

# REQUEST FOR PROPOSALS



## **RETURN THIS PROPOSAL TO:**

### **DIVISION OF LEGISLATIVE AUDIT**

**Issuing Office Mailing Address:** State Capitol, 120 4<sup>th</sup> Street, Room 3, Juneau, AK 99801-1182

**Issuing Office Hand Delivery Address:** Terry Miller Legislative Office Building, 129 6<sup>th</sup> Street, Room 222, Juneau, Alaska

**RFP NO. 22-33-01**

### **AN EXAMINATION OF IRIS AND ALDER INFORMATION TECHNOLOGY GENERAL CONTROLS AND APPLICATION CONTROLS**

**SEALED PROPOSALS MUST BE RECEIVED AT THE ABOVE ADDRESS OR MUST BE EMAILED TO [JC.KESTEL@AKLEG.GOV](mailto:JC.KESTEL@AKLEG.GOV) BY 2:00 P.M. ALASKA TIME ON FEBRUARY 23, 2022.**

Offerors Are Not Required To Return This Form

Under AS 36.30.020, the Alaska Legislative Council adopted procurement procedures that were based on competitive principles consistent with AS 36.30 and adapted to the special needs of the Legislative Branch. Therefore, the Legislative Branch follows its own procurement procedures and is not subject to the procurement procedures of the Executive Branch. Copies of the Alaska Legislative Procurement Procedures are available upon request or at <https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=97814>.

**IMPORTANT NOTICE:** You must register with the procurement manager listed in this document to receive subsequent amendments to this Request for Proposals, whether you received this request for proposals from the State of Alaska's "Online Public Notice" website or another source. Failure to register with the procurement manager may result in the rejection of your proposal.

**JC Kestel**, Procurement Manager  
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**TDD:** 907-465-4980  
Email: [JC.Kestel@AKLeg.gov](mailto:JC.Kestel@AKLeg.gov)

## **TABLE OF CONTENTS**

<b>INTRODUCTION AND INSTRUCTIONS.....</b>	<b>4</b>
1.01 PURPOSE OF THE RFP.....	4
1.02 PROPOSAL SUBMISSION, DELIVERY, AND ACCEPTANCE.....	4
1.03 PHOTOCOPIES.....	5
1.04 CONTRACT TERM AND WORK SCHEDULE.....	5
1.05 LOCATION OF WORK.....	6
1.06 HUMAN TRAFFICKING.....	6
1.07 AMERICANS WITH DISABILITIES ACT.....	7
1.08 REVIEW OF RFP; CONTACT LIMITED.....	7
1.09 QUESTIONS RECEIVED PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS.....	7
1.10 AMENDMENTS.....	7
1.11 NUMBER OF PROPOSALS; ALTERNATE PROPOSALS.....	7
1.12 RIGHT OF REJECTION.....	7
1.13 NON-AWARD OF CONTRACT.....	8
1.14 DISCLOSURE OF PROPOSAL CONTENTS.....	8
1.15 SUBCONTRACTORS.....	9
1.16 JOINT VENTURES.....	9
1.17 OFFEROR'S CERTIFICATION.....	9
1.18 CONFLICT OF INTEREST.....	10
1.19 PROJECT DIRECTOR.....	10
1.20 ASSIGNMENT/TRANSFER.....	11
1.21 BINDING ON SUCCESSORS.....	11
1.22 DISPUTE.....	11
1.23 VENUE AND APPLICABLE LAW.....	11
1.24 SEVERABILITY.....	11
1.25 PROCUREMENT PROCEDURES.....	11
1.26 RECORDS; AUDIT.....	11
1.27 OWNERSHIP AND REUSE OF DOCUMENTS.....	11
1.28 MATERIALS AND PROCESSES COVERED BY PATENTS, TRADEMARKS, OR COPYRIGHTS.....	12
1.29 COVERAGE UNDER THE ETHICS LAW.....	12
1.30 CANCELLATION OF SOLICITATION.....	12
<b>STANDARD PROPOSAL INFORMATION.....</b>	<b>13</b>
2.01 AUTHORIZED SIGNATURE.....	13
2.02 U.S. FUNDS.....	13
2.03 TAXES.....	13
2.04 AMENDMENTS TO PROPOSALS.....	13
2.05 SUPPLEMENTAL TERMS AND CONDITIONS.....	13
2.06 CLARIFICATION OF OFFERS.....	13
2.07 PRIOR EXPERIENCE.....	13
2.08 PROHIBITION ON MARKET PLACE COMPETITOR.....	14
2.09 EVALUATION OF PROPOSALS.....	14
2.10 FEDERAL TAX ID.....	14
2.11 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES.....	14
2.12 ALASKA BIDDER PREFERENCE.....	15
2.13 FORMULA USED TO CONVERT COST TO POINTS.....	15
2.14 CONTRACT NEGOTIATION.....	16
2.15 NOTICE OF INTENT TO AWARD – OFFEROR NOTIFICATION OF SELECTION.....	17

2.16	PROTEST .....	17
<b>STANDARD CONTRACT INFORMATION .....</b>		<b>18</b>
3.01	FORMAT OF CONTRACT.....	18
3.02	CONTRACT APPROVAL .....	18
3.03	PROPOSAL AS A PART OF THE CONTRACT .....	18
3.04	ADDITIONAL TERMS AND CONDITIONS .....	18
3.05	APPLICABLE LAW .....	18
3.06	INSURANCE REQUIREMENTS.....	18
3.07	CONTRACT FUNDING .....	19
3.08	CONTRACT PAYMENT .....	19
3.09	INFORMAL DEBRIEFING .....	19
3.10	CONTRACT PERSONNEL.....	20
3.11	INSPECTION & MODIFICATION – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES.....	20
3.12	TERMINATION OF CONTRACT .....	20
3.13	BREACH OF CONTRACT .....	20
3.14	INDEMNIFICATION .....	20
3.15	CONTRACT AMENDMENTS.....	21
3.16	CONTRACT CHANGES – UNANTICIPATED AMENDMENTS.....	21
3.17	NONDISCLOSURE AND CONFIDENTIALITY .....	21
<b>BACKGROUND INFORMATION.....</b>		<b>22</b>
4.01	DESCRIPTION OF IRIS .....	22
4.02	DESCRIPTION OF ALDER.....	23
4.03	PRIOR YEAR EXAMINATION RESULTS .....	23
<b>SCOPE OF WORK .....</b>		<b>24</b>
5.01	SCOPE OF WORK .....	24
5.02	DOCUMENTS .....	25
5.03	DETAILED WRITTEN DOCUMENTATION OF ALL PROCEDURES PERFORMED .....	25
<b>PROPOSAL FORMAT AND CONTENT .....</b>		<b>26</b>
6.01	GENERAL INSTRUCTIONS .....	26
6.02	TECHNICAL PROPOSAL FORMAT.....	26
6.03	OFFEROR’S SCHEDULE OF PROFESSIONAL HOURS AND FEES .....	29
6.04	OFFEROR’S TOTAL COST STATEMENT .....	31
6.05	EVALUATION CRITERIA.....	31
<b>EVALUATION CRITERIA.....</b>		<b>32</b>
7.01	TECHNICAL EXPERIENCE OF THE FIRM AND UNDERSTANDING OF THE WORK TO BE PERFORMED – 45 PERCENT .....	32
7.02	QUALIFICATIONS AND PREVIOUS EXPERIENCE OF STAFF TO BE ASSIGNED TO THE PROJECT – 30 PERCENT .....	32
7.03	CONTRACT COST – 25 PERCENT .....	32
<b>ATTACHMENT A .....</b>		<b>33</b>
<b>ATTACHMENT B .....</b>		<b>35</b>
<b>ATTACHMENT C .....</b>		<b>37</b>

## SECTION ONE

### Introduction and Instructions

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#### 1.01 Purpose of the RFP

The Alaska Division of Legislative Audit (“Division” or “DLA”) is seeking sealed proposals from firms for the examination of the fiscal year (FY) 2022 and FY 2023 information technology general controls and application controls related to Alaska’s Integrated Resource Information System (IRIS) and the Alaska Data Enterprise Reporting System (ALDER).

Development and maintenance of IRIS and ALDER is the responsibility of the Division of Finance (“DOF”), a division of the Alaska Department of Administration (“DOA”). Most of the issues of system software, mainframe, server and network support and control along with physical security are functions of the Office of Information Technology (“OIT”) in conjunction with DOF.

The successful offeror will be responsible for testing the design and operating effectiveness of IRIS and ALDER controls and ensuring compliance by following the attestation standards adopted by the American Institute of Certified Public Accountants (AICPA), and standards applicable to attestation engagements set forth in the U.S. Government Accountability Office’s (GAO) *Government Auditing Standards*. It should be noted that a significant upgrade to IRIS is anticipated to go live February 22, 2022.

For each system examined, the Contractor will provide an Independent Accountant’s Report on Management Assertions, which must include a statement describing the scope of the examination and time period examined. In conjunction with the Independent Accountant’s Report on Management Assertions, the Contractor will also provide a Schedule of Findings that identifies control weaknesses and provides recommendations for improving those control weaknesses.

#### 1.02 Proposal Submission, Delivery, and Acceptance

An Offeror must submit and deliver its proposal in one sealed package to the issuing office identified on Page 1 of this RFP, or may email its proposal to the procurement manager at the email address shown on Page 1 of this RFP, no later than the date and time listed on Page 1 of this RFP as the deadline for receipt of proposals. If mailed or hand delivered, the package must be marked on the outside to identify the RFP and the Offeror. If emailed, the email must contain the RFP number in the subject line of the email. An Offeror must prepare and submit the Offeror’s COST PROPOSAL separately from the Offeror’s TECHNICAL PROPOSAL.

Only one (1) copy of the Offeror’s COST PROPOSAL should be submitted in a separate sealed envelope or PDF document marked COST PROPOSAL with the RFP number on the outside of the envelope or with the RFP number in the subject line of the email that the PDF Proposal is sent in. Only one (1) copy of the TECHNICAL PROPOSAL should be submitted in a sealed envelope or container with the RFP number on the outside of the sealed envelope or container or the TECHNICAL PROPOSAL can be emailed in the form of a PDF document labeled TECHNICAL PROPOSAL with the RFP number in the subject line of the email that the PDF forms are sent in.

Emailed proposals must be submitted as an attachment in PDF format. The PDF document should be named in a format such as “Offeror A – Cost Proposal for RFP 22-33-01.pdf” (Offeror A is the name of the Offeror).

Please note that the maximum size of a single email (including all text and attachments) that can be received by the Division is 20 megabytes (mb). If the email containing the proposal exceeds this size, the proposal must be sent in multiple emails that are each less than 20mb and each email must comply with the requirements described in the previous two paragraphs.

The Division is not responsible for unreadable, corrupt, or missing attachments. It is the Offeror's responsibility to contact the issuing office at (907) 465-6705 - Voice, (907) 465-4980 - TDD to confirm that the emailed proposal has been received. Failure to follow the above instructions may result in the proposal being found non-responsive and rejected.

Proposals must be received no later than 2:00 P.M. Alaska Time on February 23, 2022. Faxed, or oral proposals will not be accepted.

It is the responsibility of the Offeror to ensure that its proposal and any issued RFP amendments (signed by the Offeror) are in the issuing office prior to the scheduled proposal closing time. A proposal will be rejected if the proposal and any signed amendments are not received prior to the closing date and time.

### **1.03 Photocopies**

Photocopied proposals are allowed.

### **1.04 Contract Term and Work Schedule**

The contract term and work schedule set out herein represents the Division's best estimate of the schedule that will be followed. If a component of this schedule is delayed, the rest of the schedule may be shifted by the same number of days, at the discretion of the Division. The project schedule may be adjusted by the DLA project director with written notice to the contractor.

The length of the contract will be from the date the contract is signed by the Legislative Auditor until project completion, approximately June 30, 2023. It will encompass two separate reviews; one examining the FY 22 internal controls and one examining the FY 23 internal controls. Separate reports will be issued for the examination of IRIS and ALDER internal controls.

The contract may be extended for up to three additional years, to approximately June 30, 2026, at the discretion of the Division for the purpose of examining the same controls for FYs 2024, 2025, and 2026. If the contract is extended, DLA and the contractor will mutually agree in writing upon the terms, including compensation, for additional work to be performed.

The approximate contract schedule is as follows:

2/2/22	Issue RFP
2/11/22	Pre-Proposal Conference
2/23/22	Deadline for Receipt of Proposals
3/2/22	Division issues Notice of Intent to Award a Contract
3/19/22	Contract signed by Division

After the contract has been awarded, the following key dates apply:

<b><u>Item</u></b>	<b><u>Anticipated Dates of Action FY 22 Examination</u></b>	<b><u>Anticipated Dates of Action FY 23 Examination</u></b>
<b>Project Starts</b>	Monday, April 11, 2022	Monday March 20, 2023
<b>Draft Copies of Reports Delivered to DLA</b>	Monday, June 13, 2022 by 4:00 p.m. Alaska Time	Monday May 22, 2023 by 4:00 p.m. Alaska Time
<b>Final Copies of Reports Delivered to DLA</b>	Monday June 27, 2022 at 4:00 p.m. Alaska Time	Monday June 12, 2023 by 4:00 p.m. Alaska Time

Note: All dates are approximate and subject to change.

### **1.05 Location of Work**

Significant portions of the work will take place in Juneau, Alaska. The offeror should include in the price proposal transportation and per diem (lodging, meals, and incidentals) costs sufficient to pay for travel to Juneau to conduct fieldwork. A minimum of 55 percent of the engagement time should be spent on-site in Juneau. The Division will provide workspace for the contractor.

To access the on-site workspace the contractor's staff will be required to follow all existing Division and building policies as well as any active State of Alaska or City and Borough of Juneau emergency orders or mandates. The Division reserves the right to restrict access to the contractor's staff if the Division determines that the contractor's staff is not in compliance with the policies, emergency orders, or mandates. The Division will not be responsible for any contractor's on-site staff cost for any staff member that is not in compliance with the policies, emergency orders, or mandates. Once the Division determines that the contractor's staff is in compliance with the policies, emergency orders, or mandates the staff will be granted access to the workspace.

### **1.06 Human Trafficking**

By signature on the proposal, the offeror certifies that the offeror is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

In addition, if the offeror conducts business in but is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report, a certified copy of the offeror's policy against human trafficking must be submitted to the Division prior to contract award.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following web site: <http://www.state.gov/j/tip>.

If an offeror fails to comply with this paragraph, the Division may reject, without liability, the offeror's proposal as non-responsive, cancel the intent to award to the offeror, or cancel the resulting contract to the offeror.

### **1.07 Americans with Disabilities Act**

The Alaska State Legislature complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, and/or special modifications to submit a proposal should contact the procurement manager no later than ten days prior to the deadline for receipt of proposals to make any necessary arrangements. If a request for special arrangements is received less than ten days prior to the deadline for receipt of proposals, the Division will attempt to accommodate the request.

### **1.08 Review of RFP; Contact Limited**

Offerors should carefully review this solicitation, without delay, for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement manager at least ten (10) days prior to the deadline for receipt of proposals. This will help prevent the opening of a defective solicitation and exposure of an offeror's proposal upon which award could not be made. Protests by an offeror based on any omission or error, or on the content of the solicitation, may be disallowed if the offeror has not brought these faults to the attention of the procurement manager, in writing, prior to the deadline for receipt of proposals.

Offerors or their agents may not contact any member of the evaluation committee or their staff or any member of the Legislature or their staff regarding this RFP. All questions concerning this RFP must be directed to the procurement manager listed on the first page of this RFP.

### **1.09 Questions Received Prior to Deadline for Receipt of Proposals**

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. The second type is a question that would require the procurement manager to clarify or interpret part of the RFP or its intent. Response to the second type of question will not be given except in writing via amendment to the RFP. Offerors must put these questions in writing. These questions must be received by the procurement manager at least (10) days prior to the deadline for receipt of proposals.

### **1.10 Amendments**

If an amendment to this RFP is issued, it will be posted to the State of Alaska's Online Public Notice website and will be provided to all who have registered with the procurement manager after receiving the RFP from the State of Alaska's Online Public Notice website or some other source.

### **1.11 Number of Proposals; Alternate Proposals**

Offerors may only submit one (1) proposal for evaluation, if an Offeror submits more than one (1) proposal for evaluation, all proposals from the Offeror will be rejected. Proposals that offer something different than what is asked for will be rejected.

### **1.12 Right of Rejection**

Offerors must comply with all of the terms of this RFP, Alaska Legislative Procurement Procedures, and all applicable local, state, and federal laws, codes, and regulations. The procurement manager may reject any proposal that does not comply with all of the material terms, conditions, and performance requirements of this RFP.

Offerors may not qualify the proposal or restrict the rights of the Division. If an offeror does so, the procurement manager may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

A proposal may be rejected if the proposal contains a material alteration or erasure that is not initialed by the signer of the proposal.

The procurement manager may waive minor informalities that:

- a) do not affect responsiveness;
- b) are merely a matter of form or format;
- c) do not change the relative standing or otherwise prejudice other offers;
- d) do not change the meaning or scope of the RFP;
- e) are trivial, negligible, or immaterial in nature;
- f) do not reflect a material change in the work, services, or products requested; or
- g) do not constitute a substantial reservation against a requirement or provision.

Furthermore, a proposal may be rejected in whole or in part when in the best interest of the Division, as provided in sec. 130 of the Alaska Legislative Procurement Procedures.

### **1.13 Non-Award of Contract**

This RFP does not obligate the Division to award a contract, or, as provided in sec. 125 of the Alaska Legislative Procurement Procedures, to pay any costs incurred in the preparation of a proposal when the Division does not award a contract.

### **1.14 Disclosure of Proposal Contents**

All proposals and other material submitted become the property of the Division and may be returned only at the Division's option. 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. Contracts for services provided to the Division in the preparation of an audit are subject to sec. 200(b) of the Alaska Legislative Procurement Procedures.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the procurement manager do so, and if the procurement manager 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 must include a statement that sets out the reasons for confidentiality. Unless the procurement manager agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.



### **1.15 Subcontractors**

Subcontractors may be used to perform work under the contract. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform. Qualifications of subcontractor staff assigned to the engagement should be described in the same manner as contractor staff.

If a proposal with subcontractors is selected, the offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the Division's request:

- a) complete name of the subcontractor;
- b) complete address of the subcontractor;
- c) type of work the subcontractor will be performing;
- d) percentage of work the subcontractor will be providing;
- e) evidence that the subcontractor is authorized under Alaska Statute (AS) 08.04 to provide services within the State of Alaska;
- f) evidence that the subcontractor holds a valid Alaska business license; and
- g) a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor has agreed to render the services required by the contract and is free from conflicts of interest.

An offeror's failure to provide this information, within the time set, may cause the Division to consider the offeror's proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and with the prior written approval of the DLA project director.

All subcontractors that perform work under the contract resulting from this RFP are subject to the requirements of this RFP, including, but not limited to, the requirements of secs. 3.05 (Applicable Law) and 3.06 (Insurance Requirements) of this RFP.

### **1.16 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.

### **1.17 Offeror's Certification**

By signature on the proposal, offerors certify that:

- a) the offeror will comply with the laws of the State of Alaska;
- b) the offeror will comply with the applicable portion of the Federal Civil Rights Act of 1964;

- c) the offeror will comply with the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the offeror will comply with the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- e) the offeror will comply with all terms and conditions set out in this RFP;
- f) the proposal submitted was independently arrived at, without collusion;
- g) the offer shall be good and firm for a period of at least 90 days from the date of deadline for receipt of proposals to the RFP; and
- h) programs, services, and activities provided to the general public under the resulting contract will conform to the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with (a) through (h) of this sec. 1.17 (Offeror's Certification), the Division reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default under the contract.

#### **1.18 Conflict of Interest**

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past five years) and, if so, the nature of that conflict. For the purposes of this sec. 1.18 (Conflict of Interest), employment means either direct employment or employment as an independent contractor or subcontractor with the State of Alaska.

The contractor shall keep itself free from any potential conflict of interest and maintain its independence, both in fact and appearance. The offeror must certify and represent it will not, at any time during the duration of the awarded contract, have an accounting, auditing, or any other relationship with any entity covered under the contract that may impair the independence of the contractor.

The Division reserves the right to consider a proposal non-responsive and reject it or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the offeror. The Division's determination regarding any questions of conflict of interest shall be final.

#### **1.19 Project Director**

The administration of the contract issued as a result of this RFP is the responsibility of the individual assigned by the Division to be the DLA project director. The DLA project director shall be named in the contract issued as a result of this RFP. The DLA project director may be changed at the Division's discretion by providing written notice to the contractor.

### **1.20 Assignment/Transfer**

Assignment or transfer of the contract entered into as a result of this RFP is subject to sec. 160 of the Procurement Procedures of the Alaska State Legislature.

### **1.21 Binding on Successors**

Subject to sec. 1.20 (Assignment/Transfer) and 1.24 (Severability) of this RFP, the contract issued as a result of this RFP and all the covenants, provisions and conditions contained in the contract shall inure to the benefit of and be binding upon the successors and assigns of the contractor and the Division.

### **1.22 Dispute**

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 contract that it cannot resolve with the Division by mutual agreement, sec. 350 of the Alaska Legislative Procurement Procedures governs contract controversies.

### **1.23 Venue and Applicable Law**

In the event that the parties to the resulting contract find it necessary to litigate the terms of the contract, venue shall be State of Alaska, First Judicial District at Juneau, and the contract shall be interpreted according to the laws of Alaska.

### **1.24 Severability**

If any provision of the contract is declared by a court to be illegal or in conflict with any law, the Division and the contractor shall negotiate the continuation of the contract without the provision.

### **1.25 Procurement Procedures**

This RFP is subject to the Alaska Legislative Procurement Procedures.

### **1.26 Records; Audit**

The requirements in this sec. 1.26 (Records; Audit) are in addition to any other records required by this RFP. The contractor shall accurately maintain detailed time records that state the date of the work, describe in detail the work done, and identify what individual did the work. The contractor shall also keep any other records that are required by the contract issued as a result of this RFP or the DLA project director. The records required by this paragraph are subject to inspection by the Division at all reasonable times.

### **1.27 Ownership and Reuse of Documents**

All data, documents, reports, material, and other items generated as a consequence of work done under the contract resulting from this RFP are the property of the Division. To the extent the offeror has any interest in the copyright for these items under the copyright laws of the United States, the offeror transfers any and all interest the offeror has in the copyright for these items to the Division, and the Division will be the owner of the copyright for these items. Upon completion of the work or termination of the contract resulting from this RFP, all items shall be delivered to the DLA project director, and the offeror shall certify that it has not maintained any copies of items. Offeror acknowledges that all the items are the property of the Division.

**1.28 Materials and Processes Covered by Patents, Trademarks, or Copyrights**

If the offeror employs any design, device, material, or process covered by a patent, trademark, or copyright not held by the offeror, the offeror shall provide for the use by suitable legal agreement with the owner. The offeror and the surety shall indemnify, hold harmless, and defend the Legislature of the State of Alaska, the Division, the officers, agents, and employees of the Legislature or the Division, and any affected third party from any and all claims for infringement by reason of the use of patented design, device, material or process, or any trademark or copyright, and for any costs, expenses, and damages due to infringement at any time during the work or after the completion of the work.

**1.29 Coverage Under the Ethics Law**

Certain provisions of AS 24.60 (the Legislative Ethics Act) apply to legislative contractors. It is the responsibility of the offeror to review AS 24.60, determine whether the offeror is in compliance with AS 24.60, and remain compliant throughout the term of the contract.

**1.30 Cancellation of Solicitation**

This RFP may be canceled as provided in sec. 120 of the Alaska Legislative Procurement Procedures.

## **SECTION TWO**

### **Standard Proposal Information**

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#### **2.01 Authorized Signature**

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

#### **2.02 U.S. Funds**

Prices quoted shall be in U.S. funds.

#### **2.03 Taxes**

All proposals shall be submitted exclusive of federal, state, and local taxes.

#### **2.04 Amendments to Proposals**

Amendments to or withdrawals of proposals will only be allowed if 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 Division's request.

#### **2.05 Supplemental Terms and Conditions**

Proposals must comply with sec. 1.12 (Right of Rejection). However, if the Division fails to identify or detect in a proposal a term or condition that conflicts with those contained in this RFP or that diminishes the Division'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:

- a) if conflict arises between a term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail;
- b) if there is a conflict between the RFP and the contract document, or between the proposal and the contract document, the contract document will govern; and
- c) if the Division's rights would be diminished as a result of application of a term or condition included in the proposal, the term or condition will be considered null and void.

#### **2.06 Clarification of Offers**

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement manager 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 RFP or the proposal. The evaluation by the procurement manager or the PEC may be adjusted as a result of clarification under this section.

#### **2.07 Prior Experience**

In order for offers to be considered responsive, lead staff assigned to the engagement must have conducted at least three similar reviews of general controls and application controls of governmental enterprise resource planning systems. An offeror's failure to meet this minimum prior experience requirement may cause the proposal to be considered non-responsive, resulting in rejection of the proposal.

## **2.08 Prohibition on Market Place Competitor**

The IRIS solution is supported by CGI's Advantage® Enterprise Resource Planning (ERP) products which are guarded by proprietary rights and confidentiality agreements between CGI and the State. Confidential information includes, but is not limited to: the Licensed Software, technology, detailed infrastructure specifications, and trade secrets. As a result, responses to this solicitation will be reviewed to ensure that the offeror, or any subcontractor, is not a marketplace competitor of CGI. Existing proprietary rights and confidentiality agreements between CGI and the State would prevent an award from this solicitation to a market place competitor.

## **2.09 Evaluation of Proposals**

An evaluation committee made up of at least three state employees or public officials will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in Section Seven (Evaluation Criteria) of this RFP.

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.

## **2.10 Federal Tax ID**

A valid Federal Tax ID must be submitted to the Division within five working days from the date of the Division's request.

## **2.11 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 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, P.O. 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:

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

Prior to the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute, including, but not limited to, a valid firm permit or a valid out-of-state permit.

## **2.12 Alaska Bidder Preference**

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive a preference of five percent. 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 the contract 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.

In order to receive the Alaska Bidder Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

If the offeror is a LLC or partnership as identified in (4) of this subsection, the affidavit must also identify each member or partner and include a statement certifying that all members or partners are residents of the state.

If the offeror is a joint venture which includes a LLC or partnership as identified in (4) of this subsection, the affidavit must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the state.

## **2.13 Formula Used to Convert Cost to Points**

The distribution of points based on cost will be determined by the Division. The lowest cost proposal will receive the maximum number of points allocated to cost. The points allocated to cost on the other proposals will be determined through the method set out below. In the generic example below, cost is weighted as 25 percent of the overall total score. See Section Seven (Evaluation Criteria) to determine the value, or weight of cost for this RFP.

### **EXAMPLE**

#### **Formula Used to Convert Cost to Points**

##### **[STEP 1]**

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

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

**[STEP 2]**

Convert cost to points using this formula.

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

The RFP allotted 25 percent (25 points) of the total of 100 points for cost.

**Offeror #1 receives 25 points.**

Offeror #1 received 25 points because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 25 points.

**Offeror #2 receives 23.4 points.**

$$\begin{array}{ccccccc} \$40,000 & \times & 25 & = & 1,000,000 & \div & \$42,750 & = & 23.4 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#2} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

**Offeror #3 receives 21.1 points.**

$$\begin{array}{ccccccc} \$40,000 & \times & 25 & = & 1,000,000 & \div & \$47,500 & = & 21.1 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#3} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

**2.14 Contract Negotiation**

After issuing the Notice of Intent to Award, the Legislative Auditor may elect to initiate contract negotiations with the offeror selected for the award. The option of whether or not to initiate contract negotiations rests solely with the Legislative Auditor.

The Legislative Auditor may terminate negotiations with a successful offeror who has been selected for award on the Notice of Intent to Award, and may commence negotiations with another offeror, if the successful offeror:

- a) fails to provide the information required to begin negotiations in a timely manner; or
- b) fails to negotiate in good faith; or



- c) indicates they cannot perform a contract within the budgeted funds available for the project;  
or
- d) cannot come to terms after a good faith effort to negotiate with the Division.

## **2.15 Notice of Intent to Award – Offeror Notification of Selection**

Upon selection of an apparent successful offeror, the procurement manager will issue a written Notice of Intent to Award and send copies to all offerors. The Notice of Intent will set out the names of all offerors and identify the proposal selected for award.

## **2.16 Protest**

If an offeror wishes to protest a solicitation, the award of a contract, or the proposed award of a contract, the protest must be filed as required by sec. 230 and 240 of the Alaska Legislative Procurement Procedures.

## **2.17 Pre-Proposal Conference**

All prospective Offerors are encouraged to call into the pre-proposal teleconference. This pre-proposal teleconference will be held on Friday February 11, 2022 at 10:00 am., Alaska Time. To attend, Offerors must call one of the following teleconference lines: 907-586-9085 (Juneau), 907-563-9085 (Anchorage), or 1-844-586-9085 (toll free outside of Juneau and Anchorage).

The purpose of the teleconference is to discuss details of the RFP with the prospective Offerors and allow them to ask questions concerning the RFP. Call-in attendance at the pre-proposal conference is not mandatory. The procurement manager will not provide any information on what information was given or details that were discussed during the teleconference to potential Offerors that do not attend the teleconference. Participants should read the RFP and call into the meeting prepared to discuss any concerns and ask questions.

Questions asked about the RFP during the teleconference will be answered in accordance with 1.09 (Questions Received Prior to Deadline for Receipt of Proposals). The procurement manager may request potential Offerors to submit questions in writing for further clarification.

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

## SECTION THREE

### Standard Contract Information

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#### 3.01 Format of Contract

The contract entered into as a result of this RFP will be in the contract format desired by the Division.

#### 3.02 Contract Approval

The contract to be entered into as a result of this RFP and any amendments entered into after the signing of the contract may be subject to approval by the Division or the Legislative Budget and Audit Committee (LBAC). The Division will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the signing of the contract.

#### 3.03 Proposal as a Part of the Contract

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

#### 3.04 Additional Terms and Conditions

The Division reserves the right to include additional terms and conditions in the contract.

#### 3.05 Applicable Law

The contractor must comply with all applicable federal and state labor, wage/hour, safety, and any other laws which have a bearing on the contract, and must have all licenses and permits required by the Division, and any municipality that is applicable, for performance of the contract that is covered by this RFP.

#### 3.06 Insurance Requirements

Without limiting indemnification responsibilities under sec. 3.14 (Indemnification) and sec. 1.28 (Materials and Processes Covered by Patents, Trademarks, or Copyrights), the contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement, the policies of insurance listed below. 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 Division shall be entitled to coverage to the extent of such higher limits. Certificates of insurance must be furnished to the DLA project director prior to beginning work and must provide for notice of cancellation, nonrenewal, or material change of conditions. Failure of the contractor to furnish the Division with satisfactory evidence of insurance, or to notify the Division of the lapse of, or material change in, the policy, is a material breach of the contract resulting from this RFP and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers authorized in Alaska or another state to transact the business of insurance.

**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 as required by any other applicable statute. The policy must waive subrogation against the state.

**Commercial General Liability Insurance:** Covering all business premises of, and operations by or on behalf of, the Successful Offeror in the performance of the contract, including, but not limited to, blanket contractual coverage, products coverage, premises and operations

coverage, independent contractors coverage, broad form property damage endorsement, and personal injury endorsement; the policy must have minimum coverage limits of \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable. Unless waived by the Division, the insurance policy shall name the Division as an additional insured.

**Commercial Automobile Liability Insurance:** Covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$500,000 combined single limit per occurrence.

All insurance shall be considered to be primary and non-contributory to any other insurance carried by the Division through self-insurance or otherwise.

The contractor shall provide evidence of continuous coverage by submitting, without reminder, annual renewal certificates for the required insurance to the Division project director for the life of the contract.

### **3.07 Contract Funding**

Funds are contingent upon the approval of the LBAC to award a contract. Upon LBAC approval, funds will be available in an appropriation to pay for the Division's monetary obligations under the contract through June 30, 2022. The availability of funds to pay for the Division's monetary obligations under the contract after June 30, 2022 is contingent upon appropriation by the Legislature of funds for the particular fiscal year involved. In addition to any other right of the Division under the contract to terminate the contract, if, in the judgment of the Division, sufficient funds are not appropriated, the contract will be terminated by the Division without liability of the Division for the termination, or amended. To terminate under this section, the DLA project director shall provide written notice of the termination to the contractor and the contract will be terminated under paragraph 3.12 (Termination of Contract) of this RFP.

### **3.08 Contract Payment**

No payment will be made until the billing is approved by the DLA project director. If a payment is not made within 90 days after the Division has received a properly approved billing, the Division shall pay interest on the unpaid balance of the billing at the rate of 1.5 percent per month from, and including, the 91<sup>st</sup> day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the contractor.

The Division 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.

### **3.09 Informal Debriefing**

When the contract is completed, an informal debriefing may be performed at the discretion of the DLA project director. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

### **3.10 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 DLA project director. Personnel changes that are not approved by the Division may be grounds for the Division to terminate the contract.

### **3.11 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 DLA project director. The Division may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The DLA 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.

In addition to any other right of the Division under the contract to terminate the contract, the Division may terminate the contract for substantial failure of the contractor to perform the contract. In this event, the Division may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek damages.

### **3.12 Termination of Contract**

Upon delivery of written notice to the contractor, the contract may be terminated by the Legislative Auditor with or without cause. To terminate, the DLA project director shall provide notice by email or delivery of a hard copy to the contractor, whichever method is selected in the sole discretion of the DLA project director. If the contract is so terminated and the termination is not based on a breach by the contractor, the Division shall compensate the contractor for services provided under the terms of the contract up to the date the termination notice is delivered, provided the contractor provides the Division with a statement in writing containing a description, including, but not limited to, the detailed records required by sec. 1.26 (Records; Audit) of the services provided prior to contract termination.

### **3.13 Breach of Contract**

In case of a breach of the contract, for whatever reason, by the contractor, the Division may procure the services from other sources and hold the contractor responsible for damages resulting from the breach.

### **3.14 Indemnification**

The contractor shall indemnify, hold harmless, and defend the State of Alaska, the Legislature of the State of Alaska, and the Division, and their officers, agents, and employees ("contracting agency") from and against any claim of, or liability for error, omission, or negligent act of the contractor under the contract resulting from this RFP, including, but not limited to, any costs, attorney fees, and other expenses relating to the contractor's performance of its contract obligations. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. "Contractor" and "contracting agency", as used within this section, 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.

### **3.15 Contract Amendments**

In addition to any other amendment the parties may be allowed to make under the contract, the terms of the contract entered into as a result of this RFP may be amended by mutual agreement of the parties.

### **3.16 Contract Changes – Unanticipated Amendments**

During the course of the contract, the Division may request the contractor to perform additional work. That work will be within the general scope of the initial contract and may not amount to a material amendment of the contract. When additional work is requested and the contractor agrees to perform the additional work, the DLA 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.

The contractor may not commence the additional work until the DLA project director has secured any required approvals necessary for the amendment and the Division and the contractor have signed a written contract amendment, approved by the LBAC, or the committee's designee.

### **3.17 Nondisclosure and Confidentiality**

The 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 the Health Insurance Portability and Accountability Act (HIPAA). The contractor must promptly notify the Division in writing if it becomes aware of any improper 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, the Division, or their agents, advisors, or contractors) in oral, electronic, tangible or intangible form and however stored, compiled, or memorialized, that is classified confidential as defined by the State of Alaska Information Security Policies adopted by the Department of Administration and provided by the Division to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with the contract, or acquired, obtained, or learned by the contractor or a contractor agent in the performance of the contract. Examples of confidential information include, but are not limited to, personal information, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

Additionally, all data, documents, reports, material, and other items generated as a consequence of work done under the contract resulting from this RFP shall be held by the contractor as confidential.

## **SECTION FOUR**

### **Background Information**

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#### **4.01 Description of IRIS**

The Integrated Resource Information System (IRIS) is a series of integrated software systems that handle accounting, finance, procurement, payroll, and human resource management processes. The solution is supported by CGI's Advantage® Enterprise Resource Planning (ERP) product which is a combination of technology and integrated business applications that are specifically built for government use. IRIS also includes functionality for debt management and learning management.

IRIS was implemented in four phases. Phase 1, Enterprise Readiness, consisted of preparing the state for significant business process change, initiating a statewide change management structure, establishing a governance structure, documenting "as is" business processes, and identifying opportunities for efficiencies in operational costs across agencies. Phase 2, Envision, consisted of preparing a blueprint design for configuring the software, data conversion, interfacing, defining data warehouse reporting, and re-engineering of business processes to their "to be" state. The Advantage Financial & Procurement (FIN) solution, Phase 3 of IRIS, was implemented July 6, 2015, and became the system of record for the State of Alaska's financial, procurement, inventory, and vendor information replacing the Alaska Statewide Accounting Systems (AKSAS). The Human Resource Management and Payroll (HRM), Phase 4, was implemented January 17, 2017. IRIS Advanced will go live on February 22, 2022 consisting of an improved user interface, updated technology stack and debt management module. The Alaska Department of Administration, Division of Finance (DOF) is responsible for the development, enhancement, maintenance, and support of IRIS with the support of OIT.

IRIS consists of the following components and functions:

#### **I. CGI Advantage® Financial Management**

- 1) General Accounting
- 2) Budget Control
- 3) Accounts Payable
- 4) Cost Accounting
- 5) Projects/Grants Management
- 6) Fixed Assets
- 7) Cash Management
- 8) Inventory Management
- 9) Debt Management

#### **II. IRIS PROCUREMENT**

- 1) Asset Management
- 2) Bid Solicitation (Reverse Auction component not implemented)
- 3) Contract Management
- 4) Fleet Management
- 5) Inventory
- 6) Purchasing
- 7) Vendor Self Service

### **III. IRIS TECHNICAL**

- 1) Data Warehouse
- 2) General Functional (Security, Backup, Restore, etc.)
- 3) Technical (Operating Systems, Networking, etc.)

### **IV. IRIS HUMAN RESOURCE AND PAYROLL**

- 1) Human Resource Management
- 2) Payroll Management
- 3) Employee Self Service

IRIS current infrastructure consists of a series of Virtualized Open Systems Servers running Microsoft windows 2008/RHEL 5 for the application and web services; while the OLTP database(s) use RHEL 5 and Oracle 11g. Infrastructure updates will be complete on February 22, 2022 when IRIS Advanced moves to Windows Server 2019, RHEL 7.9, and Oracle 19c.

A general description of the financial and procurement architecture is included at Attachment C of this document.

#### **4.02 Description of ALDER**

The Alaska Data Enterprise Reporting (ALDER) Data Warehouse is a statewide reporting system designed to integrate data from multiple systems into a unified environment with a single toolset for simpler and more effective reporting. A more detailed description of ALDER is included at Attachment C of this document.

#### **4.03 Prior Year Examination Results**

IRIS FIN system controls were examined in FY 2021 and material weaknesses in controls were identified. The resulting report concluded that effective controls were not maintained. IRIS HRM system controls were examined in FY 2021 and material weaknesses in controls were identified. The resulting report concluded that, except for the material weaknesses, effective internal controls were maintained. A copy of the prior year reports will be provided to the successful bidder.

## SECTION FIVE

### Scope of Work

#### 5.01 Scope of Work

The Division will require detailed, written documentation of all procedures performed, including, but not limited to, any checklists, working papers, or flowcharts obtained or created during the engagement. In documenting the results of the engagement, the contractor will also be required to identify control weaknesses, identify the types of potential misstatements that could occur, and identify the State's policies and procedures to prevent or detect these misstatements. These documents become the property of the Division and will be used in designing appropriate substantive testing to be performed.

After the contract has been awarded, the following key dates related to the examination apply:

Item	Anticipated Date of Action FY 22 Examination	Anticipated Date of Action FY 23 Examination
Project Starts	Monday, April 11, 2022	Monday March 20, 2023
Draft Copies of Report Delivered to DLA	Monday, June 13, 2022	Monday May 22, 2023
Final Copies of Report Delivered to DLA	Monday, June 27, 2022	Monday June 12, 2023

The engagement services will be made in conformity with the following guidelines and regulations:

1. The attestation standards adopted by the American Institute of Certified Public Accountants (**AICPA**)
2. The standards for attestation engagements set forth in the U.S. Government Accountability Office's (**GAO**) *Government Auditing Standards* (2018 - GAO-18-568G). An electronic version of this document can be accessed at: <https://www.gao.gov/assets/gao-21-368g.pdf>.
3. Applicable state laws
4. Special items or reports prescribed by the DLA as set forth in the attached Engagement Services Schedule (**ATTACHMENT A**).

DLA shall have the right to reject, at any time during this contract period, any work not meeting the terms of this contract. Should DLA reject any services, the DLA project director shall provide written notice to the contractor of such rejection, giving the reason for the rejection. Written notice shall be made either electronically or delivered via hard copy to the contractor, whichever method selected is in the sole discretion of DLA. The right to reject services shall extend throughout the life of the contract.



## **5.02 Documents**

The examination of IRIS and ALDER will result in separate reports. Each report should identify findings, including control weaknesses, and offer recommendations for improving those control weaknesses. Specifically, for each system examined, the Contractor will provide an Independent Accountant's Report on Management Assertions, which includes a statement describing the scope of the examination and time period examined. In conjunction with the Independent Accountant's Report on Management Assertions, the Contractor will also provide a Schedule of Findings that identifies control weaknesses and provides recommendations for improving those control weaknesses. DOF's assertions will be available prior to the start of the project.

The contractor shall provide five draft copies of the report providing assurances and identifying findings, including control weaknesses, and offering recommendations for improving those controls by 4:00 p.m. Alaska Time on June 13, 2022. Within one week, DLA will provide the contractor comments regarding the draft report. Upon acceptance of the draft report by DLA, the contractor shall deliver five final reports to DLA by 4:00 p.m. Alaska Time on June 27, 2022. The contractor will also be required to present the findings and recommendations in the report to management of the Alaska Department of Administration. The same process will occur related to the contractor's review of FY 23 controls in accordance with the anticipated dates identified on page 22 of this RFP.

The contractor acknowledges the Division is relying on the timely completion of these documents in planning the audits of the State's fiscal year 2022 and 2023 financial statements and acknowledges that it is critical that the reports are delivered on schedule. If the contractor fails to meet the completion date prescribed herein, DLA may, at its option, reduce the agreed compensation by an amount not to exceed ten percent (10%) of the total contract amount as liquidated damages for the failure to complete the contract by the completion date.

DLA's authorized representative is empowered to accept or reject the services furnished by the contractor in compliance with the provisions of this contract and the attached Engagement Services Schedule. However, any rejections of services must be based solely on the contractor's failure to comply with the terms of this contract and cannot be based on the nature of the contractor's report on the weaknesses in internal controls identified in its report. The contractor shall have a Certified Public Accountant (CPA) as the certifying official of each final report.

## **5.03 Detailed Written Documentation of All Procedures Performed**

At the same time the draft report is submitted after each engagement project, the contractor will provide detailed, written documentation of all procedures performed, including, but not limited to, any checklists, working papers or flowcharts obtained or created during the engagement. In documenting the results of the engagement, the contractor will also be required to identify control weaknesses, identify the types of potential misstatements that could occur and identify State's policies and procedures to prevent or detect these misstatements. These documents become the property of DLA and will be used in designing appropriate substantive testing to be performed.

## **SECTION SIX**

### **Proposal Format and Content**

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#### **6.01 General Instructions**

The Division discourages overly lengthy and costly proposals. In order for the Division to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

- (a) One PDF version via email per the instructions in paragraph 1.02 (Proposal Submission, Delivery, and Acceptance) of Section One (Notices to Offerors) of the RFP; or
- (b) Offerors must submit one (1) original hard copy and a USB flash drive containing a print-ready electronic PDF version of their technical proposal and one original hard copy of their Cost Proposal to the Issuing Office by mailing or hand delivery to the address listed on Page 1 of this RFP.

The proposal must be split into two parts: 1) a technical proposal and 2) a cost proposal.

#### **6.02 Technical Proposal Format**

In order to be a responsive bidder, the offeror will provide sufficient information related to the following six areas. All qualified proposals will be evaluated and scored as described in Section Seven (Evaluation Criteria) of this RFP, with the final selection made by the Division. Offerors are encouraged to organize their submissions in such a way as to follow the general evaluation criteria listed below. Information included may be used to evaluate the offeror's firm as part of any criteria regardless of where that information is found within these sections. Information obtained from the proposal and from any other relevant source may be used in the evaluation and selection process.

All proposals should include the following items in the order as shown below. Please be as concise and clear as possible. Each section should be titled with the corresponding section, with all relevant information included. Each page should be numbered consecutively.

The proposals received by the stated deadline will be ranked according to the following criteria:

##### **1. Cover Letter**

Provide a cover letter on the offeror's letterhead signed by a person with the authority, including fiscal authority, in the organization to bind the offeror, certifying the accuracy of all information in the proposal, that the proposal will remain valid for at least 90 days from the deadline for receipt of proposals, that the offeror meets all minimum requirements of the RFP, and that the offeror will comply with all provisions in this RFP. The cover letter should have the offeror's complete legal name, type of entity, address, telephone number, fax number, Alaska business license number or other forms of evidence of the license, and the firm permit number (the winning contractor will need to have a valid firm permit to conduct attestation engagements in Alaska), and should state whether, and how, the offeror qualifies as an Alaska Bidder. The cover letter must also include the name, mailing address, and telephone number of the person the Division should contact regarding the proposal.

**2. Relevant Firm Experience**

- a) A statement detailing the applicant's overall reputation, service capabilities and quality as it relates to this project.
- b) A statement detailing whether the applicant is Alaska owned and based, and if so, for how long. Where applicable, provide previous addresses if the applicant business has moved, if within the last ten years.
- c) List and briefly describe three comparable projects completed by your firm or currently in progress over the last five years; include your firm's role, and discuss contract amendment history, if applicable. For each project, include: contract value (original value plus all contract amendments, if applicable), project owner, project location, contact name and title, address, current/accurate telephone number, and email address (if available).
- d) A minimum of three referrals and references from other agencies and owners. If possible, references should be from the projects listed above and should be limited to projects completed in the last five (5) years.
- e) List all projects in the last five (5) years with the State of Alaska, or a statement that that your firm had no projects in the last five (5) years with the State of Alaska.
- f) A statement of applicant capacity and intent to proceed without delay if selected for this work.
- g) Photocopies (attached as a clearly marked Appendix to the response) of all relevant licenses, certifications, and permits, etc.

**3. Team Experience & Qualifications**

- a) Describe each team member's position within the firm. Provide resumes of each proposed team member. List education completed, including professional continuing education taken within the last three (3) years.
- b) Briefly describe each team member's role on this project. *Please note, once listed in your RFP submission, listed members may not be able to be reassigned without the approval of DLA project director; any reassignments are expected to have equivalent qualifications. Please choose individuals with this in mind.*
- c) Provide "team" experience working together on similar projects.
- d) Identify proposed subcontractors.
- e) Individually list any current employees who have previously been employed by the State of Alaska within the last five years. Include the government entity and dates of such employment.

**4. Project Understanding and Approach**

- a) Describe your understanding of the project including how the upgrade to IRIS during the audit period will impact the audit approach.
- b) Identify and discuss any potential problems you foresee during the design and implementation phase.
- c) Identify and discuss methods you would recommend to mitigate those problems.
- d) Describe and discuss your firm's areas of strength, as they would apply to this project.
- e) Describe your firm's limitations, as they would apply to this project.

**5. Approach to Project Management**

- a) Describe your firm's project management approach and team organization during all phases for similar projects. How would these areas apply to this project?
- b) Describe systems used for planning, scheduling, estimating, and managing project oversight and accountability services.
- c) Describe the firm's experience on quality assurance and dispute resolution.
- d) Describe the firm's Quality Assurance/Quality Control as it relates to data and other information gathering for this project. Include a statement about how that would be implemented in this project.

**6. Other Factors & Required Information**

- a) Provide current workload and ability to comply with the timeline detailed in sec. 1.04 (Contract Term and Work Schedule) of this RFP.
- b) Provide statement regarding your assurance that this engagement will not result in a conflict of interest—including, but not limited to, audit engagements, oversight over existing contracts outside of State government, and any other official reasons that a conflict of interest might be determined under State and federal law.
- c) Provide relevant factors that may impact the quality and value of work.
- d) List any special contract terms and conditions the firm/team would like to be considered for inclusion in any contract it might execute with DLA under this RFP. Inclusion of these contract terms are subject to the discretion of DLA.
- e) Provide the proposer's Federal Employer Identification Number.
- f) Provide a copy of the most recent quality review, including a statement indicating whether that quality review included a review of specific government engagements.
- g) Provide a schedule of professional Hours and Fees and a total Cost Statement (to be submitted in a separate envelope marked ("Costs Proposal").

### 6.03 Offeror's Schedule of Professional Hours and Fees

#### Section A. Proposed Hours/ Rates by Job Class

(To be submitted in a separate envelope marked "Costs Proposal")

List estimated FY 22 hours and rate by class of employee (Partner, Seniors, etc.)

Class	No. of Hours	Percentage of Total	Hourly Billing Rate*	Extended Rate No. Of Hours x Hourly Rate
Partners/Principals				
Managers/Supervisors				
In-Charge Seniors				
Seniors				
Intermediates				
Staff				
<b>TOTAL PROPOSED HOURS/COSTS</b>		<b>100%</b>		

List estimated FY 23 hours and rate by class of employee (Partner, Seniors, etc.)

Class	No. of Hours	Percentage of Total	Hourly Billing Rate*	Extended Rate No. Of Hours x Hourly Rate
Partners/Principals				
Managers/Supervisors				
In-Charge Seniors				
Seniors				
Intermediates				
Staff				
<b>TOTAL PROPOSED HOURS/COSTS</b>		<b>100%</b>		

\*The hourly billing rate reflected in this space should be an "all-inclusive hourly rate" and as such should include all additional incidental costs associated with the performance of the contract resulting from this RFP such as travel, lodging, per diem, technology, etc.

#### Section B. Hours by Engagement Area

(To be submitted in a separate envelope marked "Costs Proposal")

Provide estimated hours by major engagement area.

Major Area	FY 22 Examination		FY 23 Examination	
	Estimated Hours	Percent of Total Hours	Estimated Hours	Percent of Total Hours
Overall Planning				
Program Preparation				

IRIS/ALDER – General Controls				
IRIS/ALDER – Application Controls				
Supervision and Review				
Other				
<b>TOTAL PROPOSED HOURS</b>		<b>100%</b>		<b>100%</b>

#### **6.04 Offeror's Total Cost Statement**

(To be submitted in a separate envelope and file marked "Cost Proposal")

On firm letterhead, submit a statement in this format, signed by a member authorized to bind the firm:

Date

Kris Curtis  
Legislative Auditor  
PO Box 113300  
Juneau, AK 99811-3300

Dear Ms. Curtis:

We hereby propose to perform the examination of controls for Alaska's Integrated Resource Information System (IRIS) and Alaska Data Enterprise Reporting System (ALDER) in relation to your audit of the financial statements of the State of Alaska and its Single Audit for the fiscal year ending June 30, 2022 and fiscal year ending June 30, 2023. We propose a maximum of \_\_\_\_\_ professional hours and a maximum of \$ \_\_\_\_\_ in professional fees to complete this engagement.

FIRM

BY

TITLE

PHONE \_\_\_\_\_

#### **6.05 Evaluation Criteria**

All proposals will be reviewed to determine if they are responsive. They will then be evaluated using the criteria set out in Section Seven.

## **SECTION SEVEN**

### **Evaluation Criteria**

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It is the Division's intent to conduct a comprehensive, fair, and impartial evaluation of all proposals. All proposals will be reviewed to determine if they are responsive. They will then be evaluated using the criteria set out below. The total number of points used to score the responses is 100.

#### **7.01 Technical experience of the firm and understanding of the work to be performed – 45 Percent**

The number of years the firm has been performing engagements of the type under consideration should be included in the proposal as well as the degree to which the prior engagements are comparable to the work to be performed under this RFP. The quality and completeness of the project approach will be evaluated.

#### **7.02 Qualifications and previous experience of staff to be assigned to the project – 30 Percent**

Education, including continuing education courses taken during the past three years; position in the firm; and years and types of experience will be considered. This will be determined from the resumes submitted. An estimate of the number of hours for each person assigned to the engagement (both field staff and supervisory personnel) should be included in the proposal including staff from a subcontractor. The experience and education of staff assigned to the engagement will be considered to determine the ranking on this element. Qualifications prescribed by DLA are set forth in the attached Competency Schedule (Attachment B). References from prior projects may be contacted and used to evaluate offers.

#### **7.03 Contract Cost – 25 Percent**

Converting cost to points: The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the formula listed below. All offerors that qualify as an Alaska Bidder will receive a five (5) percent bidder's preference. This preference will be given before converting the cost to points. The procurement manager will be calculating this section of the evaluation criteria. The hourly rate may be computed for comparison purposes in the event extreme deviations in cost or hours are noted.

#### **Formula for Converting Cost to Points**

$$([PRICE\ OF\ LOWEST\ COST\ PROPOSAL] \times [MAXIMUM\ POINT\ FOR\ COST]) \div (COST\ OF\ EACH\ HIGHER\ PRICED\ PROPOSAL)$$



## ATTACHMENT A

### A. ENGAGEMENT SERVICES SCHEDULE

The following procedures must be performed by the contractor after a contract has been awarded. These procedures must be followed for the review of FY 22 controls and then again for the review of FY 23 controls:

- 1) Attend an entrance conference with the contractor's engagement supervisor, DLA's authorized representatives, and staff members of DOA, DOF, and OIT prior to the commencement of any work, in order to discuss the scope of services and other related factors.
- 2) Identify, review and document testing of the significant general and application controls related to IRIS for the financial and payroll software systems. This must evaluate the status of prior year examination findings related to the IRIS.
- 3) Identify, review and document testing of the significant general and application controls related to ALDER. This must evaluate the status of prior year ALDER evaluation findings.
- 4) Participate in biweekly meetings with DLA authorized representatives to discuss the scope of the work, progress to completion, impediments, and initial findings to date.
- 5) For both IRIS and ALDER examinations, procedures should include, but not be limited to, the following:

#### Planning and General Controls

- a) Prepare a formal, written audit program and gain an understanding of the business processes and internal controls. Document any Information Technology, network management and/or security software that will be used in performing the engagement.
- b) Identify and document all significant functions or sub-functions currently used in the IRIS/ALDER systems and the general management and organizational controls surrounding their operation.
- c) Review and document controls for computer services to address physical security, operations, systems software, change management, telecommunications, backup and disaster recovery/business continuity planning.
- d) Review and document controls for information security and privacy to address security administration, access control, data security, and program security.

#### Application Controls

- a) Review applications development of the IRIS/ALDER systems to address system development, project management, implementation and evaluation.
- b) Review the application maintenance process of the IRIS/ALDER systems.
- c) Develop, document and perform procedures that adequately review and evaluate application functions in relation to controls and risks.

- d) Assess risks for each function or sub-function based on relevant risk assessment criteria and methodology.
  - e) Evaluate current work assignments of personnel in relation to potential issues regarding segregation of duties.
  - f) Develop and execute any application control testing procedures as deemed necessary to support findings or assertions.
- 6) Produce adequate audit documentation to substantiate the examination and testing of general and application controls related to IRIS/ALDER.
- 7) Present each finding to management to obtain a written response for each finding.
- 8) Prepare a written report for IRIS and a written report for ALDER:
- a) Identifying findings, including control weaknesses, and offering recommendations for improving relevant controls and mitigating risks; remediation of any control weakness or functionality that poses a risk of potential fraud. This report should also identify the status of prior findings.
  - b) Offering assurance, for IRIS, on whether management maintained effective internal controls.
  - c) Offering assurance, for ALDER, on whether management maintained effective internal controls.
- 9) Attend an exit conference with the contractor's engagement supervisor, DLA's authorized representatives, and staff members of DOA, DOF, and OIT at the completion of the work, in order to present the findings and recommendations from the written reports.
- 10) Upon completion of the audit services for each examination, all documents identified in Section Five (Scope of Work) of this RFP shall be submitted to the DLA project director in accordance with the contractual provisions. All final documentation of services shall be submitted no later than the date specified.

## ATTACHMENT B

### A. COMPETENCY SCHEDULE

The staff performing the examination of the controls for IRIS and ALDER should be technically competent, having the skills and knowledge necessary to perform the work. Experience requirements identified below must be demonstrated through work on projects of similar scope. References for verification should be provided. All professional staff assigned to this engagement must meet the following competency requirements:

- Good communication skills, both verbal and written
- Ability to evaluate system and application documentation
- Knowledge of IT audit techniques and control procedures or knowledge of financial audit techniques and control procedures
- Knowledge and demonstrated experience

It may be unlikely for any one person to possess all of the technical skills necessary to successfully complete this audit. The professional staff must have a mix of understanding and technical skills in the following:

#### IRIS 4

- a) *Windows Server 2019*
- b) *Active Directory*
- c) *JBoss EAP*
- d) *OpenJDK 1.8*
- e) *BIRT 4.8*
- f) *Actian Data Integrator*
- g) *RHEL 7.9*
- h) *SOS Scheduler*
- i) *Versata Logic Server*
- j) *MicroFocus COBOL*
- k) *Oracle 19c*
- l) *SQL Server 2012/2019*
- m) *Kubernetes*

#### IRIS 3.9

- n) *Windows Server 2008 R2 Enterprise Edition*
- o) *Active Directory*
- p) *IBM HTTP Server*
- q) *IIS 6.0*
- r) *MS .NET framework 2.0*
- s) *Adobe Central Pro*
- t) *Actian Data Integrator*

- u) *RHEL 5*
- v) *Autosys*
- w) *WebSphere*
- x) *Versata Logic Server*
- y) *MicroFocus COBOL*
- z) *Oracle 11g*
- aa) *Oracle RAC*

ALDER

- bb) Microsoft SQL 2008
- cc) Oracle Linux
- dd) TomCat 9
- ee) SAP Business Object Enterprise 4.2
- ff) SAP Data Services 4.2
- gg) Oracle 18c ExaData Cloud at Customer

In addition, the certifying officer and senior level staff assigned to the engagement should meet the following additional verifiable requirements:

- A minimum of four years of experience in IT auditing (Required of senior level staff)
- A minimum of four years of experience in financial auditing (Required for at least one staff member assigned to the examination)
- Certified Public Accountant (Required of Certifying Officer)
- Certified Information System's Auditor (Required for at least one senior staff member assigned to the examination)

## ATTACHMENT C

### A. GENERAL DESCRIPTION OF IRIS AND ALDER

To support the State of Alaska's (SOA) financial and procurement management functions, the Advantage Financial and Procurement components exchange data with multiple SOA agencies and external organizations. In general, data exchanges are classified as either an inbound interface or an outbound interface. Inbound interfaces are those files received from external systems that provide data to IRIS. These interface feeds come from SOA agencies or external entities, such as banks. Inbound interfaces submit data to IRIS in the form of either new records or modifications to existing records. Outbound interfaces provide information from IRIS to other departmental applications or systems external to the SOA. The frequency of the execution of the interface process can vary from daily to annually, depending on the business need. The financial and procurement implementation is known as IRIS phase 3 (released July 6, 2015). For a graphical representation of the IRIS Application Architecture refer to the Exhibit. Note that items in grey (e.g., HRM Payroll) were part of the IRIS Phase 4 released January 17, 2017.

IRIS Phase 3 made use of approximately 90 interfaces that carry data to and from IRIS Financial and Procurement and other applications. The interfaces were designed, developed and tested by a blended team made up of contributors from the IRIS project team and the SOA's departments.

The implementation of the interface designs are achieved primarily by use of the Pervasive Data Integration (PDI) ETL (Extract-Transformation-Load) tool. The interfaces created by the departments are both inbound and outbound. The files they create and take in are in various formats (e.g., XML, character delimited, fixed format, etc.).

As in conversions, cross-walk tables are used by some IRIS interfaces to translate the State's legacy AKSAS accounting structures to the IRIS structures. These tables are used by providing a data string in a predefined format and "cross-walking" it to its corresponding IRIS values. The resulting value(s) are then inserted in the interface data.

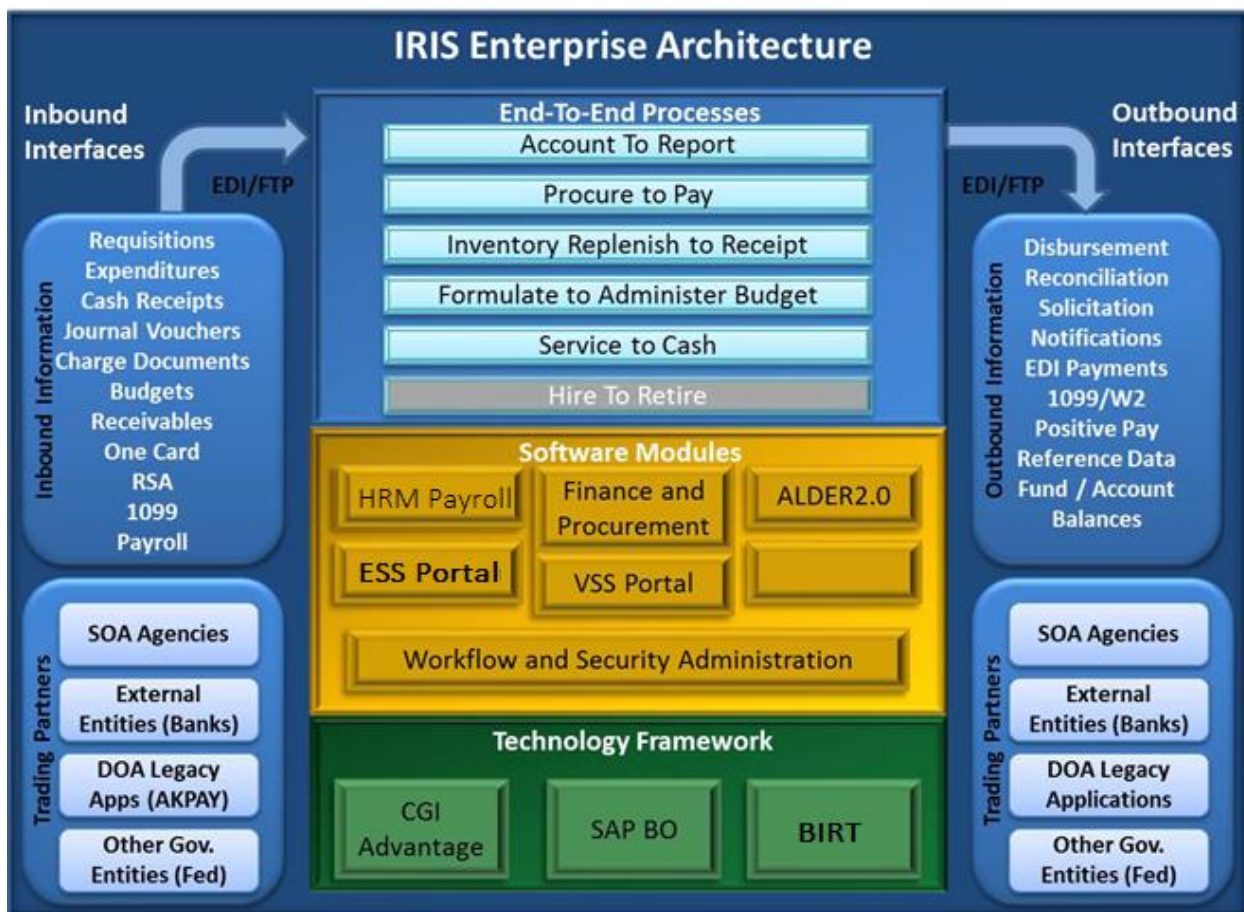
As of February, 2022, IRIS will be upgraded to CGI Advantage 4.4. SOA calls this implementation IRIS Advanced. This version leverages the latest technology with a mobile first design and a seamless, responsive experience from desktop, to tablet, to mobile, providing the ability to access information when users need it. Advantage 4 introduces a multitude of configuration options. According to the project manager, "this has allowed the SOA to tailor Advantage to our business, requiring less training and creating a more efficient workforce. This includes the ability to tailor the application based on a user's business role, allowing users to complete their tasks faster and with fewer errors. With streamlined data entry and tailored, simple screens based on what the user needs to do, Advantage 4 can help the SOA more efficiently meet our business goals."

CGI Advantage 4 uses a container deployment approach where CGI consultants retrieve application container images from their container registry. Container deployment provides superior control moving updates between non-production and production platforms. When a container image is created of an application component, that same container image can be used throughout the quality assurance chain through from development, QA and finally, to production

with only minor externalized configuration changes such as database connection. Containers are also largely isolated from the underlying OS so it becomes simpler to update the underlying hosts or VMs without impacting the application and vice versa. The SOA is using the Kubernetes container management platform by Rancher.

CGI Advantage 4 baselines many of the custom modifications originally made available in Advantage 3.9, and eliminates the need for other custom mods. CGI no longer maintains custom modifications for their clients by implementing new features to be switched on by configuration. CGI publishes three major releases annually ensuring that the SOA can keep IRIS Advanced current indefinitely.

The CGI Advantage data model is similar to Advantage 3.9 with expanded tables, new tables and some data normalization. Also, the new system has a common Administrative System rather than a separate one for FIN and for HRM. During the implementation, the Administrative Systems from the two platforms were merged. Furthermore, while Advantage 3.9 had users managed independently in FIN and in HRM, Advantage 4 unifies the user administration, and there is a single log-in for Advantage 4.



With the implementation of IRIS, the SOA transitioned from an environment where business functions and databases were isolated among departments, to an environment where information

is shared across business functions and organizational units. A key component of IRIS data sharing is the ALDER2.0 (Alaska Data Enterprise Reporting) Data Warehouse.

ALDER1.0 was the SOA's data warehouse and reporting environment that housed the State's decommissioned legacy payroll and financial accounting systems AKPAY and AKSAS, and historical recruiting data from the decommissioned WPA (Workplace Alaska) system. Due to IRIS' phased implementation, ALDER2.0's IRIS support was also rolled out in a phased fashion. The first interim deployment of ALDER2.0 supported the Financial/Procurement functions deployed in IRIS Phase 3. A subsequent deployment of ALDER2.0 added support for the human resources functions deployed in IRIS Phase 4. ALDER2.0 leveraged the SOA's investment in the ALDER1.0 solution and extended it to include the information made available by the implementation of IRIS. ALDER2.0 allows flexible end-user ad-hoc reporting in a manner staff were familiar with, and delivered enterprise level business performance measurement.

A key objective of the IRIS project is to support comprehensive decision making by providing stakeholders with up-to-date information in a format that is easily consumable. In addition to providing standard financial reports and procurement workflow information a set of Key Performance Indicators (KPI) have been designed that will measure the health of the IRIS business processes. Taken together these KPIs and standard reports enhance transparency into the workings of Alaska State government.

ALDER2.0 features four broad functional areas, each of which is divided into more discrete, functional areas. IRIS provides procurement, accounting, payroll, and human resources data. ALDER2.0 is hosted in the same environment as its predecessor but utilizes new database schemas, new script folders in a new abstraction layer, and new "universes" as part of the semantic layer. The existing schemas, abstraction layers and universes for the WPA reports were preserved and maintained into ALDER2.0. Additionally, existing schemas, abstraction layers and universes for existing AKSAS reports and data were preserved, though not updated in ALDER2.0.

While ALDER2.0 includes ad-hoc reporting capabilities similar to that in the existing ALDER1.0 solution, new capabilities of IRIS provides more robust day-to-day information management capabilities, the focus of reporting in the data warehouse will shift to reports that are management and analytical based. These classes of reports include dash-boards, performance measurement, predictive analysis, trending, data mining, and historical analysis. ALDER2.0 is positioned to provide both operational and business intelligence reporting.

Since IRIS Financial and Procurement were deployed first, while AKPAY still supported SOA's Human Resources functions during IRIS Phase 3, an interim deployment of ALDER2.0 to production also took place in Phase 3. Upgrades to ALDER 2.0 have occurred since initially introduced.