

# STATE OF ALASKA REQUEST FOR PROPOSALS



## INTEGRATED PENSION AND HEALTH BENEFITS SOLUTION

RFP 2020-0200-4326

AUGUST 9, 2019

THE DEPARTMENT OF ADMINISTRATION, DIVISION OF RETIREMENT AND BENEFITS (DRB), IS SOLICITING PROPOSALS FOR A COMPREHENSIVE SOLUTION FOR AN INTEGRATED, ENTERPRISE-WIDE SYSTEM THAT SUPPORTS ALL OUR CORE BUSINESS FUNCTIONS FOR ADMINISTRATION OF PENSION AND HEALTH PLANS OF ALL TIERS INCLUDING DEMOGRAPHIC INFORMATION AS A SINGLE SOURCE OF TRUTH.

---

ISSUED BY:

DEPARTMENT OF ADMINISTRATION  
DIVISION OF RETIREMENT AND BENEFITS

PRIMARY CONTACT:

JANICE NEAL  
PROCUREMENT OFFICER  
JANICE.NEAL@ALASKA.GOV  
(907) 465-5758

---

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

**IMPORTANT NOTICE:** IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED ABOVE TO RECEIVE NOTIFICATION OF SUBSEQUENT AMENDMENTS. FAILURE TO REGISTER WITH THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

# TABLE OF CONTENTS

<b>SECTION 1.</b>	<b>INTRODUCTION AND INSTRUCTIONS.....</b>	<b>4</b>
SEC. 1.01	PURPOSE OF THE RFP .....	4
SEC. 1.02	DEADLINE FOR RECEIPT OF PROPOSALS .....	4
SEC. 1.03	REQUIRED REVIEW .....	4
SEC. 1.04	QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS.....	4
SEC. 1.05	RETURN INSTRUCTIONS.....	4
SEC. 1.06	ASSISTANCE TO OFFERORS WITH A DISABILITY .....	5
SEC. 1.07	AMENDMENTS TO PROPOSALS .....	5
SEC. 1.08	AMENDMENTS TO THE RFP .....	5
SEC. 1.09	RFP SCHEDULE.....	6
SEC. 1.10	EDUCATIONAL AND PRE-PROPOSAL CONFERENCE .....	6
SEC. 1.11	ALTERNATE PROPOSALS .....	7
SEC. 1.12	NEWS RELEASES.....	7
<b>SECTION 2.</b>	<b>BACKGROUND INFORMATION .....</b>	<b>8</b>
SEC. 2.01	BACKGROUND INFORMATION .....	8
<b>SECTION 3.</b>	<b>SCOPE OF WORK AND CONTRACT INFORMATION.....</b>	<b>11</b>
SEC. 3.01	SUMMARY.....	11
SEC. 3.02	GOALS AND OBJECTIVES .....	15
SEC. 3.03	CONTRACT TERM AND WORK SCHEDULE .....	16
SEC. 3.04	DELIVERABLES .....	16
SEC. 3.05	PROPOSED PAYMENT PROCEDURES .....	17
SEC. 3.06	CONTRACT PAYMENT.....	17
SEC. 3.07	LOCATION OF WORK.....	17
SEC. 3.08	SUBCONTRACTORS.....	17
SEC. 3.09	JOINT VENTURES.....	18
SEC. 3.10	THIRD-PARTY SERVICE PROVIDERS.....	18
SEC. 3.11	F.O.B. POINT.....	18
SEC. 3.12	CONTRACT PERSONNEL .....	18
SEC. 3.13	INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES .....	18
SEC. 3.14	CONTRACT CHANGES - UNANTICIPATED AMENDMENTS.....	19
SEC. 3.15	NONDISCLOSURE AND CONFIDENTIALITY .....	19
SEC. 3.16	INDEMNIFICATION .....	20
SEC. 3.17	INSURANCE REQUIREMENTS .....	20
SEC. 3.18	TERMINATION FOR DEFAULT .....	21
<b>SECTION 4.</b>	<b>PROPOSAL FORMAT AND CONTENT .....</b>	<b>22</b>
SEC. 4.01	RFP SUBMITTAL FORMS.....	22
SEC. 4.02	SPECIAL FORMATTING REQUIREMENTS .....	22
SEC. 4.03	OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A) .....	23
SEC. 4.04	SERVICE APPROACH (SUBMITTAL FORM B).....	24
SEC. 4.05	RISK ASSESSMENT PLAN (SUBMITTAL FORM C) .....	26
SEC. 4.06	VALUE-ADD ASSESSMENT (SUBMITTAL FORM D) .....	27
SEC. 4.07	PERFORMANCE QUALIFICATIONS (SUBMITTAL FORM E) .....	28
SEC. 4.08	MANDATORY REQUIREMENTS (SUBMITTAL FORM F) .....	29
SEC. 4.09	CONTRACTUAL REQUIREMENTS (PRIORITY 3's) (SUBMITTAL FORM G) .....	29
SEC. 4.10	INFRASTRUCTURE REQUIREMENTS (SUBMITTAL FORM H) .....	29

SEC. 4.11	SUBCONTRACTORS (SUBMITTAL FORM I).....	30
SEC. 4.12	COST PROPOSAL (SUBMITTAL FORM J).....	30
<b>SECTION 5.</b>	<b>EVALUATION CRITERIA AND CONTRACTOR SELECTION .....</b>	<b>31</b>
SEC. 5.01	SUMMARY OF EVALUATION PROCESS.....	31
SEC. 5.02	EVALUATION CRITERIA .....	31
SEC. 5.03	SCORING METHOD AND CALCULATION .....	32
SEC. 5.04	PASS/FAIL CRITERIA .....	33
SEC. 5.05	EVALUATED CRITERIA.....	33
SEC. 5.06	CONTRACT COST (COST PROPOSAL) .....	35
SEC. 5.07	APPLICATION OF PREFERENCES.....	36
SEC. 5.08	ALASKA BIDDER PREFERENCE.....	37
SEC. 5.09	ALASKA VETERAN PREFERENCE .....	37
SEC. 5.10	ALASKA OFFEROR PREFERENCE.....	37
SEC. 5.11	SHORTLISTING .....	38
SEC. 5.12	SYSTEM DEMONSTRATIONS.....	38
SEC. 5.13	INTERVIEWS OF KEY PERSONNEL .....	38
SEC. 5.14	FINAL PRIORITIZATION .....	39
SEC. 5.15	COST REASONABLENESS .....	39
SEC. 5.16	CLARIFICATION PERIOD .....	39
SEC. 5.17	OFFEROR NOTIFICATION OF SELECTION.....	41
<b>SECTION 6.</b>	<b>GENERAL PROCESS AND LEGAL INFORMATION .....</b>	<b>42</b>
SEC. 6.01	ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES.....	42
SEC. 6.02	CLARIFICATION OF OFFERS.....	42
SEC. 6.03	DISCUSSIONS WITH OFFERORS.....	43
SEC. 6.04	STANDARD CONTRACT PROVISIONS .....	43
SEC. 6.05	PROPOSAL AS A PART OF THE CONTRACT .....	43
SEC. 6.06	ADDITIONAL TERMS AND CONDITIONS .....	43
SEC. 6.07	HUMAN TRAFFICKING .....	43
SEC. 6.08	RIGHT OF REJECTION .....	44
SEC. 6.09	STATE NOT RESPONSIBLE FOR PREPARATION COSTS.....	44
SEC. 6.10	DISCLOSURE OF PROPOSAL CONTENTS .....	44
SEC. 6.11	ASSIGNMENT .....	44
SEC. 6.12	DISPUTES .....	45
SEC. 6.13	SEVERABILITY .....	45
SEC. 6.14	SUPPLEMENTAL TERMS AND CONDITIONS.....	45
SEC. 6.15	CONTRACT INVALIDATION .....	45
SEC. 6.16	SOLICITATION ADVERTISING .....	45
SEC. 6.17	SITE INSPECTION.....	45
SEC. 6.18	PROTEST .....	46
<b>SECTION 8.</b>	<b>ATTACHMENTS.....</b>	<b>47</b>
SEC. 8.01	ATTACHMENTS.....	47

## SECTION 1. INTRODUCTION AND INSTRUCTIONS

### SEC. 1.01 PURPOSE OF THE RFP

The Department of Administration, Division of Retirement and Benefits (DRB), is soliciting proposals for a comprehensive solution for an integrated, enterprise-wide system that supports all our core business functions for administration of pension and health plans of all tiers including demographic information as a single source of truth.

### SEC. 1.02 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **2:30 PM** prevailing Alaska Time on September 19, 2019 Faxed, emailed, or oral proposals **are not acceptable**.

Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

### SEC. 1.03 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the procurement officer, in writing, at least ten days before the deadline for receipt of proposals.

### SEC. 1.04 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the procurement officer. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The procurement officer will make that decision.

Questions shall be emailed to Heather Pedersen at [heather.pedersen@alaska.gov](mailto:heather.pedersen@alaska.gov) with the RFP 2020-0200-4326 in the subject line. If RFP number is not in subject line, offeror runs the risk of their question not being answered.

### SEC. 1.05 RETURN INSTRUCTIONS

Offerors must submit one MASTER hard copy of their proposal, in writing, to the procurement officer in a sealed package with the technical response of the proposal and the cost proposal sealed separately in the package. Both technical response and the cost proposal must be clearly identified.

Additionally; Offeror must include in the package one copy of the proposal on a CD Rom or USB flash drive with technical response of the proposal and the cost proposal saved in separate files and clearly identified as Vendor Name – Technical Response and Vendor Name – Cost Proposal. If any discrepancies between the MASTER hard

copy and the electronic files are found the MASTER hard copy will prevail. The sealed proposal package(s) must be addressed as follows:

**Department of Administration**

**Division of Retirement and Benefits**

**Attention: Janice Neal**

**Request for Proposal (RFP) Number: 2020-0200-4326**

**RFP Title: Integrated Pension and Health Benefits Solution**

If using U.S. mail, please use the following address:

**PO BOX 110210**

**JUNEAU, AK 99811-0210**

If using a delivery service, such as Fed Ex or UPS, please use the following address:

**333 WILLOUGHBY AVE, STE 801**

**JUNEAU, AK 99801**

**NOTE: THERE IS NO OVERNIGHT DELIVERY SERVICE TO ALASKA.**

The state **will not accept** oral, emailed or faxed proposals.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

## **SEC. 1.06 ASSISTANCE TO OFFERORS WITH A DISABILITY**

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

## **SEC. 1.07 AMENDMENTS TO PROPOSALS**

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

## **SEC. 1.08 AMENDMENTS TO THE RFP**

If an amendment is issued before the deadline for receipt of proposals, it will be provided to all who were notified of the RFP and to those who have registered with the procurement officer after receiving the RFP from the State of Alaska Online Public Notice web site.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

## SEC. 1.09 RFP SCHEDULE

The RFP schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted by the same number of days. Proposals **MUST** be received no later than the date and time identified below. All times are Alaska Standard Time (AKST).

ACTIVITY	TIME	DATE
Issue Date / RFP Released		8/9/2019
Educational & Pre-Proposal Conference	10:00 AM AKST	8/14/2019
Deadline to submit questions	2:30 PM AKST	8/23/2019
Questions answered by	TBD	08/30/2019
Deadline for Receipt of Proposals / Proposal Due Date	2:30 PM AKST	9/19/2019
Initial Evaluations Start	TBD	9/20/2019
Interviews/Demonstrations	TBD	10/8/2019 – 10/10/2019
Clarification Period Begins	TBD	10/14/2019
Notice of Intent to Award	N/A	TBD
Contract Issued	N/A	TBD
Start Date	N/A	TBD

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of the Department of Administration, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

## SEC. 1.10 EDUCATIONAL AND PRE-PROPOSAL CONFERENCE

An educational meeting and pre-proposal conference will be held at **10:00 a.m.** Alaska Time on **August 14, 2019**. The meeting will be held via webinar but you may also attend in person. The meeting will be an introduction to the procurement process being used for this solicitation. Then will go through the RFP document discussing important information and reviewing the scope of work and cost sheet.

**Educational Meeting & Pre-proposal Conference link:**

<https://stateofalaska.webex.com/stateofalaska/onstage/g.php?MTID=ea587ec3adb56accb9cdc4b9aaf18197a>

**Call-in Number:** 1-650-479-3207

**Access Code:** 805 731 803

Offerors should read the RFP in full and come to the meeting prepared to discuss any questions or concerns. Offerors with a disability needing accommodation should contact the contracting officer prior to the date set for the pre-proposal conference so that reasonable accommodation can be made. The meeting will be held at the following location:

**Building:** State office Building

**Address:** 333 Willoughby Ave, Juneau, AK 99801

In-person participation is strongly recommended, however is it not mandatory. All questions generated from the preproposal meeting/educational meeting should be sent in writing to the Contracting Officer of record. Participants viewing via webinar will not be able to ask questions during the meeting but can submit questions in writing to the Procurement Officer. Note: that the conference may be recorded.

Offerors with a disability needing accommodation should contact the procurement officer of record prior to the date set for the pre-proposal conference so that reasonable accommodation can be made.

**A recording of this meeting can be accessed here:**

<https://aws.state.ak.us/OnlinePublicNotices/Notices/Search.aspx>

## **SEC. 1.11 ALTERNATE PROPOSALS**

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

## **SEC. 1.12 NEWS RELEASES**

News releases related to this RFP will not be made without prior approval of the project director.

## SECTION 2. BACKGROUND INFORMATION

### SEC. 2.01 BACKGROUND INFORMATION

The State Organization Act of 1959 transferred administration of the territorial Alaska Teachers' Retirement System (TRS), enacted in 1914, to the state Department of Administration (DOA). The first Alaska Legislature created DRB in 1960. DRB was assigned responsibility for TRS from DOA and in 1961 was also tasked to administer the newly created Alaska Public Employees' Retirement System (PERS). The Division of Retirement and Benefits (DRB) is a division of the State of Alaska's DOA. One hundred fifteen employees in Juneau and four employees in Anchorage provide necessary services to the members and dependents of the state retirement systems and health plans. DRB's statutory authority is found in AS 14.25, AS39.30, and AS 39.35.

The division administers retirement and benefits plans for the State of Alaska and 217 other governmental units. These other governmental units include municipalities, school districts, and other political subdivisions of the State. In addition, DRB is responsible for the AlaskaCare active and retiree health plans. Within an IRS Section 125 Cafeteria plan, DRB also offers optional benefits and sponsors a health benefits plan for 28 participating political subdivision employers.

DRB administers and has fiduciary responsibility for the record keeping and counseling services of five Defined Benefits (DB) retirement plans involving 89,000 members and \$24.6 billion in assets. DRB also administers three Defined Contribution (DC) plans involving 81,000 members and \$4.8 billion in assets.

- Public Employees' Retirement System (PERS) Defined Benefit Plan
- PERS Defined Contribution Retirement Plan
- Teachers' Retirement System (TRS)
- TRS Defined Contribution Retirement Plan
- Judicial Retirement System (JRS)
- National Guard and Naval Militia (NGNMRS)
- Elected Public Officers (EPORS)
- Supplemental Benefits System-Annuity Plan (Social Security replacement)
- Deferred Compensation Plan (DCP)

The AlaskaCare Retiree Health and AlaskaCare Employee Health plans provide health coverage for just under 87,000 active State of Alaska employees, retirees, and dependents.

Slightly more than 48,000 retirees receive over \$105 million in pension benefits per month. Approximately sixty percent of these retirees reside in Alaska.

Annually DRB performs the following: processes approximately 2,200 applications for retirement, conducts recurring retirement education seminars in various locations for over 5,000 members, and provides individual benefits counseling for 8,350 members statewide.

In 2016, the division answered over 90,000 phone calls with the Member Services Contact Center handling over 65,000 of those calls.

Over the last 25 years, Division of Retirement and Benefits (DRB) has operated successfully with the decentralized management of many of its core business processes for benefits administration. The legacy



systems installed over the last 25+ years were designed to complement these processes and structures and have served the division well in enabling it to meet its ongoing goals year after year. Today, however, DRB is facing many internal and external challenges that require a re-evaluation of our core business processes and the software applications that support them.

The challenges DRB is facing include:

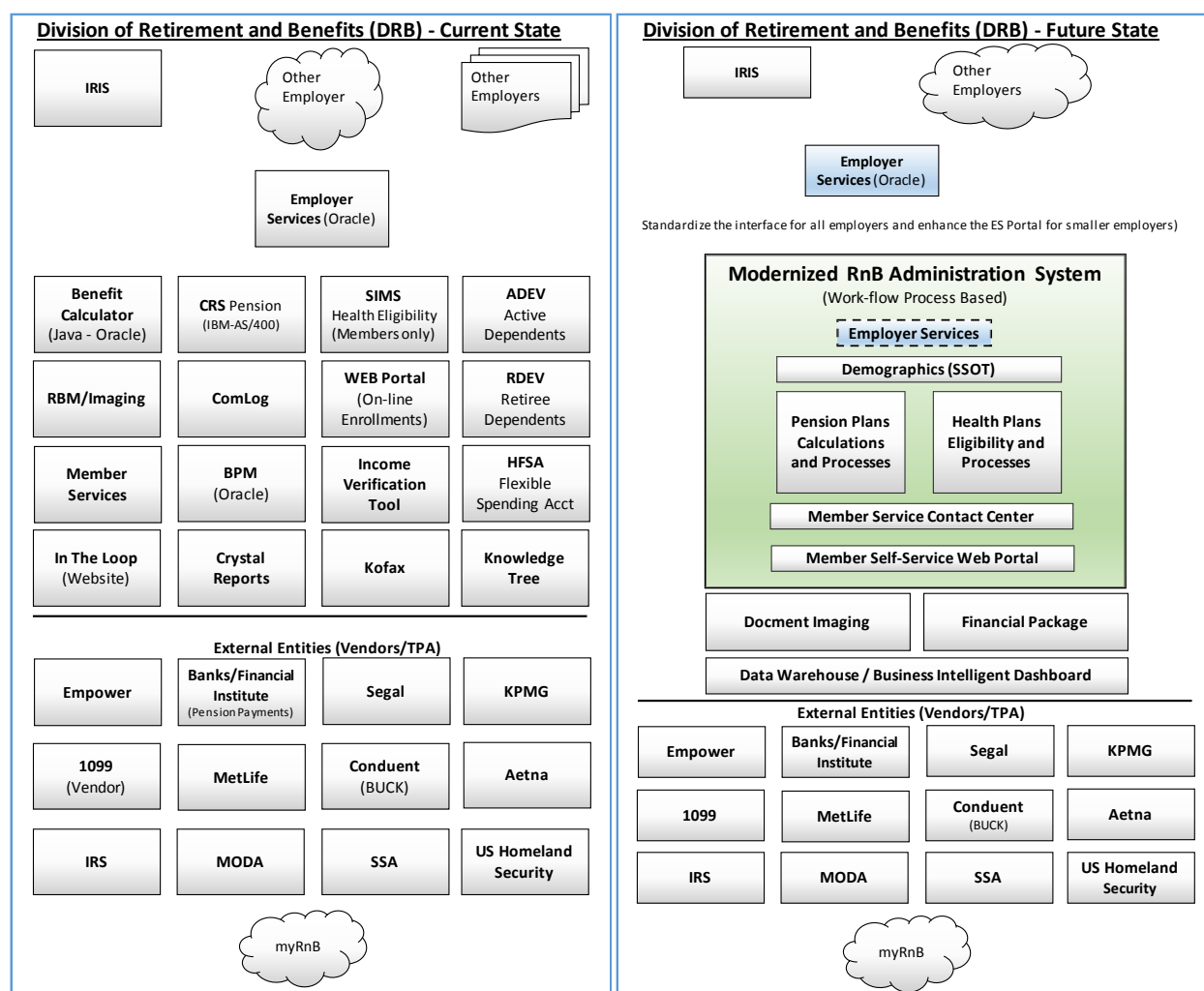
- **Platform:** Multiple platforms for hardware and software:
  - Sun/Oracle (Java)
  - IBM AS/400 (mainframe replacement for Combined Retirement System (CRS) – migrated from HP 3000) – Aging and Obsolete System
  - Microsoft (Dell – Windows Server 2008) – Older version – 4 generation behind
- **Backup:** Inconsistent backup and disaster recovery solutions
  - Due to multiple platforms existing in DRB, the backup standards vary based on the platform.
  - Legacy applications and databases have a multiple back-ups/restore capability that supports disaster recovery situation.
  - The newer databases are backed up locally for the system failure. However, it lacks the disaster recovery solution due to incompatibility between the platforms.
- **Data Integrity/Duplications:** Lack of automated integration across the business applications
  - Lack of validation rules or inconsistent data collection allowed by such applications causes data integrity issues across the various platforms.
  - Manual processes and data entry in multiple applications results in inconsistent and duplicate data in various applications.
  - Lack of synchronization of data across the multiple platforms causes variations in valuation data for the TPA, which is a high risk for inaccurate reports.
- **Pension System (CRS):** CRS is now primarily used to store the raw and processed data related to retirement plans; However, it offers very limited functionality of the fundamental benefit calculations such as actual retirement benefit options, disability, QDRO or benefit projections for estimates. Rather, external Java-based tools were developed that pull the data from CRS and after computation of the benefits, upload back in the CRS system for the payment process.

*(CRS requires a COBOL programmer who is rare in the marketplace as this language is not compatible with the latest technological platforms.)*

- **Health Eligibility System:** (Supplemental Insurance Management System - **SIMS**) SIMS is a Java (Oracle) based in-house designed application that only holds data for the Active members (Employee Plan) derived from another application “Member Information Management System – MIMS). SIMS is unable to store dependent data, which is maintained on “Active Dependent Enrollment and Verification System – ADEV). The key note to make here is SIMS and ADEV are unable to directly integrate with each other creating a huge challenge to produce a health eligibility information file not only for the TPA but also for internal health benefit projections and analysis.

- **Accounting:** The CRS general ledger is managed internally by Alaska DRB, and the state financial system has a separate general ledger system (IRIS FIN). Currently, Alaska DRB monitors and completes reconciliation and financial reporting with data from both general ledger systems. DRB does not have an automated financial system. Many of the current accounting and general ledger functions are managed manually and require significant data entry and numerous verification processes.
- **Work-Flow Tools (Oracle - BPM):** There are many Java-based tools developed in recent history to mimic an automation process pulling the data from the various systems and databases to ease the load of the division. However, each tool has been developed with a limited functionality and a limited scope. As a result, many of the automated/semi-automated processes have redundancy of data use that causes inconsistent data in multiple databases/systems.

## System Map



## SECTION 3. SCOPE OF WORK AND CONTRACT INFORMATION

### SEC. 3.01 SUMMARY

The Department of Administration, Division of Retirement and Benefits (Alaska DRB), is seeking proposals for the development and installation of Benefits Administration System (BAS) Software from qualified firms with in-depth knowledge and technical expertise. This RFP details the requirements needed by Alaska DRB and instructs interested Offerors on the proposal and selection process. Maintenance and support services for post-implementation services as described in Submittal Form J Cost Proposal must be provided as part of the Offeror's response.

The new BAS will enable DRB staff to perform all of their duties associated with benefits administration, including:

1. Administration of DRB's Sponsored Benefit Programs (Defined Benefits and Defined Contributions)
2. Administration of Death Benefits
3. Administration of Disability Benefits
4. Administration of Benefit Payroll
5. Administrative and Security Controls
6. Apportioning and Applying Interest to Member Accounts
7. Calculating Retirement Options
8. Customer Relationship Management
9. Document Management
10. Exporting and Reporting of Member Data to Internal and External Stakeholders
11. Generation and Management of Correspondence
12. Generation of Actuarial Valuation and Experience Extracts
13. Generation of Annual Member Statement
14. Granting of Cost of Living Allowances
15. Importing of Agency Member Files
16. New Member and Employer Enrollment
17. Administration of Insurance Eligibility and Enrollment
18. Insurance Premium Billing
19. TPA Management
20. Management of Accounting Functions and General Ledger
21. Processing of 1099Rs; Reporting of Federal Taxes
22. Processing of Reciprocal Agency Agreements
23. Processing of Member Contribution Adjustments
24. Processing of Qualified Domestic Relations Orders
25. Processing of Service Credit Purchases and Repayments of Contributions Refunds
26. Processing of Termination Withdrawals
27. Self-service Web Portals (Member and Partner/Employer)
28. Setup of Retirement Benefits
29. Tracking of Member Counseling and Estimating of Benefits

In addition, the Offeror must provide, as part of the solution, an accounting package to be used to automate the general ledger functions and manage accounting tasks. DRB's new Benefits Administration System will require an automated interface to and from the accounting software to allow for comprehensive integration between the BAS and the accounting system.

DRB is interested in either an on-premise solution hosted at SOA OIT facilities or an off-site, cloud-based hosted option. The Offeror may submit for either or both options.

The State has made significant investments in recent years in Government Cloud Services, specifically in Microsoft's Azure cloud and Oracle's Cloud @ Customer. These investments have included acquiring Government cloud tenants, developing the State of Alaska cloud strategy, establishing secure connectivity, building out identity infrastructure, and developing brokerage services. In addition to third party Government cloud investments, the State also maintains geo-redundant on-premise datacenters that support secure, virtualized compute services.

The State is committed to leveraging our existing cloud and on-premise investments, and optimizing State spend by reducing or eliminating duplicate investments. Accordingly, the State would prefer the successful Offeror's solution be easily deployed within the State's Government Cloud Services and/or on-premise compute and services environments. The State prefers solution deployment in the State's Microsoft Azure or State of Alaska on-premise compute services environments if possible.

In this RFP, the State requests Offerors to respond to the Infrastructure A requirements in Submittal Form H for the host and service compute infrastructure needed to support an on-premise solution and provide pricing in Submittal Form J, Cost Proposal. If the Offeror provides a cloud-based hosted solution, the State would like the Offeror to respond to the Infrastructure B requirements on Submittal Form H and provide pricing in Submittal Form J, Cost Proposal.

The Offeror is not merely delivering a software solution. The Offeror must deliver a solution capable of meeting the dynamic, year-over-year needs of DRB. The new system will provide a unified, one stop improved customer experience with respect to all programs administered by DRB. There will be secure portals through which customers (members, subscribers, beneficiaries, dependents, and employers) can conduct business with DRB. All DRB publications, as well as personal and electronic interactions with customers, will have a common language, appearance, and feel. The new system and processes will enhance existing customer service capabilities, including, but not limited to, the Customer Contact Center and Employer Contact Center. The new system will integrate retirement and insurance processes where further integration will improve operations or the efficiency and delivery of services to customers, including, but not limited to: common member and employer profiles/demographics, common enrollment, common imaging/document management, common cash receipts, death notification, common retirement processing, and employer reporting (integrated data). The new system and processes will enhance existing operational performance measurement capabilities. More robust reporting and operational analytics will be tracked and measured with respect to DRB's programs, including use of customer portals. The new system and processes will enhance existing data exchange functionality with all appropriate third parties, including TPAs. The new system and processes will continue to support or enhance the privacy and security of DRB's information assets.

The Offeror will work with DRB's project team which consists of DRB staff, IT technical resources, and a third-party oversight project manager and business analysts (Linea Solutions).

DRB's core team includes IT staff and subject matter experts. DRB plans on providing the following resources:

- Four (4) FTE Subject Matter Experts will be made available for the life of the project.
- Subject Matter Experts as needed during design and testing activities.

DRB has contracted with an oversight vendor (Linea Solutions) to provide oversight project management and consulting services during the BAS implementation. Linea's primary responsibilities will be to manage the overall project activities (other than the vendor's design and development work), review and mitigate project risks, and to work collaboratively with the software vendor in the areas of design, testing, interfaces, training, business process improvement, and deployment. The BAS vendor project manager will work with the DRB and Linea project managers to manage the overall project.

DRB has undertaken a significant effort to document the relevant requirements and business processes. It is expected that the Offeror will need to confirm these requirements in a series of work sessions as an initial phase of the project. The Offeror's team shall have the necessary experience to understand the requirements without elaborate explanation. The Offeror's business analyst(s) are expected to be familiar with public retirement and group insurance systems.

The requirements confirmation sessions must be scheduled in a manner that does not impact DRB's operations. A maximum of eighteen hours of meetings shall be scheduled with staff each week, and shall not exceed more than six hours in any given day.

DRB will rely on the Offeror to determine the most time and cost-efficient method of implementing the system into DRB's environment. The implementation timeline is projected to be 36-42 months from project initiation (kick-off) to project completion (system "go-live").

The Offeror must utilize a rigorous testing methodology throughout the course of the project. Each module that is delivered to DRB must have been tested on converted or simulated data prior to being certified for release by the vendor's test team. DRB may at its discretion request written proof of certification for any release.

DRB expects the following types of testing to be performed during the project:

- Unit
- System
- Stress (volume)
- Load
- Regression
- UAT

The Offeror will be required to test certain processes in parallel, or parallel equivalent, with the legacy system; including payroll, sample employer reporting, etc.

The Offeror will train DRB staff at four different levels:

- Regular users
- Power users

- Business Administrator
- Technical Administrator

The Offeror must include the migration of legacy data into the Offeror's BAS database as part of this project. The data conversion will be a major collaborative effort between all parties; it is therefore important that the Offeror account for this critical sub-project in the implementation plan and allocate sufficient hours for this activity.

DRB will contract with a Data Migration Vendor to consult on processes for data profiling, cleansing and migration in preparation for and as part of the overall BAS replacement program. At a high level, the Data Migration vendor will provide consulting for the data services to cleanse and prepare the data from the source (legacy) system and DRB IT will conduct the work. The BAS vendor will work with DRB and the Data Migration vendor to develop a data conversion strategy and plan to manage the data conversion activities. In addition, the BAS vendor will be responsible for participating in analysis of the legacy data to develop data maps for the new BAS, and working with DRB, Linea Solutions and the Data Migration vendor to migrate the legacy data to the target system and test the converted data.

Cost proposals must be milestone-based, fixed price and shall include all costs for the total BAS solution over the entire contract period as described in this RFP, including but not limited to the following items:

1. All software comprising the solution
2. Any non-hosting related hardware and other equipment comprising the solution
3. Configuration and/or customization services
4. Implementation services
5. Offeror's own project management directly supporting the project
6. Testing
7. User and Technical/Systems Admin/System Support Training
8. Data conversion services (Offeror should note that these services may NOT be billed separately as time and materials, or be subject to hours maximums)
9. Subcontracted services, if any
10. Maintenance and support fees
11. Other services (such as Disaster Recovery, Business Continuity Services)

Vendor(s) must include the following in the fixed price quoted in the Cost Proposal:

Item	Quantity and Complexity
Reports	30 High Complexity 20 Medium Complexity
Documents (Letters)	20 High Complexity 30 Medium Complexity

Forms (including e-forms)	30 High Complexity 20 Medium Complexity
Interfaces	20 High Complexity 10 Medium Complexity
Workflows	20 High Complexity 20 Medium Complexity

DRB intends to co-implement low to medium complexity reports/queries, forms, letters, e-communications, and interfaces as part of the training of DRB technical IT and business staff.

All travel and expenses must be included in the fixed price proposed.

### SEC. 3.02 GOALS AND OBJECTIVES

DRB is looking for a BAS solution that will meet all benefit administration business functions, while improving member services and operations, and reducing operating costs. The solution will replace the need for certain side systems (i.e., Microsoft Access and Microsoft Excel) that are performing functions outside of the existing BAS. The solution must provide flexibility and ease of configuration with minimal dependence on the Offeror. The solution must also seamlessly integrate with third party software utilized by DRB and other knowledge-based systems.

- DRB expects the new system will provide a unified, one-stop, improved customer experience for members, participants, and employers with respect to all programs administered by DRB, and will provide secure portals (member portal and partner/employer portal) through which customers can conduct business with DRB.
- DRB desires to obtain the system and services in the most cost-efficient manner possible. DRB is willing to take advantage of service delivery models and business processes that have proven effective in other organizations.
- DRB desires to select a solution that has been successfully implemented in similar organizations.
- DRB would prefer the integrated demographics database to be implemented and available as a first rollout ahead of the BAS functionality. DRB is open to alternative implementation approaches so long as the following key implementation approach goals are addressed:
  - Consider the impact of change management on Employers;
  - Minimize data bridging and “throw-away” programming/system development;
  - Minimize any partial decommissioning of legacy applications;
  - Minimize overall Project risk;
  - Not compromise the security and privacy of DRB’s information assets; and
  - Not compromise existing data exchange functionality with all appropriate third parties, including all TPAs.

### SEC. 3.03 CONTRACT TERM AND WORK SCHEDULE

The length of the contract will be from the date of award, approximately **NOVEMBER 14, 2019**, until warranty completion, approximately December 30, 2023, with 5 one-year renewal options for maintenance following the initial warranty period of 12 months. Renewal options will be exercised at the sole discretion of the state.

The approximate contract schedule is as follows:

Phase 1 – Implementation Planning – 30 days, estimated to begin 11/14/19

Phase 2 – Implementation 36-42 months, estimated to begin 1/6/20

Initial Warranty Period – 12 months, inclusive of all annual processes – beginning at system cutover

Unless otherwise provided in this RFP, the State and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

### SEC. 3.04 DELIVERABLES

Many deliverables will be required during the course of the implementation. A complete list will be jointly developed during the Clarification period. Expected deliverables include, but are not limited to:

- Implementation Plan and Schedule
- Project Communication Plan
- Change Control Plan
- Test Strategy and plans
- Regular status reports
- Design documents
- Release Management Plan
- Security Plan

The Offeror will deliver all project documentation to DRB in a standard format using professional standards. Documents must be properly formatted, versioned, named, and organized. DRB will not dictate the format or frequency of project documentation, but the Offeror shall ensure the following standards are met:

- All business requirements must be documented
- The technical design of the system must be completely documented
- All software releases must be documented (i.e., release notes)
- All increased functionality, enhancements or modifications must be documented
- The Offeror must submit written project status reports on a regular basis

The Offeror must provide draft release notes with confirmed content of the build prior to delivery, with final release notes accompanying the delivery. DRB will use this information to plan their testing activities prior to receiving delivery of functionality.



DRB must have a minimum of five (5) full business days to review all documentation that requires a sign-off. DRB will be granted extensions if the Offeror submits documents that are particularly lengthy.

### **SEC. 3.05 PROPOSED PAYMENT PROCEDURES**

The State will make payments based on a negotiated payment schedule. This schedule will be negotiated during the clarification period (reference RFP Section 5.16). Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

The Offeror is required to provide their proposed milestone schedule in Submittal Form J, Cost Proposal.

### **SEC. 3.06 CONTRACT PAYMENT**

No payment will be made until the contract is approved by the Commissioner of the Department of Administration or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract.

The State is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

### **SEC. 3.07 LOCATION OF WORK**

The location(s) the work is to be performed, completed and managed will primarily be the DRB offices located at 333 Willoughby Avenue, 6<sup>th</sup> Floor State Office Building, Juneau, Alaska and the vendor's place of business.

The state will provide workspace for the contractor.

The Contractor's total fixed price proposed shall include transportation, lodging, and per diem costs sufficient to cover all travel needed to complete this project. Travel to other locations other than Juneau will not be required.

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the state to reject the proposal as non-responsive, or cancel the contract.

### **SEC. 3.08 SUBCONTRACTORS**

Subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must complete Submittal Form I -Subcontractors, provided as an attachment to the RFP.

Single and joint vendor proposals are acceptable. However, a single vendor must be identified as the prime contractor in each proposal. The prime contractor will be responsible for the contract and will be the sole point of contact with regard to the software and services described herein.

If other manufacturer's equipment or software is proposed, maintenance support and/or installation may be provided by a third-party vendor if the third-party vendor was the original manufacturer of the equipment or software or their authorized representative; however, bidders must provide written certification from the proposed third party vendor that the vendor agrees to the maintenance, support and/or installation provisions of this RFP.

An offeror's failure to provide this information with their proposal may cause the State to consider their proposal non-responsive and reject it.

Subcontractor experience **SHALL NOT** be considered in determining whether the offeror meets the requirements set forth in **SUBMITTAL FORM F – MANDATORY REQUIREMENTS**.

During the Clarification Period (RFP Section 5.16), the State will require a signed written statement from each subcontractor, proposed in Submittal Form I – Subcontractors, that clearly verifies the subcontractor is committed to performing the services required by the contract.

During the course of the contract, the substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director or procurement officer.

### **SEC. 3.09 JOINT VENTURES**

Joint ventures are acceptable. If submitting a proposal as a joint venture, the offeror must submit a copy of the joint venture agreement which identifies the principals involved and their rights and responsibilities regarding performance and payment.

### **SEC. 3.10 THIRD-PARTY SERVICE PROVIDERS**

The contractor must provide, on an annual basis, a Type 2 Statement on Standards for Attestation Engagements (SSAE) **SOC 1, SOC 2, OR SOC 3** report(s). Failure to provide this report may be treated as a material breach and may be a basis for a finding of default.

### **SEC. 3.11 F.O.B. POINT**

All goods purchased through this contract will be F.O.B. final destination. Unless specifically stated otherwise, all prices offered must include the delivery costs to any location within the State of Alaska.

### **SEC. 3.12 CONTRACT PERSONNEL**

Any change of the project team members or subcontractors named in the proposal must be approved, in advance and in writing, by the project director or procurement officer. Personnel changes that are not approved by the state may be grounds for the state to terminate the contract.

### **SEC. 3.13 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES**

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director may instruct the

contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

### **SEC. 3.14 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS**

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Administration or the Commissioner's designee.

### **SEC. 3.15 NONDISCLOSURE AND CONFIDENTIALITY**

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure (to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time

after the contractor's receipt of notice of the requested disclosure and, upon request of the state, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

### SEC. 3.16 INDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the state from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the state. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the state, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "state", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

### SEC. 3.17 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

**Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

**Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

The successful offeror must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide

evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form **APPENDIX B**, attached, for details on required coverage and indemnification requirements. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in **APPENDIX B** must be set out in the offeror's proposal in a separate document.

### **SEC. 3.18      TERMINATION FOR DEFAULT**

If the project director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the State's termination rights under the contract provisions of Appendix A, attached in **SECTION 8. ATTACHMENTS**.

## SECTION 4. PROPOSAL FORMAT AND CONTENT

### SEC. 4.01 RFP SUBMITTAL FORMS

This RFP contains Submittal Forms, which must be completed by the offeror and submitted as their proposal. An electronic copy of the forms is posted along with this RFP. Offerors shall not re-create these forms, create their own forms, or edit the format structure of the forms unless permitted to do so.

**NOTE: Submittal forms B-D are anonymous and must not identify the proposer's name or the proposer's cost/fees.**

Unless otherwise specified in this RFP, the Submittal Forms shall be the offeror's entire proposal. Do not include any marketing information in the proposal.

**Any proposal that does not follow these requirements may be deemed non-responsive and rejected.**

### SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS

The offeror must ensure their proposal meets all special formatting requirements identified in this section.

**Documents and Text:** All attachment documents must be written in the English language, be single sided, and be single spaced with a minimum font size of 10. Pictures or graphics may be used if the offeror feels it is necessary to communicate their information, however, be aware of the below requirements for anonymity and page limits.

**Anonymity:** Some Submittal Forms listed below must not contain any names that can be used to identify who the offeror is (such as company names, offeror name, company letterhead, personnel names, project names, subconsultant names, manufacturer or supplier names, or product names).

**Page Limits:** Some Submittal Forms listed below have maximum page limit requirements. Offerors must not exceed the maximum page limits. Note, the page limit applies to the front side of a page only (for example, '1 Page' implies that the offeror can only provide a response on one side of a piece of paper).

Submittal Form	Anonymous Document	Maximum Page Limits
Submittal Form A – Offeror Information and Certifications		
<b>Submittal Form B – Service Approach</b>	YES	25
<b>Submittal Form C – Risk Assessment Plan – Controllable Risks</b>	YES	2
<b>Submittal Form C – Risk Assessment Plan – Non-Controllable Risks</b>	YES	2
<b>Submittal Form D – Value-Add Assessment</b>	YES	2
<b>Submittal Form E – Performance Qualifications</b>		
Submittal Form F – Mandatory Requirements		
Submittal Form G – Contractual Requirements (Priority 3)		
Submittal Form H – Infrastructure Requirements	Yes	
Submittal Form I – Subcontractors		
Submittal Form J – Cost Proposal		

Any Submittal Form that is being evaluated and does not follow these instructions may receive a '1' score for the evaluated Submittal Form, or the entire response may be deemed non-responsive and rejected. The state also reserves the right, in its sole discretion, to modify a proposal to remove any minor information that may be non-compliant.

#### **SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)**

The offeror must complete and submit this Submittal Form. The form must be signed by an individual authorized to bind the offeror to the provisions of the RFP.

By signature on the form, the offeror certifies they comply with the following:

- a) the laws of the State of Alaska;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- e) all terms and conditions set out in this RFP;
- f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- g) that the offers will remain open and valid for at least 180 days; and
- h) that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.
- i) Mandatory Requirements identified in Submittal Form F.

If any offeror fails to comply with [a] through [h] of this paragraph, the State reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

The Submittal Form also requests the following information:

- a. The complete name and address of offeror's firm along with the offeror's Tax ID.
- b. Information on the person the state should contact regarding the proposal.
- c. Names of critical team members/personnel.
- d. Addenda acknowledgement.
- e. Conflict of interest statement.
- f. All known federal requirements that apply to the proposal, proposal evaluation, or contract.
- g. Alaska preference qualifications (if applicable).

An offeror's failure to provide all information in the Submittal Form may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

## SEC. 4.04 SERVICE APPROACH (SUBMITTAL FORM B)

The offeror must complete and submit this Submittal Form. Please address Part 1 and Part 2 below.

### Part 1:

In 5 pages or less, please provide an overview of your BAS solution. In your overview, please answer the following questions:

- How do the modules integrate together?
- What do you see as your competitive advantage?
- Why does your solution provide the best fit for DRB, based on our requirements?
- What do you see as your system's differentiators and how does it exceed other BAS solutions?
- How does your company implement innovative strategies to improve your products?
- Why would Alaska DRB users like using your system?

### Part 2:

For the version of the solution you are proposing, provide the following information in 20 pages or less.

1. For the Process Areas listed in the Submittal Form F Section 1 Functional Requirements, draft a response that explains in clear, non-technical language how the proposed solution performs the processes. Provide examples of how your proposed solution could improve DRB operations; for example, by reducing processing time, reducing of errors, or enhancing customer service. Also, include the information you believe DRB will find useful in evaluating the strengths of your solution.
2. Indicate any additional functionality that is not specified in the Functional Requirements but is part of your proposed solution.
3. Describe in detail the Application architecture of the proposed solution. Describe how the proposed solution will enable:
  - Ease of integration with existing software Applications and software tools;
  - Reuse of existing software Applications and software tools;
  - Ease of deployment of new modules and additional or enhanced functionality;
  - The parameter-based and effective-date-driven configuration of DRB's business rules;
  - Externalized business rules, (e.g. using iLOG or other rules engine), so that it will be easier to setup new business rules;
  - Scheduling of jobs, reports, and generation of various export files;



- Application logging at a level sufficient for DRB staff to perform auditing, security, and debugging activities as necessary; and
  - Support for web technologies used in the user interface, as well as these technologies' ability to handle web interface vulnerabilities (e.g. XSS).
  - Discuss any risks and benefits associated with the products suggested. As with all components of the architecture, DRB views technical support, available skills, long-term viability, interoperability, flexibility, and adherence to relevant standards as potential differentiators in a long-term solution. Explain how your proposed solution/approach would meet these objectives.
4. Provide a brief narrative description of how your solution complies with the technical requirements in the Auditing/Logging section of Submittal Form F Section 2: Technical Requirements. Also, include the information you believe DRB will find useful in evaluating the strengths of your solution.
  5. Provide a brief narrative description of how your solution complies with the technical requirements in the Security section of Submittal Form F Section 2: Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
  6. Provide a brief narrative description of how your solution complies with the technical requirements in the Configuration section of Submittal Form F Section 2: Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
  7. Provide a brief narrative description of how your solution complies with the technical requirements in the Infrastructure section of Submittal Form F Section 2: Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
  8. Provide a brief narrative description of how your solution complies with the technical requirements in the Interfaces/Integration section of Submittal Form F Section 2: Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
  9. Indicate for a minimum of how many years the proposed solution will remain a viable BAS from the time of final Phase Go Live.
  10. Provide a brief narrative description of how your solution complies with the technical requirements in the Installation & Config section of Submittal Form F Section 2: Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
  11. Describe how the proposed solution would support a data mart or otherwise de-normalized database for end-user reporting and analytics. Specifically describe how the proposed solution would merge data from 3<sup>rd</sup> party sources.
  12. Provide a detailed explanation of how your proposed solution would integrate with DRB's Kofax ECM solution.
  13. Describe the advantages and disadvantages of using DRB's Kofax ECM vs. another ECM solution. Indicate which ECM solution you feel would be in DRB's best interest to use. Describe why the proposed ECM solution was recommended.

14. As applicable, indicate the cost of integration with DRB's Kofax ECM and the cost of an alternative ECM solution in Submittal Form J Cost Proposal. It is DRB's intent to understand the cost difference between the two approaches. ***Please do not include any cost information in Submittal Form B.***
15. Provide a detailed explanation of how new workflows are created and maintained.
16. Describe how the proposed workflow system conforms to industry standards, such as interface specifications of the Workflow Management Coalition (WfMC) and uses Business Process Execution Language (BPEL) to describe the orchestration of services within the business processes.
17. Describe how the proposed solution supports case management.
18. Provide a brief narrative description of how your solution complies with the technical requirements in the Imaging/Workflow section of Submittal Form F Section 2 Technical Requirements. Include the information you believe DRB will find useful in evaluating the strengths of your solution.
19. Based on experience with projects of similar size and scope, describe the level of staffing support required of DRB during the Project phases outlined in your Project Work Plan, including but not limited to, the following Project phases:
  - Project planning and initiation;
  - Development of the detailed design document;
  - Project implementation;
  - Warranty; and
  - Post-Warranty

Be specific in describing the number of positions required, roles, responsibilities, and prerequisite skills of all DRB staff members by Project phase.
20. Describe how you will work with DRB and a Data Services Contractor to perform data testing and resolve issues during the testing and implementation.

## SEC. 4.05 RISK ASSESSMENT PLAN (SUBMITTAL FORM C)

The offeror must complete and submit this Submittal Form. The Risk Assessment Plan should address risks that may impact the successful delivery of this project, considering all expectations as described in this RFP. The offeror should list and prioritize major risk items that are unique and applicable to this project. This includes areas that may cause the project to not be completed on time, not finished within budget, generate any change orders, or may be a source of dissatisfaction for state. The offeror should rely on and use their experience and knowledge of completing similar projects to identify these potential risks.

Each risk should be described in non-technical terms and should contain enough information to describe to a reader why the risk is a valid risk. The offeror should also explain how it will avoid or minimize the risks from occurring. If the offeror has a unique method to minimize the risk, the offeror should explain it in non-technical terms. The Risk Assessment Plan gives the opportunity for the offeror to differentiate its capabilities based on its ability to visualize, understand, and minimize risk to the state and the risk to a successful outcome of the system. The offeror should categorize the 'risks' into the following definitions:

- a. **Assessment of Controllable Risks:** This includes risks, activities, or tasks that are controllable by the offeror, or by entities/individuals that are contracted to by the offeror. This includes things that are part of the technical scope of what the offeror is being hired to do. This may also include risks that have already been minimized before the project begins due to the offeror's expertise (i.e. risks that are no longer risks due to the offeror's expertise in delivering this type of project). All controllable risks and strategies to mitigate them must be included in the offeror's base proposal cost and schedule (if there are any impact at all).
- b. **Assessment of Non-Controllable Risks:** This includes risks, activities, or tasks that are not controllable by the offeror. This may include risks attributed by state, state personnel, parties hired by state, risks that are caused by other agencies, or completely uncontrollable risks. These can also be areas/risks that can contribute to contingency. Although these risks may not be controlled by the offeror, the offeror should identify a strategy that can be followed or used to mitigate these risks. All non-controllable risks and strategies to mitigate them must not be included in the offeror's base proposal cost or schedule.

Please use the following format when completing the Submittal Form:

- Risk = Title of the risk
- Description = A brief description of why the risk is a risk and the background of how the risk may impact the project/service if it occurs.
- Strategy = Strategy to prevent/minimize the risk from occurring, or strategy to minimize the impact of the risk if it occurs.

**SPECIAL NOTE:** The offeror must not disclose any costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

## SEC. 4.06 VALUE-ADD ASSESSMENT (SUBMITTAL FORM D)

The offeror must complete and submit this Submittal Form. The purpose of the Value-Add Assessment is to provide offerors with an opportunity to identify any value-added options or ideas that may benefit the State, the project, or the software and services. If the offeror can include more scope or service within the constraints of state, the offeror should provide an outline of potential value-added options. This may include ideas or suggestions on alternatives in implementation timelines, project scope, project cost, goals, deliverables, methodologies, etc. **Value-added ideas must not be included in the offeror's Fixed Price proposal, but listed as indicated in Submittal Form J Cost Proposal.**

Please use the following format when completing the Submittal Form:

- Idea = Title of the idea/opportunity
- Description = A brief description of why the idea adds value to the client or service (what benefits or impacts the idea will bring in the short/long term). Do not make any reference to the proposed cost, but you may refer to the potential impact to the cost and schedule in terms of estimated percentages.

**SPECIAL NOTE:** The offeror must not disclose their costs in this Submittal Form. This Submittal Form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (as described in Section 4.02).

## SEC. 4.07 PERFORMANCE QUALIFICATIONS (SUBMITTAL FORM E)

### Part 1: Example Projects

Provide three representative examples where the proposed solution has been implemented or is being implemented at other locations. For each example, provide:

- (1) Client name;
- (2) Approximate number of members;
- (3) Approximate number of employers;
- (4) Number of defined benefit plans;
- (5) Number of defined contribution plans;
- (6) Number of health and welfare plans;
- (7) Product version;
- (8) Name of Hosting provider/service; and
- (9) Whether the solution currently is in production. If yes, provide the year the solution went live.

### Part 2: Implementation List

Provide a list of every location where the recommended product version being proposed to DRB has already been implemented or is being implemented.

### Part 3: Performance Evaluations

The offeror will be required to collect Performance Qualifications (PQ) as outlined in this section. The offeror will be responsible for collecting customer satisfaction surveys from clients/departments/references (herein referred to as 'references') and submitting this information with their proposal. PQ surveys will be required for both the offeror and the Project Manager, Architect/Solution Manager, and Lead Business Analyst (listed in Submittal Form A).

#### Step 1) Identify who to survey:

- Identify a list of references that will complete the surveys.
- The offeror should survey references that are highly satisfied with their work.
- The offeror should survey references that have similar requirements (as outlined in this RFP).
- The survey must be evaluated by the reference. The survey cannot be completed by any third-party representatives/consultants of the reference.
- The offeror must submit at least three surveys evaluating the offeror/firm and two surveys each evaluating the Project Manager, Architect/Solution Manager, and Lead Business Analyst.

#### Step 2) Preparing the surveys:

- The offeror is responsible for preparing the surveys.
- The survey questionnaire is separated into three different parts. In order to receive credit for a returned survey, the offeror shall provide all required information in Parts A and B on the survey.
- The offeror shall enter their company name and critical team member (in Part A of the survey).
- The offeror shall enter background information about the project being evaluated (in Part B of the survey). All information is required. Failure to provide this information, or listing “n/a” or “confidential” may result in no credit for the survey.

#### Step 3) Distributing and collecting the surveys:

- Prior to distributing the surveys, the offeror should contact each reference to ensure that they are able and willing to complete the survey.
- The offeror should fax, email, mail, or deliver the survey to each reference.
- The offeror must modify the return information (located at the bottom of the survey) so the survey is returned to the offeror for collection.
- The reference must provide their customer satisfaction ratings and any general comments in Part C of the Survey. All returned surveys must be evaluated and signed by the reference. If a survey is not signed, it will not be considered.
- The state may contact the reference to clarify a survey rating, check for accuracy, or to obtain additional information. If the reference cannot be contacted, the survey may be deleted and no credit given for that reference.
- Returned surveys must be packaged together and submitted with the proposal.
- Failing to submit surveys will not disqualify an offeror but may significantly impact the offeror’s overall competitiveness (the offeror will be given a 1 rating for their PQ score).

## SEC. 4.08 MANDATORY REQUIREMENTS (SUBMITTAL FORM F)

The offeror must complete and submit this Submittal Form.

NOTE: if an offeror is unable to meet any mandatory requirements listed on submittal Form F, they will be found non-responsive.

## SEC. 4.09 CONTRACTUAL REQUIREMENTS (PRIORITY 3’S) (SUBMITTAL FORM G)

The offeror must complete and submit this Submittal Form.

Note: If the highest-ranking offeror selects NO on a functional or technical requirement, and it is found to be unresolvable during clarifications, the state will have the right to move to the next highest rated offeror.

## SEC. 4.10 INFRASTRUCTURE REQUIREMENTS (SUBMITTAL FORM H)

The Offeror must complete and submit this Submittal Form for either an on-premise infrastructure solution, a cloud-based hosted solution or both. This section will not be evaluated nor will cost points be assigned. Awarded contractor will be held to any cost stated in this section. The state will make a final decision on regarding on-premise or cloud-based solution during clarification with the highest ranked vendors.

#### **SEC. 4.11 SUBCONTRACTORS (SUBMITTAL FORM I)**

The offeror must complete and submit this Submittal Form.

#### **SEC. 4.12 COST PROPOSAL (SUBMITTAL FORM J)**

The offeror must complete and submit this Submittal Form. Proposed costs must include all direct and indirect costs associated with the performance of the contract, including, but not limited to, total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, travel related expenses and profit.

## SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

### SEC. 5.01 SUMMARY OF EVALUATION PROCESS

**The state will use the following steps to evaluate and prioritize proposals:**

- 1) Proposals will be assessed for overall responsiveness and compliance with mandatory requirements. Proposals deemed non-responsive or not in compliance with mandatory requirements will be eliminated from further consideration.
- 2) Each responsive proposal that has passed all mandatory requirements will be assigned a unique code.
- 3) A proposal evaluation committee (PEC), made up of at least three State employees or public officials, will evaluate specific parts of the responsive proposals.
- 4) The anonymous Submittal Forms, from each responsive proposal, will be sent to the PEC. No cost information, schedule information, or team information will be shared or provided to the PEC.
- 5) The PEC will independently evaluate and score the documents based on the degree to which the proposal has met the requirements of the Submittal Form.
- 6) After independent scoring, the PEC will have a meeting, chaired by the procurement officer, where the PEC may have a group discussion prior to finalizing their scores.
- 7) The evaluators will submit their final individual scores to the procurement officer, who will then compile the evaluator's scores and calculate awarded points as set out in Section 5.03.
- 8) The procurement officer will calculate scores for cost proposals as set out in Section 5.08 and add those scores to the awarded points.
- 9) The procurement officer will prioritize the proposals based on evaluator scores, performance qualifications scores, cost proposal scores, and Alaska preferences (as outlined in Section 5.08 through 5.11).
- 10) The procurement officer may shortlist the proposals and the state may conduct interviews with the top-rated offerors.
- 11) The PEC will evaluate and score the interviews and submit their scores to the procurement officer, who will incorporate these scores into the final prioritization.
- 12) The state will then conduct the clarification period and award a contract if the clarifications period is successful.

### SEC. 5.02 EVALUATION CRITERIA

Proposals will be evaluated based on their overall value to state, considering both cost and non-cost factors as described below. Note: An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror. **Failure to provide required information or submitting "N/A" or the equivalent may cause the proposal to be deemed non-responsive and rejected.**

**Total Evaluation Points Available: 1000**

Overall Criteria		Weight
Responsiveness		Pass/Fail
Mandatory Requirements Compliance	(Submittal Form F)	Pass/Fail
Infrastructure Requirements	(Submittal Form H)	Pass/Fail

Qualifications Criteria		Weight
Service Approach	(Submittal Form B)	175
Risk Assessment Plan	(Submittal Form C)	100
Value-Add Assessment	(Submittal Form D)	25
Performance Qualifications	(Submittal Form E)	25
Contractual Requirements (Priority 3)	(Submittal Form G)	25
System Demonstrations		125
Interviews – Project Manager		75
Interviews – Architect/Solution Manager		75
Interviews – Lead Business Analyst		75
Total		700

Cost Criteria		Weight
Cost Proposal		200
Total		200

Preference Criteria		Weight
Alaska Offeror Preference (if applicable)		100
Total		100

## SEC. 5.03 SCORING METHOD AND CALCULATION

The PEC will evaluate responses against the questions set out in Sections 5.05 through 5.06 and assign a single score for each section. Offeror's responses for each section will be rated comparatively against one another with each PEC member assigning a score of 1, 5, or 10 (with 10 representing the highest score, 5 representing the average score, and 1 representing the lowest score). Responses that are similar or lack dominant information to differentiate the offerors from each other will receive the same score. Therefore, it is the offeror's responsibility to provide dominant information and differentiate themselves from their competitors.

After the PEC has scored each section, the scores for each section will be totaled and the following formula will be used to calculate the amount of points awarded for that section:

Offeror Total Score  
 \_\_\_\_\_ x Max Points = Points Awarded  
 Highest Total Score

**Example (Max Points for the Section = 100):**



	PEC Member 1 Total Score	PEC Member 2 Total Score	PEC Member 3 Total Score	PEC Member 4 Total Score	Combined Total Score	Award Points
<b>Offeror 1</b>	10	5	5	10	30	75
<b>Offeror 2</b>	5	5	5	5	20	50
<b>Offeror 3</b>	10	10	10	10	40	100

In this example, **Offeror 3** received the highest combined total score and thus was awarded the maximum amount of points for that section.

**Offeror 1** was awarded 75 points:

Offeror Total Score (30)  
 \_\_\_\_\_ x Max Points (100) = Points Awarded (75)  
 Highest Total Score (40)

**Offeror 2** was awarded 50 points:

Offeror Total Score (20)  
 \_\_\_\_\_ x Max Points (100) = Points Awarded (50)  
 Highest Total Score (40)

## SEC. 5.04 PASS/FAIL CRITERIA

**Pass/Fail submittal forms will not be scored, but will be provided to the PEC, and the content of these documents will inform the interview process.**

### (a) MANDATORY REQUIREMENTS

Offerors must confirm that they meet all mandatory requirements as identified in Submittal Form F. An offeror's failure to meet these requirements will cause their proposal to be considered non-responsive and rejected.

### (c) INFRASTRUCTURE REQUIREMENTS

The Offeror must complete and submit this Submittal Form for either an on-premise infrastructure solution, a cloud-based hosted solution or both.

## SEC. 5.05 EVALUATED CRITERIA

**The State of Alaska will use the actual average scores in their analysis. The Offeror with the highest average ratings will receive the maximum number of points for that section. Points will be awarded to the other offerors using the formula set out in Section 5.03.**

### (a) SERVICE APPROACH Submittal Form B

The Service Approach will be evaluated against the questions outlined in Sec. 4.04. Note: This submission will be scored by the evaluation committee. An offeror's failure to submit a service approach will cause their proposal to be considered non-responsive and rejected.

The Service Approach will be evaluated against the questions set out below:

- 1) How well does the offeror's solution provide the best fit for DRB?
- 2) How well do the offeror's competitive advantages compare to and exceed other BAS solutions?
- 3) How well does the offeror's proposed solution meet the ability to perform the processes listed in Submittal Form F Section 1 Functional Requirements.

**(b) RISK ASSESSMENT PLAN Submittal Form C**

The Risk Assessment plan will be evaluated against the questions set out below.

- 1) How well has the offeror identified pertinent risks, issues, challenges, and potential problems related to this specific project/service?
- 2) How well has the offeror identified a clear and concise approach/methodology that can logically mitigate the risks?
- 3) The offeror's ability to provide verifiable documented results of mitigation strategies (the impacts of their mitigation approach).

**(c) VALUE-ADD ASSESSMENT Submittal Form D**

The Value Opportunity Assessment will be evaluated against the questions set out below.

- 1) How well has the offeror identified pertinent ideas or opportunities that are specific to this project/service?
- 2) The offeror's ability to provide verifiable documented results of the ideas/opportunities (actual impacts of these ideas).

**(d) PERFORMANCE QUALIFICATIONS Submittal Form E**

Experience will be evaluated against the customer satisfaction with the offeror and the **Project Manager, Architect/Solution Manager, and Lead Business Analyst** as outlined below. Note: These scores will not be evaluated/scored by an evaluation committee. The state will use the actual average scores in the analysis.

- 1) Regarding the firm: The customer satisfaction ratings will be averaged together to obtain an overall average customer satisfaction rating.
- 2) Regarding the Project Manager, Architect/Solution Manager, Lead Business Analyst: The customer satisfaction ratings will be averaged together to obtain an overall average customer satisfaction rating.

The offeror with the highest average ratings will received the maximum number of points for this section. Points will be awarded to the other offerors using the formula set out in Section 5.03.

**(e) CONTRACTUAL REQUIREMENTS (Priority 3) Submittal Form G**

Offerors will identify how many Contractual Requirements (Priority 3 items) are included in the base Fixed Price and, of those not included, how many can be included at an additional price (to be provided in Submittal Form J, Cost Proposal). The form will be evaluated by the PEC against the questions set out below:

- 1) How many of the Priority 3 items are included in the Fixed Price response?
- 2) How well has the offeror addressed Priority 3 items?

- 3) How many Priority 3 items did the offeror answer No to?
- 4) Has the offeror clearly addressed their No responses; was it reasonable?

#### **(f) DEMONSTRATIONS**

The State will conduct demonstrations with each of the shortlisted offerors.

#### **(g) INTERVIEWS OF KEY PERSONNEL**

The State will conduct interviews with the key personnel from each of the shortlisted offerors, as identified below (the State reserves the right to request additional personnel).

**1) Project Manager** – The Project Manager will be responsible for the day-to-day operations of the software implementation, manage the activities of the Offeror’s resources and work with DRB and Linea to lead the overall program. (Interview length: 45 minutes)

**2) Architect/Solution Manager** – The Architect/Solution Manager is responsible for the overall design and configuration of the delivered BAS solution. (Interview length: 45 minutes)

**3) Lead Business Analyst** – The Lead Business Analyst is responsible for the overall requirements confirmation process and leading the vendor team that will work with DRB business stakeholders and subject matter experts to design and configure the BAS solution. (Interview length: 45 minutes)

The individuals that will be interviewed must be the same individuals that are identified in Offeror Submittal Form A. No substitutes, proxies, phone interviews, or electronic interviews will be allowed. No other individuals (from the offeror’s organization) will be allowed to sit in or participate during the interview session. Individuals who fail to attend the interview will be given a “1” score, which may jeopardize the offeror’s competitiveness.

Interviewees may not bring notes, presentation materials, or handouts. The State will interview individuals separately (not as a team). Interviewees may be prohibited from making any reference to their proposed cost/fees. Interviewees may be asked questions regarding their experience, knowledge and understanding of the scope of work, obstacles and challenges, strategies, and their plan/approach. The State may request additional information prior to interviews. Linea Solutions may attend interviews and may assist the State in asking follow-up questions during the interviews. The PEC will score each interview individually, and may consult with Linea Solutions before finalizing the interview scores.

### **SEC. 5.06 CONTRACT COST (COST PROPOSAL)**

**Costs listed in tabs J9 & J10 will not be used in the cost calculation formula and will not be assigned cost points. Awarded contractor will be held to any costs stated in this section. The state will make the final decision regarding on-premise or cloud-based solution during clarification.**

Overall, a minimum of **20%** of the total evaluation points will be assigned to cost. The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). After the procurement officer applies any applicable preferences, the offeror with the lowest total cost will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the following formula:

*$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$*

## Example:

(Max Points for Contract Cost = 400):

### Step 1

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

### Step 2

In this example, the RFP allotted 40% of the available 1,000 points to cost. This means that the lowest cost will receive the maximum number of points.

**Offeror #1 receives 400 points.**

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 400 points.

**Offeror #2 receives 374.3 points.**

*\$40,000 lowest cost x 400 maximum points for cost = 1,600,000 ÷ \$42,750 cost of Offeror #2's proposal = 374.3*

**Offeror #3 receives 336.8 points.**

*\$40,000 lowest cost x 400 maximum points for cost = 1,600,000 ÷ \$47,500 cost of Offeror #3's proposal = 336.8*

## SEC. 5.07 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the following website:

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)
- Alaska Veteran's Preference - AS 36.30.321(f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business'

or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. An offeror's failure to provide this certification letter with their proposal will cause the state to disallow the preference.

## **SEC. 5.08 ALASKA BIDDER PREFERENCE**

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the State staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the State, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the State; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

## **SEC. 5.09 ALASKA VETERAN PREFERENCE**

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

## **SEC. 5.10 ALASKA OFFEROR PREFERENCE**

Per 2 AAC 12.260, if an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10% of the total available points, which will be added to the offeror's overall evaluation score.

### **Example:**

#### **Step 1**

Determine the number of points available to qualifying offerors under this preference:

1000 Total Points Available in RFP x 10% Alaska offerors preference = 100 Points for the Preference

## Step 2

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska offerors preference. For the purpose of this example, presume that all proposals have been completely evaluated based on the evaluation criteria in the RFP. The scores at this point are:

Offeror #1	830 points	No Preference	0 points
Offeror #2	740 points	Alaska Offerors Preference	100 points
Offeror #3	800 points	Alaska Offerors Preference	100 points

## Step 3

Add the applicable Alaska offerors preference amounts to the offeror's scores:

Offeror #1	830 points
Offeror #2	840 points (740 points + 100 points)
<b>Offeror #3</b>	<b>900 points (800 points + 100 points)</b>

**Offeror #3** is the highest scoring offeror and would get the award, provided their proposal is responsible and responsive.

## SEC. 5.11 SHORTLISTING

After proposals have been prioritized, the state may shortlist and interview the top highest-ranking offerors. The state may increase or decrease the number of offerors in this list based on the competitiveness of the proposals and/or from feedback from the PEC.

## SEC. 5.12 SYSTEM DEMONSTRATIONS

The shortlisted offeror(s) based on the RFP proposal evaluation (See Section 5.05) will be invited to participate in individual interviews and a system demonstration.

Vendors must be available for a full day of interviews and system demonstration on dates listed in Section 1.09, RFP Schedule.

The system demonstration provides the Offeror an opportunity to introduce the proposed key project personnel and demonstrate specific aspects of the product functionality as it would pertain to the Alaska DRB environment. The proposed Vendor Project Manager must be present at the system demo and provide a major portion of the presentation. Key Vendor staff, such as the Architect/Solution Manager and Lead Business Analyst, must also be present at the system demonstration.

The System Demonstration is expected to last approximately three hours. System demonstrations will consist of how the proposed product performs key functions, such as changing member information and processing employer transmittal files. The functions to be demonstrated will be provided to the Offeror in the form of business scenarios prior to the system demonstrations.

## SEC. 5.13 INTERVIEWS OF KEY PERSONNEL

The shortlisted offeror(s) based on the RFP proposal evaluation (See Section 5.05) will be invited to participate in individual interviews and a system demonstration.

Offerors must be available for a full day of interviews and system demonstration on dates listed in Section 1.09, RFP Schedule.

As part of this portion of the process, the State will conduct interviews with the key personnel from each of the shortlisted offerors, as identified below (the State reserves the right to request additional personnel):

- 1) PROJECT MANAGER**
- 2) ARCHITECT/SOLUTION MANAGER**
- 3) LEAD BUSINESS ANALYST**

The individuals that will be interviewed must be the same individuals that are identified in Submittal Form A of the offeror's proposal. No substitutes, proxies, phone interviews, or electronic interviews will be allowed. No other individuals (from the offeror's organization) will be allowed to sit in or participate during the interview session. Individuals who fail to attend the interview will be given a "1" score, which may jeopardize the offeror's competitiveness.

Interviews are expected to last approximately 45 minutes per individual. Interviewees may not bring notes, presentation materials, or handouts. The State will interview individuals separately (not as a team). Interviewees will be prohibited from making any reference to their proposed cost/fees. Interviewees will be asked questions regarding their experience, knowledge and understanding of the scope of work, obstacles and challenges, strategies, and their plan/approach. The State may request additional information prior to interviews. The PEC will score each interview individually and may have a group discussion prior to finalizing scores.

## **SEC. 5.14 FINAL PRIORITIZATION**

After the shortlisted offerors have been interviewed and scored by the PEC, the procurement officer will compile all scores and perform a final prioritization of offerors.

## **SEC. 5.15 COST REASONABLENESS**

After the shortlisted offerors have been interviewed and scored by the PEC, the procurement officer will compile all scores and perform a final prioritization of offerors. Prior to performing clarifications and negotiations, the procurement officer will perform a cost reasonableness assessment of all shortlisted proposals in the following manner:

- a. If the highest ranked offeror's cost proposal is within 5% of the next highest ranked offeror's cost proposal, the State will proceed to invite the highest ranked offeror to the Clarification Period.
- b. If the highest ranked offeror's cost proposal is 5% or more higher than the next highest ranked offeror's cost proposal, the State reserves the right to invite the second highest ranked offeror to the Clarification Period.

## **SEC. 5.16 CLARIFICATION PERIOD**

The State will invite the highest (or second highest) prioritized offeror to the clarification period. The clarification period is carried out prior to the signing of a contract. The intent of this period is to allow the apparent best-value offeror an opportunity to clarify any assumptions, issues, or risks, and confirm that their proposal is accurate. The State's objective is to have the services completed on time, without any cost increases, in a timely and efficient manner, and with high customer satisfaction. It is the offeror's responsibility to ensure that the offeror

understands the State's expectations. The offeror is at risk, and part of the risk is understanding State's expectations.

The offeror will be required to pre-plan the project in detail to ensure that there are no surprises, and to prepare a clarification document (which will be incorporated into the contract), containing at a minimum the information as described below:

- a. **Verify the Cost Proposal:** Clarify the cost proposal. The offeror is expected, in good faith, to incorporate in and submit any additional data, supporting schedules, or substantiation reasonably required.
- b. **Provide a Project Schedule:** Prepare a high-level schedule of the project (with major milestones or tasks). If requested, prepare a detailed milestone schedule. This may include transition and implementation.
- c. **Provide a Client Action Item Schedule:** Prepare a schedule of any/all activities, actions, or decisions needed from the state (including specific due dates and client names responsible for the activities). This must be a separate document from the overall project schedule. This should be provided in a very simple format. Identify the roles and responsibilities of the state or its personnel.
- d. **Align Expectations:** Coordinate the project/service (schedule, cost, activities) with all critical parties (subcontractors, consultants, suppliers, manufacturers, networks, etc.). Create a detailed project plan. Review any unique technical requirements with the state.
- e. **Key Assumptions:** Provide a summary of the major assumptions that have been made in preparing the proposal. This should include items/tasks that the offeror has assumed the state will perform, items/tasks required from the state, and items/tasks that have not been included in the proposal (items that the offeror feels are outside the scope of work). This should also include any critical expectations or responsibilities that the offeror has of the state, state personnel, or other parties/organizations that are not contracted to by the offeror.
- f. **Risk Mitigation Approach:** Identify risks, activities, or concerns that may be unforeseen or not within the control of the offeror. This should include everything (realistically) that may prevent the offeror from being successful on this project. This may include: contractor risks, designer risks, owner risks, other party risks, and unforeseen risks. Identify if there are any strategies to mitigate these items. Provide a plan of how unforeseen risks will be managed. Identify what (if anything) concerns you the most, or is unique about this project
- g. **Financial Resources and Responsibility:** Provide necessary information on the offeror's ability to meet its financial obligations. Financial analysis includes and is not limited to standard accounting ratio analysis. Offeror will be required to provide the most recent three years audited financial statements (Balance Sheet, Income Statement, and Cash-Flow Statement), including notes to the financial statements or the period of the company's existence, if shorter. Provide the most recent interim financial statements. Required if the latest available financial statement date is six months or more than the RFP document submission date. Interim financial statements must be signed and attested to by an authorized officer as a fair representation, in all material aspects, of the company's financial condition in accordance with generally accepted accounting principles. Provide any subconsultant's financial stability information and qualifications of the subconsultant's key personnel (if the subconsultant will perform at least 25% of the work). The state may request clarifications or additional documentation, other than the aforementioned



documents as stated above. However, no request by the offeror to submit additional information for re-evaluation of financial resources and responsibility will be accepted.

- h. Provide an organizational chart specific to the personnel assigned to accomplish the work called for in this RFP; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the RFP. If requested, provide resumes on all key personnel.
- i. Provide any additional requested documentation: Provide a detailed project/work plan, past and current client references, staffing plans, contracts, insurance, background checks, additional references and reference information, etc.

The potential best-value offeror will be required to conduct and participate in several meetings throughout the clarification period. At a minimum, the State will require the offeror to conduct a kickoff meeting at the beginning of the clarification period. The offeror will lead the kickoff meeting and is expected to be prepared to present the following information:

- Description of their plan for project execution and management
- High level schedule for project delivery
- Address any major concerns provided by the State
- Address all project assumptions
- Identify major risks to project delivery (focusing on risks that the offeror does not directly control) and the associated risk mitigation strategy. Clearly identify any information or actions needed from the state to support successful project delivery.
- Propose a schedule for items that must be reviewed in detail and resolved during the clarification period.

The potential best-value offeror will be required to hold a final summary meeting at the end of the clarification period. This meeting is to present a summary of the final details that were discussed and resolved during the clarification period. The offeror will lead the meeting to present the entire proposal, project execution plan, and identified risks and mitigation plans.

The State reserves the right at its sole discretion to negotiate with the potential best-value offeror during the clarification period. This may include, but is not limited to, modifying the scope of the project (time, cost, quality, expectations, etc.). An invitation to the clarification period does not constitute a legally binding offer to enter into a contract on the part of the state to the offeror.

At any time during the clarification period, if the State is not satisfied with the progress being made by the invited offeror, the offeror fails to provide the information in a timely manner, fails to negotiate in good faith, indicates they cannot perform the contract within the budgeted funds available for the project, or if the offeror and the State fail to agree to terms or fail execute a contract, the State may terminate the clarification period activities and then commence or resume a new clarification period with an alternative offeror.

## **SEC. 5.17 OFFEROR NOTIFICATION OF SELECTION**

If the State and offeror are able to agree to terms and complete the clarification period, the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors who submitted proposals. The NIA will set out the names of all offerors and identify the proposal selected for award.

## SECTION 6. GENERAL PROCESS AND LEGAL INFORMATION

### SEC. 6.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

### SEC. 6.02 CLARIFICATION OF OFFERS

Prior to the Clarification Period detailed in Section 5.17, in order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

### **SEC. 6.03 DISCUSSIONS WITH OFFERORS**

The State may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the procurement officer or the PEC. If modifications are made as a result of these discussions, they will be made in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

### **SEC. 6.04 STANDARD CONTRACT PROVISIONS**

The contractor will be required to sign the State's Standard Agreement Form for Professional Services (form 02-093/Appendix A). This form is attached with the RFP for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law, and the state reserves the right to reject a proposal that is non-compliant or takes exception with the contract terms and conditions stated in the Agreement. Any requests to change language in this document (adjust, modify, add, delete, etc.), must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

1. Identify the provision that the offeror takes exception with.
2. Identify why the provision is unjust, unreasonable, etc.
3. Identify exactly what suggested changes should be made

### **SEC. 6.05 PROPOSAL AS A PART OF THE CONTRACT**

Part or all of this RFP and the successful proposal may be incorporated into the contract.

### **SEC. 6.06 ADDITIONAL TERMS AND CONDITIONS**

The State reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

### **SEC. 6.07 HUMAN TRAFFICKING**

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report. The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

## SEC. 6.08 RIGHT OF REJECTION

Offerors must comply with all the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest. **A proposal from a debarred or suspended offeror shall be rejected.**

## SEC. 6.09 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The State will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

## SEC. 6.10 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the procurement officer does so, and if the procurement officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the procurement officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued. If the procurement officer agrees in writing to hold requested information confidential it is the vendor's responsibility to submit a redacted copy.

## SEC. 6.11 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the contracting officer.

## **SEC. 6.12 DISPUTES**

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

## **SEC. 6.13 SEVERABILITY**

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

## **SEC. 6.14 SUPPLEMENTAL TERMS AND CONDITIONS**

Proposals must comply with Section 6.08 Right of Rejection. However, if the State fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the State's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

If conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

If the State's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

## **SEC. 6.15 CONTRACT INVALIDATION**

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

## **SEC. 6.16 SOLICITATION ADVERTISING**

Public notice has been provided in accordance with 2 AAC 12.220.

## **SEC. 6.17 SITE INSPECTION**

The State may conduct on-site visits to an offeror's places of business or work sites to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable assistance and access to the offeror's relevant portions of its places of business or work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

At reasonable times throughout the contract, the state may also inspect those areas of the contractor's places of business or work sites that are related to the performance of the contract. The contractor must agree, at risk of being found in default of the contract, to provide the State reasonable assistance and access to relevant portions of its places of business or work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

## SEC. 6.18 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

## SECTION 8. ATTACHMENTS

### SEC. 8.01 ATTACHMENTS

**Attachments:**

- 1) RFP Submittal Forms (A through J)
- 2) Standard Agreement Form - Appendix A
- 3) Appendix B
- 4) Sample Notice of Intent to Award
- 5) PEC Score Sheet

## RFP 2020-0200-4326 - Evaluation Score Sheet

Offeror Code: \_\_\_\_\_

Evaluator Code: \_\_\_\_\_

Date of Review: \_\_\_\_\_

*The following sections are being evaluated:*

### **Submittal Form B – Service Approach**

*This section will be evaluated against the questions set out below:*

- 1) How well does the offeror's solution provide the best fit for DRB?
- 2) How well do the offeror's competitive advantages compare to and exceed other BAS solutions?
- 3) How well does the offeror's proposed solution meet the ability to perform the processes listed in Submittal Form F Section 1 Functional Requirements?

Score: \_\_\_\_\_ Notes:

### **Submittal Form C – Risk Assessment Plan (Controllable and Non-Controllable Risks)**

*This section will be evaluated against the questions set out below:*

- 1) How well has the offeror identified pertinent risks, issues, challenges, and potential problems related to this specific project/service?
- 2) How well has the offeror identified a clear and concise approach/methodology that can logically mitigate the risks?
- 3) The offeror's ability to provide verifiable documented results of mitigation strategies (the impacts of their mitigation approach).

Score: \_\_\_\_\_ Notes:



### **Submittal Form D – Value Opportunity Assessment**

*This section will be evaluated against the questions set out below:*

- 1) How well has the offeror identified pertinent ideas or opportunities that are specific to this project/service?
- 2) The offeror's ability to provide verifiable documented results of the ideas/opportunities (actual impacts of these ideas).

**Score:** \_\_\_\_\_ **Notes:**

### **Submittal Form G – Contractual Requirements (Priority 3)**

*This section will be evaluated against the questions set out below:*

- 1) Was many of the priority 3 items are included in the Fixed Price response?
- 2) How well has the offeror addressed Priority 3 items?
- 3) How many Priority 3 items did the offeror answer No to?
- 4) Has the offeror clearly addressed their No responses; was it reasonable?

**Score:** \_\_\_\_\_ **Notes:**