance of all of the Work.

“Ordinances” shall have the meaning assigned such term in the definition of Toll Statutes.

“Pay By Mail” post paid Account type. Toll transaction created without a Txtag.

“Performance Incentive Earned” shall mean addition to Contractor’s Compensation earned when Contractor’s performance exceeds the level required by the Performance Objectives, which shall occur when the Balanced Scorecard Measured Performance exceeds 100%.

“Performance Objectives” shall mean the required level of performance for this Contract as set forth Section 4 of Exhibit B, Scope of Services.

“Person” shall mean any individual, corporation, company, voluntary association, partnership, trust, unincorporated organization or Governmental Person.

“Plan” shall mean a Contractor Deliverable that identifies approach to a particular aspect of the Work submitted for Approval in accordance with the Scope of Services, including but not limited to Project Management and Operations Plans.

“Project Schedule” means the schedule showing tentative Project milestones and the Go-Live Deadline.

“Planning Phase” shall mean the period of time commencing on NTP and continuing until the start of the Operations Phase.

“Project” shall mean the total Work defined in the Scope of Services and as further set forth in the Contract Documents.

“Project Schedule” means the schedule for completing the Work prepared by Contractor.

“Quality Assurance” or “QA”- shall have the meaning set forth in Section 3.18 of Exhibit B, Scope of Services.

“Quality Control” or “QC”- system by which the Contractor will verify and maintain the desired level of quality in the Services.

“Reconciliation” shall mean the ability to reconcile transaction counts transmitted from the lane and from interoperable agencies with posting dispositions in the back office database, as well as their corresponding financial ledger and accounting data

“Registration Hold” shall mean the conditional requirement preventing a vehicle owner from renewing the vehicle’s registration until payment of tolls and penalties is remitted.

“Registered Owner of Vehicle” or “ROV” shall mean the party legally responsible for the payment of any tolls in accordance with applicable state statutes and regulations.

“Replacement System” shall mean the System that TOD will be procuring to replace the Legacy System.

“Request for Proposal” or “RFP” shall mean the mechanism used to communicate procurement specifications and to request Proposals from qualified vendors.

“Requirements” shall mean each of the required Work activities in numbered form as set forth in Exhibit B, Scope of Services that the Contractor shall perform, including but not limited to technical, functional, project management and performance.

“Scope of Services” shall mean the Scope of Services set forth in Exhibit B, Scope of Services.

“Services” shall mean the culmination of all Work described in Exhibit B, Scope of Services.

“Staff” shall mean all individuals, including Employees and Contractors, who are engaged by the Contractor to Work on the Project.

“Standard Operating Procedure” or “SOP” shall refer to any one of the individual Standard Operating Procedures required to be developed by Contractor and Approved by TOD pursuant to the Scope of Services.

“Subcontract” shall mean any Contract or other agreement between Contractor and a Subcontractor for performance of any part of the Work or provision of any materials, equipment or supplies for the Work.

“Subcontractor” shall mean any Person with whom Contractor has entered into any Subcontract to perform any part of the Work or provide any materials, equipment or supplies on behalf of Contractor (and any other Person with whom any Subcontractor has further subcontracted any part of the Work).

“Successor” shall mean the service provider that assumes operation of the CSC System from the Contractor after the termination of the Contract.

“System” shall mean either the “Legacy System” or the “Replacement System” depending on which is being utilized at the time.

“System Contractor” shall mean the vendor (“Legacy System Contractor” or “Replacement System Contractor”) that provides the software and components including firmware, hardware, equipment, components, subcomponents, procured, furnished and installed under an agreement with TOD.

“System Conversion” or “System Transition” shall mean all Work that Contractor is required to perform to convert the CSC operations from the Legacy System to the Replacement System.

“Telephone Service Factor” or “TSF” shall mean the percentage of calls offered to the queue that are answered within 5 minutes.

“Third Party Service Provider” shall mean entities which have arrangements to perform work and/or request that work be performed, such as collection companies, print/mail house and lockbox.

“TOD” shall mean the Toll Operations Division of the Texas Department of Transportation, the tolling authority for state-owned and managed or operated toll roadways.

“Toll Point” shall mean the physical locations where vehicle axles are counted, Transponders are read, and images are captured in order to create Transactions.

“Transaction” shall mean the passage of any vehicle through any portion of a roadway for which a toll would normally be collected, and regardless of the actual payment or collection of a toll therefore and of whether a toll is payable therefore. Additionally, “Transactions” shall include the transactions of TxTag customers at Interoperable Facilities, payment to operators of Interoperable Facilities for TxTag customer use of Interoperable Facilities, and non-toll uses of a TxTag account.

“Transition” or “Transition Work” shall mean all Work that Contractor is required to perform from NTP to convert the CSC operations from the TOD to the Contractor. Transition shall be considered complete when the Contractor is performing all aspects of the Work.

“Transponder” shall mean the physical device that is mounted to a vehicle – either inside on the interior of the windshield or externally mounted on the front bumper for toll payment through automatic vehicle identification.

“TxTag” shall mean the branded ETC transponder, as well as the tolling organization managing TxTag customer accounts.

“TxTag Customer” shall mean the owner of pre-paid or postpaid customer account managed by the TxTag Customer Service Center.

“Unpaid Toll Transaction” shall mean a toll transaction that is not paid within the specified time in the first notice.

“Walk-in Center” shall mean the physical facilities where customers can have face-to-face contact with CSRs.

“Website” shall mean the TOD Website(s) that allows a customer to create and manage a TOD Account, including adding funds to the Account or making payments.

“Work” shall mean all obligations of Contractor hereunder and in the Scope of Services, including but not limited to all labor, supervision, training, administration, management and control, overhead, legal, technical, professional and other services, and all equipment and materials as required by this Contract or otherwise necessary or appropriate hereunder.

- End of Exhibit A -

EXHIBIT B – SCOPE OF SERVICES

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1. Background and Overview

This section provides background information and a general overview of the Project. Capitalized terms not separately defined in this Scope of Services have the meanings assigned such terms in Exhibit A of the Contract.

The Texas Department of Transportation (TxDOT), Toll Operations Division (TOD) consists of multiple state owned, operated and maintained roadways. TOD oversees Texas's largest toll road network, comprised of SH 130 (Segments 1 – 4), SH 130C (Segments 5 & 6), SH 45N, SH 45SE and Loop 1 in Austin, Texas; and SH 99, Segments D, E, F, G and I-2 in the Houston, Texas region and processed 389 million Transactions in FY 2017. The Toll Operations Division's mission is to be a customer-focused service provider that creates economic opportunities, stimulates investment and enhances quality of life by supporting high-performing transportation systems in Texas and beyond. TOD's Customer Service Center (CSC) manages TOD's TxTag and Pay By Mail programs as well as TOD's collections, courts and habitual violators programs.

In FY 2017, the CSC serviced approximately 1.47 million TxTag Accounts, 2.1 million active Transponders, and 7.1 million Pay By Mail accounts. The CSC also processes approximately 11.9 million Statements annually. Providing efficient, courteous and quality service and effectively managing operations are the top priorities for TOD. As a result, TOD requires that the Contractor has the same priorities and provides an efficient and effective CSC operation that delivers a high level of customer service. TOD further expects that the Contractor will work cooperatively in partnership with TOD, Other TOD Contractors and the Replacement System Contractor in the delivery of these Services.

The Contractor will provide the Staffing resources and management necessary to operate the CSC for a period of up to ten years. This Work will consist of different functions, for example, customer communication, Account maintenance, payment processing, collections, courts and habitual violators programs, image review, Transponder management and financial reconciliation.

Execution of all tasks related to back office functions requires the Contractor to:

- interact with TOD's customers;
- provide accurate and error free processing, accounting, reconciliation, protection, timely deposits, recommended daily distributions and reporting of TOD's transactions, toll and fee revenue;
- coordinate and interact with TOD contracted Third Party Service Providers;
- coordinate, interact with, reconcile and settle transactions and tolls and fees with IOP partners in accordance with IOP agreement and business rules;
- adhere to TOD established policies, Business Rules and Approved operating procedures;
- manage Collections, Courts and habitual violators program; and
- conduct manual image review and partner with appropriate system operator to ensure accuracy and performance of OCR system.

The Contractor shall provide the Staff and Services to operate the CSC in accordance with the Requirements, including the Operations Plan, which shall be provided by the Contractor and Approved by TOD in the timeframe and manner set forth in the Requirements. The Contractor shall provide personnel required for the day-to-day operation of the CSC as also further set forth in the Requirements. TOD will provide the System and mobile trailer equipment. Contractor shall provide Facilities, fixtures, furniture, voice and data connectivity including data firewall and all other equipment and consumables. Throughout the duration of the contract, The Contractor shall be flexible and responsive to evolving needs of the business in the adding and modifying of services.

The Project is divided into two phases; 1) the Planning Phase, prior to Go-Live, and 2) the Operations Phase after Go-Live.

1.1. Contractor Planning Phase Services

The primary purpose of the Planning Phase is to plan and implement a seamless Transition of operations by the Contractor with minimal impact to TOD and its customers. During the Planning Phase the Contractor shall be responsible for Work, including but not limited to:

- extensive coordination with, facilitating and participating in meetings with TOD and the Legacy System Contractor;
- coordination with TOD for the operational Transition;
- selection and build-out/fit-out of a Customer Service Center facilities;
- coordination with TOD for connectivity and the utilization of the System at the Customer Service Center facility;
- understand the Legacy System operations;
- development of all Plans and documentation described herein;
- development and modification of all operational Standard Operating Procedures(SOPs);
- development of training materials for the new System and the training of the Contractor's Staff;
- Operational Readiness Demonstration;
- Development of financial services;
- CSC operations startup; and
- other coordination, planning and preparation activities necessary to achieve the Transition.

1.2. Contractor Operations Phase Services

During the Operations Phase the Contractor may be responsible for all customer service related activities (transaction posting/processing, financial reconciliation & reporting, daily recommended distributions, account management, customer interactions, fulfillment activities, inventory management, court, collections and habitual violator program, OCR and image review), and the complete and accurate reporting and accounting of all Contractor activities. The Contractor's operational responsibilities may include but are not limited to:

- Activities which require use of the System:
 - manual image review of license plate images which are provided for QA or for additional review;
 - research related to the license plates for which a Registered Owner of Vehicle (ROV) is not provided.
 - Account establishment and maintenance;
 - Account closures and refunds;
 - discount plan management;
 - non-revenue program management;
 - document imaging of incoming work (for example, Customer Correspondence) and outgoing work (for example, scanning checks before deposit) document imaging;
 - payment processing of commonly accepted payment types;
 - Credit Card and ACH processing, including authorizations, settlement, refunds, chargebacks and reconciliation;

- mailed-in and storefront payment posting, reconciliation and reporting;
 - Collections Services pursuing payment of debts owed by individuals or businesses, including payment processing, reconciliation and reporting;
 - providing provision of customer support for problems with customer interfaces (including phone, Website, Mobile App and IVR system support);
 - Case management;
 - Commercial and Fleet Account program management;
 - return mail processing;
 - use of skip tracing services to provide an updated mailing address;
 - customer dispute processing;
 - financial management and reporting, including daily, monthly, and end of year system, GL and cash reconciliations;
 - all Transaction and financial reconciliation activities;
 - daily reconciliation and recommended distribution of toll and fee revenue by toll road;
 - Refund checks from customer accounts;
 - Reconcile, provide controls and manage system accounts including customer accommodation fund;
 - Support annual dormant account/escheat process per Texas state law;
 - all interface reconciliation activities, at the transaction level, tolling point, roadway level and file level;
 - Monthly IOP transaction, toll revenue and fee reconciliation and reporting; interact with IOP HUB for reports as needed; support the invoicing process used between IOP agencies for toll and fee calculation, validation, adjustments, settlement and exchange in accordance with CUSIOP agreement and business rules;
 - activity and performance monitoring and reporting;
 - court and Habitual Violator Programs;
 - Transponder inventory management, including inventory planning and order requests, customer order fulfillment, retailer program management and support, Transponder recall and recycling; and
 - all training for CSC personnel, including start-up, onboarding and ongoing refresher and remedial training and training for TOD staff and TOD-designated consultants.
- Operational activities not directly related to use of the System:
 - ongoing knowledge, training and understanding of the System, phone system, scanners, printers and other equipment/systems;
 - compliance with all security Requirements, both within the System and in the handling of personally identifiable information (PII) and funds;
 - physical security of any Contractor-provided facilities;
 - physical security of the funds, personnel, and equipment, as well as the Replacement System Contractor, accessed or controlled by Contractor;
 - the recruiting, hiring and management of the personnel required to operate the CSC and meet the Requirements of this Contract;
 - support for TOD audits of System and operations;
 - support for Payment Card Industry Data Security Standards (PCI DSS) compliance audit(s) performed by an independent Qualified Security Assessor (QSA);
 - inventory management and distribution of the *TOD*-provided customer materials (statement stuffers and Transponder Kit materials);

- distribution of the TOD-provided Transponders, mounting strips, read prevention bags;
 - distribution of non-system generated customer notifications by mail;
 - an annual SSAE 16 Type II performed by independent auditor;
 - records management;
 - Quality Control (QC) and Quality Assurance (QA) activities, including review of System-generated notifications and management of ongoing customer satisfaction surveys;
 - coordination with the DMV(s) for registration suspensions and/or holds, as well as releases once tolls, fees, and other charges are paid;
 - file courts packages;
 - process and support habitual violator programs; and
 - coordinate and staff special events.
- System monitoring activities related to operational processes:
 - monitoring of Transaction processing for both image-based and Transponder-based Transactions;
 - monitoring of ROV identification;
 - monitoring of processing and settlement of "non-toll" Transactions, including but not limited to parking Transactions;
 - monitoring of Transaction processing for TOD;
 - monitoring of Transaction processing for Interoperable Agencies;
 - monitoring of System-generated notifications;
 - monitoring of System-generated Account maintenance activities;
 - monitoring of periodic or scheduled fee processing;
 - monitoring of courts, collections and Habitual Violator Programs;
 - monitoring of incoming and outgoing mail Services, including address correction and update; and
 - tracking of Transactions and any associated images from point of receipt until archived and/or written-off.
 - Activities related to the implementation of the Replacement System:
 - participation in System design reviews and conversion for the Replacement System to provide input and gain an in-depth understanding of the System;
 - development of documentation and coordination with the Replacement System Contractor with regards to Disaster Recovery (DR) and the Business Continuity Plan (BCP);
 - development and modification of all operational SOPs for the Replacement System;
 - development of training materials for the Replacement System and the training of operations Staff;
 - extensive coordination with, facilitating and participating in meetings with TOD, the Replacement System Contractor and Legacy System Contractor.

1.3. Performance Objectives

The Performance Objectives for key metrics define TOD's expectations and the Contractor's obligations for an effective CSC operation. The Contractor's achievement of the Performance Objectives will reflect the level of service provided by the Contractor and the Contractor's Compensation will take into account the degree to which the Contractor successfully achieves the

Performance Objectives. A Balanced Scorecard that weights Performance Objectives relative to their criticality and in the context of the Contractor’s overall performance will be used. This approach allows for the Contractor to earn an incentive if its performance exceeds the Performance Objectives and to be responsible for deductions if Contractor does not meet them.

The Contractor shall be required to perform the Requirements in a manner that achieves the standards specified in the Performance Objectives. The Contractor’s performance and its ability to meet TOD’s Performance Objectives will be monitored and validated via tools and reports provided by the Replacement System Contractor, TOD and the Contractor and Approved by TOD. The Contractor shall provide Monthly Project Reports that will be used to assess the Contractor’s performance and adherence to the Approved Performance Objectives. These reports will be used to determine whether any adjustments will be made to the Contractor’s monthly Invoice amount to reflect failure to meet required Performance Objectives and instances where the Contractor exceeds the Performance Objectives.

1.4. Innovation and Efficiency Incentive

TOD requires a highly efficient and cost-effective CSC operation that focuses on continuous improvement. To foster ongoing innovations and efficiency implementations throughout the Term of the Contract that can provide the same or better service at lower costs, TOD will share in cost savings generated from Approved operational changes proposed by the Contractor in accordance with the Innovation and Efficiency Incentive.

2. Project Requirements

2.1. Project Management and Control

The Contractor’s project management approach shall reflect industry best practices, be tailored to the Project and be sufficiently detailed and structured to allow TOD to regularly review progress and schedules, track progress, assess risk, and determine whether the Contractor has the necessary management, Staff, and controls in place to meet the specifications of this Scope of Services. This section lists the Requirements for project management.

2.1.1. General Project Management Requirements

1	The Contractor shall provide all management, supervisory, financial and operations Staff, including qualified management, professional and clerical personnel, to professionally operate and administer the CSC operations in a manner that meets all required performance criteria. The Contractor shall put in place the organizational structure and headcount required to meet these Requirements.
2	The Contractor shall perform and provide all Services in accordance with all applicable laws, rules, regulations, Ordinances and in compliance with all of TOD’s applicable policies. All Plans and procedures prepared by the Contractor shall be Approved by TOD, as set forth in these Requirements.

2.1.2. TOD Notification and Regulations

3	The Contractor shall immediately notify TOD of any anomalies, inconsistencies, discrepancies, System issues, trends of customer-reported feedback related to the CSC.
4	The Contractor shall describe any anomalies, inconsistencies, discrepancies, System issues, trends of customer-reported feedback related to the CSC in the Monthly Project Report package along with a corrective action plan (CAP).
5	The Contractor shall have and retain current knowledge of the regulations and laws governing tolling and collections in the state of Texas and ensure that the CSC operates in compliance with those regulations and laws; advising TOD of any required changes in Business Rules, processes or SOPs.

2.1.3. Coordination with the Replacement System Contractor

The Contractor shall work closely with the TOD and the Replacement System Contractor in the management and operation of the CSC. The Contractor shall be responsible for a complete understanding of the System and its functions as it relates to all areas of operations.

The Replacement System Contractor will be responsible for around the clock monitoring of the System and support of operations and Staff with respect to the System. The Contractor shall be responsible for the timely reporting of any issues or failures it has identified related to the System to both the Replacement System Contractor and TOD, and for cooperating with the Replacement System Contractor to resolve the issues as expeditiously as possible.

6	The Contractor shall report any observed System anomalies and errors that impact customer Accounts to the Replacement System Contractor and TOD via an Approved notification process and the Contractor shall track these issues through to timely resolution in coordination with the Replacement System Contractor.
7	The Contractor shall also report any observed System anomalies and errors (for example, software defects) that do not directly impact Customer Accounts to the Replacement System Contractor via an Approved notification process and the Contractor shall track these issues through to timely resolution in coordination with the Replacement System Contractor.
8	The Contractor shall use the appropriate priority level or level of urgency when reporting System errors to the Replacement System Contractor based on the levels identified in the Approved Operations Plan. The Contractor shall communicate the critical and high-priority items to the Replacement System Contractor within the time period agreed in the Operations Plan.
9	The Contractor shall notify TOD of all issues and errors identified in the Approved Operations Plan as requiring simultaneous notification to TOD and the Systems Contractor.
10	The Contractor shall participate in coordination, status and ad-hoc meetings with TOD and the Replacement System Contractor.
11	The Contractor shall support the Legacy System Contractor and the Replacement System Contractor, as applicable, in the development and periodic update of the Disaster Recovery Plan (DRP) by writing sections which relate to aspects of the CSC under the Contractor's direct responsibility and control.

12	The Contractor shall coordinate with the Legacy System Contractor and the Replacement System Contractor, as applicable, in the Contractor's development and periodic update of the Business Continuity Plan (BCP), including documenting the areas and manner in which the System is required to support the Plan.
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2.1.4. Cooperation with Other Contractors and Providers

13	The Contractor shall cooperate with other contractors and providers in accordance with the terms and conditions of the Contract, including but not limited to:
14	<ul style="list-style-type: none"> the Legacy System Contractor and staff;
15	<ul style="list-style-type: none"> The Replacement System Contractor and staff;
16	<ul style="list-style-type: none"> all Interoperable Agencies and staff;
17	<ul style="list-style-type: none"> all Third-Party Service Providers that interact with the CSC operations Staff; and
18	<ul style="list-style-type: none"> all entities that use or require information from the CSC operations Staff.

2.2. Potential Third-Party Service Providers

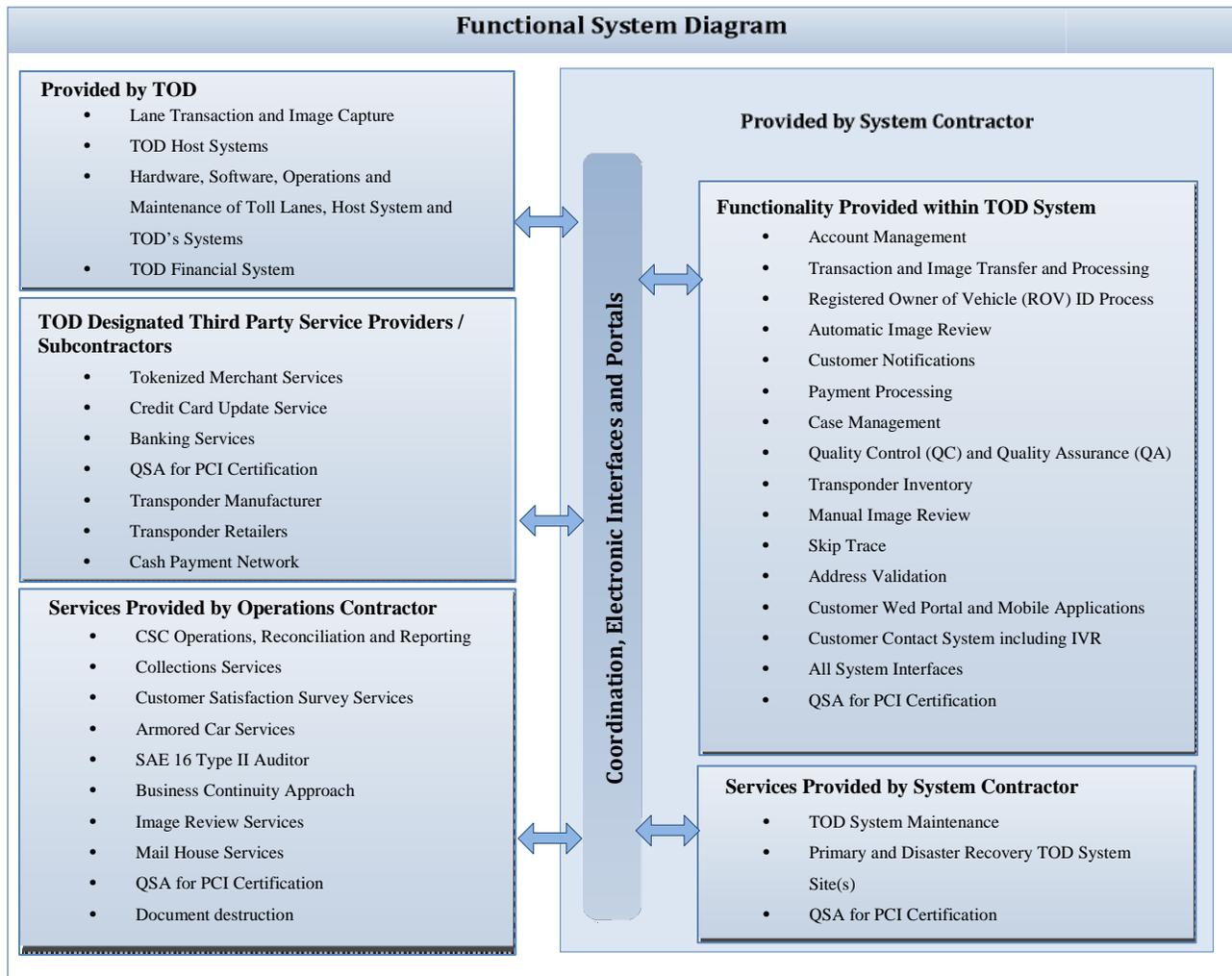
The CSC operation involves a number of services that may be outsourced to a Third-Party Service Provider. These services could fall into one of three categories: Third Party Service Providers selected by TOD; Third Party Service Providers selected by the Replacement System Contractor and Third-Party Service Providers selected by the Contractor as Subcontractors.

TOD will maintain the support contracts listed in Figure 1-1 below that the Contractor shall use to operate the Customer Service Center. It is expected that the Contractor may need to obtain services through additional Subcontractors as necessary to perform the Scope of Services.

All Subcontracts must be Approved by TOD. Reimbursement of costs for Services performed by Third Party Service Providers listed in Exhibit XXX (not presently available) Pricing Sheets shall be invoiced to and paid by TOD at actual cost, without markup, as set forth in Section TBD of the Contract.

This Project involves the Contractor's coordination and cooperation of multiple parties. Figure 1-1 summarizes the Operations Contractor responsibilities relative to TOD, the Replacement System Contractor and Other TOD Third Party Service Providers.

Figure 1-1: Project Responsibilities by Functional Areas and Systems



2.2.1. TOD Support Services

TOD has entered into contracts for goods and services with certain Third-Party Service Providers in support of the System and operating Requirements. These support contracts will be carried forward to support the Contractor and TOD will pay the costs incurred under these contracts directly. TOD may modify, amend, cancel and/or re-procure a Third-Party Service Provider contract to which TOD is a party at any time during the Term.

The following Third-Party Service Providers will be selected and provided by TOD, unless otherwise determined by TOD. TOD will consider alternative solutions and/or providers that may be beneficial to TOD. The Contractor shall coordinate its Work with these entities, services and providers, including:

- Transponder Manufacturer(s) – Currently TransCore, LP;
- Transponder Kit Materials - exclusive of Transponders, multiple providers;
- Retail Transponder Distribution;
- ACH processor;

- Custodial Agreement Services -- currently Bank of New York (BoNY);
- Lockbox services -- currently BoNY;
- storefront cash/check handling services -- currently Frost Bank, sub to BoNY;
- Merchant Services Provider – currently Elavon, Division of US Bank;
- Credit Card Update Service Provider;
- American Express; and
- Miscellaneous as-needed-printing services (e.g., tri-fold map brochure).

19	If TOD changes vendors or adds replacement vendors, the Contractor shall coordinate its Work with any replacement vendor under the terms and conditions of the replacement contract governing the subject matter of the particular support contract.
20	If the terms of the Contract are modified, amended or re-procured, the Contractor shall coordinate its Work with the vendor under the terms and conditions of the replacement contract governing the subject matter of the particular support contract.

2.2.2. Contractor Subcontracts

The Contractor shall obtain services through Subcontractors as necessary to perform the Scope of Services including but not limited to:

21	Auditor to perform SSAE Type II audit and provide the SOC1 report and
22	Prior to entering into a Subcontract, the Contractor shall obtain Approval from TOD.
23	All TOD Approved Subcontract costs shall be paid by TOD at cost, with no Contractor mark up.
24	TOD shall Approve any changes in Contractor-provided Service Providers prior to implementation.
25	Using the Innovation and Efficiency Incentive, the Contractor shall continually seek out ways to reduce the cost of services through innovation and/or revised contractual agreements with the applicable Service Provider.
26	Armored Car Services
27	Document Destruction

2.3. Project Communications

Communication between the Contractor, its Staff, the Replacement System Contractor, any third parties, and TOD will be key to a successful Transition and day-to-day CSC operations. The following section covers the CSC meetings and reporting Requirements for maintaining Project communication. The Contractor is required to facilitate (plan, lead, coordinate, and report on) or participate in both regularly scheduled and ad-hoc meetings during the course of the Project. The meetings are broken in to two groups: the meetings which take place during the Contractor's Planning Phase and those which take place during the Operations Phase.

28	The Contractor shall submit all written communication to TOD via agreed upon method (verbal communications shall be memorialized in writing).
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29	The Contractor shall provide and maintain a schedule for all meetings which they lead and for meetings requested by TOD.
30	The Contractor shall distribute a meeting agenda and meeting minutes following TOD best practices and in accordance with Business Rules and SOPs.
31	The Contractor shall include the following in all meeting notes, including but not limited to:
32	• a complete list of attendees, whether present or on web/phone;
33	• descriptions of issues discussed;
34	• decision items, if any, summarized at the beginning of all meeting note documents;
35	• direction given;
36	• open issues matrix with expected completion date and responsible individual/party; and
37	• specific action items, including the responsible individual and estimated completion dates.
38	The Contractor shall conduct or participate in any and all additional meetings needed to meet the Requirements.
39	The Contractor's personnel in attendance at the meetings shall include personnel with the appropriate level of decision-making authority for the topics which will be covered at the meeting.
40	The Contractor shall support meetings conducted in-person at a meeting location specified by TOD and/or via video conference or telephone at TOD's sole direction.
41	The Contractor shall provide the capability for web and video conferencing for any attendees not at the TOD offices.
42	The Contractor shall provide all voice and network communications and applications required for remote attendee participation by phone, web conferencing (with ability to see all information being displayed at the meeting) and in-person.

2.3.1. Planning Phase Meetings

43	The Contractor shall facilitate and participate in meetings during the Planning Phase, including but not limited to:
44	• Project Reporting and Progress Meetings;
45	• Coordination and Status meetings with other contractors and providers;
46	• Performance Reporting Workshops; and
47	• Various workshops, comment review and operations-related meetings as requested.

2.3.1.1. Project Reporting and Progress Meetings

During the Project Planning Phase, there will be a series of Project reporting and progress meetings to enable TOD and the Contractor to monitor the status, progress and quality of the Work performed on the Project and to take proactive steps to ensure successful delivery of the Project.

48	The Contractor shall submit a Monthly Project Report to TOD for the previous month.in accordance with Business Rules and SOPs.
49	The Contractor shall develop a proposed format of the Monthly Project Report which shall be agreed upon as one of the initial Project tasks upon Notice to Proceed (NTP).
50	The Contractor shall provide a Monthly Project Report that includes but is not limited to:
51	<ul style="list-style-type: none"> • a summary, outlining progress, status and percentage of Work completed for each task, as compared against planned activities in the Project Schedule. Comments shall be included where appropriate. The summary also shall identify key milestones and assignments missed in the period;
52	<ul style="list-style-type: none"> • an analysis of all critical path tasks, potential risks associated with the tasks and proposed contingency/work around plans to avoid or mitigate delays to the Project;
53	<ul style="list-style-type: none"> • a discussion of Project Schedule compliance and an updated Project Schedule showing proposed changes from the Approved Project Schedule, if any (If no Project Schedule change has occurred, the Contractor shall so state.) and showing progress from the previous month for discussion purposes;
54	<ul style="list-style-type: none"> • an updated action items list that tracks the status of all outstanding Deliverables, activities and issues that need decision/resolution;
55	<ul style="list-style-type: none"> • a list of open change requests and their status and identification of any replacement Change Order requests;
56	<ul style="list-style-type: none"> • the previous monthly final meeting minutes for Approval; and
57	<ul style="list-style-type: none"> • a six (6) week look-ahead schedule.

2.3.1.2. Coordination and Status Meetings with Other Contractors and Third-Party Service Providers

During the Planning Phase, the Contractor may need to meet with other contractors and Third-Party Service Providers.

58	The Contractor shall participate in Coordination and Status Meetings with other contractors and Third-Party Service Providers as necessary and at the request of TOD.
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2.3.1.3. Performance Reporting Workshops

During the Planning Phase, the Contractor shall conduct a series of meetings with TOD to work on defining the CSC operations performance reports required to document the Contractor's performance against TOD's Performance Objectives. These meetings will allow the Contractor and TOD to understand how the objective-related data will be captured and how the Performance Reports will communicate the performance data once CSC operations have commenced.

59	The Contractor shall conduct a series of meetings regarding how Performance Objectives will be measured and reported within the first month after NTP or at another date Approved by TOD.
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60	During these workshops, the Contractor, Legacy System Contractor and TOD shall discuss the Performance Objectives and the associated reporting.
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2.3.2. Operations Phase Meetings

61	The Contractor shall facilitate or participate in meetings during the Operations Phase, including but not limited to:
62	<ul style="list-style-type: none"> • Monthly Project Meetings;
63	<ul style="list-style-type: none"> • Monthly System and Operations Coordination Meetings;
64	<ul style="list-style-type: none"> • Weekly Finance Meetings;
65	<ul style="list-style-type: none"> • Weekly Coordination and Status Meetings;
66	<ul style="list-style-type: none"> • Change Control Board (CCB) Meetings; and
67	<ul style="list-style-type: none"> • various workshops, comment review and operations-relate meetings as required herein.

2.3.2.1. Monthly Project Meetings

During the Operations Phase, the Contractor shall conduct Monthly Project Meetings with TOD. These meetings shall provide TOD with a detailed understanding and review of the CSC operations performance for purposes of Project planning and invoicing.

The Contractor shall also inform TOD of the performance of the System, any problems noted, and proposed solutions.

68	The Contractor shall conduct Monthly Project Meetings with TOD throughout the Operations Phase. At a minimum, the CSC Operations Manager (local), Accounting Lead (local) shall attend these meetings. The Contractor's other local management Staff shall attend these meetings in- person in accordance with Business Rules and SOPs.
69	During the Monthly Project Meetings, the Contractor shall review the contents of the Monthly Project Report, Project status and coordinate planned Work.
70	The Contractor shall ensure all issues are addressed and resolved or are placed on the action item list and scheduled for resolution.

2.3.2.2. Monthly System and Operations Coordination Meetings

During the Operations Phase, there will be a series of meetings between the System Contractor (Legacy or Replacement, as applicable) and the Contractor to coordinate the ongoing operation of the CSC. The applicable System Contractor is responsible for coordinating and scheduling these meetings and topics for the meeting will come from the Contractor, the applicable System Contractor and TOD.

71	The Contractor shall participate in the Monthly System and Operations Coordination Meetings with TOD and the Replacement System Contractor during the Operations Phase in order to understand and prepare for System-related issues and activities which will affect the CSC operations.
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72	During the Monthly System and Operations Coordination Meetings, the Replacement System Contractor shall address System-related topics which may affect the operations or for which input is needed from the Contractor, including but not limited to reviewing the Replacement System Contractor's defect tracking report and prioritizing fixes; coordinating upgrades and enhancements approved by the Change Control Board (CCB); reviewing security requirements and compliance; coordination of scheduled System downtime; resolving issues related to personnel or System support, and coordinating on System issues (for example, bugs), for discussion.
73	The Contractor shall identify System-related issues and discussion topics and provide them to the Replacement System Contractor in advance of the meeting whenever practical.

2.3.2.3. Weekly Finance Meetings

During the Operations Phase, the Contractor shall conduct Weekly Finance Meetings with TOD. These meetings conducted by the Contractor shall provide TOD with a detailed understanding and review of the CSC finance-related topics.

74	The Contractor shall conduct the Weekly Finance Meetings with TOD Toll Revenue and Budget staff and operations staff.
75	During this meeting, the Contractor shall review any material finance and reconciliation-related discrepancies, explain changes to any of the reports used by TOD Toll Revenue and Budget staff, discuss proposed process or reporting changes as well as any other applicable finance-related topics.
76	The Contractor shall add topics provided by TOD to the meeting agenda.
77	The Contractor shall ensure all issues are addressed and resolved or are placed on the action item list and scheduled for resolution.

2.3.2.4. Weekly Coordination and Status Meetings

During the Operations Phase, there will be a series of working meetings between the applicable System Contractor and the Contractor to provide/discuss details on System issues; replacement system planning and implementation; and/or other open issues, and work through viable solutions. The applicable System Contractor shall be responsible for coordinating and scheduling these meetings as necessary and topics for the meeting shall come from the Contractor, the applicable System Contractor and TOD.

78	The Contractor shall participate in the Weekly Coordination and Status Meeting with the applicable System Contractor during the Operations Phase. These meetings shall be for the purpose of coordination between the Contractor and applicable System Contractor on all replacement and ongoing issues. TOD shall be invited to attend these meetings.
79	The Contractor shall identify System-related issues and discussion topics and provide them to the applicable System Contractor in advance of the meeting when practical.

2.3.2.5. Change Control Board (CCB) Meetings

During the Operations Phase, there will be a series of meetings managing the change control Approval process. The applicable System Contractor shall be responsible for coordinating and scheduling these meetings and topics for the meeting shall come from the Contractor, the applicable System Contractor and TOD.

80	The Contractor shall participate in regular CCB with TOD and the applicable System Contractor. These meetings shall be for the purpose of providing status updates, reviewing, approving and prioritizing System changes (for example, software enhancements, software upgrades, hardware upgrades, major bug fixes) and operations changes (for example, policies, Business Rules, operational procedures, phone scripts, and Staffing).
81	The Contractor shall identify appropriate input and discussion topics and provide them to the applicable System Contractor in advance of the meeting when practical.

2.3.3. Replacement System-Related Meetings

These meetings occur during the development of the Replacement System.

82	The Contractor shall facilitate and/or participate in meetings no less than one occurrence per month in preparation for the Replacement System, including but not limited to:
83	<ul style="list-style-type: none"> design, coordination and status meeting with TOD and the Replacement System Contractor necessary to complete the Design and installation;
84	<ul style="list-style-type: none"> Performance Reporting Workshops;
85	<ul style="list-style-type: none"> SOPs Workshop;
86	<ul style="list-style-type: none"> reports design and general ledger creation workshop;
87	<ul style="list-style-type: none"> software walkthrough; and
88	<ul style="list-style-type: none"> system conversion planning meetings.

2.3.3.1. Design Coordination and Status meeting with the Replacement System Contractor necessary to complete the Design and Installation

During the Replacement System Contractor's implementation phase, there will be a series of meetings between TOD, the Replacement System Contractor and the Contractor to review the System functionality, clearly define and develop the installation schedule, methodology, timetables, test Plans, responsibilities and contingency Plans. The Replacement System Contractor shall be responsible for coordinating and scheduling all meetings necessary to complete the implementation phase of the Project.

89	The Contractor shall participate in these design, coordination and status meetings with the Replacement System Contractor during the active implementation phase of the Replacement System.
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90	The Contractor shall identify design, development and installation-related issues and discussion topics and provide them to the Replacement System Contractor in advance of the meeting. TOD may participate in these meetings; however, it is the responsibility of the Contractor and the Systems Contractor to act in harmony and resolve issues and to minimize the number of issues that must be escalated to TOD.
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2.3.3.2. Performance Reporting Workshops

During the Replacement System Contractor’s design phase, the Contractor shall jointly facilitate with the Replacement System Contractor a series of meetings with TOD and the Replacement System Contractor to work on defining the CSC reports required by both contractors and TOD to document the Contractor’s performance against the Performance Objectives. These workshops will allow the Contractor and TOD to understand how the Requirements-related data will be captured and how the performance reports will communicate the performance data once the Replacement System has been implemented. In addition, these workshops shall allow the Replacement System Contractor to specify how the requirements-related data will be captured and how the System will accurately report both the Contractor’s and the Replacement System Contractor’s performance as compared to the Requirements. Finally, these workshops will allow the Replacement System Contractor to develop reports which will support the Contractor’s Performance reporting.

91	The Contractor shall jointly facilitate in a series of Performance Objectives reporting workshop with the Replacement System Contractor and TOD.
92	During these workshops, the Contractor, Replacement System Contractor and TOD shall discuss the Performance Objectives and the associated reporting.

2.3.3.3. SOPs

The Contractor shall facilitate a series of meetings with TOD to review proposed modifications to the Approved CSC SOPs document based on the Legacy or Replacement System and any other lessons learned during the operation of the CSC.

93	The Contractor shall facilitate workshops with TOD to review the current SOPs for the CSC and to identify and document any proposed changes to the SOPs that will be implemented once the Replacement System has been implemented.
94	Any changes to the SOPs shall be Approved by TOD prior to implementation.

2.3.3.4. Reports Design and General Ledger Creation Workshop

The Contractor shall participate in a series of meetings with TOD and the Replacement System Contractor to design reports required by TOD and both contractors.

95	The reports Design process is expected to be iterative, and the Replacement System Contractor may conduct multiple workshops with the Contractor and TOD. The Contractor shall bring Staff to the workshops, as appropriate for the report type(s) being reviewed during the meeting; including the design of financial reports and the related General Ledger accounting structure.
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96	The Contractor shall review the reports and other materials and provide feedback to TOD and the Replacement System Contractor during this iterative process.
97	The Contractor shall attend iterative workshops and demonstrations as necessary to address all design comments and issues and to meet the needs of Contractor and TOD.

2.3.3.5. System Walkthrough

The intent of the System walkthrough is to provide interaction among TOD, the Contractor and the Replacement System Contractor regarding the status of the System development.

98	The Contractor shall participate in a series of System walkthroughs and product demonstrations covering the full functionality of the software intended to solicit input from the Contractor and TOD during the development of the Replacement System.
99	The Contractor shall provide a report of written comments and feedback during and following the Replacement System walkthroughs.

2.3.4. Project Schedule

The Project Schedule is a comprehensive list of Project milestones, activities and Deliverables, with intended start and finish dates, including a detailed Work Breakdown Structure (WBS) that identifies Project tasks down to the Work package level and the activities required to complete the work package deliverables.

100	The Contractor shall provide and maintain a detailed Planning Phase Project Schedule for the Project using software tools used by TOD, currently Microsoft Project version Project 2014, that lists all Project activities and tasks and sub-tasks, and sub-phases including but not limited to:
101	<ul style="list-style-type: none"> • staffing;
102	<ul style="list-style-type: none"> • document delivery and TOD review;
103	<ul style="list-style-type: none"> • build-out of the CSC facility (including all equipment, communications infrastructure and installation and all other items to operate);
104	<ul style="list-style-type: none"> • training;
105	<ul style="list-style-type: none"> • Transition;
106	<ul style="list-style-type: none"> • operations Go-Live; and
107	<ul style="list-style-type: none"> • ongoing Project activities throughout the Planning Phase, for example Replacement System- related activities and scheduled meetings and their frequency.
108	The Contractor shall submit the Project Schedule to TOD for Approval and shall be based on the schedule included in the Contract. Changes to the Project Schedule shall be subject to the Approval of TOD. Upon Approval of the Project Schedule by TOD the schedule shall become the Approved Project Schedule.

109	The Project Schedule shall include coordination activities and/or scheduled meetings with TOD and all third parties, as necessary, including but not limited to the Legacy System Contractor, the Replacement System Contractor, and Third-Party Service Providers, and shall clearly document all interfacing tasks.
110	The Project Schedule shall identify all milestones and tasks, starting with NTP through the end of the Planning Phase.
111	The Project Schedule shall be resource loaded, shall include all draft submissions and review cycles and shall include all tasks required of TOD. All TOD tasks and durations shall be clearly highlighted and differentiated from Contractor tasks.
112	The Project Schedule shall identify all Critical Path tasks and shall be used to manage the Project.
113	The Contractor shall update progress against the Approved Project Schedule on a weekly basis, showing percent complete for all Project tasks and identifying actual start and finish dates against the Approved Project Schedule.
114	The Contractor shall use the Approved Project Schedule throughout the duration of the Project.
115	The Contractor shall obtain Approval from TOD for all changes to the Approved Project Schedule. No revisions shall be considered Approved or accepted without this Approval.

2.4. Project Deliverables Summary

2.4.1. Project Schedule

The Contractor shall develop and provide a Project Schedule by a date to be agreed. Project Schedule shall be approved by TOD.

2.4.2. Due in Accordance with the Approved Schedule

The following shall be provided according to the Approved Project Schedule:

- Project Management Plan
- Operations Plan including all following sub-Plans;
- Training materials;
- Destruction of customer data procedure;
- Monthly Operations Report;
- Staffing Plan updates and
- Staffing Model updates.

2.5. Documentation

The Contractor is required to provide various documents. All documentation provided under this Contract shall meet the Requirements described below.

2.5.1. Contractor Developed Documentation

116	The Contractor shall maintain and keep current all manuals and documents related to CSC operations in electronic format and provide electronic format documents to TOD In accordance with SOPs.
117	The Contractor shall utilize acceptable standards Approved by TOD, when updating documents and submitting revisions. Each document shall be properly titled, date updated, numbered by revision and version and shall incorporate signature blocks for authorship and Approvals.
118	The Contractor shall submit all documents and Deliverables provided under the Contract to TOD for Approval.
119	All documentation submitted by the Contractor shall be accurate, processed through a document or quality control, error free and comply with Contract Requirements.
120	All documentation submitted by the Contractor shall have a table of contents, identifying all sections and subsections.
121	A complete table of contents including all subsections and a summary narrative for each section describing the assumptions and approach that will guide the development of the section (for all documentation of a size that requires one) shall be submitted before the preliminary draft is submitted by the Contractor to TOD for review and comment.
122	The Contractor shall submit preliminary draft and final draft documents to TOD for review and comment, followed by 100 percent complete documents that incorporate all of TOD'S review comments.
123	TOD shall have the right to require additional interim drafts from the Contractor at no additional cost, should the draft documentation submitted not be of adequate quality, have missing, unclear or incorrect information, or if does not incorporate TOD's review comments.
124	TOD will provide the Contractor with written comments on all submitted documents using a comment form Approved by TOD, and the Contractor shall respond in writing to all comments on that comment form. A meeting(s) shall be conducted to clarify and resolve any remaining questions and issues concerning the comments and responses provided. The Contractor shall prepare a revised version of the Deliverable for Approval by TOD. The Contractor shall conduct as many review cycles (followed by updated documentation) necessary to address all issues to the satisfaction of TOD as further set forth in the Contract.
125	The Contractor shall submit an electronic version, in printable format, of all Contractor developed documentation for TOD's review and Approval. Acceptable electronic formats are Microsoft Office 2016 Suite (or higher) and unsecured Portable Document Format (PDF).
126	All Project Deliverables and documents submitted under this Contract shall be available to TOD electronically for TOD's review at their convenience.
127	The Contractor shall update all applicable documentation as operational processes change. All changes shall be submitted to TOD for Approval. A complete set of updated CSC documentation shall be available to a TOD-provided electronic repository throughout the Term of the Contract.

2.5.2. Project Management Plan

128	The Project Management Plan shall include, but is not limited to:
129	<ul style="list-style-type: none"> • Project scope and key Deliverables;

130	<ul style="list-style-type: none"> • a description of the management and organization of the Project, an organization chart, identification of Key Personnel, as identified in these Requirements and their responsibilities and identification of the resources to be used in fulfilling the Requirements of the Contract;
131	<ul style="list-style-type: none"> • a description of Project planning, documenting and reporting methods to be utilized, both for use within the Contractor's Staff and externally with TOD;
132	<ul style="list-style-type: none"> • communication, escalation and resolution of Project issues with TOD;
133	<ul style="list-style-type: none"> • meeting schedules;
134	<ul style="list-style-type: none"> • Project Schedule;
135	<ul style="list-style-type: none"> • a description of the process for reporting and tracking the Project Schedule and Project performance;
136	<ul style="list-style-type: none"> • approach to change management, including a description of the process for documenting and submitting change requests, the Approval process and how the change management approach will be integrated into day-to-day Project management;
137	<ul style="list-style-type: none"> • approach to document control;
138	<ul style="list-style-type: none"> • approach to risk management;
139	<ul style="list-style-type: none"> • documenting the Invoice submission, Invoice backup information, verification and Approval process; and
140	<ul style="list-style-type: none"> • a section with all Approved Project forms.
141	The Contractor shall develop and submit a Project Management Plan to TOD for review and Approval.
142	The Contractor shall identify the tools and products used to manage the Project and the internal controls instituted by the Contractor to guarantee successful delivery of the Project.

2.5.3. Operations Plan

The Operations Plan is the single source of information about how the CSC will be managed and operated. This document describes the Contractor's approach to all aspects of the Work and contains numerous sub-Plans and sections, including but not limited to:

- Standard Operating Procedures (SOPs);
- Staffing Plan;
- Training Plan;
- Quality Assurance (QA) Plan;
- Reporting and Reconciliation Plan;
- Disaster Recovery Plan (DRP);
- Operations Business Continuity Plan (BCP);
- Transition Plan; and
- Succession Plan.

143	The Contractor shall develop a comprehensive Operations Plan that establishes and communicates how the Contractor will conduct business in an efficient, customer-focused manner while complying with all Requirements including but not limited to:
144	<ul style="list-style-type: none"> • all CSC Business Rules and TOD'S policies related to the CSC operations;

145	<ul style="list-style-type: none"> • detailed SOPs required to operate the CSC;
146	<ul style="list-style-type: none"> • customer privacy policy;
147	<ul style="list-style-type: none"> • data and physical security - that includes the management of, and the processes to maintain the, confidentiality, integrity and security of information. This shall include the methods by which unauthorized access and potential loss shall be detected;
148	<ul style="list-style-type: none"> • human resources and staffing policies and procedures;
149	<ul style="list-style-type: none"> • employee code of conduct;
150	<ul style="list-style-type: none"> • CSC Holidays and hours of operation, including the CSC, call center, and Walk-in Centers;
151	<ul style="list-style-type: none"> • detailed scripts for common customer interactions;
152	<ul style="list-style-type: none"> • copies of each non-System generated form, spreadsheet, tracking sheet, report, letter, email and text templates which the Contractor will utilize in the operation of the CSC;
153	<ul style="list-style-type: none"> • Quality Control (QC) and verification procedures to ensure operations meet the Performance Objectives;
154	<ul style="list-style-type: none"> • change management - that includes processes for managing impacts of changes on people, processes, and technology, and mitigating any negative consequences;
155	<ul style="list-style-type: none"> • change control - that includes procedures for tracking potential and Approved Change Orders and updating all related documentation to reflect changes Approved by TOD;
156	<ul style="list-style-type: none"> • Quality Assurance and operations monitoring to ensure compliance with Requirements;
157	<ul style="list-style-type: none"> • a description of how the Contractor will communicate with TOD pertaining to day-to-day operations and general issues and problems, including but not limited to: Case management, correspondence management, escalation procedures, document control, and submittals procedures;
158	<ul style="list-style-type: none"> • a description of how the Contractor will communicate with TOD and Interoperable Agencies in handling customer disputes, payments and reconciliation;
159	<ul style="list-style-type: none"> • emergency response management procedures, including a detailed description of how the Contractor will communicate and respond to emergency conditions;
160	<ul style="list-style-type: none"> • processes and procedures instituted to ensure high customer satisfaction including the use of the TOD-provided Customer Satisfaction Survey Provider and program that will be used to monitor customer satisfaction at the CSC; and
161	<ul style="list-style-type: none"> • all other elements required to operate the CSC in accordance with these Requirements.
162	The Operations Plan shall be submitted to TOD for review and Approval in accordance with the Approved Project Schedule.
163	The Contractor shall review the Operations Plan at least annually to address changing business needs, efficiencies, customer satisfaction, and Employee workflow as well as continued compliance with the Requirements. Updates to the Operations Plan shall be submitted to TOD for Approval prior to implementation.
164	Updates to the Operations Plan shall be readily available to Authorized Users electronically for immediate reference with the capability to print as needed. Updates for the previous month shall be presented at the Monthly Project Meeting.

165	The Contractor shall publish a full revision of the Operations Plan no less than annually.
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2.5.3.1. Standard Operating Procedures (SOPs)

The SOPs define and document all ongoing operations, procedures and processes of the CSC.

166	The Contractor shall develop and maintain the SOPs.
167	An updated version of the SOPs shall be provided to TOD for review and Approval on no less than an annual basis or in advance of any policy or procedural change, or more often as requested by TOD.
168	The SOPs shall be submitted and maintained in electronically in printable format.
169	The SOPs shall include but not be limited to:
170	<ul style="list-style-type: none"> detailed narratives and process flow diagrams in providing step-by-step procedures for every task the Contractor performs;
171	<ul style="list-style-type: none"> details of both manual and System-aided steps and procedures;
172	<ul style="list-style-type: none"> operating policies;
173	<ul style="list-style-type: none"> all required daily responsibilities and periodic tasks;
174	<ul style="list-style-type: none"> a cross-referenced table identifying the relationships between the specific procedures and the approved Business Rules. The cross reference shall be updated as SOPs or Business Rules change;
175	<ul style="list-style-type: none"> the Contractor’s process and schedule for updating and amending all operations documentation on an on-going basis; and
176	<ul style="list-style-type: none"> the Contractor’s title and TOD staff name and title.
177	The Contractor shall submit the SOPs for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.
178	The Contractor shall distribute, train and educate the Contractor’s CSC Staff in accordance with SOPs.
179	Updates to the SOPs shall be readily available to Authorized Users electronically with the capability to print as needed.

2.5.3.2. Staffing Plan

The approach to Staffing defines the required human resources needed to meet all of the Requirements for the CSC. It details the selection and assignment of an operations team. It describes how the Staff will be recruited, vetted, trained, compensated, and evaluated. The Staffing Plan shall identify the appropriate skill sets and labor to manage the Work and to perform the tasks that produce the specified Deliverables, customer service and performance.

180	The Contractor shall develop a Staffing Plan that includes details of the Contractor’s Staffing and human resource management program.
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181	As a part of the Operations Plan, the Contractor shall provide TOD with a Staffing Plan that provides all Project Staffing to meet the Requirements.
182	The Staffing Plan shall include a hiring/assignment schedule for anticipated resource requirements for the duration of the Project.
183	The Staffing Plan shall include the location of all personnel required to meet Project Requirements (on-site or remote), as well as the Contractor's approach to providing training and support for any remote Staff.
184	The Contractor shall develop and provide an organizational approach for Staffing in the Staffing Plan designed to meet the Requirements. This includes but is not limited to:
185	<ul style="list-style-type: none"> • organizational chart with all Staff Positions (including Subcontractors), head count and reporting relationships;
186	<ul style="list-style-type: none"> • job descriptions for all Staff Positions by Classification/Position type;
187	<ul style="list-style-type: none"> • identification of functions which have been Subcontracted, the name of the Subcontractor, Subcontractor responsibilities and name(s) and contact information for Subcontractor's Key Personnel, if applicable;
188	<ul style="list-style-type: none"> • A schedule describing the daily and weekly Staff shifts and a description of how the Contractor will adjust Staffing to accommodate seasonal demands;
189	<ul style="list-style-type: none"> • recruitment processes;
190	<ul style="list-style-type: none"> • pre-employment screening including testing and background investigations;
191	<ul style="list-style-type: none"> • training, testing and re-training policies and procedures including refresher and remedial training;
192	<ul style="list-style-type: none"> • Employee retention and career development program;
193	<ul style="list-style-type: none"> • Employee monitoring, performance evaluation and coaching; and
194	<ul style="list-style-type: none"> • Employee termination process.
195	This Staffing Plan shall be submitted for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.

2.5.3.3. Training Plan

196	The Contractor shall develop and maintain a Training Plan.
197	Each time the Training Plan is revised, it shall be submitted to TOD for Approval. The plan shall be submitted and maintained electronically in printable format.
198	The Training Plan shall describe the plan for training new personnel and outline required operational and System knowledge for each Position to be gained from the training and demonstrated prior to allowing a participant to graduate from the class. For each TOD Position, the Plan shall describe the materials to be used in training and subsequent testing, if applicable. Training on the phone system shall be hands-on, emulating actual calling scenarios. The Plan also shall include a schedule for follow-up training and continuing education for Staff.

199	The Training Plan shall provide a plan for peak period, emergency or temporary assignments to provide for Staff redundancy. The Training Plan also shall include the training schedule for regular Staff training and continuing education/training.
200	The Contractor shall submit a Training Plan, in accordance with the Approved Project Schedule, that describes the approach to training all Staff including but not limited to:
201	<ul style="list-style-type: none"> • overall description of the training program;
202	<ul style="list-style-type: none"> • training techniques;
203	<ul style="list-style-type: none"> • training delivery schedule;
204	<ul style="list-style-type: none"> • names and descriptions of each training class;
205	<ul style="list-style-type: none"> • purpose of each training class;
206	<ul style="list-style-type: none"> • Positions that should attend the class;
207	<ul style="list-style-type: none"> • qualification requirements for trainer;
208	<ul style="list-style-type: none"> • minimum qualifications for personnel attending the class;
209	<ul style="list-style-type: none"> • duration of the class;
210	<ul style="list-style-type: none"> • training materials, including syllabus, schedule, training goals, materials and techniques to be used;
211	<ul style="list-style-type: none"> • tests and evaluation criteria, as applicable, that may be required for successful graduation from the class;
212	<ul style="list-style-type: none"> • data preparation, for example test Accounts and test Transactions;
213	<ul style="list-style-type: none"> • required equipment; and
214	<ul style="list-style-type: none"> • facility requirements.

2.5.3.4. Quality Assurance (QA) Plan

The QA Plan will include details about how the Contractor will plan and implement the CSC QA program, how to address errors (quality-related events) and how to make improvements before an error occurs (continuous quality improvement).

215	The Contractor shall develop a QA Plan that details the Contractor's QA program. The Plan shall address Transition and on-going CSC operations.
216	The QA Plan shall describe the process for TOD to review and verify the quality of CSC operations, revenue collection and customer satisfaction.
217	The QA Plan shall include the Contractor's QA program for both the Planning and Operations Phases, covering the entire Project, including all Work provided under this Contract.

218	The QA/QC Plan shall include how the QA program will be performed within the project management structure, including frequency of QC activities, the specific individual(s) with primary responsibility for the program, the procedures to be followed, the lines of authority to be established, the methods and frequency of communication to TOD, and plans for implementing changes or corrective action.
219	The QA Plan shall describe the QA procedures and methodology for the Project, including but not limited to:
220	<ul style="list-style-type: none"> • quality management and organizational structure;
221	<ul style="list-style-type: none"> • quality management of customer service during the operational Transition;
222	<ul style="list-style-type: none"> • quality management documentation;
223	<ul style="list-style-type: none"> • ongoing customer satisfaction surveying and how the tool and information will be used;
224	<ul style="list-style-type: none"> • quality review and verification;
225	<ul style="list-style-type: none"> • Contractor’s quarterly quality audit and
226	<ul style="list-style-type: none"> • Dashboard, reporting and metrics.
227	<ul style="list-style-type: none"> • the scope of the QA Plan shall span the entire CSC operations including but not limited to:
228	<ul style="list-style-type: none"> • image review QA;
229	<ul style="list-style-type: none"> • ROV Look up;
230	<ul style="list-style-type: none"> • customer service;
231	<ul style="list-style-type: none"> • issue management;
232	<ul style="list-style-type: none"> • incoming and outgoing customer notifications;
233	<ul style="list-style-type: none"> • returned mail processing;
234	<ul style="list-style-type: none"> • payment and adjustment processing;
235	<ul style="list-style-type: none"> • unidentified funds processing;
236	<ul style="list-style-type: none"> • refund processing and management;
237	<ul style="list-style-type: none"> • transponder order fulfillment;
238	<ul style="list-style-type: none"> • reconciliation activities;
239	<ul style="list-style-type: none"> • reports and reporting;
240	<ul style="list-style-type: none"> • Operations Plan document updating;
241	<ul style="list-style-type: none"> • staff training; and
242	<ul style="list-style-type: none"> • human resource activities.

243	The QA Plan shall be submitted for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.
244	The Contractor shall submit annually an updated QA/QC Plan to TOD, and whenever changes in operational procedure necessitate.
245	The Contractor shall submit any revisions to the QA/QC Plans to TOD for Approval prior to the implementation of any changes.

2.5.3.5. Reporting and Reconciliation Plan

The Reporting and Reconciliation Plan shall include a comprehensive, detailed description of actions to be taken and information to be provided to TOD related to all aspects of the CSC operation related to reconciliation, recommended distributions, and reporting. The document will list each of the daily, monthly and annual reconciliations that are performed. It should also include a list of all system reports with a brief description of each report and the options for running the report. This document will identify each report and its associated delivery schedule and provide an explanation of the report and its underlying data and how it is used.

This plan will include the reporting hierarchy that shows the levels of reporting categories from most detailed to highest summary level. It will also include an up to date toll rate table, along with an updated list of tolling points with associated roadways, and other reporting categories. It must include the chart of accounts for the General Ledger design and use cases for transactions, along with any transaction codes or other legends needed to understand the GL and related reporting.

Reconciliations and recommended distributions of toll and fee revenue by transaction type by roadway are required daily, within 1 business days of receipt. This plan must also include detailed actions to be taken to comply with CUSIOP or other relevant IOP agreement and business rules. Additionally, TOD has unique contracts for specific roadways which requires the calculation of transaction fees, and/or the separate accounting and distribution of base ETC toll rate and the additional toll rate allowed for pay by mail transactions.

Daily revenue is received daily thru wire transfer, credit cards, checks and cash via the store front, special events, IVR, call center, mailed-in payment processing, collection agencies, courts, web site, other IOP agencies and in the future from other retail locations and Mobile Applications. Credit card payments may be automatic replenishments or one-time payments. All reconciliation, reporting and related procedures must address all incoming revenue sources.

246	The Contractor shall develop and submit to TOD for Approval, a Reporting and Reconciliation Plan that details the Contractor's reporting and reconciliation program.
247	The Reporting and Reconciliation Plan identifies the procedures that the Contractor will use to perform, manage and reconcile all aspects of the TCSC. This includes both Transaction and financial reconciliation. Financial reconciliation includes system/GL reconciliation in addition to bank account reconciliation.

248	Each reconciliation shall have a separate section which identifies the reports used for the reconciliation, whether or not the report is generated from the System, received from a third party (e.g., the bank) or developed manually by the Contractor.
249	The Plan shall describe each provided report or report set and the schedule for providing it along with a sample of each report set. This includes but is not limited to:
250	<ul style="list-style-type: none"> • Daily Reconciliation and Recommended Distribution Report;
251	<ul style="list-style-type: none"> • Monthly Reconciliation Report;
252	<ul style="list-style-type: none"> • Annual Reconciliation Report; and
253	<ul style="list-style-type: none"> • other operations and financial reports as needed to fully reconcile and meet the operations Requirements.
254	The Plan shall be submitted for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.
255	Monthly IOP reconciliation and recommended distribution report.

2.5.3.6. Disaster Recovery Plan (DRP)

The Contractor will coordinate with the appropriate System Contractor and TOD to maintain customer service operations following an event that disrupts operations. The Contractor shall perform Disaster Recovery (DR) procedures in accordance with the Approved Disaster Recovery Plan (DRP) in the event of a disaster.

The DRP shall be a comprehensive, documented statement of actions to be taken before, during and after a disaster to protect and recover the information technology data, assets and facilities of the CSC. The DRP is developed by the Replacement System Contractor with support from the Contractor. The Contractor’s recovery time standards are in Table 2-1: Disaster Recovery Time.

Table 2-1: Disaster Recovery Time

Functional Area	Maximum Recovery Time
Call center	72 hours
Payment processing	72 hours
Walk-in Centers	72 hours
Transponder processing and distribution	5 Business Days
Correspondence	5 Business Days
Reporting	5 Business Days
Revenue management tasks	5 Business Days

256	The Contractor shall provide input, review and comment on the Replacement System Contractor provided drafts of the DRP. The Contractor shall work with the Replacement System Contractor in planning and developing strategies for mitigating the effects on customers and TOD in case of disaster.
257	The Contractor shall support the Replacement System Contractor in the development of the DRP by writing the sections which relate to aspects of the CSC operations under the Contractor's direct responsibility and control.
258	The Contractor shall coordinate with the Replacement System Contractor to ensure operational support of the Replacement System Contractor provided DRP in the event of a disaster.
259	The Contractor shall participate in the annual Disaster Recovery testing with the Replacement System Contractor.

2.5.3.7. Operations Business Continuity Plan (BCP)

The Contractor shall develop the operations BCP with regard to continuation of operations in the event of unplanned business disruptions. The Contractor shall work in coordination with TOD and the appropriate System Contractor who shall develop the BCP with regard to the System.

260	The Contractor shall develop and maintain the operations BCP describing the Contractor's Staffing capabilities, alternative locations and approaches to supporting Business Continuity and the resumption of CSC customer service and operational processes after unplanned disruptions.
261	The Contractor shall ensure continuous ongoing operations in accordance with the procedures in the Approved operations BCP.
262	The operations BCP shall detail the process for continued CSC operations and performance of critical business functions in the event of an unscheduled service disruption regardless of the duration.
263	The operations BCP shall include, but not be limited to, the following:
264	<ul style="list-style-type: none"> • events and situation that will trigger the operations Business Continuity process;
265	<ul style="list-style-type: none"> • process management;
266	<ul style="list-style-type: none"> • required coordination with the appropriate System Contractor and TOD;
267	<ul style="list-style-type: none"> • contact list and notification process;
268	<ul style="list-style-type: none"> • plan and procedures for the manual operation of CSC operations during periods of System down time or loss of connectivity;
269	<ul style="list-style-type: none"> • plan/ alternative for resuming external interfaces and communications. Resuming external communications includes correspondence and the call center;
270	<ul style="list-style-type: none"> • staffing;
271	<ul style="list-style-type: none"> • alternate sites;

272	<ul style="list-style-type: none"> customer notification; and
273	<ul style="list-style-type: none"> return to normal operations.
274	The operations BCP shall be submitted for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.
275	The Contractor shall update the operations BCP at least once per year and within 30 days after any major disruption in business.
276	Changes to the operations BCP shall be reflected in the BCP within 30 calendar days of Approval. The Contractor shall distribute, train and educate the operations Staff on the BCP.
277	Updates to the operations BCP shall be readily available to Authorized Users electronically for immediate reference with the capability to print as needed. Updates for the previous month shall be presented at the Monthly Project Meeting.
278	The Contractor shall coordinate with the Replacement System Contractor to ensure that the System, the DRP and the Replacement System Contractor's BCP will work to efficiently support the Contractor's business continuity approach.
279	The Contractor shall ensure that all necessary measures are in place to implement any and all elements of the operations BCP as needed throughout the Contract.
280	In the event of a disaster or interruption in business services the Contractor shall, upon proper notification to TOD, implement the operations BCP. When the event is over, the Contractor shall document lessons learned and update the operations BCP in accordance with those lessons.
281	If the operations BCP is implemented as a result of a disaster or interruption in business services, with Approval from TOD, the Performance Objectives payment deductions shall not be applied for the period of time the CSC is operating under degraded circumstances and the Performance Objectives shall be suspended until the time permitted for the Contractor to resume normal operations has passed.
282	The Contractor shall participate in the annual DRP/BCP testing with the applicable Replacement System Contractor.

2.5.3.8. Transition Plan

The Transition Plan shall be developed by the Contractor and shall include an explanation of how the Contractor will manage the Transition of the existing CSC operations to the replacement CSC operations managed by the Contractor while ensuring that TOD's customers are not adversely affected.

283	The Contractor shall coordinate with TOD to develop and provide a detailed Transition Plan that identifies the implementation and Transition of all activities, data and TOD-owned materials associated with the implementation of the CSC from TOD to the Contractor.
284	The Transition Plan shall incorporate all aspects of the CSC Transition, including but not limited to:
285	<ul style="list-style-type: none"> customer service work in progress;
286	<ul style="list-style-type: none"> Transponder inventory;

287	<ul style="list-style-type: none"> • hardcopy documentation;
288	<ul style="list-style-type: none"> • softcopy information owned by TOD;
289	<ul style="list-style-type: none"> • startup of the replacement CSC;
290	<ul style="list-style-type: none"> • post office boxes;
291	<ul style="list-style-type: none"> • phone numbers;
292	<ul style="list-style-type: none"> • staffing;
293	<ul style="list-style-type: none"> • Training; and
294	<ul style="list-style-type: none"> • Go-Live.
295	The Transition Plan also shall include coordination with TOD regarding the orderly shutdown and decommissioning of any applicable operations being performed by TOD after operations Go-Live.
296	The Transition Plan shall include a Transition schedule, detailing any operations down time required and the expected duration of the outages.
297	The Transition Plan shall be submitted for Approval by TOD as a part of the Operations Plan in accordance with the Approved Project Schedule.

2.5.3.9. Succession Plan

The Succession Plan shall address how the Contractor will support TOD and the Successor in transitioning the CSC operations to the Successor contractor. The goal of the Plan is to facilitate a seamless succession upon termination or expiration of the Contract.

298	The Contractor shall develop a detailed Succession Plan that identifies the transition of all activities and TOD-owned materials associated with the operation of the CSC at the end of the Contract or upon termination.
299	The Succession Plan shall include an overview and sequential steps detailing the transfer of each CSC operational area to the Successor or TOD. The Succession Plan shall include, at a minimum, sections covering operational shut downs and the transfer and/or replacement of:
300	<ul style="list-style-type: none"> • knowledge;
301	<ul style="list-style-type: none"> • customer information (for example, current and historical data records, scanned and hard copy documents, open call center Cases, applications, forms, and correspondence);
302	<ul style="list-style-type: none"> • customer service work in progress;
303	<ul style="list-style-type: none"> • correspondence templates and samples;
304	<ul style="list-style-type: none"> • current policies and procedures documentation;
305	<ul style="list-style-type: none"> • Transponder inventory and associated information and documentation;
306	<ul style="list-style-type: none"> • hardcopy documentation;

307	<ul style="list-style-type: none"> • softcopy information owned by TOD;
308	<ul style="list-style-type: none"> • CSC facilities;
309	<ul style="list-style-type: none"> • physical assets, including a current list of assets and their owners;
310	<ul style="list-style-type: none"> • licenses;
311	<ul style="list-style-type: none"> • financial ledgers and other financial information;
312	<ul style="list-style-type: none"> • leasing agreements, for any agreements that the Contractor entered into during the Term of the Contract. Include name, purpose, terms, date and contact information. Existing agreements that were in place at the beginning of the Contract are not required;
313	<ul style="list-style-type: none"> • service contracts, for any contracts that the Contractor entered into during the Term of the Contract. Include name, purpose, terms, date and contact information. Existing contracts that were in place at the beginning of the Contract are not required;
314	<ul style="list-style-type: none"> • business relationships, including a current list of relationships (name, description, contact information);
315	<ul style="list-style-type: none"> • staffing and organization, including training;
316	<ul style="list-style-type: none"> • training materials and records;
317	<ul style="list-style-type: none"> • other information or knowledge necessary for succession or as otherwise reasonably requested by TOD; and
318	<ul style="list-style-type: none"> • Contractor orderly shutdown of non-transitioned items, facilities and services.
319	The Succession Plan, when implemented, shall ensure no interruption of CSC operations.
320	The Contractor shall submit a Succession Plan as a part of the Operations Plan for TOD review and Approval in accordance with the Approved Project Schedule.
321	The Succession Plan shall be updated and submitted for Approval by TOD annually to account for any changes in policy or operations, or at TOD's request.

2.5.4. Records Retention and Document Control

322	The Contractor shall meet all data retention requirements, including durations for retention, as set forth in State of Texas Records Retention Schedule
323	If specific documents or data retention requirements are not covered in the State of Texas Records Retention Schedule or the retention Requirement is greater in other applicable Requirements, the Contractor shall maintain records, for the duration of the Contract period, in compliance with the longer retention period Requirement. Other applicable Requirements include but are not limited to:
324	<ul style="list-style-type: none"> • GAAP;
325	<ul style="list-style-type: none"> • Record Retention Policy for TOD;
326	<ul style="list-style-type: none"> • IRS Requirements;
327	<ul style="list-style-type: none"> • Texas Transportation Code and Government Code Section;

328	<ul style="list-style-type: none"> • all applicable federal, state, local and other laws and regulatory matters; and
329	<ul style="list-style-type: none"> • all security Requirements including PCI-DSS Requirements.
330	Standards for records management and retention may change during the Term of the Contract. TOD will provide any updates to their internal policies and procedures that may impact the CSC as appropriate; however, it is the Contractor’s responsibility to ensure it is aware of any changes required as a result of statutory changes, and to incorporate those changes, as appropriate within the CSC.
331	The Contractor shall be responsible for data retention and destruction/shredding of all paper records, in accordance with TOD’S retention schedule and all of the requirements related to records retention. In the event of a conflict between requirements, the Contractor shall immediately notify TOD.
332	The Contractor shall develop and submit to TOD for Approval a procedure to ensure proper destruction of customer data.
333	The Contractor shall maintain records and data essential to providing objective evidence of quality, and these records shall be made available to TOD upon request.
334	Quality-related records and data shall include but not be limited to:
335	<ul style="list-style-type: none"> • inspection and test results;
336	<ul style="list-style-type: none"> • records of Subcontractor QA programs;
337	<ul style="list-style-type: none"> • change request documentation;
338	<ul style="list-style-type: none"> • customer satisfaction survey results;
339	<ul style="list-style-type: none"> • operational reviews and walk-throughs; and
340	<ul style="list-style-type: none"> • results of internal and Contractor audits.
341	The Contractor shall maintain records in a manner that allows easy access and analysis of the status of the overall QA program.
342	All paper copies of documents electronically associated with a customer Account shall be shredded and properly disposed according to the Business Rules.
343	All paper documents containing personal or financial information shall be mechanically shredded according applicable rules and regulations.
344	The Contractor shall notify TOD prior to the scheduled destruction of any stored document and the Contractor shall notify TOD once the documents have been destroyed.
345	The Contractor shall provide TOD with copies of the certificates of destruction as evidence the documents have been destroyed within 30 days of the date of the documents destruction.

2.5.5. Management Reporting

346	The Contractor shall prepare and submit to TOD a single Monthly Project Report package in an approved format, on an agreed-upon day each month. This report package shall provide the information required for TOD to verify the Contractor performance as reported by the Contractor, including but not limited to:
347	<ul style="list-style-type: none"> • Project Oversight Report;
348	<ul style="list-style-type: none"> • Balanced Scorecard;
349	<ul style="list-style-type: none"> • monthly operations Invoices for the corresponding period;
350	<ul style="list-style-type: none"> • A look-back comparing actual Staffing/invoice compared to the TOD-approved estimated Staffing including analysis of variances as set forth in Section TBD of the Contract;
351	<ul style="list-style-type: none"> • Three-month look forward for budgeted Staffing based on estimated volumes. TOD will authorize staffing levels and planned compensation based on this;
352	<ul style="list-style-type: none"> • other agreed-to CSC operations reports; and
353	<ul style="list-style-type: none"> • updates to documents and Plans which have occurred in the previous period.
354	The Monthly Project Report package shall detail the Contractor's performance against the Performance Objectives, in tabular and graphical formats. The Contractor shall use the CSC reports and other data from operations as approved, to conduct an analysis of the data and summarize the results. The basis for the data shall be the System and phone system reports, when available, and all data must be reconciled against the appropriate report(s).
355	The data shall be presented in a graphical and tabular format showing the Contractor's comparative monthly performance over time.
356	Any failures to meet the Performance Objectives shall be identified and details submitted, including the Contractor's Plan to correct such occurrences. The associated performance adjustment for such failures shall be summarized and tabulated with the total performance adjustment provided.
357	Any incentives for exceeding the Performance Objectives shall be identified and details submitted. The associated performance incentives shall be summarized and tabulated with the total performance incentives provided. The incentives and the adjustments related to failures to meet the Performance Objectives shall be netted and resulting adjustment or incentive shall be applied to the Contractor's Invoice for the corresponding month.
358	At a minimum, the Contractor's Monthly Project Report package shall include the reports listed below; however, the final list of documents to be included shall be developed and Approved as a part of the Operations Plan.

359	Project Oversight Report: This report summarizes the Contractor's Project activities for the reporting period, including major accomplishments, issues and summary reporting. The Project Oversight Report also shall include an updated action items list that tracks all open items to be resolved by the Contractor. The list shall include task description, date created, owner, status, priority, impact/justification, completion due date and notes pertaining to the completion of each task. A status of operational changes shall be included in the Report. The Contractor shall provide status on all existing and Replacement System issues that affect operations. The Contractor also shall make recommendations for innovations, processes and system improvements and other suggested changes, which will improve customer service or increase operational efficiency.
360	CSC Operations Reports: This suite of reports shall provide the requested details to support the Project Oversight Report, including but not limited to: customer contacts, mail handling and notification response; issue handling; Transponder fulfillment; payments processed; customer disbursements processed; TOD and Interoperable Agency settlements processed; returned payments processed; chargebacks processed and reconciliation.
361	Contractor Performance Report: The Contractor shall be fully responsible for the CSC operations meeting or exceeding required performance. Failure to do so may result in the assessment of performance adjustments or receipt of performance incentives as set forth in the Performance Objectives. The Contractor shall use the Approved tracking and reporting methods to demonstrate its monthly performance against the Performance Objectives.
362	Monthly Operations Invoices: Each month, TOD shall receive a Contractor's Invoice for the period corresponding to the Monthly Project Report. Invoices shall be prepared in accordance with Section TBD of the Contract.
363	Any performance deficiency the Contractor proposes to have excluded from the non-compliance performance adjustment calculation shall be documented on a waiver request form, and explained in detail and with supporting documentation sufficient for TOD to make a determination as to the acceptability of the exclusion. If TOD need additional information to make a determination the Contractor shall provide such information expeditiously.
364	The waiver request must be submitted with the affected Invoice.

2.5.6. Financial and Reconciliation Reporting

The Contractor shall be responsible for all financial operations, reconciliations and reporting established in these Requirements. TOD relies upon the information provided by the Contractor to be accurate, thorough and timely.

The Replacement System Contractor is required to develop the System to produce accurate and timely reports in the Approved format. The Contractor shall be responsible for running the reports and verifying the accuracy of the reports before the reports are delivered to TOD. While the Contractor is not responsible for correcting System issues or System reporting errors, the Contractor shall be responsible for identifying errors through review and reconciliation, and for reporting those errors to the Replacement System Contractor and TOD in accordance with the Operations Plan and the Reconciliation and Reporting Plan. The Contractor must conduct its verification review activities in a timely manner to ensure that any issues with the reports can be corrected by the Replacement System Contractor and still provided to TOD in accordance with the Operations Plan. In addition to reporting errors, the Contractor will be responsible for daily recommended distributions to all roadways based on the revenues received from all sources on the previous day. TOD verifies this information and

distributes revenue according to established procedures and legal requirements by roadway.

365	The Contractor shall employ a full-time Accounting Lead located within the Austin metro area.
366	The Contactor's Accounting Lead shall lead the team of Contractor's Staff to meet all the Requirements related to financial management, reconciliation, daily recommended distributions and reporting as specified in the SOPs, the Reporting and Reconciliation Plan and the Requirements.
367	The Contractor shall identify any System errors or System report errors through review and reconciliation and shall report those errors to the Replacement System Contractor and TOD on a timely basis and in accordance with the Operations Plan.
368	Each report and/or reconciliation shall be delivered to TOD in the Approved form and timeframe and periodicity after being verified by the Contractor for accuracy and completeness.

2.6. Quality Assurance & Quality Control (QA/QC) Program

The Contractor shall establish and maintain an effective QA/QC program to ensure compliance with the Contract in accordance with the Approved QA/QC Plan. The QA/QC program will include a system of problem logging and tracking, follow-up tracking, and final disposition tracking during the Planning Phase and Operations Phase. The QA/QC process will ensure accurate problem description and recording, assignment of personnel, tracking of progress for corrections/revisions.

369	The Contractor shall employ a full-time Quality Assurance/Quality Control (QA/QC) Lead located at the contractor's facility
370	The Contactor's QA/QC Lead shall lead the effort to meet all the Requirements related to QA and to assure TOD that the Work of the Contractor is in accordance with the QA Plan.
371	The Contractor shall establish and maintain an effective QA/QC program that ensures adequate quality throughout all areas of Contract performance.
372	The Contractor shall establish and implement procedures to identify, define, track and report to TOD all items that could adversely impact the success of the Project and/or any areas that may impact customers or their perception of the Project and/or TOD.
373	All hardware, software and Services provided under this Contract, whether designed, developed or performed within the Contractor's facilities or other location or by a Subcontractor, shall be controlled by the Contractor at all points necessary to ensure conformance with the QA Plan and with the Requirements of the Contract.
374	The Contractor shall prevent, detect, and correct deviations from any Requirement or Performance Objective, including by Subcontractors, and report such items to TOD.
375	The Contractor's QA/QC program shall address all Staffing, equipment, methods, procedures, activities, and schedule requirements relating to QA/QC activities and shall provide for the prevention and ready detection of discrepancies and for timely and positive corrective action.
376	The Contractor's QA/QC program shall continually evaluate CSC operations including those of Subcontractors for accuracy, completeness, and efficiency and include, but not be limited to, the following:

377	<ul style="list-style-type: none"> procedures to ensure that all Requirements are performed completely and accurately;
378	<ul style="list-style-type: none"> verify the accuracy of the reports that measure all Performance Objectives;
379	<ul style="list-style-type: none"> procedures to review reports and correct any area of performance that is below standard;
380	<ul style="list-style-type: none"> the prevention, notification, detection and correction of defects that impact TOD, customers and CSC operations;
381	<ul style="list-style-type: none"> the use of reasonableness checks that evaluate accuracy for example, analyses of abnormal deviations in quantity, volume, dollar amounts, elapsed time, and Staff hours;
382	<ul style="list-style-type: none"> a process for periodic monitoring of all CSC operations tasks; and
383	<ul style="list-style-type: none"> a thorough and complete on-going training program including but not limited to initial, refresher and remediation training.
384	The Contractor shall take corrective action upon error identification during the QA/QC processes and notify TOD of steps taken to correct errors.
385	The Contractor shall obtain TOD's Approval prior to implementing any changes resulting from findings during the QA/QC process that deviate from Approved SOPs.
386	The Contractor shall make objective evidence of quality conformance readily available to TOD, and TOD shall have the right to review and verify the Contractor's compliance to the process.

2.7. Operations Mobilization

The CSC operations mobilization includes all activities necessary to establish and operate the CSC in accordance with the Contract. These activities include the selection and build out of the CSC, if applicable, Staff recruitment and training and developing all SOPs for the entire operation. The Contractor shall ensure that the operations portion of the CSC meets the Approved Project Schedule and is fully ready to commence operations on time.

387	The Contractor shall employ a full-time CSC Operations Manager located onsite at the CSC, who shall also be the Contractor Project Manager.
388	The CSC Operations Manager shall lead the Contractor's Staff in planning and implementing all the activities required for operation of the CSC. These tasks include but are not limited to:
389	<ul style="list-style-type: none"> obtain a thorough understanding of the functions and capabilities of the System and phone system;
390	<ul style="list-style-type: none"> produce the Operations Plan and all of its associated sub-Plans;
391	<ul style="list-style-type: none"> recruit CSC Staff;
392	<ul style="list-style-type: none"> select and build out the CSC, if applicable;
393	<ul style="list-style-type: none"> develop SOPs and other operational forms and materials;
394	<ul style="list-style-type: none"> plan and conduct training;

395	<ul style="list-style-type: none"> • coordinate with the Replacement System Contractor as required; and
396	<ul style="list-style-type: none"> • meet regularly with TOD and the Replacement System Contractor to perform the Work, develop documentation in order to ease the customers' transition to the replacement CSC.
397	The Contractor shall develop and conduct an Operational Readiness demonstration and conduct walk-throughs for each facility with TOD.
398	The Contractor shall coordinate with TOD and the Replacement System Contractor for any portions of the Operational Readiness demonstration which require the use of the System.

2.8. Succession Process

The Contractor acknowledges the Services it provides under the terms of the Contract are vital to the successful operation of the CSC, and said Services shall be continued without interruption. Upon expiration or termination of the Contract by any of the parties, a Successor (TOD or a Successor contractor) may be responsible for providing these services. The Contractor agrees to exercise its best efforts and cooperation to affect an orderly and efficient transition to a Successor.

399	Upon Notice of Succession, the Contractor shall designate a Succession manager to be the single point of contact for all Succession related issues. The Succession manager shall convene regular meetings with relevant Staff and with TOD or its designated representatives, at which Succession related issues can be tracked, discussed, and resolved.
400	During the transition from the Contractor to either TOD or a Successor contractor, and upon TOD's written notice, the Contractor shall provide transition Services for a Period of up to one (1) year, or until all transition activities are completed, as defined in the Approved Succession Plan and as further set forth in the Contract.
401	Upon Notice of Succession, the Contractor shall immediately coordinate formal reviews of the Succession Plan, policies and procedures documentation, and general and subsidiary ledger documentation in order to identify updates necessary to bring these documents up to date; after which, identified updates shall be applied to each document.
402	The Contractor shall revise with the Successor, the Succession Plan detailing the nature and extent of transition Services required as well as the operational Requirements necessary for the migration of operation from the Contractor to the Successor contractor.
403	Upon Notice of Succession, the Contractor shall develop, submit to TOD for review, finalize, and subsequently adhere to a Succession schedule that accommodates the operational needs for a smooth transition to a Successor contractor.
404	In the event of a Succession, the Contractor shall ensure the accustomed quantity and quality of Staff, supervisors and management are maintained throughout the entire Period during which CSC operations is being transitioned to the Successor contractor or TOD to ensure the quality of Service is maintained at the levels required by this Contract.

405	In the event of a Succession, the Contractor shall make its existing Staff that is experienced in relevant aspects of CSC operations available for in-person interviews with the Successor contractor's staff without negatively impacting the Performance Objectives.
406	The Contractor shall provide sufficient Staff to help TOD maintain the continuity and consistency of the Service required by the Contract.
407	The Contractor shall provide in-person training of Successor and/or TOD staff with experienced Contractor Staff on and "as needed" basis upon request of TOD for a period from Notice of Succession until the end of the Term in accordance with the Contract.
408	The Contractor shall not prevent the Successor from conducting interviews with the Staff during or outside of normal business hours in a manner that will not disrupt current operations.
409	The Contractor shall not prevent Staff from changing their employment to the Successor if the Employees wish to do so.
410	The Contractor shall provide for the orderly transition of the facilities, equipment, materials, documents, inventory and Work in progress to the Successor.
411	The Contractor shall cooperate with any future transition of the System to a future System Contractor, as required by TOD.

2.9. System and Operational Training

The Contractor shall provide comprehensive training for all aspects of the CSC operation including training on the use of the Replacement System, phone system, operational procedures, policies and guidelines, and rules of conduct, including customer interface. Training shall be delivered to TOD's selected personnel and Contractor's personnel. Training shall be ongoing throughout the entire Term of the Contract.

2.9.1. System Training Courses for the Replacement System

TOD and/or System Contractor will provide "Train the Trainer" classes to enable the Contractor to deliver training to its resources. The Contractor's designated trainers will be trained on a periodic basis whenever replacement functionality is made available in the System. This training includes:

- Comprehensive System functions;
- System Operation Overview and Reporting and
- Finance and Financial Controls.

Trainees will be trained using workstations, software and connectivity or a portable, stand-alone training environment that represents the full functionality of the applicable System components provided by the respective System Contractor.

The Contractor shall utilize the content and materials from the training courses and shall provide additional operations content necessary to provide comprehensive training for the Contractor's Staff.

412	The Contractor shall provide qualified trainers and Staff to attend the TOD-provided System training courses and shall coordinate with TOD in the set-up and scheduling of the classes. The training will only cover the System and phone system portion of the relevant job function.
413	The Contractor shall develop the Contractor’s comprehensive operations training program as applicable to the course and job functions being trained. This is necessary because most job functions in the CSC will involve both use of the System and a series of other tools, equipment and operational tasks in accordance with the SOPs and specific job categories.

2.9.2. Training Requirements

414	The Contractor shall employ a full-time CSC Training Lead located onsite at the CSC.
415	The Contactor’s CSC Training Lead shall identify the training needs, plan, design and develop all the training curriculum and materials for the implementation and management of the CSC’s on-going training program. The types of training include, but are not limited to:
416	<ul style="list-style-type: none"> • customer service and integrity skills (“soft skills”) training;
417	<ul style="list-style-type: none"> • CSC TxTag and Pay By Mail Business Rules, and the collections, courts and Habitual Violators Programs process (“content training”);
418	<ul style="list-style-type: none"> • use of the System, the phone system and any other applicable equipment (“System training”);
419	<ul style="list-style-type: none"> • CSC SOPs;
420	<ul style="list-style-type: none"> • PII, PCI, data and physical security and
421	<ul style="list-style-type: none"> • Contractor employment related requirements.
422	The Contractor’s training program shall include training at different times and for different reasons during the course of the Contract, including but not limited to:
423	<ul style="list-style-type: none"> • new hire – this training provides the replacement Employee a thorough, in-depth training covering all of the skills and information required to fully understand and perform their job;
424	<ul style="list-style-type: none"> • refresher – this training provides additional training focused on topics on which the attendees have been previously trained but which the CSC Training Lead or other CSC management Staff identify as requiring additional training for Employees;
425	<ul style="list-style-type: none"> • remedial – this training is individually focused on the needs of a particular Employee(s) based on customer satisfaction feedback, management observation or Employee request;
426	<ul style="list-style-type: none"> • new job/promotion – this training is required when an Employee changes jobs or gains additional responsibilities; and
427	<ul style="list-style-type: none"> • new content/program – this training is required when TOD introduce a new program or make a significant change to the SOPs or the System.

428	Contractor training shall cover the following areas depending on the specifics of each individual user role and job functions including but not limited to:
429	<ul style="list-style-type: none"> • image review QA;
430	<ul style="list-style-type: none"> • research license plates which did not match an ROV;
431	<ul style="list-style-type: none"> • ROV Lookup;
432	<ul style="list-style-type: none"> • issue management;
433	<ul style="list-style-type: none"> • Account establishment and management (TxTag and Pay By Mail);
434	<ul style="list-style-type: none"> • Transponder issuance and inventory management;
435	<ul style="list-style-type: none"> • incoming and outgoing mail processing;
436	<ul style="list-style-type: none"> • payment processing;
437	<ul style="list-style-type: none"> • invoice processing;
438	<ul style="list-style-type: none"> • customer service;
439	<ul style="list-style-type: none"> • Collections process;
440	<ul style="list-style-type: none"> • finance and accounting; and
441	<ul style="list-style-type: none"> • quality assurance.
442	TOD staff has the right to attend any training sessions and to make recordings and copies of all training program materials for TOD use. The Contractor shall notify TOD at least one week prior to all scheduled training so that TOD representatives may attend any training session.
443	The Contractor shall obtain releases from all Employees and Subcontractors, including third party product suppliers, to allow unlimited, royalty free use and copies of training sessions recordings by the Contractor and TOD.
444	All CSC training shall include a review and description of each of the appropriate CSC processes and procedures with actual System software. All students shall have their own workstations and interact directly with the training environment unless otherwise approved by TOD.

2.9.3. Security Awareness Program

445	The Contractor shall implement a formal security awareness program to make all Employees aware of the confidential nature and importance of protecting personally identifiable information (PII) and cardholder data security.
446	Staff shall receive security awareness training upon hire and at least annually thereafter.
447	The Contractor shall require personnel to acknowledge, in writing, at least annually that they have read and understand the information security policy(ies).

448	All PCI related documentation, including security awareness program, policies and procedures and acknowledgements shall be subject to audit at the discretion of TOD.
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2.9.4. Training Materials

449	For each course, the Contractor shall develop (or revise existing training documentation) and provide the following items, both electronically and in hardcopy, including but not limited to:
450	<ul style="list-style-type: none"> • course agenda;
451	<ul style="list-style-type: none"> • course objectives;
452	<ul style="list-style-type: none"> • schedule of sessions;
453	<ul style="list-style-type: none"> • description of how the trainees transition from training class to taking calls in the call center;
454	<ul style="list-style-type: none"> • hard copies of all applicable training documents for each trainee; and
455	<ul style="list-style-type: none"> • lesson outlines and summaries.
456	The Contractor shall submit training manuals to TOD for review and Approval in accordance with the Approved Project Schedule.
457	An updated version of all training materials shall be provided to TOD for review and Approval on an annual basis, upon any material change, or more often as requested by TOD.
458	Where practical and useful, the Contractor’s training shall be hands-on and use actual CSC systems, tools and software in the training environment.

2.10. Acceptance of Operational Readiness

The Contractor shall demonstrate to TOD that the successful Transition is complete and that the Contractor is ready to commence complete operation of the CSC and performance of all of the Work.

459	The Contractor shall demonstrate that the CSC operation has achieved “Operational Readiness” in accordance with the Approved Project Schedule.
460	An Operational Readiness Checklist shall be provided by the Contractor to TOD for review and Approval within 30 days after NTP.
461	The Contractor shall have completed all of the following tasks and milestones in the schedule including but not limited to:
462	<ul style="list-style-type: none"> • selection, build-out, if applicable, and equipping of all Contractor operated facilities (Customer Service Center Site and alternate location);
463	<ul style="list-style-type: none"> • development of Approved, required documentation;
464	<ul style="list-style-type: none"> • recruitment, hiring and training of all Staff in accordance with the Operations Plan and sub- plans;

465	<ul style="list-style-type: none"> • implementation of the Transition Plan and all operations mobilization activities; and
466	<ul style="list-style-type: none"> • completion of Operational Readiness Checklist using the System, facilities and Contractor Staff.

2.11. Transition of Operations from Current Vendor to Contractor

The CSC operations Transition includes all activities necessary to assume responsibility for the ongoing CSC operations from current vendor to the Contractor. There are many aspects of the existing operation which will need to be handed off to the Contractor. These activities must be handled thoughtfully and with due care in order to minimize the impact on TOD and its customers. The Transition shall be implemented in accordance with the Transition Plan and must coordinate with TOD as well as System Contractors to ensure that Transition meets the Approved Project Schedule.

467	The Contractor shall manage and conduct the Transition (in conformance with Transition Plan and Approved Project Schedule).
468	The Contractor shall ensure that the Transition from current vendor to the Contractor shall cause no adverse customer service impact to TOD customers.
469	The Contractor shall ensure no loss of revenue during the Transition.
470	The planning and implementation activities required for the Transition include but are not limited to:
471	<ul style="list-style-type: none"> • conduct meetings with the existing vendor, Replacement System Contractor and TOD;
472	<ul style="list-style-type: none"> • produce and implement the Transition Plan and schedule;
473	<ul style="list-style-type: none"> • coordinate transition of post office boxes and phone numbers, if applicable;
474	<ul style="list-style-type: none"> • obtain all Transponder inventory and other inventory items;
475	<ul style="list-style-type: none"> • obtain all hardcopy documentation (including the transfer of responsibility for documents stored offsite, if applicable);
476	<ul style="list-style-type: none"> • obtain all softcopy information owned by TOD, for example, training materials, documents and spreadsheets created outside of the System;
477	<ul style="list-style-type: none"> • obtain, document and track (and subsequently, complete) all Work in process that TOD will not complete prior to the date of Transition; and
478	<ul style="list-style-type: none"> • coordinate with the Replacement System Contractor and current vendor as required.

2.12. Replacement System

TOD will replace the Legacy System during the Term.

479	The Contractor shall work cooperatively with TOD and provide knowledgeable Staff to review and provide comments and suggestions on the functionality, design, specifications and conversion plan that will be created for a Replacement System.
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480	The Contractor will work cooperatively with TOD and the selected Replacement System Contractor to ensure a smooth migration from the Legacy System to the Replacement System.
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2.12.1. System Testing Support

The Replacement System Contractor is responsible for conducting various tests which demonstrate the System functionality and capabilities. The Contractor shall provide Staff to support the Replacement System Contractor’s testing.

481	The Contractor shall provide Staff to assist the Replacement System Contractor in testing simultaneous access to the System from all desktops at the Customer Service Center.
482	The Contractor shall provide Staff to assist with testing different System functionality as directed.

2.12.2. Ongoing System Testing Support

The Replacement System Contractor is responsible for conducting tests which demonstrate the System functionality and capabilities for any enhancements or fixes during the Contract term. The Contractor shall provide Staff to support the Replacement System Contractor’s testing.

483	The Contractor shall provide Staff to assist the Replacement System Contractor in testing fixes and enhancements to the System.
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2.12.3. Contractor Training

The Replacement System Contractor will provide “Train the Trainer” classes to enable the Contractor to deliver training to its resources. The Contractor’s designated trainers will be trained on a periodic basis whenever replacement functionality is made available in the System. This training includes:

- Comprehensive System functions;
- System Operation Overview and Reporting and
- Finance and Financial Controls.

The Replacement System Contractor will provide the training environment. Trainees will be trained using workstations, software and connectivity or a portable, stand-alone training environment that represents the full functionality of the applicable System components provided by the respective System Contractor. The Replacement System Contractor will provide and maintain a training database baseline and supporting data files that can be restored at the beginning of each training session.

The Contractor shall utilize the content and materials from the training courses and shall provide additional operations content necessary to provide comprehensive training for the Contractor’s Staff.

484	The Contractor shall provide qualified trainers and Staff to attend the Replacement System Contractor-provided training courses and shall coordinate with the Replacement System Contractor in the set-up and scheduling of the classes. The training will only cover the System and phone system portion of the relevant job function.
485	The Contractor shall integrate the course materials and training provided by the Replacement System Contractor into the Contractor's comprehensive operations training program as applicable to the course and job functions being trained. This is necessary because most job functions in the CSC will involve both use of the System and a series of other operational tasks in accordance with the SOPs and specific job categories.

2.12.4. Update Staffing Model and Plan

486	The Contractor shall, within 3 months of the replacement System being operational, evaluate Staffing needs through its Staffing Model incorporating any Work and process flow changes and efficiencies provided by the replacement System and provide an updated Staffing Plan for TOD's review and consideration
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2.13. Contractor's Operations Organization

TOD expects customer service excellence from the Staff that interfaces with customers. The following section has the Requirements and administrative controls that pertain to Staffing.

487	The Contractor shall provide qualified personnel sufficient in quantity, expertise and experience to provide professional customer service to TOD's customers and operate the CSC in accordance with the procedures and policies documented in the Approved Operations Plan and the Requirements, including all management, supervisory, financial, technical, and operations Staff required to professionally Operate the CSC. The Contractor shall meet the Requirements of the Contract in compliance with the Approved Staffing Plan and Staffing Model.
488	The Contractor's Staff shall not engage in any other business activities while working on the TOD premises.
489	The Contractor shall provide, update and maintain an operations organization chart as a part of the Operations Plan.
490	The Contractor shall ensure that all personnel are trained and conduct themselves in a manner that is based upon the best practices of customer service and in accordance with TOD's Code of Conduct.
491	Contractor Staff when visiting TOD-owned facilities shall adhere to the latest version of the TOD dress code policy.
492	All Staff shall understand, read, write and speak English fluently and shall be U.S. citizens or otherwise legally permitted to work in the U.S.
493	The Contractor shall provide the appropriate number of bilingual Staff (English and Spanish) to the Call Center and Correspondence functions to meet customer demand during all business hours.

494	The Contractor shall provide bilingual (English and Spanish) Staff at each Walk- in Center location during all business hours and shall adhere to the latest version of the TOD dress code policy.
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2.13.1. Contractor Employee Requirements

The Contractor shall screen all candidates for potential employment. Screening and the subsequent decision to hire shall be based upon fair, equitable and job-related criteria. Additional screening may be required for the Contractor’s operations Staff prior to promotion or transfer to job roles with increased access to sensitive or critical information.

The level of background investigation required shall be dependent upon job function (for example, a receptionist who has limited access to customer and financial information shall require a lower level of investigation than a clerk in the finance department who may have access to customer information, Credit Card information and financial information).

495	As part of the Operations Plan, the Contractor shall provide a plan for conducting background investigations to TOD for Approval prior to implementation. The Plan shall include all of the Contractor’s Employees with any access to TOD’s data, System and/or operation. All Contractor Staff with access to Credit Card information will need to meet the current requirements for background checks, in accordance with PCI standards. Staff with any felony or misdemeanor convictions shall not be hired.
496	All Contractor Employees shall undergo and pass a national background investigation, the results of which shall be reviewed by the Contractor prior to the Employee having access to the System and the TOD’s data. There are many types of investigations which can be conducted nationally. These inquiries can be performed in-house or through outsourcing and in accordance with the Contractor’s Approved Operations Plan. A common approach to background investigation may include but is not limited to the following:
497	<ul style="list-style-type: none"> • business/personal references;
498	<ul style="list-style-type: none"> • illegal substance screening;
499	<ul style="list-style-type: none"> • past employment history;
500	<ul style="list-style-type: none"> • education verification;
501	<ul style="list-style-type: none"> • financial credit history;
502	<ul style="list-style-type: none"> • professional license and certification verification;
503	<ul style="list-style-type: none"> • military service verification;
504	<ul style="list-style-type: none"> • criminal records including misdemeanor and felony convictions and
505	<ul style="list-style-type: none"> • I-9 immigration status.
506	The Contractor shall comply with all applicable laws and regulations related to operating and Staffing the CSC, including but not limited to:
507	<ul style="list-style-type: none"> • Americans with Disabilities Act (ADA);
508	<ul style="list-style-type: none"> • Occupational Safety and Health Act (OSHA);

509	<ul style="list-style-type: none"> Equal Employment Opportunity commission (EEOC);
510	<ul style="list-style-type: none"> Federal Fair Credit Reporting Act (FCRA); FCRA only applies to those investigations conducted by an outsourced company;
511	<ul style="list-style-type: none"> Driver Protection Policy Act (DPPA);
512	<ul style="list-style-type: none"> Texas laws regarding protection of Personal Identifying Information (PII); and
513	<ul style="list-style-type: none"> PCI DSS.
514	The Contractor, when conducting investigations, shall consider and take into account the following, including but not limited to:
515	<ul style="list-style-type: none"> name search - married name, previous names, aliases; and
516	<ul style="list-style-type: none"> confirmation of a current, but inactive government secret clearance, or above, can be used in lieu of other investigations.
517	The Contractor shall maintain backup documentation on-site for all background checks.
518	The Contractor shall maintain records of adjudication and hiring decisions on each candidate interviewed or considered for a Position.
519	The Contractor shall require every Employee, that requires access to the TxDMV records, to sign a copy of the External Access to TxDMV Information systems and Information Security Compliance Agreement. These forms are required upon initial authorization for access to TxDMV. A copy of all signed statement(s) shall be maintained on file at the applicable TOD worksite for at least two years following the deactivation or termination of the authorization and shall be available to TOD and the TxDMV upon demand.
520	The contractor shall adhere to the same policies as TxDOT regarding workplace discrimination and, harassment and instances shall be reported according to business rules and SOPS. Any instance or workplace discrimination and harassment are grounds for immediate removal of the employee.

2.13.2. Customer Service Hours of Operations

TOD requires a high level of customer service availability. It is anticipated that the Contractor will employ multiple work shifts to meet TOD hours of operation. The hours below are the minimum hours which the CSC must be staffed and open to the public.

521	At a minimum, the CSC shall be open from 7:00am to 7:00pm Monday – Friday.
522	At a minimum, the Walk-In Centers shall be open from 7:00am to 7:00pm Monday – Friday and 9:00am to 2:00pm on Saturday.
523	The Contractor is required to provide, staff and maintain a minimum of 4 Walk-in center facilities.
524	The Contractor shall change these hours at the direction of TOD.
525	The CSC and Walk-in Centers shall observe the following Holidays:
	<ul style="list-style-type: none"> New Year’s Day;
	<ul style="list-style-type: none"> Memorial Day;

	<ul style="list-style-type: none"> • Independence Day;
	<ul style="list-style-type: none"> • Labor Day;
	<ul style="list-style-type: none"> • Thanksgiving Day; and
	<ul style="list-style-type: none"> • Christmas Day.
526	The Contractor may close the Customer Service Center during regular open hours only upon Approval from TOD (for example, for emergency or weather conditions).
527	The Contractor shall Staff the Walk-in Centers and Call Centers during customer service hours and until all customers in the queue are served.

2.13.3. Key Personnel

As required during the Term of the Contract, the Contractor shall identify personnel to fill the Key Personnel positions. The Contractor may submit for Approval by TOD, amendments to the minimum qualifications of Key Personnel accompanied with an explanation of how the proposed amendments will benefit overall program management. The Contractor is free to structure the organization and Position titles as it best sees fit to optimize efficiency and productivity; however, the functional positions listed in Table 2-2: Key Personnel are required to be filled at all times. These positions are required to be filled with Staff that meet the minimum requirements described in Table 2-3: Key Personnel Qualifications.

528	As part of the organization chart provided in its Operations Plan, the Contractor shall identify by name Key Personnel on this Project, their responsibilities, and which Phase(s) of the Project they will be supporting. The minimum number of Key Personnel positions to be identified and associated responsibilities are provided in Table 2-2: Key Personnel.
529	The Contractor shall ensure Key Personnel are readily accessible to TOD during the Contractor's performance of this Contract and shall meet the Requirements of the Contract for Key Personnel.
530	The Contractor shall submit replacement requests for Key Personnel to TOD for review and Approval a minimum of 30 days prior to replacement of an individual. Key Personnel shall not be replaced without the prior Approval of TOD as to the replacement. TOD shall have the right to request replacement of any Contractor personnel in accordance with the terms and conditions of the Contract.
531	Upon the unexpected vacancy of Key Personnel, the Contractor shall promptly submit a named candidate that fits the described qualifications for Approval by TOD.
532	The Contractor shall provide and maintain a current emergency contact list for TOD's use at all times for handling emergencies and escalations. The emergency contact list shall name all Contractor's points of contact and how they can be reached in an emergency in-off hours, and shall include the Contractor's Key Personnel.

533	The Contractor shall provide the following Key Personnel who meet the minimum experience requirements for Key Personnel identified in Table 2-2: Key Personnel, subject to the Approval of TOD in accordance with the Contract. This includes any substitutions made to Key Personnel proposed by the Contractor in its Proposal. The list in Table 2-2: Key Personnel represents the minimum level of required Key Personnel to be included in the Contractor’s organizational structure. The term “Lead” is used to indicate an individual in a leadership role over a functional area; the Contractor is permitted to assign individuals to these roles using any title denoting leadership responsibilities.
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Table 2-2: Key Personnel

KEY PERSONNEL	Responsibilities	
	Planning Phase	Operations Phase
CSC Operations Manager/Contractor Project Manager – responsible for executing the planning of operations with the Contractor team and overall on-site management of the Customer Service Center and is the primary point of contact for TOD.	X	X
Call Center Lead – responsible for managing the day-to-day operations of the call center and ensuring that a high level of customer service is provided for customers, both operationally by the System, and professionally by the CSRs.	X	X
Enforcement Lead – responsible for managing the day-to-day operations of the departments that handle escalated unpaid toll transaction Cases, prepare Administrative Review material, and responds to escalated TOD issues.	X	X
Quality Assurance/Quality Control Lead – assures consistent quality throughout the Planning and Operations Phases of the CSC through good Quality Assurance and Quality Control practices.	X	X
Accounting Lead – responsible for ensuring compliance with accounting for revenues and payments received and daily recommended distributions as required in the Scope of Services.	X	X
CSC Training Lead – responsible for ensuring that the CSRs and Staff are knowledgeable in all aspects of The Toll Roads’ programs and provide a high level of customer service. Responsible for managing, planning, developing, delivering and evaluating CSC training.	X	X

<p>Image Review Lead – responsible for maintaining image review staffing within the staffing guidelines and the ability to flex staffing up or down with anticipated workflow. Ensure proper training to ensure compliance with the SOPs related to image review. Work with technical team to maintain OCR confidence level and communicate manual image review statistics on regular basis as outlined in the SOP. Address issues with image review and communicate immediately.</p>	<p>X</p>	<p>X</p>
<p>Reports Development Lead – manage the design, development, implementation, testing and verification of the system reports and dashboards, as well as monitor system reports to ensure system is functioning properly once implemented. Work with cross-functional teams across the organization.</p>	<p>X</p>	<p>X</p>
<p>Financial Analyst Lead – responsible for General Ledger reconciliation to system activity, transaction to system reconciliation, and oversee production and validation of financial reports. Ensure proper checks and balances for financial tasks.</p>	<p>X</p>	<p>X</p>

Table 2-3: Key Personnel Qualifications

Key Personnel Position	Minimum Experience Required	Desired Experience
<p>CSC Operations Manager / Contractor Project Manager</p>	<ul style="list-style-type: none"> • Bachelor’s Degree • Three (3) years’ experience overseeing programs or enterprises with both ongoing operations and project work • Two (2) years of experience in customer service operations • Two (2) years of experience in tolling, high-volume transaction operations, and leading or working in a multi-functional, multi-channel operations environment 	<ul style="list-style-type: none"> • Ten (10) years of experience overseeing programs or enterprises with both ongoing operations and project work • Five (5) years of experience in customer service operations • Five (5) years of experience in tolling, high- volume transaction operations, and leading or working in a multi-functional, multi- channel operations environment • Master of Business Administration (MBA) or a related field • Project management professional (PMP) certification • Previous experience implementing systems for a government agency.

Call Center Lead	<ul style="list-style-type: none"> • Two (2) years of experience in customer service • One (1) year of experience in a leadership position in a high-volume call center environment (>5,000 inbound calls per day) • Experience working with an IVR in an operational environment 	<ul style="list-style-type: none"> • Six (6) years of experience in customer service • Three (3) years of experience in a leadership position in a high-volume call center environment (>7,000 inbound calls per day) • Significant call center and workforce management experience • Experience working in a multi-channel environment (phone, chat, email, SMS, etc.) • Thorough understanding of real-time reporting and adjustments required to optimize call center operations simultaneously with other customer channels, historical reporting for operational trend analysis, and requirements gathering for IVR enhancements
Enforcement Lead	<ul style="list-style-type: none"> • Three (3) years of experience in customer service • One (1) year of experience in a lead position managing complex customer service cases • Demonstrated Case management and reporting experience 	<ul style="list-style-type: none"> • Four (4) years of experience in customer service • Two (2) years of experience in a lead position managing complex customer service cases • Knowledge of jurisdictional rules and regulations pertaining to the Justice of the Peace Court system. Understand legal terminology, how to maintain court records, and the proper handling of evidence, as well as how to perform legal research as it relates to toll violations.
Accounting Lead	<ul style="list-style-type: none"> • Bachelor's degree in accounting or related field • Three (3) years of financial and accounting experience, including management or leadership position (e.g. Accounting Manager, Sr. Accountant, Accounting Lead, Sr. Financial Analyst) overseeing accounting or financial operations in a high-volume, transaction- processing environment performing revenue management, process audits and similar financial functions • Demonstrated, advanced skills using MS Excel • Ability to package and present quantitative data effectively 	<ul style="list-style-type: none"> • Five (5) years of financial and accounting experience including management or leadership position (e.g. Accounting Manager, Sr. Accountant, Accounting Lead, Sr. Financial Analyst) overseeing accounting operations in a high- volume, transaction-processing environment with progressive levels of complexity • Experience performing accounting and/or revenue management functions for a tolling operation or public agency • Experience performing internal audits or other accounting services for a tolling operation or public agency • A CPA license • Ability to direct tasks and follow through to completion

<p>Quality Assurance/ Quality Control Lead</p>	<ul style="list-style-type: none"> • Two (2) years of experience in Customer Service Center operations • One (1) year of experience in Quality Assurance/Quality Control 	<ul style="list-style-type: none"> • Three (3) years of experience in Customer Service Center operations • Two (2) years of experience in tolling • Two (2) years of experience in Quality Assurance/Quality Control • Specialized training and/or certification in project management • Lean Six Sigma methodologies and quality management experience
<p>CSC Training Lead</p>	<ul style="list-style-type: none"> • Two (2) years of experience in customer service • One (1) year of contact center training experience • Demonstrated experience developing training curricula, and leading replacement-hire and recurring training sessions 	<ul style="list-style-type: none"> • Five (5) years of experience in customer service, • Three (3) years of contact center training experience • One (1) year of experience in providing training to customer service representatives in a tolling operations environment. • Additional training experience in a transaction processing environment
<p>Image Review Lead</p>	<ul style="list-style-type: none"> • Two (2) years of experience in customer service • One (1) year of contact center training experience • One (1) year image review experience • One (1) year of experience in a leadership position in a high-volume image review business • Demonstrated experience developing training curricula, and leading replacement-hire and recurring training sessions 	<ul style="list-style-type: none"> • Five (5) years of experience in customer service; One (1) year of image review experience • Three (3) years of contact center training experience • One (1) year of experience in providing training to customer service representatives in a tolling operations environment. • Five (5) years of experience in tolling, high- volume transaction operations, and leading or working in a multi-functional, multi- channel operations environment • Demonstrated experience developing training curricula, and leading replacement-hire and recurring training sessions • Additional training experience in a transaction processing environment and/or image review

Reports Development Lead	<ul style="list-style-type: none"> • Bachelor of Science in computer science or related field • Three (3) years of experience developing and implementing enterprise-scale reports and dashboards: <ul style="list-style-type: none"> • knowledge of logical and physical data modeling concepts; • work with users in requirements analysis role; and • experience with data warehouse implementations • Excellent interpersonal skills, both verbal and written • Requires strong analytical, conceptual and problem-solving abilities 	<ul style="list-style-type: none"> • Five (5) years of experience developing and implementing enterprise-scale reports and dashboards: <ul style="list-style-type: none"> • knowledge of logical and physical data modeling concepts; • work with users in requirements analysis role; and • experience with data warehouse implementations • Excellent interpersonal skills, both verbal and written • Requires strong analytical, conceptual and problem-solving abilities • Ability to manage multiple priorities, and assess and adjust quickly to changing priorities
Financial Analyst Lead	<ul style="list-style-type: none"> • Bachelor's degree in accounting or related field • Three (3) years of financial and accounting experience, including management or leadership position (e.g. Accounting Manager, Sr. Accountant, Accounting Lead, Sr. Financial Analyst) overseeing accounting or financial operations in a high-volume, transaction-processing environment performing revenue management, process audits and similar financial functions • Demonstrated, advanced skills using MS Excel • Ability to package and present quantitative data effectively 	<ul style="list-style-type: none"> • Five (5) years of financial and accounting experience including management or leadership position (e.g. Accounting Manager, Sr. Accountant, Accounting Lead, Sr. Financial Analyst) overseeing accounting operations in a high-volume, transaction-processing environment with progressive levels of complexity • Experience performing accounting and/or revenue management functions for a tolling operation or public agency • Experience performing internal audits or other accounting services for a tolling operation or public agency • A CPA license • Ability to direct tasks and follow through to completion

2.13.4. Staffing Model and Staffing Plan

The Contractor shall develop a comprehensive Staffing Model which shall be used throughout the Contract Term to determine the number of hours by position type required to complete the Scope of Services for a specified period. The Staffing Plan shall be based on the Staffing Model's output of the hours required to perform the Scope of Services. The Staffing Model shall serve a number of purposes including but not limited to:

- it will be used to determine Staffing needs on a monthly basis as projected and actual volumes change over time and
- it will be used to determine the Contractor's Compensation.

In developing its Staffing Model, the Contractor shall use, as inputs:

- its operational experience and other inputs as necessary;
- its own estimates as to the time required to complete the tasks described in the Scope of Services and

- the forecasted volumes provided by TOD.

534	The Contractor shall develop a comprehensive, flexible Staffing Model that considers all of the types of Work described in these Requirements and Appendix XXX (not presently available) – Sample Volumes.
535	The Contractor shall develop a Staffing Plan based on the output from the Staffing Model which shall identify the Contractor’s approach to completing the Work using Staff resources.
536	The Staffing Model shall allow for input volumes to change (for example, current volumes of certain functions could decrease to zero or increase to as much as three times the current volume).
537	The Staffing Model shall clearly identify the Contractor’s assumptions regarding benchmarked level of effort required to complete tasks (for example, the average talk time and the amount of time required to process a piece of returned mail).
538	The Staffing Model and Staffing Plan shall clearly identify all Staff including lead, supervisory and management Staff and whether the Staff is fixed (does not change based on workload volumes) or variable (changes based on volume of work).
539	The Contractor shall update the Staffing Model on a monthly basis using projected volumes approved by TOD for the next three months and included in the Monthly Project Report package.
540	The Contractor shall update the Staffing Model and Staffing Plan on an annual basis using projected volumes provided by TOD for the next Fiscal Year.

2.14. Customer Service Facilities

TOD currently staffs and operates a CSC and Walk-in Center in Travis County, Texas. It is TOD’s intention that the Contractor will provide CSC facilities. Table 2-4: Customer Service Facilities describes the options for type of activity.

Table 2-4: Customer Service Facilities

Activity	Contractor-Provided
Walk-in Center #1	Austin Metro area
Walk-in Center #2	Austin Metro area
Walk-in Center #3	Austin Metro area
Walk-in Center #4	Austin Metro area
Call Center	Austin Metro area;
Overflow Call Center (optional)	Within the U.S.

Non-Customer Facing/Processing Activities	Austin Metro area
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2.14.1. Contractor-Provided CSC Facilities

The Contractor may, at its discretion and cost, choose to use any space, furnishings and equipment at Contractor-provided facilities.

541	Any facility-related Americans with Disabilities Act (ADA) compliance issue shall be brought to the attention of TOD immediately.
542	The Contractor shall ensure that all facilities used by the Contractor for this Work are professional in appearance and clean.
543	The Contractor shall utilize the security systems in place to keep Employees, data, funds, property, equipment and assets safe.
544	The Contractor shall promptly notify TOD of any weakness in the security at locations.
545	The Contractor shall exercise due care in the use, maintenance and storage of TOD-provided property, assets and equipment.
546	The Contractor shall perform all Customer Service Center functions, including but not limited to the customer call center operation, Transponder fulfillment, correspondence processing, and payment processing in accordance with the location requirements in Table 2-4: Customer Service Facilities.
547	All Contractor-provided facilities must conform to the Americans with Disabilities Act (ADA).
548	The Customer Service Center site shall be of appropriate size to contain all the Staff, furniture, equipment and supplies necessary to conduct all operations. TOD must Approve the proposed location and facility or facilities.
549	The Customer Service Center site shall be able to house six (6) months' worth of new Transponder inventory for TOD.
550	The Customer Service Center site shall include five (5) separate, dedicated offices for TOD staff or its designated agents. The offices shall be sized and furnished similarly to offices for the CSC Operations Manager and include two (2) work spaces including phone and internet connectivity and a conference table for at least four (4) people.
551	The Contractor shall provide adequate space at the Customer Service Center for training of operations Staff during both the Planning and Operations Phases.
552	The Contractor shall accommodate TOD and the Replacement System Contractor training sessions in the Customer Service Center training room during both the Planning
553	The Contractor shall have the ability to host a teleconference, WebEx or TOD preferred method with 30 attendees.
554	The Contractor shall provide video and teleconference, WebEx or TOD preferred method capabilities for the conference room.

555	The Contractor shall design and equip the Customer Service Center such that customers shall not hear cross talk when contacting the CSC by phone (crosstalk is any phenomenon by which a signal transmitted on one circuit or channel of a transmission system creates an undesired effect in another circuit or channel).
556	The Contractor shall be responsible for any build-out/fit-out required for Contractor-provided facilities.
557	The Contractor shall ensure that all facilities used by the Contractor for this Work are professional in appearance and clean.
558	The Contractor shall provide physical security for all property, assets, equipment, data and funds.
559	The Contractor shall be responsible for provision of all operational and occupancy related Services for any Contractor-provided facility. These costs include but are not limited to: rent, taxes, security, maintenance, utilities, janitorial service, phone and data communications, furniture, equipment and supplies. TOD will reimburse the Contractor for these costs.
560	The Contractor shall maintain appropriate premise/property and liability insurance in accordance with the Contract.
561	The Contractor shall facilitate and allow all authorized TOD staff full access (announced and unannounced) to the CSC offices and operation for quality assurance, internal audit, observation and monitoring.
562	The Contractor shall have Staff available to support TOD staff by demonstrating and explaining procedures, and answering questions, and providing Account and payment details as requested to support customer service efforts.

2.14.2. Call Center

563	The Contractor shall answer calls from contractor facilities or alternative locations as approved by TOD.
564	The Contractor shall provide all staffing at the TOD Call Center(s).
565	The Contractor will ensure that the Call Center(s) is Staffed sufficiently to meet the Performance Objectives during operating hours to process inbound and outbound call volumes.
566	The Contractor shall provide full customer service functions at the Call Centers.
567	The Contractor shall provide Call Center Services to customers in English and Spanish.

2.14.3. Contractor-Provided Overflow Call Center

The Contractor may, at its discretion and cost, also elect to establish an Overflow Call Center which must be located in the continental US and must be Approved by TOD. This Overflow Call Center would provide Services to TOD's customers such that the customer experience is no different whether a call was answered in the Call Center or the Overflow Call Center.

568	The Contractor shall provide Services to TOD's customers from the Overflow Call Center such that the customer experience is no different whether a call was answered in the Call Center or the Overflow Call Center.
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2.14.4. Customer Walk-in Centers

Walk-in Centers are locations where the public can open Accounts, obtain Transponders, make payments, and perform other Account management and other functions in-person. Walk-in Center Services will be managed in accordance with the Business Rules and Standard Operating Procedures.

569	The Contractor shall provide all Staffing at four (4) Walk-in Centers.
570	The Contractor shall provide full customer service functions at the Walk-in Centers.
571	The Contractor shall provide Walk-in Center Services to customers in English and Spanish.
572	The Contractor shall ensure proper display of appropriate customer materials and signs provided by TOD at all locations Staffed by the Contractor.
573	The Contractor shall utilize TOD-provided barcode scanners at all Walk-in Centers to associate documents and Transponders with customer Accounts.
574	The Contractor shall replace all deficits in change funds and increase or decrease the change fund over the course of operations.

2.14.5. Hearing Impaired Services

575	The Contractor shall provide and utilize equipment to serve hearing impaired customers in accordance with customer service best practices and applicable federal and state statute and requirements.
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2.14.6. Data Security and Facility Access Control

The Contractor will enforce the following Requirements for access security in all facilities.

576	The Contractor, in conjunction with TOD and the Replacement System Contractor, shall develop (or revise the existing) and maintain a system user authorization matrix.
577	The Contractor shall conduct a quarterly review of the System User Authorization Matrix and all user access to the System to verify the user-roles assigned are still appropriate and that access and user accounts for all terminated Employees have been properly closed. This includes TOD's staff as well as Contractor Staff, Replacement System Contractor Staff and any Third-Party Service Provider staff.
578	The Contractor shall provide and maintain a facility access matrix that lists all CSC personnel with access privileges to the CSC premises. The matrix shall identify each Employee's Position, job functions, premise access rights and System role(s).
579	The Contractor shall conduct reviews of the facility access matrix against the actual access for all Employees in accordance with all applicable standards, including but not limited to PCI. Such reviews shall be conducted no less than quarterly or anytime at the request of TOD. TOD shall be invited to witness this review. The schedule for these reviews shall be included in the Operations Plan.

580	The Contractor shall ensure access is limited to those functions required for the Employees to perform their jobs while providing an appropriate segregation of access, based on Employee responsibilities.
581	The Contractor shall use site access controls, data access controls, safes and vaults, data security, inventory security, software security, and physically secure their workplace at the end of the day.
582	Contractor shall adhere to all aspects of the Drivers Privacy Protection Act - 18 US Code, Section 2721 and all other applicable statutes.
583	The Contractor shall provide internal controls and security practices to protect the receipt, storage, and transfer of funds.
584	The Contractor shall ensure that Employees and its sub-contractors do not share their credentials and treat it as confidential information.
585	The Contractor shall instruct ensure that users do not share their access badges or keys with other users to gain access to CSC facilities.

2.14.6.1. Security and Facility Access Control for Contractor-Provided Facilities

The Contractor will enforce the following Requirements for access security in Contractor-provided Facilities.

586	The Contractor shall be responsible for security at all CSC facilities. The Contractor shall use all necessary security measures and devices, for example, facility access controls, safes, surveillance cameras and internal controls to safeguard the CSC operation and Staff.
587	The Contractor shall install cameras in the mail room and any other areas where cash or checks might be handled.
588	The Contractor shall ensure the CSC is accessed only by authorized personnel with the appropriate privileges, and the Contractor shall ensure security is not breached. The Contractor shall be responsible for establishing procedures and policies and carrying out these procedures and policies for all visitors accessing the CSC. The policies and procedures shall be Approved by TOD.
589	The Contractor shall ensure access is limited to those functions required for the Employees to perform their jobs while providing an appropriate segregation of access, based on Employee responsibilities.
590	The Contractor shall ensure all facilities used by the Contractor to perform any Work in support of the Contract shall be established and maintained in compliance with all applicable standards (most current version), including but not limited to PCI DSS, NACHA, and Statutes for PII.
591	The Contractor shall utilize security measures and devices including, but not limited to, site access controls, data access controls, safes, vaults, surveillance cameras, environmental controls, data security, inventory security, software security, and other tools that will prevent, detect, and/or assist in researching and investigating issues at the CSC locations that are not located in TOD facilities.

592	The Contractor shall provide internal controls and security practices to protect the receipt, storage, and transfer of funds.
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2.14.7. Mobile CSC Satellite Services

From time to time, TOD may request that the Contractor provide mobile CSC satellite Services consisting of directly performing, or assisting TOD in the performance of Account sign-ups and other Services at remote locations using mobile equipment (e.g., network connected laptops, mobile devices (tablets), portable reader/programmers, and Transponder supplies). TOD will provide all necessary equipment for the satellite Services.

593	Using the System and in accordance with the approved Business Rules and SOPs, the Contractor shall provide customer Walk-in Center Services at temporary or mobile satellite locations for events as specified by TOD.
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2.15. Equipment

2.15.1. TOD Provided Equipment

TOD will make existing mobile trailer equipment available to the Contractor. The Contractor will be responsible for supplying a vehicle with adequate tow capacity to transport the mobile trailer to and from events.

2.15.2. System

At some point during the Contract, the Legacy System will be replaced by a Replacement System that will be developed with input from the Contractor.

2.15.3. Contractor Provided Equipment & Consumables in Contractor-Provided Facilities

The Contractor will provide a TOD approved Phone System including automatic call distribution (ACD), interactive voice response (IVR) and associated hardware, all Hardware and software required to operate the System, excluding desk top workstations and telephone equipment. The Contractor shall provide all other equipment, supplies and consumables necessary to operate the CSC. The Contractor is responsible for providing cell phones for its Management and supervisory staff.

594	The Contractor shall provide cell phones for its Management and supervisory Staff.
595	The Contractor shall provide the necessary equipment, supplies and consumables to support the operation of the CSC. Equipment includes but is not limited to:
596	<ul style="list-style-type: none"> • copiers;
597	<ul style="list-style-type: none"> • shredders;
598	<ul style="list-style-type: none"> • video conference system;

599	• furniture;
600	• mailroom equipment, including postage machines;
601	• speaker phones;
602	• TTY equipment;
603	• all consumables;
604	• desk top workstations; and
605	• phone system and IVR.

3. Operational Functions

3.1. Account Management

Tolls on TxTag roadways are assessed at on/off ramps and at mainline tolling plazas that span the roadway and electronically collect tolls in each direction. TOD provides customers with various payment and Account options. Currently, TOD provides prepaid and postpaid options.

Customers can use the following methods to pay their tolls:

- TxTag Accounts - prepaid, Transponder-based accounts
- Pay By Mail – postpaid, automatic statement billing accounts

3.1.1. Account Establishment

The Contractor shall provide the following Services in an efficient and effective manner that allows customers to establish Accounts:

606	The Contractor shall process all Account opening activities not otherwise performed by the customer through self-service and/or retail channels using the System, including processing the customer application, customer acceptance of terms and conditions, discount plan enrollment and qualification verification, payment processing, and Transponder fulfillment. Accounts include both TxTag and Pay By Mail
607	The Contractor shall open new Accounts in accordance with the approved Business Rules.
608	The Contractor shall receive and process Account applications, enter customer data into the System, process payments, and issue customer materials and TxTag Transponder Kits as applicable.
609	When opening Accounts over the phone, the Contractor shall enter all customer data into the System and open the Account, while the customer is on the phone.
610	When opening Accounts in-person, the Contractor shall enter all customer data into the System and open the Account while the customer is at the Walk-in Center.

611	For prepaid Accounts, the Contractor shall actively promote and encourage automatic replenishment as the most convenient and cost-effective payment method.
612	The Contractor shall provide the customer with a System-generated letter together with the requested Transponder(s), if any, after a new Account is successfully created.
613	The Contractor shall review all mailed and faxed applications for completeness and either contact the applicant by phone or by email to resolve issues, or if this contact method has not been provided by the customer, mail back any applications lacking the minimum required information to establish an Account along with a letter explaining the required information.

3.1.2. Account Maintenance and Management

Accounts require updating of data, such as demographics, replenishment amounts, vehicle information, payment methods, and Transponder information. The Contractor shall provide the following Services in an efficient and effective manner that allows customers to manage and monitor their Accounts:

614	The Contractor shall provide all Account management functions required to support TOD customers.
615	The Contractor shall process all Account updates received from any communication channel in accordance with the Performance Objectives.
616	The Contractor shall input customer information and other Account changes into the System immediately if the customer is present, or on the phone, and the customer has provided the proper credentials to prove authorized access to the Account.
617	The Contractor shall confirm and update current Account information from customers for all Walk- in and Call Center interactions.
618	The Contractor shall update customer Account information based on notification from entities as Approved by TOD, including but not limited to:
619	<ul style="list-style-type: none"> • customer;
620	<ul style="list-style-type: none"> • ROV Lookup Service Provider;
621	<ul style="list-style-type: none"> • United State Post Office;
622	<ul style="list-style-type: none"> • Skip Tracing;
623	<ul style="list-style-type: none"> • Collections Service Provider (CSP);
624	<ul style="list-style-type: none"> • Banks (for replenishment);
625	<ul style="list-style-type: none"> • Credit Card Update Service Provider; and
626	<ul style="list-style-type: none"> • Merchant Services Provider.
627	The Contractor shall ensure that all payments are processed promptly, securely and accurately, in accordance with Performance Objectives.

628	The Contractor shall promote, subscribe and unsubscribe marketing and discount programs to customers as directed by TOD.
629	The Contractor shall document and resolve all customer disputes.
630	The Contractor shall enter Account notes to document all customer contacts and other Account activities.
631	The Contractor shall perform the following tasks as required per TOD request and/or customer request including, but not limited to:
632	<ul style="list-style-type: none"> • view the Account balance;
633	<ul style="list-style-type: none"> • view posted Transactions;
634	<ul style="list-style-type: none"> • view payment history;
635	<ul style="list-style-type: none"> • view Account notes and contact history;
636	<ul style="list-style-type: none"> • view documents sent to and received from the customer;
637	<ul style="list-style-type: none"> • electronically attach documents to an Account;
638	<ul style="list-style-type: none"> • view and modify customer demographics;
639	<ul style="list-style-type: none"> • view and modify statement delivery options;
640	<ul style="list-style-type: none"> • view, add, delete and modify vehicle and license plate information;
641	<ul style="list-style-type: none"> • view images;
642	<ul style="list-style-type: none"> • validate and modify the Account personal identification number (PIN);
643	<ul style="list-style-type: none"> • add, and remove Credit Card, Debit Card and ACH information;
644	<ul style="list-style-type: none"> • process payments;
645	<ul style="list-style-type: none"> • process requests for statements/invoices;
646	<ul style="list-style-type: none"> • reverse and adjust Transactions and fees;
647	<ul style="list-style-type: none"> • enter mailing addresses and indicate which address is preferred;
648	<ul style="list-style-type: none"> • document and respond to mail correspondence;
649	<ul style="list-style-type: none"> • flag Accounts where there is returned mail with no forwarding address;
650	<ul style="list-style-type: none"> • add and remove Transponders (including retail Transponders);
651	<ul style="list-style-type: none"> • issue applicable credits to customer Accounts in accordance with the approved Business Rules;
652	<ul style="list-style-type: none"> • view and change Transponder statuses; and
653	<ul style="list-style-type: none"> • close Accounts.

654	The Contractor shall process all Account update requests received in-person at a Walk-in Center while the customer is at the Walk-in Center.
655	The Contractor shall process and fulfill all requests for additional or replacement Transponders received at a Walk-in Center for existing TxTag Accounts, while the customer is at the Walk-in Center.
656	The Contractor shall analyze and interpret System-generated Account activity data and reports for unusual or undesirable activity, and report these Accounts to TOD with recommended actions to remedy the situation, including investigating overpayments with the intent to apply or refund the overpayment.
657	The Contractor shall analyze and interpret System-generated Account activity data and reports for unusual or undesirable activity, and report these Accounts to TOD with recommended actions to remedy the situation, including investigating DMV, Third Party Service Provider and Rental Car payment rejects with the intent to appropriately apply the payments.
658	The Contractor shall support all activities related to suspending and reestablishing Accounts in accordance with TOD's Business Rules.
659	The Contractor shall support all activities related to Account closing. In the event of closing the Contractor shall ensure that the customer's Transponder(s) is returned or the fee assessed and that the Account and Transponder are changed to the appropriate status in the System and that all outstanding balances are paid prior to closing the Account.
660	The Contractor shall support all activities related to re-opening Accounts in accordance with TOD's Business Rules.
661	The Contractor shall process customers' requests to convert Accounts from certain Account types to certain other Account types.
662	The Contractor shall support Account conversion requests at Walk-In Centers, over the phone with a CSR, and by email/mail/fax.

3.1.3. Non-Revenue Accounts and other System Accounts

TOD currently uses non-revenue Accounts to support agreements and/or partnerships it may have with other agencies or entities. The Contractor shall not distribute non-revenue Account applications or information. These applications and information will only be made available by TOD personnel. Non-revenue Accounts cannot be opened by the customer at the Walk-in Centers, over the phone or via any of the self-service channels. Only TOD may provide direction to the Contractor to open a non-revenue Account. Otherwise these Accounts are maintained in a similar fashion to other Account types. Usage is accounted for and statements are provided but payments for tolls are not collected.

663	The Contractor shall obtain TOD direction and Approval for the establishment or modification of non-revenue Accounts.
664	The Contractor shall add, remove and replace Transponders on non-revenue Accounts upon Approval from TOD.

3.1.4. Discount Plans

TOD has discount plans and the System will have the flexibility to apply the relevant discount plans based on the Business Rules. These plans may be assigned at the individual Transponder, or global Account level and each Account may have one or more Account plans assigned to it.

The Contractor shall be responsible for managing operational aspects of various discount plans, including managing enrollment in the program, verifying eligibility, program membership renewal, handling questions from customers in regard to how the programs work and questions about specific Transactions under the programs. The Contractor should expect that plans may be added, deleted or modified over the course of the operations period.

665	In accordance with the approved Business Rules, the Contractor shall provide support for all of TOD's discount plans in place during the operations period, including new and modified plans.
666	For the discount plans that require qualification, the Contractor shall verify qualification, scan and attach the qualification documentation prior to adding the plan(s) to the customer Account.
667	For discount plans which expire and require renewal, the Contractor shall verify qualification prior to renewing the plan on the customer Account.
668	For discount plans requiring payment, the Contractor shall collect appropriate payment from the customer as required by the enrollment process for the specific discount plan.

3.1.5. TOD Authorized Toll Exceptions (events, incidents, promotions, etc.)

Periodically, TOD or another entity may sponsor payment of tolls, offer marketing promotions, and/or discount tolls for other reasons. TOD will advise the Contractor of these situations to enable the Contractor to respond to customer inquiries.

669	The Contractor shall manually adjust tolls, charges or credits on Accounts in accordance with the approved Business Rules and SOP's or at TOD's direction.
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3.1.6. Fees and Refunds

The Contractor is responsible for assessing and explaining TOD fees and penalties.

670	The Contractor shall ensure that fees and penalties are consistently and accurately applied to customer Account balances and invoices.
671	The Contractor shall collect, adjust, or reverse various Account fees and penalties.
672	The Contractor shall apply any fees which require manual application in accordance with TOD's Business Rules.
673	The Contractor shall manage the assessment of fees, deposits and penalties including but not limited to:
674	<ul style="list-style-type: none"> • non-sufficient funds (NSF) fees;
675	<ul style="list-style-type: none"> • Transponder deposit;
676	<ul style="list-style-type: none"> • Transponder fee;

677	<ul style="list-style-type: none"> mailed statement fees;
678	<ul style="list-style-type: none"> administrative fees (late fees, etc.); and
679	<ul style="list-style-type: none"> fees for Transactions at non-TOD facilities.

3.1.7. Customer Privacy

Customer privacy is of utmost concern to TOD. The Contractor shall adhere to Privacy and Security Requirements related to cyber-security and privacy set forth below and in the Data Security and Facility Access Control section of these Requirements. The Contractor will follow these Requirements as well as those detailed in relevant state statutes to ensure customer information is not released improperly, and to protect the data to which the CSC Staff must have access.

680	The Contractor shall consider all CSC data as confidential and maintain all data in a secure manner that protects PII.
681	The Contractor shall handle all customer and Account information in accordance with applicable laws, the TOD privacy policy, and Approved Customer Account terms and conditions.
682	The Contractor shall not sell, use, or distribute general or specific customer information and data for any reason, nor shall it aggregate the data for any non-permitted use without TOD written directions and Approval.
683	The Contractor shall not release customer information to anyone other than:
684	<ul style="list-style-type: none"> TOD's Approved Staff;
685	<ul style="list-style-type: none"> properly identified presenters of subpoenas upon TOD's Approval;
686	<ul style="list-style-type: none"> verified customers seeking information concerning their own Accounts;
687	<ul style="list-style-type: none"> Approved CSP operating under Contract to TOD in accordance with the CSC Business Rules; and
688	<ul style="list-style-type: none"> Other entities as directed by TOD.
689	The Contractor shall not communicate, respond to inquiries, or provide information to the media, other government agencies, or individuals representing organizations other than in the normal course of customer service.
700	The Contractor shall verify the identity of customers prior to release of information. A customer authentication matrix, detailing the various levels of information that can be released based on authentication level, shall be developed by the Contractor, approved by TOD and documented in the Operations Plan and SOPs.
701	The Contractor shall be responsible for protecting CSC data within the System.
702	The Contractor shall physically secure all media.
703	The Contractor shall establish and enforce usage policies for critical technologies and define proper use of these technologies and to secure TOD's System and data including but not limited to:

704	<ul style="list-style-type: none"> verify that procedures for protecting PII include controls for physically securing all media (including but not limited to computers, removable electronic media, paper receipts, paper reports, and faxes);
705	<ul style="list-style-type: none"> adhere to email usage policies to prevent phishing;
706	<ul style="list-style-type: none"> restrict Internet browsing;
707	<ul style="list-style-type: none"> ensure anti-virus protection is installed and kept updated with the latest patches and releases on all devices that connect to the System remotely;
708	<ul style="list-style-type: none"> ensure appropriate security role assignment;
709	<ul style="list-style-type: none"> enforce password confidentiality; and
710	<ul style="list-style-type: none"> conduct user training on information security and social engineering threats on an annual basis.

3.1.8. Customer Service Quality Assurance

The quality of the service provided to its customers is of utmost importance to TOD. In addition to customer satisfaction surveys, TOD expects the Contractor to develop and enact QA/QC programs for all aspects of its operation and to train its Staff to use deliberate care in serving TOD’s customers.

711	The Contractor shall ensure all CSC Staff are trained in a manner which ensures excellent customer service as measured by the Performance Criteria.
712	The Contractor shall record the reason(s) for each contact by using Approved call wrap-up codes or entering Account notes to document the reason for the contact, the discussion with the customer and to memorialize the resolution or required next steps.
713	The Contractor shall monitor and score both live and recorded CSR calls for accuracy, efficiency, professionalism and courteousness.
714	The Contractor shall monitor and score CSR interaction with customers at the Walk-in Centers for accuracy, efficiency, professionalism and courteousness.
715	The Contractor shall document monitoring results and submit a monthly summary to TOD.
716	The Contractor shall track all escalated issues and resolutions, and provide a monthly report to TOD as part of the Monthly Project Report.

3.1.9. Ongoing Customer Satisfaction Surveys

TOD will utilize a Customer Satisfaction Survey Provider similar to JD Powers, Associates to survey customers regarding their experience with the CSC. The Replacement System Contractor is responsible for providing the necessary information regarding the customer contact to the Customer Satisfaction Survey Provider to enable them to survey customers using automated survey tools. This will be done in accordance with the ICD developed between the Replacement System Contractor and the Customer Satisfaction Survey Provider.

The Contractor shall utilize the survey tool and results as a training and feedback tool for CSRs and as

a measurement for overall customer satisfaction. The Contractor shall work with TOD to configure and utilize the Customer Satisfaction Survey tool and report overall survey results, including low scores, as part of the Monthly Project Report.

TOD will continuously survey customers through the services of the Customer Satisfaction Survey Provider. Customer surveys will be performed through electronic means such as emails, text messages, phone surveys or a combination thereof. The survey tool shall be provided by the Contractor which will allow for the creation and maintenance of a variety of different survey templates. Different survey templates may be selected based on contact channel, individual CSR or Account type.

717	The Contractor shall work with TOD to configure and utilize the Customer Satisfaction Survey tool to offer a survey opportunity to every customer each time they contact the CSC.
718	The Contractor shall monitor survey results per Business Rules and SOPs.
719	The Contractor shall, on each survey, ask if the customer would like to be contacted regarding any unresolved concerns.
720	The Contractor shall contact each customer who asks to be contacted regarding any unresolved concerns, within the time specified by Business Rules and SOPs of the customer submitting the survey.
721	The Contractor shall make contact with each customer who rates their experience with an overall score below an agreed upon threshold, as noted in the Operations Plan, within the time specified by Business Rules and SOPs of the customer submitting the survey.
722	The Contractor shall provide training on the survey tool to CSRs, including the purpose of the survey and the use of the survey tool.
723	The Contractor shall review survey results with CSRs during periodic meetings regarding individual CSR performance.
724	The Contractor shall provide the capability to survey the customers using different channels depending on the customer's method of contact and other factors. For example, the IVR may ask the customer to take a brief survey on the telephone after a call to the CSC.
725	The Contractor shall provide customer survey capabilities with a combination of features, including but not limited to:
726	<ul style="list-style-type: none"> • real-time reporting of survey results to TOD and TOD'S designees;
727	<ul style="list-style-type: none"> • real-time Configurable alerts to TOD and TOD's designees on certain parameters, such as a low survey score (for example, send an alert each time a customer provides a rating of two (2) or below on any individual question or the survey) or key word (for example, each time a customer uses certain profane or threatening words);
728	<ul style="list-style-type: none"> • real-time dashboard-style feedback for Authorized Users (such as a Website interface for CSRs to view survey results for their own calls and scoring, in comparison with their peers); and
729	<ul style="list-style-type: none"> • survey scoring.

730	<ul style="list-style-type: none"> The Contractor shall provide reporting functionality for scoring surveys, including but not limited to:
731	<ul style="list-style-type: none"> survey date;
732	<ul style="list-style-type: none"> survey type;
733	<ul style="list-style-type: none"> CSR; and
734	<ul style="list-style-type: none"> contact channel.

3.2. Image Review Support

Image collection and processing is a fundamental operation of TOD’s toll collection System. Automatic License Plate Recognition (ALPR) and OCR are used to enable automatic extraction of plate data. If a valid Transponder is not identified and a license plate number cannot be extracted by the systems, the images associated with the Transactions will be processed via the Contractor’s manual Image Review Team. These images will be used to determine if a plate is associated with a TxTag Account, Pay By Mail Account or interoperable Account. TOD’s toll collection System will provide the Image Review Team with a set of images for each Transaction. The Image Review Team will identify the plate number, jurisdiction and plate type, if applicable, and provide this information back to the System.

The System will automatically update customer Accounts or generate invoices based on the plate information received from the Image Review Team.

3.2.1. Image Review QualityControl

The accuracy of the image review process is critical to the successful identification of the ROV. As part of the QC process, the Contractor will use the System to conduct an accuracy review and audit process of the Image Review Team results to ensure that the Image Review Team is accurately identifying a high percentage of license plates.

725	The Contractor shall perform manual image review on a sample of the image sets reviewed by the Image Review teamS each day.
736	The Contractor shall identify the jurisdiction and plate number or determine if the plate is unreadable and assign appropriate reject codes to the unreadable images.
737	The Contractor shall work with the applicable System Contractor to take the necessary steps to correct identified errors from the automated and/or manual review process so that they do not continue to occur. For example, through the customer dispute process, the Contractor identifies that the System may be mistaking the letter “E” for the letter “F” for the state of Texas so the Contractor would communicate the problem to the Replacement System Contractor and provide examples of the issue.

3.2.2. Ad Hoc Image Review and Research

It may be necessary for the Contractor to review specific license plate images to correctly identify the vehicle corresponding to a specific toll Transaction based on a customer or TOD request. Other

research utilizing the System may also be required to fully resolve the request.

738	The Contractor shall perform ad-hoc image review and other research to resolve disputes and other customer service issues at the request of the TOD or the customer.
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3.2.3. Registered Owner of Vehicle (ROV) Lookup Support and Response Validation

TxDOT shall be responsible for the initial task of ROV Lookup and will utilize an internal database of Texas Registered Vehicles to lookup and associate license plates with vehicle owners. TxDOT will utilize a third-party database for the lookup of non-Texas license plates. Through the process of providing excellent customer service, the Contractor shall, in accordance with Business Rules and SOPs, respond to customer inquiries, pursue and validate the name and address information of the ROV through a live connection with Texas DMV for Texas license plates.

The Contractor shall work with the Replacement System Contractor to maintain the ROV Lookup process to ensure that TOD's ROV requests are yielding the maximum number of successful requests resulting in obtaining the ROV's information from ROV Lookup Provider. The Contractor shall monitor the ROV outcomes identifying any changes to the normal successful match rate, and in order to suggest process improvements and ensure that the ROV Lookup data and process is working correctly to provide the best opportunity to obtain the ROV information for each request.

The Contractor shall also manually re-review images and conduct research in the System for license plates for which the ROV Lookup Provider did not find a match, depending on the response reason provided by the ROV Lookup Provider.

739	The Contractor shall work with the Replacement System Contractor, and TOD to obtain a thorough understanding of ROV lookup process, including but not limited to:
740	<ul style="list-style-type: none"> • the various ROV Lookup Providers being used;
741	<ul style="list-style-type: none"> • the criteria for selecting a particular ROV Lookup Service Provider for all types of license plates, including but not limited to dealer, temporary and other specialty plates;
742	<ul style="list-style-type: none"> • the response codes provided by the ROV Lookup Service Providers, what the codes mean and what follow up action, if any, should be taken;
743	<ul style="list-style-type: none"> • how license plate types affect the process;
744	<ul style="list-style-type: none"> • the normal/expected number and percentage of matches obtained from each ROV Lookup Service Provider by jurisdiction and plate type; and
745	<ul style="list-style-type: none"> • the rules for entering the license plate correctly by jurisdiction and plate type.
746	The Contractor shall monitor the success of ROV look up requests reporting on the number of requests for which an ROV was obtained (successful lookup) and the number for which a request was not obtained (unsuccessful lookup) by jurisdiction.
747	The Contractor shall monitor the ROV lookup results for changes to the normal match rates and other potential problems with the ROV lookup process.

748	The Contractor shall identify jurisdictions which the percentage of successful requests vary by more than 2.5% and work with the Replacement System Contractor and the appropriate ROV Lookup Provider.
749	The Contractor shall recommend and/or develop solutions to increase the ROV Lookup success for jurisdictions with the lowest success rates.
750	The Contractor shall work both independently and with the Replacement System Contractor and the ROV Lookup Service Providers to determine the cause of any potential problems and resolve them.
751	The Contractor shall generate a list of “no-hit” responses from ROV Lookup Service Providers, and review the images and perform research using the System to validate license plate submission information.
752	The Contractor shall view the image in the System to verify the license plate information was entered correctly and make corrections if necessary.
753	The Contractor shall use an online interface to the Texas DMV and other ROV Lookup sources as provided by TOD to manually look up individual license plates at the request of TOD or in order to resolve customer disputes.

3.3. Customer Communications

Customer communication can take many forms, and may vary depending on customer preference as well as the situation. This section provides high-level Requirements necessary for this customer interaction.

754	The Contractor shall generate, distribute, receive, sort and track all Customer Correspondence.
755	The Contractor shall establish and administer all applicable postal service relationships.
756	The Contractor shall track and report on the number of incoming and outgoing correspondences by type.
757	The Contractor shall receive and resolve customer communication via multiple channels including, but not limited to, telephone, mail, email, fax, and in-person at Walk-in Centers.
758	The Contractor shall use the System to record and maintain a historical record of all contact with customers in the customer Account.
759	The Contractor shall communicate information to customers or others on behalf of TOD, as directed by TOD. This communication may be via direct mailing, emails, statement inserts, SMS, statement messages, IVR system predictive calling, or by other means, as directed by TOD.
760	The Contractor shall obtain and update customer email addresses, mailing addresses, and phone numbers.
761	The Contractor shall obtain TOD Approval of the format and overall content of all customer communication materials as well as the distribution method.
762	The Contractor shall coordinate with TOD to notify customers of customer related information.

763	Any public release of information by the Contractor regarding Contractor's activities related to TOD shall be Approved in advance by TOD.
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3.3.1. Outgoing Customer Notification

The Contractor is responsible for all necessary customer communication in accordance with the Approved Operations Plan. Most outgoing notifications are created by the System and processed and sent using various distribution channels based on System rules relating to the customer's preferred methods of notification and TOD's required methods and preferences. These channels include electronic transmissions (email and texts), mail, and outbound phone calls. Notifications are tracked in the System and associated with applicable Account. A significant number of the customer notifications will be sent to the Mail House Service Provider that provides outgoing mail Services for the System-generated mail notifications. The Contractor will be responsible for the mailing of Transponders Kits, read prevention bags and additional mounting strips, as well as any manual notifications not batched by the System. The majority of outgoing notifications will be statements, and invoices and customer notifications.

Note: At its own expense, the Contractor shall communicate to customers and/or the general public any information related to issues or problems caused by the Contractor that affect TOD customers. All notifications of this type shall be reviewed and Approved by TOD prior to the CSC communication to customers.

764	The Contractor shall make contact with a customer, based on TOD's direction and customer's preference (mail, email or text), using the most efficient System-generated method possible to communicate with the Customer about various Account related issues, customer approvals, changes to Business Rules and policies and TOD-directed marketing efforts. In addition, the System will record the type and date of Notification on the customer's Account, along with a copy of the actual notification sent or communication made. Current Notifications are identified in the TOD approved Business Rules.
765	Certain events may require that the Contractor contact the customer directly by phone, non-System generated email or letter. These events include but are not limited to: instances when the customer's email and or USPS mail addresses are invalid or not available; a circumstance has occurred related to individual Account(s) which is not addressed by the System-generated notifications and occasions when a phone call is warranted.
766	The Contractor shall be responsible for the mailing of Transponders, read prevention bags, mounting strips and postage paid envelopes used to return Transponders as well as any notifications not generated by the System.
767	The Contractor shall be responsible for packaging and distributing printed information that is provided with Transponders, as directed by TOD.
768	TOD shall provide the collateral material for the Contractor's use but the Contractor will need to manage the collateral material inventory and notify TOD when it is time to order more such materials.
769	The Contractor shall send all Customer Correspondence via First Class Mail unless specifically directed by TOD.

770	The Contractor shall employ bulk mail rates and other mailing economies, including, the capacity for pre-sorting mail by zip code and intelligent mail barcode (IMB) to ensure the most cost-effective postage rates are obtained.
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3.3.1.1. Customer Statements and Invoices

The System generates statements and invoices based on pre-determined frequencies in accordance with the approved Business Rules.

771	The Contractor shall reproduce and issue statements and invoices on demand when a customer request is received.
772	The Contractor shall provide reproduced statements and invoices requested at a Walk-in Center.
773	The Contractor shall assist Account holders in modifying their statement/invoice delivery method and frequency.
774	The Contractor shall actively promote and encourage the use of email or online statements and invoices.

3.3.1.2. Invoice Issuance

If no Pay By Mail payment is received in time, invoices are issued for license plate-based Transactions on TOD's toll facilities. If the toll remains unpaid and the invoice is not resolved within TOD's specified timelines, administrative fees and invoices will be system generated as defined in SOPs.

775	The Contractor shall immediately notify TOD of any issues related to invoice or advisement mailings.
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3.4. Incoming Customer Communication

Incoming customer communication includes customer applications; replenishment payments; invoice payments; customer complaints; disputes; general public inquiries; legal notices (for example, bankruptcy, subpoena etc.); requests for Account closures and refunds, and Account information updates. These communications will be received through all channels (including but not limited to phone calls, faxes, texts, chat sessions, social media, emails and mail). Incoming mail also includes returned Transponders and returned mail.

Facilities and procedures are required to provide careful and efficient handling of all incoming customer communication, including systems for tracking customer requests as issues associated with the appropriate Account(s).

776	All customer contacts, handled directly through the Contractor Staff shall be noted in the customer Account to maintain an accurate history of the customer's interaction with the CSC. Customer contacts through automated means, such as the IVR or the Self-Service Website will be automatically associated with or notated on the customer's Account.
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777	The Contractor shall develop a workflow process that clearly documents the handling process for incoming correspondence and provides appropriate separation of duties as warranted (including faxes, texts and email), ensuring all incoming correspondence is recorded, reviewed and properly routed (such as, operational correspondence, returned mail, financial, contractual, etc.). This shall be documented in the Operations Plan SOPs.
778	TOD shall Approve the SOP for the correspondence handling process and any changes to the handling process.
779	The Contractor shall ensure all correspondence handling processes and controls are documented and adhered to.
780	The Contractor shall establish and maintain one (1) post office box for incoming CSC mail. In addition, the Contractor shall support the phasing-out of the old boxes during the Planning Phase.
781	All incoming mail shall be processed by the Contractor, in accordance with the SOPs and applicable standards, including but not limited to security Requirements, PCI DSS and other applicable regulations. Such Requirements include but are not limited to: segregation of duties; mail shall be date stamped, recorded into the CSC, categorized, scanned and/or saved into the System and assigned to the appropriate Contractor Staff for processing.
782	The Contractor shall open, sort, date stamp, batch, log, and distribute incoming mail on the date it was received.
783	The Contractor shall scan all incoming mail.
784	The Contractor shall associate scanned mail to the appropriate customer Account using the System.
785	The Contractor shall store scanned mail not associated to an Account in an electronic file, and periodically review the file for determination and association with an Account.
786	The Contractor shall shred paper copies in accordance with security Requirements, and policies Approved by TOD and documented in the Operations Plan SOPs.
787	The Contractor shall associate all email related to the appropriate customer Account using the System.
788	The Contractor shall store emails not associated to an Account in an electronic file, and periodically review the file for determination and association with an Account.
789	The Contractor shall provide a response for all written correspondence received from a customer regardless of which channel the customer uses to communicate, including but not limited to, correspondence received by:
790	<ul style="list-style-type: none"> • email;
791	<ul style="list-style-type: none"> • fax;
792	<ul style="list-style-type: none"> • text;
793	<ul style="list-style-type: none"> • chat;
794	<ul style="list-style-type: none"> • social media;

795	<ul style="list-style-type: none"> communication from the Website’s “Contact Us” feature;
796	<ul style="list-style-type: none"> USPS correspondence; and
797	<ul style="list-style-type: none"> express mail.
798	The Contractor shall monitor and respond to customer requests received by phone, and text in real time when received during regular business hours.
799	The Contractor shall use the same channel used by the customer to respond to the Customer Correspondence unless the Business Rules or SOPs specify a different channel or that the nature of the customer issue necessitates the use of a different channel.
800	The System shall provide customer notification (via email, text or US mail depending on customer preference and TOD’S preference), or other CSC response for various Account related issues, customer approvals and changes to Business Rules and policies. The Contractor shall be required to respond to customer contact related to these notifications. This response shall involve a combination of operational and System activities. Current Notifications are identified in <u>the</u> TOD approved Business Rules.
801	The Contractor shall monitor the communications channels used and frequency of all Customer Correspondence (as configured in the System) and recommend for consideration system (System, phone system, website, Mobile App) configuration changes that improve the use of customer- friendly, efficient and cost- effective customer communication methods.
802	Some customer contact may involve questions about image-based Transactions. The Contractor shall utilize the System to view images and make appropriate changes to (correcting) keyed license plate numbers to support customer inquiry or enforcement activities.
803	With the exception of customer requests regarding their own Accounts, the Contractor shall only answer general inquiries as they relate to general information about the tolling facilities serviced and Services provided by the CSC. All other inquires and communications shall be escalated to the TOD Director of Customer Service or as set forth in the Operations Plan, unless the Contractor is otherwise directed in writing by TOD. This includes inquiries from or communications with the media, government agents, Public Information Records Act requests and individuals representing organizations for purposes other than directly related to their own customer Account.
804	The Contractor shall keep a record of all information requests, inform the TOD Director of Customer Service immediately of inquiries from these entities and direct such inquiries to the TOD Director of Customer Service, according to the Operations Plan.
805	Customers may contact the Contractor regarding issues the Contractor does not control, including but not limited to: debris on the roadway, toll amount, toll payment options, or general tolling questions. The Contractor shall collect the required information and handle the issue in accordance with the Operations Plan. The Contractor shall track the issue until it is accurately resolved or handed off to the appropriate responsible party for resolution in accordance with the Operations Plan.
806	The Contractor shall refer all external requests, inquiries, subpoenas and other official information requests to TOD Director of Customer Service.
807	As directed by TOD, the Contractor shall research, compile and provide data in response to Public Information Records Act requests, subpoenas, search warrants, or other requests.
808	The Contractor shall respond to all TOD inquiries for information, research, and other queries during normal business hours.

3.4.1. Returned Mail Processing

The Contractor is responsible updating the System to reflect the status of the notification and attempt to obtain a different address to mail the notification to the customer if a forwarding address was not provided.

809	The Contractor shall process returned mail.
810	The Contractor shall enter a note on the Account for returned mail without an updated address and mark the address as bad.
811	The Contractor shall enter the forwarding address, if provided and a note on the Account returned mail with an updated address.
812	The Contractor shall process returned mail without an updated address through a skip-trace process to locate a best-known replacement address.
813	The Contractor shall use all available communication channels available (phone, email, SMS) to obtain an updated address and resend returned items.
814	The Contractor shall use the System to track successful attempts to update Account contact information by adding notes to the Account.
815	The Contractor shall use the System to track unsuccessful attempts to update Account contact information and ensure the System ceases to send future mail unless statute, ordinance, PCI, or Business Rules requires additional notices.

3.4.2. Social Media

Social media is a method of getting important information out to customers and receiving feedback. TOD oversees all social media involving TOD business and customers, and therefore, the Contractor will assist TOD with research and resolution of issues presented via social media.

816	At TOD's direction, the Contractor shall research information related to social media postings for communication of information on social media, and/or contact the customer for issue resolution.
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3.4.3. Issues Management

The System will provide the capability to create, assign and manage requests made by customers or Authorized Users. In the Legacy System, these requests become "follow-ups" and in the Replacement System, these requests are expected to become Cases (jointly referred to as "Cases"). Case management is the creation and management of Cases where a Case represents an activity or action required to satisfy TOD's, customer's or the general public's need or inquiry. Cases can be opened by customers, Authorized Users, by the TOD personnel, CSP and automatically by the System. Once a Case has been opened it is assigned to the appropriate Contractor Staff, and its progress is tracked and reported through completion by the System.

A Case is initiated any time a request cannot immediately be completed. Cases can be initiated by a

customer using any communication channel, by the System (based on criteria and approved Business Rules) or by Authorized Users. Cases are associated with Accounts based on the requestor and other information provided at the time of request. Some examples of Cases types include but are not limited to Account establishment, escalation disputes, unassigned funds research, payment/refund research and request for CSC management to follow-up with a customer.

817	Many customer issues or requests (such as, changing a customer's contact information), can be completely resolved at the time of the customer request. The Contractor shall enter a note into the customer's Account because the issue or request was completely handled and the item shall be closed.
818	For any customer issue or request that cannot be completely and accurately resolved at the time of request, the Contractor shall be entered into the System as a Case, for management, tracking and reporting.
819	CSC Staff shall work open Cases through to final resolution in a timely manner as required in the Operations Plan and the Performance Objectives.
820	The Contractor shall accurately and completely resolve and respond to customer issues and requests by the customer's preferred method of contact (email and mail) if available, or by letter, email, mail, phone or text. The escalation procedures for customer issues and requests shall be described in the Operations Plan.
821	The Contractor shall respond to customer Cases according to the CSC Business Rules and the Operations Plan. The CSC Staff member responsible for Case management shall review the list of open Cases per Business Rules and SOPs and shall make sure they are accurately resolved in accordance with and within the timeliness set forth in the Performance Objectives. TOD shall be notified immediately if there are any critical comments or issues that need immediate attention.
822	The Contractor shall be responsible for the complete resolution of all customer disputes, which are managed as Cases, in accordance with TOD's policies, CSC Business Rules and the Operations Plan. Chargebacks initiated by the bank, adjustments to vehicle class, dismissals, reassigning of Transactions, and other resolutions shall be processed by the Contractor. Specific types of disputes as identified in the CSC Business Rules and the Operations Plan shall require management review and Approval by Contractor Staff or TOD as applicable, and all waivers and dismissals shall be in accordance with the Operations Plan.
823	The Contractor shall place the Transaction(s) and invoices on hold and release the hold in accordance with TOD's Business Rules.
824	The Contractor shall ensure all supporting documentation from the customer to resolve a dispute, as required by the Operations Plan and Business Rules, is obtained. If the customer does not provide the supporting documentation, the Contractor shall contact the customer, in accordance with the timeframes defined in the Business Rules and Operations Plan.
825	The Contractor shall assign the Cases to qualified personnel as described in the Approved Operations Plan.
826	The Contractor shall monitor the Cases using System and manual reports to ensure that Cases are being worked and that requests for information from customers, TOD or other departments of the Contractor's operation are followed up.

3.5. Payment Processing

A critical part of TOD's day-to-day operations is the processing of customer payments. The Contractor will process payments received over the phone, at a Walk-in Center, via USPS and electronically and also manage the customer refund process.

3.5.1. General Payment Processing Requirements

827	The Contractor shall securely process all payments received.
828	The Contractor shall accurately track the chain of custody of all payments.
829	The Contractor shall accept and process all customer payments.
830	The Contractor shall apply payments to the correct customer Account.
831	The Contractor shall properly handle payment adjustments, reversals, error corrections, refunds, NSF checks, Credit Card inquiries and chargebacks, partial payments, overpayments, split payments, unidentified payments and multiple payment methods for a single amount due.
832	The Contractor shall apply payments received without specific customer direction to outstanding customer balances.
833	The Contractor shall process, resolve, reconcile, and report unidentified payments (payments that do not have sufficient information to allow immediate matching to an Account).
834	The Contractor shall verify that checks are signed and completed properly, and that Credit Card and Debit Card numbers and signatures are completed properly.
835	The Contractor shall track, resolve and report on incomplete payments such as unsigned checks and incomplete Credit Card and Debit Card numbers.
836	The Contractor shall scan, into the System, all customer payment correspondence including all checks. The Contractor shall associate the images with the correct Account. Routing and bank account information must be redacted before scanning for security purposes.
837	The Contractor shall deposit all payments into the correct bank account as designated by TOD. TOD may designate payments to bank accounts by Account type, by general ledger subsidiary account, by payment method and/or by roadway.
838	The Contractor shall reconcile all payments posted to bank deposits and Credit Card, Debit Card and ACH processing receipts per Business Rules and SOPs. The Contractor shall maintain a record of any discrepancies and report them immediately to TOD.
839	The Contractor shall reconcile all cash and check payments received from all sources to daily bank deposits.
840	The Contractor shall follow reconciliation processes, audit trail and controls to safeguard all funds received, in accordance with SOPs.
841	The Contractor is liable for any financial shortfalls that are the result of contractor error and/or negligence. This shortfall shall be funded annually during financial year end close.

3.5.2. Credit Card, Debit Card and ACH Processing

The Contractor will facilitate payments using Credit Cards and PIN-based Debit Cards and checking accounts (ACH) over the phone, in the Walk-In Centers, and from Customer Correspondence. The Contractor shall also assist customers with making payments via the Website and Mobile App.

842	The Contractor shall accept payments over the phone, in the Walk-in Centers, and from Customer Correspondence using the following Credit Cards:
843	<ul style="list-style-type: none"> • Visa;
844	<ul style="list-style-type: none"> • MasterCard;
845	<ul style="list-style-type: none"> • American Express; and
846	<ul style="list-style-type: none"> • Discover.
847	The Contractor shall accept PIN-based Debit Cards in the Walk-in Centers.
848	The Contractor shall resolve all Credit Card and ACH transaction processing issues for all TOD payment channels, including but not limited to payments received over the phone, Walk-In Centers, from Customer Correspondence, Website, Mobile App and automatic replenishments.
849	The Contractor shall utilize TOD provided point-of sale Credit Card, PIN-based Debit Cards and check scanning terminals at all Walk-In Centers.
850	The Contractor shall comply with the security, privacy and reporting standards of the Credit Card issuer and processor.
851	The Contractor shall assist TOD in the review of customer Credit Card inquiries and chargebacks and compliance with card processor timelines.
852	The Contractor shall make appropriate Account adjustments and notify customers in response to payment chargebacks.
853	The Contractor shall adhere to all processing Requirements of the Credit Card processors and banks.
854	The Contractor shall reverse any PIN-based Debit Cards and ACH transactions that are not honored, record them in the customer's Account and apply an appropriate fee in accordance with the Operations Plan and Business Rules.

3.5.3. Cash and Check Processing

The Contractor will facilitate payment using cash and checks at the Walk-In Centers and from Customer Correspondence.

855	The Contractor shall accept and immediately process all cash and checks received via mail and at the Walk-In Centers.
856	The Contractor shall manually process and apply payment to accounts for all checks that cannot be processed electronically.

857	The Contractor shall process payments that do not have sufficient information to allow immediate matching to an Account in accordance with applicable escheatment laws.
858	The Contractor shall properly safeguard all cash and checks at all times and maintain records of the chain of custody of all funds.
859	The Contractor shall review all cash and check processing procedures at least annually for efficiency and comprehensiveness of controls.
860	The Contractor shall reverse any checks that are not honored, record them in the customer's Account and apply an appropriate NSF fee in accordance with the Operations Plan and Business Rules.

3.5.4. Refunds

TOD will provide access to a separate bank checking account from which the Contractor will issue refund checks. This account will be periodically replenished by TOD, as necessary. TOD will furnish the checks for printing. This account will be reconciled by the Contractor.

861	The Contractor shall process customer refunds as required, including for Account closures, overpayments and error corrections in accordance with approved Business Rules and SOPs.
862	The Contractor shall review all refund requests, validate for accuracy and appropriateness, and approve, as necessary. TOD and TxDOT will also provide required approvals as outlined in the Refund SOP.
863	The Contractor shall post all refunds in the customer Account as a financial transaction and enter notes as appropriate in accordance with the Operations Plan and Business Rules.
864	The Contractor shall perform and provide to TOD, a reconciliation of all refunds issued from the refund account in accordance with SOPs.
865	The Contractor shall designate and identify limited Staff to issue refunds below the configurable threshold.
866	The Contractor shall generate documentation in support of all refund requests.
867	The Contractor shall submit to TOD for review and Approval, justification documentation for any refund request in excess of the refund Approval threshold amount.
868	The Contractor shall report the amount issued from the refund account as part of the Monthly Project Report package, as required for timely replenishment.
869	The Contractor shall support Positive Pay processing for all refund checks issued. This includes supporting the generation and issuance of Positive Pay files to the bank and the monitoring and handling of all related issues and exceptions in accordance with the Operations Plan and Business Rules.

3.6. Unpaid Toll Processing

Unpaid Toll Processing includes all tasks associated with identifying and resolving unpaid toll Transactions. Managing Unpaid Toll Processing efficiently is key to TOD's requirement for repayment of debt and goal of converting users of The Toll Roads receiving an Unpaid Toll

transaction into Accountholders.

The System identifies Unpaid Toll Transactions, creates and transmits electronic files for issuance/ mailing of invoices by the contractor Mail House.

3.6.1. Issuance, Tracking and Resolution of Invoices and Unpaid Transactions

Proper tracking and resolution of Unpaid Toll Transactions will be achieved by adhering to the Requirements below.

870	The Contractor shall audit invoices for accuracy and to ensure that volumes generated and mailed reflect the expectations.
871	The Contractor shall ensure that invoices are mailed within the established Performance Objectives.
872	The Contractor shall monitor the following and provide reports as requested by TOD:
873	<ul style="list-style-type: none"> • invoices;
874	<ul style="list-style-type: none"> • Payments that result in payment in full, partial payment, or over-payment;
875	<ul style="list-style-type: none"> • Payment reversals;
876	<ul style="list-style-type: none"> • Unpaid Toll Transactions resolved by posting to an Account or matching to a payment;
877	<ul style="list-style-type: none"> • Unpaid Toll Transactions disputed or under Administrative Review;
878	<ul style="list-style-type: none"> • Unpaid Toll Transactions dismissed, negotiated, hearing requested or dispute denied; and
879	<ul style="list-style-type: none"> • Unresolved unpaid toll Transactions.
880	The Contractor shall process disputes relating to unpaid toll transactions, in accordance with Texas law.
881	The Contractor shall manage the communication and/or correspondence with all persons submitting disputes.
882	The Contractor shall research and document any dispute submitted to TOD for Administrative Review.
883	The Contractor shall coordinate with TOD to schedule administrative review hearings requested by invoice recipients and prepare hearing evidence packages. Hearings will be conducted by TOD.

3.6.2. Transfer of Responsibility (TOR)

In allowable circumstances, the Contractor will transfer responsibility of an unpaid toll transaction from one party to another.

884	The Contractor shall process TORs using the System and in accordance with Texas laws, the approved Business Rules and SOPs.
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3.6.3. Habitual Violator Processing

In accordance with Texas State Law and Transportation Code, Chapter 372, Subchapter C, the contractor will establish processes and procedures for processing habitual violators:

- Identify violators as the owner of a vehicle having 100 or more unpaid violations within a one year period
- Send at least two invoices notifying the registered owner of the debt and warning them that nonpayment will result in the entity's exercise of habitual violator remedies

Having been warned that the failure to pay the amounts specified in the invoices may result in the entity's exercise of habitual violator remedies:

- Allowing the registered owner to request a hearing (Justice of the Peace Court).
- Allow the debtor to resolve their debt by setting up a payment plan to pay the total amount of outstanding tolls and administrative fees over a specified period

Establish procedures on imposing remedies on habitual violators whose account remain unpaid may include:

- Publishing of the names of toll violators on TxDOT's website
- Blocking vehicle registration
- Coordinate with local authorities on prohibiting the operation of a vehicle owned by habitual violator on toll roads
- Adhere to any modification State Law and Transportation Code

Coordinating process with TxDOT and law enforcement on impounding the vehicle upon proof of repeated violation of the above provision

885	In accordance with the approved Business Rules and SOPs, the Contractor shall generate a list of frequent Violators and attempt to identify customer.
886	The Contractor shall actively pursue contact with customer from the frequent Violator list, seeking payment for outstanding toll debt, offering mitigation as available, and encouraging the opening of an Account with TOD.

3.6.4. Vehicle Registration Holds

Texas law allows toll agencies to place a hold on vehicle registrations due to unpaid toll. Based on the Business Rules and SOPs, a Registration Hold may be utilized to enforce payment of a unpaid toll. TOD will be responsible for any fees charged by the DMV for the vehicle Registration Hold and clearing processes. Initially, the CSC will only place holds on registration for vehicles registered in Texas but it is possible that other jurisdictions will be added over the life of this Contract.

The Contractor shall support the work associated with placing a hold on or suspending vehicle registrations. This entails running the appropriate report and reviewing each unpaid toll transaction Account on this report to utilize the System to place the hold.

887	The Contractor shall place and release DMV Registration Holds.
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888	The Contractor shall coordinate with the applicable entity (DMV or Third-Party Service Provider) responsible for placing Registration Holds on the vehicle registrations and respond to any requests that the entity may have.
889	The Contractor shall respond to requests from customers related to Registration Holds and the process for releasing the Registration Hold(s).
890	The Contractor shall initiate a release of the Registration Hold(s) in real-time for customers who have satisfactorily resolved the condition(s) which caused the Registration Hold(s).
891	The Contractor shall initiate a reinstatement (if applicable for suspensions placed for vehicles registered outside of Texas) in real-time for customers who have satisfactorily resolved the condition(s) which caused the registration suspension and transmit notification of the reinstatement to the customer and /or the applicable entity (DMV or Third-Party Service Provider).
892	The Contractor shall support the requirements outlined in Texas State Law and Transportation Code regarding Habitual Violators.

3.6.5. Customer Disputes

Customers may dispute Transactions related to their Accounts in accordance with Business Rule and SOPs. These disputes may relate to the amount of the toll charged, any Account fees charged as well as unpaid tolls and fees. Depending on the specifics of the dispute, the customer may be required to provide the dispute details in writing along with any required supporting documents. Other disputes may qualify to be made over the phone or on the Website.

893	The Contractor shall receive, research, document and resolve all customer disputes.
894	The Contractor shall thoroughly research disputes and provide TOD with all relevant documentation related to disputes submitted for Administrative Review.

3.6.6. Resolution/Settlement

When a customer with outstanding unpaid tolls and fees meets certain criteria, he or she may receive a mitigation offer to settle at a reduced cost in accordance with Business Rules and SOPs.

895	The Contractor shall encourage users of TxTag roadways receiving an invoice to open an Account with TOD.
896	The Contractor shall offer and process reduced penalties in accordance with the TOD Approved mitigation matrices.

3.6.7. Collections

The Contractor will be responsible for collecting delinquent/unpaid toll and/or negative customer Account balances. Unpaid debts which meet the criteria for assignment to collections will be placed by the Contractor. The Contractor will provide regular collection activity updates to the System by electronic interface.

897	The Contractor shall provide collections activities.
898	The Contractor shall make the collections placements according to the CSC Business Rules.
899	The CSC will accept payments for amounts in collections.
900	The Contractor shall accurately update the System and shall work to completely and accurately resolve any issues including identification and resolution of any discrepancies between what the System says is in collections and what is in collections in a timely manner.
901	Using the System and other data sources as necessary, the Contractor shall perform reconciliations including but not limited to:
902	<ul style="list-style-type: none"> reconcile files to the System to ensure the files are correctly posted to the System
903	<ul style="list-style-type: none"> reconcile outstanding collections balances per the System to outstanding collections balances on a monthly basis, research and resolve discrepancies.
904	The Contractor shall provide a financial reconciliation between the System for a specific customer Account at TOD's request.
905	The Contractor shall research of disputes when customers contact collections and shall coordinate the resolution.
906	The Contractor shall update the System when a customer has been allowed to establish a settlement arrangement to pay a lesser amount or to make periodic payments.

3.6.8. Courts

Transactions which are not resolved through the collections process may be sent to court at the discretion of TxDOT. Once a toll violation case has been filed with a court of law, neither the Customer Service Center nor the collection agency is able to resolve the transactions. They must be settled through the applicable court. The system shall provide court functionality to initiate, review, and generate court documentation. In addition, the system is required to provide the functionality to manage and report transaction disposition based on court outcomes and accept payment toward said transactions.

907	Administer TxDOT's Violation Enforcement Program (Courts) in the current and future Justice Of the Peace courts (JPC) where TxDOT operates toll roads.
908	Provide staff, transportation, expenses and security for all activities related to the courts process.
909	Provide testimony related to toll violations as requested.
910	Automatically attach at the time of generation all evidence packages, court documents, violator documents, filing packets payment plans, notes and any additional supporting documents to the customer account in electronic format.
911	Provide, at a minimum, six (6) court liaisons and six (6) court clerks, the staffing plan is to align one (1) court clerk to support one (1) court liaison. These numbers may change at TxDOT's request and will be implemented immediately.
912	House the court team at office locations as to maximize their ability to liaison with the courts they are assigned. Example: three (3) Court Liaisons and three (3) court clerks in the Austin Area, two (2) Court Liaison and two (2) court clerks in the Houston Area, one (1) Court Liaison and one (1) court clerk in the Dallas / Ft. Worth Area.

913	Make the court liaisons available in-person for meetings with TxDOT and/or Justices of the Peace courts at TxDOT's direction.
914	Report the transactions, accounts, filings, correspondence and reconciliations for filing in court by precinct based on criteria such as age of debt, number of violations by precinct and amount of tolls and fees owed to TxDOT.
915	File transactions in corresponding Justice of the Peace courts according to TxDOT business rules and requirements of the court.
916	Provide skip tracing for updated address information before filing in court and update the account to reflect the new address and address source.
917	Remove transactions to be filed in court from collections status, place them in a court status and apply applicable fees.
918	Automatically generate an evidence package and filing packet within the BOS for selected transactions to be filed in court by precinct, either on demand or on a pre-determined schedule, or both.
919	Automatically generate additional information for court prosecution, which shall be dependent on the individual courts requirements.
920	Allow authorized users (Violation Enforcement Team and Managers) and disallow unauthorized users (those not identified above) to review, update, attach, approve, decline, evidence packages, filing packets, violator accounts, payment plans, and additional court documents.
921	Obtain TxDOT approval for all courts documents.
922	Electronically file the evidence package and filing packet with Justice of the Peace court with jurisdiction using a court interface. If a court updates, or acquires a new system the provider must make the necessary changes or interface with a new system.
923	Move transaction data from one status to another and accept payment for transactions filed with a court. Restrict access based on authorized user role. Receive payments from the court and report on these payments. A KPI will be associated with this.
924	Send and receive updates on court procedures, requirements, dates, dispositions, filings, and the transfer of funds.
925	Reconcile and report funds received from the courts with funds in the bank and with the amounts due to TxDOT based on the disposition of court filings.
926	Split a payment(s) received from the courts to pay multiple accounts for different account holders.
927	Allow or disallow (configurable) the violator to view transactions filed at Court in addition to all outstanding transactions not yet filed via the website.
928	Allow the customer to make online payment for transactions not yet filed with a court and disallow or allow (configurable) payment for those transactions filed with a court.
929	Automatically update each transaction as it escalates through violation enforcement process. Once a transaction has been filed in court, aging of the transaction stops, however, other transactions on the account(s) that have not been filed may continue to escalate.
930	Record, account and report on court dispositions as sent and received.
931	Reduce fees prior to applying payment at all stages of revenue collection based on TxDOT Policy.

3.6.9. Electronic Filing

Implement and execute the requirements for electronically filing of toll cases with the Justice of the Peace court with jurisdiction through an interface(s) with the Justice of the Peace Courts. Electronic filing is a process by which a person or entity files a court document with a court or court clerk's office by means of an online computer transmission of the document through a portal operated by an electronic filing manager. The Electronic Filing Manager (EFM) is the entity contracted to provide the single interface for managing the electronic filings to the various courts with jurisdiction. An electronically transmitted document issued or received by a court is considered signed if an electronic signature is transmitted with the document. Electronic Filing must be done through the EFM, must be transmitted to the Electronic Filing Service Provider (EFSP), which will send the document(s) to the EFM, which in turn will send the document(s) to the clerk. Receive an acknowledgement of the electronic filing, a confirmation of the clerk's acceptance of the filing, and a file stamped copy of the document.

932	Administer TxDOT's Violation Enforcement Program (Courts) in the current and future Justice Of the Peace courts (JPC) where TxDOT operates toll roads.
933	Provide staff, transportation, expenses and security for all activities related to the courts process.
934	Provide testimony related to toll violations as requested.
935	Automatically attach at the time of generation all evidence packages, court documents, violator documents, filing packets payment plans, notes and any additional supporting documents to the customer account in electronic format.
936	Provide, at a minimum, six (6) court liaisons and six (6) court clerks, the staffing plan is to align one (1) court clerk to support one (1) court liaison. These numbers may change at TxDOT's request and will be implemented immediately.
937	House the court team at office locations as to maximize their ability to liaison with the courts they are assigned. Example: three (3) Court Liaisons and three (3) court clerks in the Austin Area, two (2) Court Liaison and two (2) court clerks in the Houston Area, one (1) Court Liaison and one (1) court clerk in the Dallas / Ft. Worth Area.
938	Make the court liaisons available in-person for meetings with TxDOT and/or Justices of the Peace courts at TxDOT's direction.
939	Report the transactions, accounts, filings, correspondence and reconciliations for filing in court by precinct based on criteria such as age of debt, number of violations by precinct and amount of tolls and fees owed to TxDOT.
940	File transactions in corresponding Justice of the Peace courts according to TxDOT business rules and requirements of the court.
941	Provide skip tracing for updated address information before filing in court and update the account to reflect the new address and address source.
942	Remove transactions to be filed in court from collections status, place them in a court status and apply applicable fees.
943	Automatically generate an evidence package and filing packet within the BOS for selected transactions to be filed in court by precinct, either on demand or on a pre-determined schedule, or both.

944	Automatically generate additional information for court prosecution, which shall be dependent on the individual courts requirements.
945	Allow authorized users (Violation Enforcement Team and Managers) and disallow unauthorized users (those not identified above) to review, update, attach, approve, decline, evidence packages, filing packets, violator accounts, payment plans, and additional court documents.
946	Obtain TxDOT approval for all courts documents.
947	Electronically file the evidence package and filing packet with Justice of the Peace court with jurisdiction using a court interface. If a court updates, or acquires a new system the provider must make the necessary changes or interface with a new system.
948	Move transaction data from one status to another and accept payment for transactions filed with a court. Restrict access based on authorized user role. Receive payments from the court and report on these payments. A KPI will be associated with this.
949	Send and receive updates on court procedures, requirements, dates, dispositions, filings, and the transfer of funds.
950	Reconcile and report funds received from the courts with funds in the bank and with the amounts due to TxDOT based on the disposition of court filings.
951	Split a payment(s) received from the courts to pay multiple accounts for different account holders.
952	Allow or disallow (configurable) the violator to view transactions filed at Court in addition to all outstanding transactions not yet filed via the website.
953	Allow the customer to make online payment for transactions not yet filed with a court and disallow or allow (configurable) payment for those transactions filed with a court.
954	Automatically update each transaction as it escalates through violation enforcement process. Once a transaction has been filed in court, aging of the transaction stops, however, other transactions on the account(s) that have not been filed may continue to escalate.
955	Record, account and report on court dispositions as sent and received.
956	Reduce fees prior to applying payment at all stages of revenue collection based on TxDOT Policy.

3.6.10. Escheatment

The State of Texas requires abandoned or unclaimed property to be reported to the State Comptroller and remitted annually. The Contractor, in accordance with Business Rules, SOPs and related State Law, is responsible for the identification and remittance of eligible account credit balances to the State. The State will hold the money indefinitely for the benefit of the rightful owner.

957	The Contractor shall identify eligible inactive accounts.
958	The Contractor shall make reasonable efforts to notify the owner of the abandoned property
959	The Contractor shall update the account status and reference escheatment check number in the System.

960	The Contractor shall send copies of escheatment notices to TOD.
961	The Contractor shall send final account reports to TOD for electronic transfer of funds to holding accounts.
962	The Contractor shall create and send a report to the Comptroller detailing amounts to be transferred and send to TOD for reconciliation and approval.
964	TOD with assistance from the Contractor shall move funds to the Comptroller.
965	The Contractor shall provide information and respond to requests related to a customer escheatment notification.

3.6.11. Bankruptcy

The CSC will receive notification of bankruptcies related to amounts owed to TOD by customers. The laws related to bankruptcy are very specific and must be followed closely from initial notification through final resolution and potentially Transaction write off.

966	The Contractor shall notify TOD upon notification of bankruptcy.
967	The Contractor shall document receipt of notification of bankruptcy within the System and place applicable Transactions on hold pending the outcome of the bankruptcy process.
968	The Contractor shall communicate as necessary related to a bankruptcy notification.
969	The Contractor shall update the status of the bankruptcy in the System upon notification of changes or the resolution and perform the necessary steps to ensure that the System accurately reflects the outcome.
970	The Contractor shall send copies of bankruptcy notices to TOD.
971	TOD will notify the Contractor of any bankruptcy proceedings. The Contractor shall update the status of the bankruptcy in the System accordingly.
972	The Contractor shall provide information and respond to requests related to a customer bankruptcy proceeding.

3.7. Transponder Inventory Management

The System has a Transponder inventory and management module that tracks and maintains Transponder inventory, identifies and manages the Transponder recall program, manages retail distribution of Transponders and tracks and manages Transponder warranty from receipt, testing, placement in inventory, withdrawal from inventory, distribution to a customer, retrieval from a customer, reissue to a different customer, and final disposition.

Transponders are purchased by TOD under a separate contract. The Contractor shall monitor Transponder inventory levels regularly utilizing System reports and physical audits and communicate levels and quantities to TOD to ensure no disruption in Transponder availability.

3.7.1. General Transponder Inventory Management Requirements

This section contains information about the various Transponders offered to TOD customers and inventory Requirements. There are multiple types of Transponder inventory items that must be issued and tracked including but not limited to:

- Sticker (SeGo/6B) Transponders are affixed on the inside of a vehicle’s windshield. These Transponders function properly in most vehicles with the exception of certain vehicles with metalized windshields or flat windshields such as certain types of buses. Customers can attempt to affix these Transponders in the delineation windows on their windshield, which is a small area of the windshield that does not contain the metal film. The location of the delineation window is vehicle-model-specific. Customers should refer to their vehicle owner manual to determine the location of this window;
- Sticker (SeGo/6B) Transponders in retailer packaging; and
- License plate/bumper mount (SeGo/6B) Transponders are semi-permanently mounted to the vehicle’s front license plate bracket on top of the license plate. These Transponders are typically used by commercial vehicles or vehicles with flat windshields (like buses).
- Motorcycle Tags (SeGo/6B).

During the course of this Contract, it is expected that Texas will transition from SeGo/6B to a different Transponder protocol and that TOD may incorporate other protocol(s) for national interoperability. The type of Transponders offered as a result of these changes may differ from the current Transponder types.

973	The Contractor shall be responsible for tracking the Transponder inventory at CSC locations, storage facilities and retailers.
974	The Contractor shall perform all Transponder handling activities, from the receipt of Transponders ordered by TOD, to delivery of Transponders to customers, to receipt of returned Transponders and disposal of non-functioning Transponders. These functions shall include, but shall not be limited to:
975	• receipt into inventory;
976	• inventory storage;
977	• security;
978	• assigning and issuance to customers;
979	• tracking;
980	• managing Transponder recalls;
989	• warranty return and replacement; and
990	• inventory reconciliation.
991	The Contractor shall manage various Transponders types by various manufactures, including but not limited to:
992	• sticker Transponders;
993	• sticker Transponder in retail packaging;

994	<ul style="list-style-type: none"> license plate/bumper mount Transponders;
995	<ul style="list-style-type: none"> motorcycle Transponders; and
996	<ul style="list-style-type: none"> switchable Transponders if available.
997	TOD issues multiple types of Transponders as described above, and as such the Contractor shall be required to manage multiple types of Transponders, possibly from multiple manufacturers/providers.
998	The Contractor shall maintain an accurate and error-free Transponder inventory.
999	Contractor shall distribute new Transponders using the first-in-first-out (FIFO) inventory method.
1000	The Contractor shall be liable for any Losses related to Transponder inventory.

3.7.2. Transponder Kits

The materials provided to a customer when a TxTag Account is established or additional/replacement Transponders are requested are referred to collectively as a “Transponder Kit.”

1001	The Contractor shall include Transponder Kits consisting of TOD-developed and produced user guide and mounting instructions and other materials, as may be determined by TOD to be required, with each Transponder distributed.
1002	The Contractor shall assemble Transponder Kits.
1003	The Contractor shall provide Transponder Kits to customers at Walk-in Centers while they are at the Walk-in Centers.
1004	The Contractor shall provide Transponder Kits to customers who receive their Transponder(s) in the mail.
1005	The Contractor shall provide Transponder Kits to TxTag retailers who receive Transponder(s) for sale and distribution to customers.
1006	The Contractor shall ensure an adequate supply of Transponder Kit components (mounting strips, user guides and mounting instructions, read-prevention bags and mailing envelopes for Transponders) are available at all times to accommodate the Transponders issued by the CSC.

3.7.3. Transponder Ordering

TOD will order and purchase Transponders and related equipment directly from the Transponder manufacturer, based on reorder requests prepared by the Contractor.

1007	The Contractor shall ensure an adequate supply of Transponders (all types for each TOD) is available at all times. When the inventory reaches a pre-determined level identified in the Approved Operations Plan, the Contractor shall initiate order requests with TOD, based upon existing inventory and forecasted Requirements. Purchase orders shall be created by TOD, who will order and pay for the Transponders. The Contractor shall take custody of the Transponders directly from the Transponder manufacturer/provider.
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3.7.4. Receipt of Transponders

1008	The Contractor shall accept receipt of the existing Transponder inventory and future deliveries.
1009	The Contractor shall receive shipments of Transponders and shall reconcile shipment contents with accompanying documentation provided by the Transponder manufacturer. The waybill shall be reconciled against the original purchase order and scanned into the System for tracking and reconciliation purposes.
1010	The Contractor shall ensure that each Transponder that is received is correctly entered into the System.
1011	The Contractor shall notify TOD of any inventory discrepancies, which shall be immediately investigated and resolved by the Contractor.

3.7.5. Transponder Storage and Security

Adequate storage of Transponders is important to keeping a sufficient inventory available.

1012	The Contractor shall securely store the Transponders in a physically secure and environmentally safe facility until they are issued.
1013	The Contractor shall implement controls and procedures to ensure the secure handling of Transponders at all times.
1014	The Contractor shall be responsible for the storage and overall security of the Transponder inventory.
1015	The Contractor shall ensure the physical Transponder inventory is identifiable and retrievable by type, status, and age.

3.7.6. Transponder Inventory Tracking

Transponder inventory will be maintained using the following Requirements.

1016	The Contractor shall provide and maintain accurate inventory controls and current records of the Transponders.
1017	Once per month, the Contractor shall conduct a physical audit of the Transponders that are under its physical control, including for the various tag types and statuses and quantities. The audit shall compare the physical counts with the System counts by Transponder type, location and status. Transponder audit reports shall be included in the Monthly Project Report package.

1018	The Contractor shall immediately investigate and resolve any Transponder inventory discrepancies and Advise TOD of any unresolved inventory discrepancies in accordance with Business Rules and SOPs.
1019	The Contractor shall track Transponders provided to the Transponder manufacturer for disposal and reconcile with the System provided balance of disposed Transponders in accordance with the Reporting and Reconciliation Plan.
1020	The Contractor shall provide Staff and resource assistance to support TOD's performance of Transponder inventory audits.

3.7.7. Transponder Warranty Management

When Transponders are determined to no longer work but have not have exceeded their useful life, they are returned to the Manufacturer for warranty replacement.

1021	The Contractor shall track Transponder warranty status and manage and resolve all warranty issues with the Transponder manufacturer.
1022	The Contractor shall be responsible for ensuring all Transponders found to be defective or damaged and still under the manufacturer's warranty are returned to the manufacturer, according to the manufacturer's specified return material authorization (RMA) process.
1023	The Contractor shall be responsible for storage of Transponders subject to return until such time that the Transponder manufacturer accepts the returned Transponders.
1024	The Contractor shall package and ship the Transponders identified for return.
1025	The Contractor shall track the warranty returns and confirm that TOD receive the proper credit for the Transponders returned under warranty in accordance with TOD's agreements with the manufacturer.

3.7.8. Transponder Replacement

TOD or the customer may identify a Transponder as no longer functioning reliably and requires replacement.

1026	The Contractor shall identify potentially faulty Transponders using various criteria such as number of image based Transactions (IBT) or customer feedback for replacement
1027	The Contractor shall replace Transponders in accordance with TOD's approved Business Rules and upon customer request.

3.7.9. Lost/Stolen Transponders

Transponders are sometimes lost or stolen and the Contractor will handle these instances in accordance with the following Requirements.

1028	The Contractor shall immediately deactivate a lost or stolen Transponder reported by a customer in accordance with Business Rules and SOPs.
1029	The Contractor shall immediately activate a previously reported lost or stolen Transponder in the event a customer reports the Transponder has been located and reverse any applicable fee(s).

3.7.10. Retail Transponder Distribution

TxTag Transponders can be obtained at retail locations. The Contractor is responsible for distribution of Transponders to TOD's retail partners and providing support to the retailers.

Each retailer has an account in the System which is used to manage their Transponder distribution activities.

Although the System provides self-service capability for the retailers via the Website, the Contractor is responsible for supporting the retailers, including inventory ordering, tracking and management, inventory fulfillment and return processing, customer service, invoicing, payment processing, and retailer account maintenance.

1030	The Contractor shall support the retail program in areas including but not limited to inventory ordering, tracking and management, inventory fulfillment and return processing, customer service, invoicing, payment processing, and retailer account maintenance.
1031	The Contractor shall designate a Staff member to be the single point of contact for the retail program.
1032	The Contractor shall monitor retail Transponders and kits demand and maintain sufficient quantities of Transponders on hand.
1033	The Contractor shall receive retail Transponder orders from retailers, fulfill the orders and ship them to the retailer's designated location for that particular order.
1034	The Contractor shall be responsible for the shipped Transponders until the retailer receives them.
1035	The Contractor shall manage lost shipments and process returned Transponders from retailers.
1036	The Contractor shall provide customer service and support to the Transponder retailers.
1037	The Contractor shall manage the accounts receivable related to the retailers and the retail program, including contacting retailers or the appropriate TOD when a retailer's amount due reaches a level or age identified in the approved Business Rules as appropriate for additional action.
1038	The Contractor shall review retail Transponder sales trends and activity and notify TOD of any significant changes or trends.

3.8. System Monitoring

The Replacement System Contractor is responsible for System monitoring and System administration tasks; however, due to the Contractor's day-to-day, hands-on use and operation of the System, the Contractor may

identify a problem with a process before the Replacement System Contractor has detected the problem. Therefore, without relieving the Replacement System Contractor of its responsibilities for timely and efficient System failure identification and correction, the Contractor shall be responsible for the timely reporting of any issues or failures it has identified related to the System and for cooperating with the Replacement System Contractor to resolve the issues as expeditiously as possible. Simple examples of this communication responsibility are when the Contractor sees that there are no documents sent to the Mail/Print House or if there are delays in access to user screens or running of scheduled reports

1039	For all System processes to which the Contractor has visibility and which the Contractor is relying on to perform the Work, the Contractor shall monitor and report any anomalies to the Replacement System Contractor and TOD. These processes include but are not limited to:
1040	<ul style="list-style-type: none"> • image processing;
1041	<ul style="list-style-type: none"> • notification generation and escalation;
1042	<ul style="list-style-type: none"> • case creation and processing;
1043	<ul style="list-style-type: none"> • payment processing;
1044	<ul style="list-style-type: none"> • financial posting and adjustment;
1045	<ul style="list-style-type: none"> • report generation;
1046	<ul style="list-style-type: none"> • collection;
1047	<ul style="list-style-type: none"> • QA sample generation;
1048	<ul style="list-style-type: none"> • inbound customer contacts;
1049	<ul style="list-style-type: none"> • file transfers and transaction processing;
1050	<ul style="list-style-type: none"> • Invoice and Statement Generation; and
1051	<ul style="list-style-type: none"> • Account Creation Processes.

3.9. Financial Management

The Contractor is responsible for all financial operations, reconciliation and reporting established in the Operations Plan and set forth in these Requirements. The Contractor shall be responsible for ensuring financial data is properly and timely recorded and reconciled in the CSC and shall be required to periodically confirm the accuracy of financial reports.

3.9.1. General Financial Responsibilities and Requirements

Using the System and in accordance with the approved Business Rules, Performance Objectives, Operations Plan and SOPs, the Contractor shall:

1052	Perform financial functions necessary to support operational activity at the CSC. This includes, but is not be limited to, accepting and processing payments at the CSC, interfacing with banking, Credit Card and ACH institutions to resolve customer service issues, managing bank transactions and reconciliations related to CSC processing, following internal control procedures and completing/supporting audits.
1053	The Contractor shall perform all financial functions as they pertain to CSC operations including, but not limited to, reconciliations, auditing, financial controls, and reporting in accordance with the approved Business Rules and SOPs.
1054	The Contractor shall proactively identify any gaps or weaknesses in financial procedures, and present modifications to TOD for Approval, and update SOPs as needed.
1055	The Contractor shall account for all operational financial activity within the appropriate financial period.
1056	The Contractor shall follow TOD's daily, monthly, and year-end closing schedule and produce reports in time to allow TOD to meet that schedule in accordance with the Operations Plan, SOPs and Performance Objectives.
1057	The Contractor shall coordinate and/or participate in meetings with the Replacement System Contractor to review the accuracy and sufficiency of reports, to review any discrepancies, and to coordinate any changes to the System (such as, bug fixes) that are required to ensure the overall accuracy of the financial reports and reconciliations.
1058	The Contractor shall provide information to TOD or its designee(s), including its consultants and auditors, on an ad-hoc basis upon request.
1059	The Contractor shall respond to TOD's requests to run additional existing reports on an ad-hoc basis upon request.

3.9.2. Banking Services

The banking and merchant services for the CSC are comprised of the following:

- **Merchant Services** – Currently under a contract with Elavon US Bank. Merchant services are comprised of the payment processor and acquiring bank.
- **Banking Services** – Currently Bank of New York and Frost Bank. Banking services are comprised of the depository accounts into which merchant and other deposits are made. There are multiple depository and refund accounts depending on the payment method (e.g. Credit Card payments, checks and cash) and what the payment is for (e.g., TxTag and Pay By Mail prepaid/ postpaid tolls, Transponder deposits and unpaid toll payments, and refunds).

1060	TOD shall retain ownership of the bank accounts and merchant IDs, but will provide the Contractor with the necessary access to act and transact on behalf of TOD.
1061	The Contractor shall utilize TOD's existing contracts with bank(s) and Merchant Service Provider(s) to fulfill the Requirement(s) of the Bank and Merchant Service Provider(s).

1062	The Contractor shall provide reconciled reporting as part of the Monthly Project Report.
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3.9.3. CSC Financial Operations

1063	The Contractor shall deposit all cash and check collections into the designated TOD bank account in accordance with the approved Business Rules and SOPs.
1064	The Contractor shall support the following functions and processes:
1065	<ul style="list-style-type: none"> • Credit Card payment reconciliation and exception processing;
1066	<ul style="list-style-type: none"> • Credit Card chargebacks (enter into the System);
1067	<ul style="list-style-type: none"> • NSF checks (enter into the System);
1068	<ul style="list-style-type: none"> • Refunds check processing, printing and reconciliation;
1069	<ul style="list-style-type: none"> • unclaimed property filings (escheat law);
1070	<ul style="list-style-type: none"> • CPN; and
1071	<ul style="list-style-type: none"> • Positive Pay exceptions related to refund check processing.
1072	The Contractor shall work with systems and Third-Party Service Providers (bank, Credit Card and ACH) to investigate and resolve transactions (both refunds and deposits) which do not post correctly to a customer Account or TOD's bank account.

3.9.4. Closing Procedures

TOD requires that each day's deposit and processing be reconciled at the end of that day.

1073	The Contractor shall perform closing procedures in an accurate and timely manner in accordance with the Performance Requirements, including but not limited to:
1074	<ul style="list-style-type: none"> • perform posting day close at the end of the day to finalize counts and revenue for the revenue day;
1075	<ul style="list-style-type: none"> • perform month-end close on the last posting day of the calendar month and
1076	<ul style="list-style-type: none"> • perform year-end close on the last posting day of the fiscal year.

3.9.5. Reporting

TOD reports on a Fiscal Year beginning September 1 and ending August 31. As public-sector entities, their basic financial statements are presented in compliance with pronouncements in accordance with the Governmental Accounting Standards Board (GASB) and in conformity with GAAP.

While most financial transactions are captured automatically through the System, some level of manual entry may be required. Reports, including electronic reports and data exports from the System, are the primary means by which TOD will capture financial information related to the operation of the CSC. The financial reports consist primarily of various System-generated reports to be provided by the Replacement System Contractor which summarize the financial and operational

performance of the CSC. While most reports are automated, the Contractor is expected to provide manual reports for information that is not automated as requested by TOD, both ad hoc and to meet unique contractual requirements of specific toll service agreements for which TOD provides ongoing toll collection back office services.

The Contractor shall work closely with the Replacement System Contractor and TOD in the development and testing of reports. The Contractor is responsible for supplying TOD and the Replacement System Contractor with its reporting Requirements to facilitate the Contractor's adherence to the Performance Objectives.

The Contractor will work with the Replacement System Contractor to prepare and deliver reports on a scheduled and ad- hoc basis throughout the Project Term. Reports will be prepared and submitted on a daily and/or monthly basis, and over a user-selected date range.

1077	The Contractor shall develop and implement Approved financial reporting procedures for the operation of the CSC. These procedures shall be included in the Reporting and Reconciliation Plan, which is a component of the Operations Plan.
1078	The Contractor shall prepare the reports as described in the Reporting and Reconciliation Plan and provide them to TOD, as specified.
1079	The Contractor shall participate in the Replacement System design in order to provide feedback to TOD and the Replacement System Contractor on the final design of the reports.
1080	The Contractor shall participate in the development of and changes to reports with TOD and Replacement System Contractor.
1081	The Contractor shall provide all financial reconciliation and reports to TOD in a timely manner, but no later than the date(s) prescribed in the Performance Objectives.
1082	The Contractor shall provide all data to TOD in compliance with GASB and in conformity with GAAP.
1083	The Contractor shall perform ongoing review of reports at a frequency sufficient to guarantee all reports are always self-balancing and reconcile to related reports. The Contractor shall communicate any errors or deficiencies in reporting to the Replacement System Contractor and both contractors shall coordinate the resolution of such discrepancies.
1084	The System will provide for TOD'S reporting Requirements; the Contractor shall balance, reconcile and verify the content of the reports, including but not limited to:
1085	<ul style="list-style-type: none"> • Daily/monthly receipts report (by payment method, payment channel and transaction type, including disbursements);
1086	<ul style="list-style-type: none"> • Daily/monthly transactions posted report (by roadway, category, type and plan);
1087	<ul style="list-style-type: none"> • Daily/Monthly Transactions Reconciliation, by roadway, to transactions received by the system;
1088	<ul style="list-style-type: none"> • Daily/Monthly Customer Account Disputes & Adjustments;
1089	<ul style="list-style-type: none"> • Daily/Monthly Rejected Transactions by Type;

1090	<ul style="list-style-type: none"> • Daily/Monthly Postpaid Account Payments by roadway, type and escalation level;
1091	<ul style="list-style-type: none"> • bank reconciliations;
1092	<ul style="list-style-type: none"> • prepaid toll balances;
1093	<ul style="list-style-type: none"> • negative balance prepaid customer report;
1094	<ul style="list-style-type: none"> • Transaction aging report;
1095	<ul style="list-style-type: none"> • customer aging report for invoices, fees, etc.;
1096	<ul style="list-style-type: none"> • monthly adjustment report as required by TOD; and
1097	<ul style="list-style-type: none"> • Transponder reconciliation.
1098	<p>The Contractor shall cooperate with the Replacement System Contractor to verify the accuracy of the System- provided reports in sufficient time to allow for the Replacement System Contractor to make corrections to the reports and reissue them prior to providing them to TOD within the agreed upon time frames, for example, to allow for on-schedule monthly reconciliation. This process will entail the following steps:</p>
1099	<ul style="list-style-type: none"> • the Contractor generates and reviews the System reports required for the daily, monthly and annual reports packages;
1100	<ul style="list-style-type: none"> • the Contractor notifies the Replacement System Contractor of any discrepancies in the reports;
1101	<ul style="list-style-type: none"> • the Replacement System Contractor makes the necessary corrections to the reports and provides the corrected reports to the Contractor; and
1102	<ul style="list-style-type: none"> • the Contractor submits the reports in accordance with the Approved schedule.
1103	<p>The Contractor shall provide Approved reports on CSC activity to TOD on a daily, weekly, monthly, and/or annual basis and as otherwise scheduled and upon request. Reports shall be in the format requested by TOD and in accordance with the Approved Reporting and Reconciliation Plan.</p>
1104	<p>The Contractor shall validate that all reports meet the specific Requirements for the function being reported. Errors found in any report shall be reported to the Replacement System Contractor.</p>
1105	<p>The Contractor shall submit to TOD Monthly Status Reports in accordance with the approved Business Rules and SOPs.</p>
1106	<p>CSC statistics, including but not limited to the following shall be included in the Monthly Project Report:</p>
1107	<ul style="list-style-type: none"> • correspondence backlog totals and percentages for emails, Website disputes, rentals, sold, refunds and payments;
1108	<ul style="list-style-type: none"> • backlogs including count, functional area, oldest date being processed, work off plan;
1109	<ul style="list-style-type: none"> • progress for the prior month for all outstanding action items;
1110	<ul style="list-style-type: none"> • all potential risks, delays and problems in addressing outstanding issues;

1111	<ul style="list-style-type: none"> • new action items and issues at the CSC;
1112	<ul style="list-style-type: none"> • progress on activities requiring coordination with TOD or other external parties;
1113	<ul style="list-style-type: none"> • Deliverables scheduled for submittal in the next reporting period;
1114	<ul style="list-style-type: none"> • Monthly Project Reports including comparison to the Performance Objectives;
1115	<ul style="list-style-type: none"> • 30-day look-ahead on activities to clear action items; and
1116	<ul style="list-style-type: none"> • other items as deemed noteworthy by TOD or the Contractor.

3.9.6. Financial Reconciliation

The Contractor shall be responsible for the management of the financial operations of the CSC, including the balancing and reconciliation of all financial transactions. The Contractor is responsible for reconciling all system-generated and all non-system-generated reports.

1117	The Contractor shall develop and implement Approved financial reconciliation procedures to be instituted in the operation of the CSC. These procedures will be included in the Reporting and Reconciliation Plan, which is a component of the Operations Plan.
1118	The Contractor's balancing and reconciliation activities shall include but are not limited to:
1119	<ul style="list-style-type: none"> • perform daily balancing and close-out of all customer service Staff shifts;
1120	<ul style="list-style-type: none"> • perform daily balancing of all mailed-in payments;
1121	<ul style="list-style-type: none"> • perform daily and monthly reconciliation of all bank accounts and
1122	<ul style="list-style-type: none"> • perform daily and monthly reconciliation of all merchant account activity, including but not limited to Credit Cards, Debit Cards and ACH activity.
1123	The Contractor shall develop a process for identifying and handling end of shift balancing discrepancies, including but not limited to cash overages and shortages, which shall be included in the Approved Operations Plan.
1124	The Contractor shall perform other financial and transactional reconciliations in an accurate and timely manner, to be provided to TOD for review, in accordance with the Performance Objectives, including but not limited to:
1125	<ul style="list-style-type: none"> • perform daily, monthly and annual reconciliation of all Transactions and revenue;
1126	<ul style="list-style-type: none"> • perform daily, monthly and annual reconciliation of all CPN transactions and payments;
1127	<ul style="list-style-type: none"> • refunds by refund type;
1128	<ul style="list-style-type: none"> • prepaid Account balances;
1129	<ul style="list-style-type: none"> • Transponder deposits;
1130	<ul style="list-style-type: none"> • aged accounts receivable;
1131	<ul style="list-style-type: none"> • fees revenue;

1132	<ul style="list-style-type: none"> penalties;
1133	<ul style="list-style-type: none"> write-offs;
1134	<ul style="list-style-type: none"> payment transactions;
1135	<ul style="list-style-type: none"> DMV payments;
1136	<ul style="list-style-type: none"> DMV fees;
1137	<ul style="list-style-type: none"> unclaimed property;
1138	<ul style="list-style-type: none"> NSFs;
1139	<ul style="list-style-type: none"> Chargebacks; and
1140	<ul style="list-style-type: none"> other revenues.
1141	The Contractor shall perform monthly reconciliations of all financial accounts, including roll-forward schedules from prior periods, which shall be provided to TOD for review as part of the Monthly Project Report.
1142	The Contractor shall reconcile all financial activity in accordance with the approved Business Rules and SOPs.
1143	The Contractor shall provide the results of all reconciliations, including reconciliation spreadsheets and reports on resolution of variances, to TOD.
1144	The Contractor shall provide any documentation needed to support reconciliations upon TOD request.
1145	The Contractor shall resolve all variances through research, adjustments, and/or reversals in accordance with the Operations Plan.
1146	As part of the report on resolution of variances, the Contractor shall provide a list of action items with a schedule for items that require extended research, System fixes, or other extended time periods for resolution.
1147	The Contractor shall reconcile all payments received by the System. These reconciliations will include:
1148	<ul style="list-style-type: none"> all reconciliations required in the payment processing section; and
1149	<ul style="list-style-type: none"> identification and resolution of all variances.

3.9.7. CSC Budget

TOD follows a fiscal calendar which begins on September 1 of each Year. The Contractor will have a key role to play in the development of the CSC budget each Year, specifically with cost inputs related to labor, supplies and print/mail.

1150	The Contractor shall annually, in conjunction with the TOD budgetary calendar, prepare and present for Approval by TOD staff, the following for the succeeding Fiscal Year:
1151	<ul style="list-style-type: none"> expected volumes for all CSC tasks;

1152	<ul style="list-style-type: none"> • identification, description and impact of expected innovations and efficiencies that will be implemented during the succeeding Fiscal Year;
1153	<ul style="list-style-type: none"> • an updated Staffing Model and Staffing Plan based on expected volumes and processing times of CSC tasks, as well as innovations and efficiencies expected to be implemented in the coming year;
1154	<ul style="list-style-type: none"> • expected labor costs, based on the Staffing Plan, broken down by Position by month; and
1155	<ul style="list-style-type: none"> • all expected non-labor related costs by month.
1156	The Contractor shall include annual labor escalation adjustments in its proposed pricing for TOD Approval.

3.10. Auditing

The Contractor, TOD, and TOD’s designated representatives will audit the Contractor’s financial activity.

3.10.1. General Audit Requirements

The Contractor shall adhere to the following list of audit Requirements:

1157	The Contractor shall allow and facilitate access to any material, system, or personnel that TOD or its authorized representatives require in order to audit or examine the Contractor’s activities. Such facilitation shall include the Contractor’s Staff time and effort working with TOD or its authorized representatives.
1158	The Contractor shall support TOD in any audit activity relating to TOD’s toll collection System and CSC operations. In addition, the Contractor shall conduct audits in accordance with the Contractor’s Quality Assurance program. All deficiencies identified through the audit process shall be successfully corrected by the Contractor. These audits may include but are not limited to:
1159	<ul style="list-style-type: none"> • internal control procedures;
1160	<ul style="list-style-type: none"> • revenue/Transaction reporting;
1161	<ul style="list-style-type: none"> • physical inventory audit;
1162	<ul style="list-style-type: none"> • security audits;
1163	<ul style="list-style-type: none"> • financial audit;
1164	<ul style="list-style-type: none"> • facility inspections; and
1165	<ul style="list-style-type: none"> • CSC processing and performance.
1166	The Contractor shall supply TOD’s auditor(s) and management with information and schedules as requested.
1167	The Contractor shall provide TOD and their designee(s) access to the CSC for the purpose of conducting their audit(s).

1168	The Contractor shall institute any corrective measures and procedural or operational changes as requested and Approved by TOD as a result of audits at no additional cost to TOD. Items identified by TOD as critical shall be corrected immediately. Other items identified by TOD as non- critical shall be corrected as soon as practicable in accordance with an Approved schedule.
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3.10.2. Internal Controls

1169	The Contractor shall develop and implement Approved internal control policies and procedures, which shall meet or exceed SSAE-16 compliance Requirements, to be instituted in the operation of the CSC.
1170	The Contractor shall ensure the CSC operations procedures, internal controls and money handling, are GAAP-compliant.
1171	The Contractor shall ensure appropriate segregation of duties among its Staff, including but not limited to:
1172	<ul style="list-style-type: none"> • Employees opening the mail shall not be the same Employees who post payments to the System;
1173	<ul style="list-style-type: none"> • Employees who post payments to the System shall not be the same Employees who prepare the deposits or reconcile the bank or merchant accounts;
1174	<ul style="list-style-type: none"> • Employees requesting credits, adjustments or refunds shall not be the same Employees who approve credits, adjustments or refunds;
1175	<ul style="list-style-type: none"> • Employees issuing refunds shall not be the same Employees who resolve Positive Pay exceptions with the bank or reconcile bank accounts;
1176	<ul style="list-style-type: none"> • Employees issuing disbursements (such as, issuing refund checks) shall not be the same Employees who sign checks and
1177	<ul style="list-style-type: none"> • Employees having physical access to inventory items shall not be the same Employees who perform physical inventory counts.
1178	Internal controls shall be put in place and maintained by the Contractor to protect funds and data
1179	The Contractor shall establish and follow internal control procedures to ensure adequate segregation of Staff duties, the safeguarding and proper accounting of TOD funds and related records at all times. Internal controls shall be based on an industry standard such as the 2013 guidance from the Committee of Sponsoring Organizations of the Treadway Commission (COSO), “Internal Control – Integrated Framework,” or another appropriate standard.
1180	The Contractor shall provide TOD with a copy of the Contractor’s Internal Control Procedures prior to the start of the Operations Phase in accordance with the Approved Project Schedule. The Contractor shall provide TOD with a copy of all updates to the Contractor’s internal control procedures within 30 days of the update.
1181	The Contractor shall ensure that physical access to money, data, Transponder inventory, other assets, and documents are adequately safeguarded and guided by its Internal Control Procedures.

1182	The Contractor shall prevent and detect revenue loss, errors, omissions, irregularities, and improper actions as well as identify revenue loss, errors, omissions, irregularities, and improper actions after they have occurred. Any occurrence shall be immediately reported to TOD.
1183	The Contractor shall ensure that all financial activity under its control is properly processed and accurately recorded in accordance with the approved Business Rules and SOPs.
1184	The Contractor shall appropriately segregate duties for various transactions, including handling of cash and checks in accordance with the approved Business Rules and SOPs.
1185	The Contractor shall conduct new hire and recurring training that details and reinforces the responsibilities of each Employee with regard to internal controls, theft, fraud, embezzlement, fiscal misconduct or violation of CSC policies.
1186	The Contractor shall ensure that approval authority is commensurate with the nature and significance of the transactions.
1187	The Contractor shall remain current with and obey all federal and state applicable laws and regulations and any applicable financial or banking regulations and/or requirements.

3.10.3. Quarterly Quality Audit

The Contractor shall conduct a quarterly quality audit. This audit shall encompass all aspects of the CSC operation as described in the Approved QA Plan. The Contractor must develop an audit report and provide it to TOD.

1188	The Contractor shall conduct quarterly quality audits in accordance with the Contractor's Quality Assurance program. All deficiencies identified through the audit process shall be successfully corrected by the Contractor.
1189	The Contractor shall institute any corrective measures and procedural or operational changes as requested and Approved by TOD as a result of audits at no additional cost to TOD. Items identified by TOD as critical shall be corrected immediately. Other items identified by TOD as non-critical shall be corrected as soon as practicable in accordance with an Approved schedule.

3.10.4. SSAE-16 Type II Audit

1190	The Contractor is responsible for acquiring the services of an independent auditor to perform an SSAE-16 Type II audit once every year, throughout the Term of the Contract.
1191	The Contractor is responsible for correcting all deficiencies noted in the SSAE-16 Type II audit and any other audits at the Contractor's cost and ensuring the financial controls of the CSC are sufficient and appropriate.

3.11. Revenue Management

1192	The following forms of payment will be accepted by any CSR in the CSC. The Contractor shall account for, credit to the customers' Accounts and deposit into the appropriate bank account(s) all payments in accordance with the Operations Plan and Performance Objectives:
1193	<ul style="list-style-type: none"> • checks (including personal, business, certified and cashier's checks);
1194	<ul style="list-style-type: none"> • electronic checks;
1195	<ul style="list-style-type: none"> • ACH;
1196	<ul style="list-style-type: none"> • money orders;
1197	<ul style="list-style-type: none"> • cash (United States currency);
1198	<ul style="list-style-type: none"> • cash payment through reload card (at authorized retail locations);
1199	<ul style="list-style-type: none"> • Credit Card; and
1200	<ul style="list-style-type: none"> • Debit Card.
1201	Using the System, the Contractor shall accept payments from customers who use any combination of the above payment methods to the extent supported by the System. For example, customers can choose to pay a portion of their balance using a check and another portion using a Credit Card, or using two or more different Credit Cards.
1202	Using the System, the Contractor shall assess any fees, which are not automated through the System, in accordance with the CSC Business Rules. For example, a returned check fee or a one-time paper statement fee which the User may need to select.
1203	The Contractor shall post all customer payments received by operations into the System.
1204	The Contractor shall develop a full-cycle chain of custody process (such as, how payments transfer from the mail room to a CSC employee for posting to the bank for deposit) for all payments and cash balances which shall be included in the Approved Operations Plan.
1205	The Contractor shall develop and implement money handling, counting and storage procedures that cover items including but not limited to:
1206	<ul style="list-style-type: none"> • responsibility for all funds until custody of the funds has passed to a bank;
1207	<ul style="list-style-type: none"> • all monies (checks and cash) collected shall be stored in a secure area until collected or deposited by the bank;
1208	<ul style="list-style-type: none"> • providing the necessary safes (if using Contractor-provided CSC) for securing checks and cash until collected or deposited;
1209	<ul style="list-style-type: none"> • all money handling, counting and storage shall be performed in a secure area and under dual control at all times; and
1210	<ul style="list-style-type: none"> • cash shall not be transported through public areas without appropriate security.
1211	The Contractor shall deposit all cash and checks (which can't be deposited electronically) received into the CSC bank accounts in accordance with the Performance Objectives.
1212	On a daily basis, the Contractor shall reconcile, balance and report to TOD all bank deposits of funds received.

1213	The Contractor shall develop and implement customer refund procedures in accordance with the CSC Business Rules to be included in the Approved Operations Plan.
1214	The Contractor shall remit monies to and collect monies from various parties in accordance with the Performance Requirements and Approved Operations Plan. Such remittances may be made by check, wire transfer, ACH transfer or book transfer, in accordance with the Approved Operations Plan and shall include but are not limited to payments to and from:
1215	<ul style="list-style-type: none"> • TOD; and
1216	<ul style="list-style-type: none"> • Third Party Service Providers.

3.12. Interoperability

The CSC is Interoperable with the other toll agencies in Texas, Kansas and Oklahoma. Over the life of this Contract, it is likely that Interoperability will expand to include all U.S. states and regions.

The CSC does not currently allow, but anticipates allowing TxTag customers to pay for parking with their prepaid Account. The Contractor shall support all activities related to Interoperability and parking. Non-toll Transactions occur when a Transponder from a participating agency is used to pay a fee at a facility operated by an Interoperable Agency.

The Contractor will work in cooperation with TOD, the Replacement System Contractor and all Interoperable Agencies and CSCs and support TOD with efforts to provide for efficient and successful reciprocity. The Contractor shall work in collaboration with other agencies regarding customer service as appropriate.

1217	Working with TOD, Replacement System Contractor and the Interoperable Agencies and parking facilities, the Contractor shall facilitate the resolution of System or interface related issues or errors.
1218	Forward applications, correspondence, returned Transponders and other items not belonging to TOD to the appropriate agency.
1219	Resolve Transactions or refer customers to the correct agency.
1220	The Contractor shall participate in periodic teleconferences and meetings related to Interoperability and other Interoperability organizations and parking facilities.
1221	The Contractor shall provide a point of contact for resolution of issues arising with Interoperable Transactions and parking Transactions and customer service including dispute resolution.

3.13. Modifications to Toll Rates

1222	During the Term of the Contract, the Contractor shall be required to provide support for periodic changes to TOD's toll rates. The Contractor shall be required to cooperate with TOD and any other applicable contractor or vendor, to coordinate the implementation of the toll rate change including but not limited to:
	<ul style="list-style-type: none"> • Contractor Staff training;

	<ul style="list-style-type: none"> • establishment of test accounts;
	<ul style="list-style-type: none"> • revision of customer collateral and notifications and
	<ul style="list-style-type: none"> • updates of the Contractor’s SOPs, Operations Plan, Training Plan and other applicable documents and any associated training.
1223	Contractor shall run tests to ensure changes directed by TOD have been made accurately and submit documentation thereof to TOD.
1224	Contractor shall verify that content is properly modified on the Website, Mobile App and IVR and submit documentation thereof to TOD.

3.14. Additional Facilities

1225	During the Term of the Contract, the Contractor may be required to provide additional CSC support for new agencies served by the CSC, new Interoperable Agencies and toll and non-toll (such as parking) facilities. TOD will furnish written Approval of Contractor’s modifications to the Contractor to support these additions.
1226	The Contractor shall cooperate with TOD and any other applicable agency, contractor or vendor, to coordinate an implementation plan and to update the Contractor’s SOPs, Operations Plan, Training Plan, user manuals and other applicable documents including affected customer materials.
1227	The Contractor shall provide Staff training, establishment of test accounts and testing operational support in accordance with the Requirements of additional support.

4. Performance Objectives

To promote the consistent, accurate, and reliable operation of the CSC, TOD has developed a series of Performance Objectives for ongoing monitoring and evaluation. The Performance Objectives are intended to measure performance against factors considered critical to the success of CSC operations. TOD will directly link the Contractor’s Compensation with the Contractor’s measured performance against the Performance Objectives.

TOD requires the Contractor to continuously operate the CSC in accordance with the Performance Objectives and further, that the Contractor fully meet the Performance Objectives, beginning with the first month of operations. The Contractor’s performance will be monitored by TOD and shall be objectively evaluated based on the Contractor’s success in meeting the Performance Objectives. The Contractor shall use the Balanced Scorecard to report on the Contractor’s performance against the Performance Objectives. These Performance Objectives reflect the minimum performance expected of the Contractor to avoid negative impact to TOD, customers or the general public.

TOD will utilize a Balanced Scorecard to report the Contractor’s compliance with the Performance Objectives. If the Contractor fails to meet the Performance Objectives, TOD will apply a deduction adjustment. TOD also will provide an incentive adjustment for performance exceeding the Performance Objectives. Incentive and Deduction adjustments will be summed, the total of which will determine any performance adjustment to be made to the Contractor’s monthly Invoice as further detailed below.

The Contractor shall use best efforts to minimize the impacts of any failures to meet the Performance Objectives, regardless of whether Incentive and/or Deduction adjustments are made. Furthermore, the Contractor shall take corrective action to immediately remedy any failures and provide a corrective action plan to TOD for their Approval, to prevent reoccurrence of the problem in the future.

A summary of the CSC Performance Objectives is provided in Table X-X (not presently available) including the measurement method and Incentives and Deductions for each Performance Objective. An example of how the Deductions are calculated is included in Table X-X (not presently available). An example of how the Incentives are calculated is included in Table X-X (not presently available).

All performance-related documentation and reporting are subject to audit at the discretion of TOD. Actual performance results calculated by the Contractor that differ from audited results may be subject to further retroactive adjustment of amounts paid or payable by TOD.

4.1. Performance Objective Requirements

The Contractor shall be required to meet all Performance Objectives detailed herein and as part of the Monthly Invoice provide reports that show compliance to the defined Performance Objectives including details of failures that resulted in any Deduction adjustment.

1228	The Contractor shall operate the CSC to meet the Performance Objectives and Requirements specified herein.
1229	The Contractor shall establish, document and implement an ongoing process to monitor, measure, calculate, and report on the Performance Objectives.
1230	The Contractor shall facilitate performance monitoring by reporting performance against each Performance Objective in clearly measurable and easy to understand terms and reports. While the Contractor's performance is assessed monthly, performance will in many cases be measured on a daily or per occurrence basis.
1231	The format, content and methodology of all performance reports shall be submitted to TOD for review and Approval in accordance with the Approved Project Schedule.
1232	The Contractor shall document the Performance Objectives Invoice Adjustment process and submit it to TOD for Approval in accordance with the Approved Project Schedule.
1233	The Contractor shall document the waiver request process and submit it to TOD for Approval in accordance with the Contract.
1234	TOD will conduct a review of the Contractor's performance on a monthly basis during the Monthly Project Meeting, utilizing the Monthly Project Report package.
1235	If resolution of any failure is under the Contractor's control and/or responsibility, the Contractor shall take action to correct the failure condition and return the CSC to normal functioning in accordance with the Contract, including the Approved Operations Plan. If the failure condition is determined to be the Contractor's fault, the failure shall be subject to adjustment described in these Requirements and may be subject to other remedies in accordance with the Contract.
1236	The Contractor shall calculate the Invoice adjustments and adjust the Contractor's related amount due on the Invoice.

1237	Although the Contractor may request a waiver of the calculated Invoice deductions, any such waivers shall be at the discretion of TOD.
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4.2. Performance Objectives

The Performance Objectives for the Contractor are described in Table X-X (not presently available). Daily performance against the Performance Objectives is tabulated in the Balanced Scorecard which is comprised of the following sections for each category:

1. Target: The minimum performance expected of the Contractor to avoid unnecessary impact to TOD, customers or the general public;
2. Objective Weighting: The quantity of percentage points each category contributes to the total of 100 percentage points;
3. Incentive Factor: The factor by which the Contractor may score above 100% or earn “extra credit” when performance exceeds the Performance Objectives;
4. Deduction Escalation: The factor by which the Contractor’s Deduction may be increased if the Contractor fails to meet a Performance Objective in consecutive months; and
5. Deduction Factor: The factor by which the Contractor may score under 100% when performance falls below the Performance Objectives.

The Incentives and Deductions are calculated as a percentage of the Contractor’s monthly Labor Profit Allowance and Expended Labor Cost. The maximum Deduction is one hundred percent of the Contractor’s Labor Profit Allowance plus five percent of the Expended Labor Cost. The maximum Incentive is 2.5 percent of the Expended Labor Cost. The Contractor’s Invoice will be adjusted up or down depending on the Contractor’s performance against the Performance Objectives that month and whether an Incentive or Deduction adjustment was earned.

4.3. Performance Objectives Measurement Calculation

The Performance Objective measurement calculation is based on the Performance Objectives in Table X-X (not presently available). The Performance Objectives are measured daily and the Performance Objective measurement is based on Work which should have been completed by the end of that day, such as - customer Account application processing activities which took place that day; number of Walk-in customers or number of customer calls. For example, if on Monday, October 15, 1,000 Account applications are received for processing by the Contractor, since the requirement is that 95% of the applications be completely processed within 3 Business Days, 95% of the Work (950 applications received October 15) must be complete by the end of day Thursday, October 18. If the Work is not completed (950 of the 1,000 applications received on October 15 processed) by end of Day on Thursday, October 18, then Contractor will have failed to meet that Performance Objective for that day. If on the same day, the Contractor answered 90% of the calls in 5 minutes or less, they would have failed to meet the Performance Objective of 95% within 5 minutes for that day. If no new Work or task covered under a specific Performance Objective should have been completed during the measurement period such as Call Wait Time performance on a holiday, then the “Actual Performance” for that day will be left blank.

4.3.1. Deduction Escalation

For any Performance Objective that incurs a Deduction adjustment in consecutive months, the Deduction adjustment calculated and assessed for that Performance Objective shall be doubled for the second month,

tripled for the third month, quadrupled for the fourth month, etc. until the Contractor meets or exceeds that Performance Objective, at which time the measure reverts to the original Deduction adjustment calculation formula. The Deduction Escalation amount is factored into the Deduction calculation by entering the number of months that the Contractor failed to meet the target into the “Deduction Escalation” cell in the Balanced Scorecard.

4.3.2. Corrective Actions

Failure to meet a Performance Objective does not relieve the Contractor of the Requirement to complete the activity associated with the Performance Objective. The Contractor shall identify the failure condition, take immediate action to remedy the condition and ensure that corrective action is taken to prevent repeated failures in the future. This will be documented in a corrective action plan. For example, if the Contractor fails to completely and accurately resolve 95% of the customer issues within 3 business days as required by the Performance Objective, the unresolved customer issues must still be completely and accurately resolved immediately and the Contractor must identify the root cause of the failure, the extent of the problem and provide a plan to prevent future occurrences.

1238	Any failure to meet a Performance Objective that requires the completion of a specific action(s), for example completing daily reconciliations, which is not completed in accordance with the Requirement, does not relieve the Contractor of the responsibility to perform in accordance with the Approved Operations Plan and the Requirements.
1239	If a Performance Objective involving completing Work in certain period of time is missed, the Work must be completed in order such that the oldest Work is completed before starting any newer Work.
1240	The Contractor shall develop a corrective action plan for each failure to meet a Performance Objective identifying the root cause(s), the extent of the problem and providing a plan to rectify the current situation, if applicable, and prevent future occurrences.
1241	The Contractor shall submit the corrective action plan to TOD for review and Approval.
1242	The corrective action plan provided by the Contractor shall be in a format Approved by TOD.
1243	The format of the corrective action plan shall be submitted to TOD by the Contractor as a part of the Operations Plan.

4.3.3. Non-Chargeable and Chargeable Failures

Chargeable and non-chargeable failures are defined as follows:

- Non-Chargeable Failures are those failures that are identified in the following section. Deduction adjustments will not be assessed for non-chargeable failures.
- Chargeable Failures are any failures not specifically identified as non-chargeable. Deduction adjustments will be assessed for chargeable failures.

1244	Non-chargeable failures are limited to:
1245	<ul style="list-style-type: none"> • Force Majeure;
1246	<ul style="list-style-type: none"> • failures that are the responsibility of the Replacement System Contractor or other third-party contractor as determined by TOD;

1247	<ul style="list-style-type: none"> Approved Operating adjustments, as applicable;
1248	<ul style="list-style-type: none"> failures where TOD has Approved to waive a chargeable failure in advance; and
1249	<ul style="list-style-type: none"> failures that are customer or TOD user induced, or are caused by a Third-Party Service Provider not under the Contractor's control.
1250	Chargeable failures shall include any failures not specifically identified as non-chargeable.

4.4. Example Performance Objective Adjustment Calculation

This section provides an example of a Performance Objective measurement-based calculation of an Invoice. The example is based on hypothetical values. TOD has developed a Balanced Scorecard which is used to report the Contractor's performance each day against the Performance Objectives. When completed for each day of the month, the Balanced Scorecard will calculate the amount due to the Contractor for that month, taking into account any Incentives or Deductions. The Balanced Scorecard was used to calculate the examples which follow.

The examples below use the first Performance Objective "Call Wait Time" and assume all other Performance Objectives are met (not eligible for an Incentive or Deduction). For this Performance Objective, the Contractor will use System-generated reports to track the Telephone Service Factor (TSF) each day by entering the TSF for that day into the cell for that day of the month and the spreadsheet calculates the actual performance as a percentage against the Performance Objective for that day.

For ease of demonstrating these examples, a Monthly Burdened Labor Cost of \$100,000 with a 10% profit margin is assumed. This is for example only and is not indicative of TOD's expectations for the Contractor's Compensation Proposal.

4.4.1. Deduction Calculation Example

If the Performance Objective of answering 95% of the calls within 5 minutes was met as shown in cell F10 for the 1st day of the month, "Performance" for that day would be 100% as shown in cell F11 in Table X-X (not presently available) below.

If the Contractor performed better than the Performance Objective, in this case answering 98% of the calls in less than 5 minutes, as shown in cell G10, the Incentive Factor would be applied in calculating that day's performance as shown in cell G11 "101.5%" in Table X-X (not presently available) below.

If the Contractor did not meet the Performance Objective, in this case answering 94% of the calls in less than 5 minutes as shown in cell J10, the Deduction Factor would be applied in calculating that day's performance as shown in cell J11 "93%" in Table X-X (not presently available) below.

At the end of the month, the spreadsheet calculates an average score for the entire month. Table X-X (not presently available) shows the results for a month as in cell AM11 (for this Performance Objective) in Table X-X (not presently available) below. The average performance is then multiplied by the "Objective Weighting" as shown in cell D10 to come up with the "Measured Performance" for that measure. In this case, the Contractor missed the measure with a score of less than 100% (99.75% - cell AM11) and a "Measured Performance of 24.94% calculated by multiplying the "Calc Perf Average" of 99.75 by the "Objective Weighting" of 25% ($99.75 * 25\% = 24.94$) This Deduction is reflected in the "Measured Performance" in cell AN90 Table X-X (not presently available) as 99.94% which is the sum of each task's individual "Measured Performance".

The overall “Measured Performance” rate from cell AN90 is multiplied by the Labor Profit Allowance in cell C2 “10%” to determine the Adjusted Labor Profit Allowance in cell C4 which in this case is 9.99%. In this scenario, the Contractor would be paid \$109,993.75.

4.4.2. Incentive Calculation Example

If the Performance Objective of answering 95% of the calls within 5 minutes was met as shown in cell F10 for the 1st day of the month “Performance” for that day would be 100% as shown in cell F11 in Table X-X (not presently available) below.

If the Contractor performed better than the Performance Objective, in this case answering 98% of the calls for every day of the month in less than 5 minutes, the Incentive Factor would be applied in calculating those days’ performances as shown on row 11 in Table X-X (not presently available) below.

At the end of the month, the spreadsheet calculates an average Performance for the entire month. Table X-X (not presently available) below shows the results for a month in cell AJ11. The average performance is then multiplied by the Weighting to come up with the Measured Performance for that measure. In this case, the Contractor exceeded the Performance Objective every day of the month (101.5%). $101.5 * 25 = 25.38$ out of a possible 25 for that Performance Objective. This Incentive is determined by taking the difference between Overall Measured Performance rate in cell AK 90, which is the sum of each task’s individual Measured Performance, and 100%, which is the target overall “Measured Performance” rate. The “Measured Performance” Amount exceeding 100% determines the “Performance Incentive Earned” rate in cell C5 Table X-X (not presently available). Expended Labor Cost is multiplied by the Performance Incentive Earned rate to determine the Incentive that would be paid to the Contractor. In this scenario, the Contractor would be paid \$110,375.

In the event of earned Incentive the rate is only reflected in cell C5 and not reflected in Overall Measured Performance in cell C3.

4.5. Liquidated Damage Events

While the Balanced Scorecard approach will be the primary method for tracking the Contractor’s performance some events cause losses that are significant and which would be difficult or impossible to measure when they occur. Liquidated damages will be assessed against the Contractor in such cases, in an amount that is based upon an analysis of the actual damages that TOD is likely to experience in the event of such failures to achieve the Performance Objective, as provided in Table 4-5.

Table 4-5: Liquidated Damage events

Category	Performance Objective	Measurement Period	Liquidated Damage Amount	Measurement Method
PCI Compliance – Remediation Plan	The Contractor must submit and obtain Approval on a Remediation Plan to TOD for each applicable PCI audit compliance exception within 7 Business Days of receipt of the audit report or the date Contractor first becomes aware of the exception, whichever comes first.	Per event	\$500 per Business Day that the submittal is late	The Contractor shall track when yearly or random PCI audits are performed and the auditor submits a report. The Contractor shall then track how long it takes to submit a Remediation Plan. Reporting: the amount of time a remediation report was submitted per event measured in days

PCI Compliance - Resolution	The Contractor must resolve each applicable PCI exception and return to a PCI compliant state, within 7 Business Days of TOD's Approval of the Remediation Plan. Any request for more than a 7-Business Day resolution period must be Approved by TOD on an item-by-item basis.	Per event	\$500 per Business Day beginning with the 8 th Business Day after Approval of the PCI compliance plan until resolved	The Contractor shall resolve each PCI exception and return to a PCI compliant state, within 7 Business Days of TOD's Approval of the Remediation Plan. Any request for more than a 7-Business Day resolution period must be Approved by TOD on an item-by- item basis.
Audit – Remediation Plan	The Contractor must submit a Remediation Plan to TOD for each audit finding within 7 Business Days of notification from TOD.	Per event	\$500 per Business Day	Reporting: The number of days the Contractor took to resolve audit finding or submit Remediation Plans for exceptions per audit.
Audit - Resolution	The Contractor must resolve each audit finding within 7 Business Days of TOD's Approval of the Remediation Plan. Any request for more than a 7- Business Day resolution period must be Approved by TOD on an item-by- item basis.	Per event	\$500 per Business Day	Reporting: The number of days the Contractor took to resolve audit finding based on the TOD Approved Remediation Plan.

4.6. Fines and Remediation Costs for PCI Non-Compliance

All card holder information shall be strictly controlled in accordance with PCI DSS requirements. In addition to fines and costs imposed by Governmental Persons for failure to comply with Governmental Rules concerning protection of customer confidential information and data, credit card servicing institutions may impose fines for failure to comply with PCI standards. The Contractor shall be responsible for and shall pay directly any fines and any other costs of remediation assessed by a credit card servicing institution with respect to PCI non-compliance by Contractor, including the cost of customer communication and credit fraud protection for affected customers, for any breach of PCI compliance standards that is caused by the Contractor. Additional terms and conditions regarding Contractor's obligations to comply with applicable Governmental Rules regarding the handling of customer data are set forth in the Contract.

4.7. Innovation and Efficiency Incentive

TOD will review the plan and if it is Approved, the Contractor will be eligible to earn an Innovation and Efficiency Incentive.

Payments for Approved Innovation and Efficiency Plans will be handled as follows:

- Innovation and Efficiency payments will only be paid for those months in which the Innovation or Efficiency is achieved.
- The monthly Invoice shall include clear documentation itemizing TOD's cost savings directly attributable to the implementation of the Approved plan.

1251	Any Innovation and Efficiency Plan proposed by the Contractor shall be submitted to and reviewed and Approved by TOD prior to implementation. The Contractor is encouraged to solicit TOD's feedback on the concept prior to the development of the full plan.
1252	For CSC operations Labor savings, the Innovation and Efficiency Plan shall clearly describe the changes to the processes, procedures, materials, etc. that result in efficiencies and measurable cost savings and reductions in payments due to the Contractor from TOD.

1253	For CSC operations pass through savings, the Innovation and Efficiency Plan shall clearly describe the changes to the processes, procedures, materials, etc. that result in efficiencies and measurable cost savings and reductions in pass through costs to TOD.
1254	The Innovation and Efficiency Plan shall clearly itemize and quantify the projected cost savings.
1255	The Innovation and Efficiency Plan shall describe the impact to the Contractor's performance, as measured by the Performance Objectives, after implementation of the plan.
1256	The Innovation and Efficiency Plan shall describe the method of identifying, tracking and measuring the savings achieved by implementing the Innovation and Efficiency Plan and how it will be reported to TOD.
1257	The Contractor shall provide TOD with a report in Approved format identifying the cost savings actually achieved by the implementation of the Approved Innovation and Efficiency Plan. Any payments due to the Contractor because of an Approved Innovation and Efficiency Plan will be based on cost savings actually achieved by the implementation of the Plan.
1258	Approved Innovation and Efficiency Plans must be incorporated in to the Staffing Model, if applicable.

- End of Exhibit B -