

ADDENDUM TWO

DATE: September 10, 2013

TO: All Vendors

FROM: Pete Kroll, Robert Thompson, Buyers
State Purchasing Bureau

RE: Questions and Answers for RFP Number 4468 Z1
to be opened September 24, 2013

Following are the questions submitted and answers provided for the above mentioned Request For Proposal. The questions and answers are to be considered as part of the Request For Proposal.

QUESTIONS	ANSWERS
<p>1. Page 45 of RFP 4468Z1, EES IV&V Services - Section V, Proposal Instructions; Sub-Section A, Technical Proposal; Sub-Section 4 Technical Approach; Items d and e state</p> <p>V.A.4.d A documented methodology for developing performance matrices that has proved successful on past projects. And</p> <p>V.A.4.e A documented methodology for developing the performance matrices. Are these requirements intended to refer to performance <u>metrics</u> (rather than matrices)? If not, please describe the performance matrix/matrices to which these requirements refer. Additionally, these appear to be duplicate requirements. Please clarify if these are in fact duplicates, and if not, please clarify the difference in Proposal response you are seeking.</p>	<p>The correct term is metrics.</p> <p>V.A.4.d and V.A.4.e are very similar but not the same. V.A.4.d asks for the methodology used on <u>previous</u> projects. V.A.4.e asks for the methodology that will be used on this project.</p>

QUESTIONS	ANSWERS
<p>2. I.A. 1 This section indicates that the Performance Bond is due on 11/11/13. Please provide the State's requirements for this bond. What is the expected dollar amount of the bond or percentage of Contract's bid price should be factored into the pricing? Will the State accept an alternative in lieu of a performance bond? If so, please describe.</p>	<p>Line 9 "Performance Bond Submission" has been deleted in its entirety from the Schedule of Events.</p>
<p>3. I.D 3 What are the names of the organizations that submitted questions in response to this RFP?</p>	<p>The intent of the Question and Answer section is to provide direct information relating to the RFP. The State of Nebraska will not be disclosing the names of the organizations/ individuals who have submitted questions at this point due to the current timeframe of the solicitation.</p>
<p>4. V.A 40 This section indicates that the Technical Proposal shall consist of four sections. In what section(s) should we include (1) our copy of the signed Terms and Conditions, and (2) the completed Form A, Bidder Contact Sheet?</p>	<p>Please include "Form A" in combination with the "Terms and Conditions" from Section III with the Technical Proposal as part of the "Request For Proposal For Contractual Services" section. Please see Section V. (A.1)</p>
<p>5. V.A.i 44 We have found that a cost-effective approach to IV&V can be deployed with periodic, but not full-time, on-site participation by IV&V resources. IV&V team members can effectively engage in the project utilizing a blend of on-site and remote interactions aided by teleconferencing and web-conferencing technologies. This approach also helps to reduce client expenses as we are able to provide more competitive pricing. Is the State open to this approach? Please explain.</p>	<p>The State will consider this approach with the following requirements:</p> <ol style="list-style-type: none"> 1. The IV&V Contractor must have an on-site presence Lincoln at all times; 2. The Bidder must document in their proposal what positions will be on-site part of the time; and 3. The Bidder must document in their proposal the percentage of time each position will be on-site.
<p>6. V.A.3.vi 45 This subsection requires State approval prior to assigning key project personnel to new/additional contracts. This assumes that key personnel are assigned on a full-time basis to this contract. Is this the State's expectation? Please explain.</p>	<p>The State does not assume Key Personnel to be full-time. However the State must approve the reassignment of Key Personnel to new contracts. Refer to RFP Section III.(I&J) Contractor Personnel</p>

QUESTIONS	ANSWERS
<p>7. V.A.4.d&e 45 These two subsections addressing “documented methodology” are fairly redundant to one another. Would it be permissible to combine these into one subsection? Please elaborate on the State’s expectations for the Contractor’s response to each item.</p>	<p>Please see Question 1.</p>
<p>8. V.B 46 What is the State’s anticipated budget for this project?</p>	<p>The State of Nebraska will not disclose this information at this time. All bidders should provide their best proposal to meet all requirements.</p>
<p>9. Form B Form B What is the timeframe for each Phase listed on this form? Can you please indicate when each deliverable will be due?</p>	<p>There is no direct relation to time when the word “phase” is used on Form B. The timeframe for each phase is dependent on the vendors response and approach to the IV&V RFP.</p>
<p>10. General Could the State provide an initial deliverable dictionary for the EES systems vendor on which the IV&V scope of work can be based?</p>	<p>The EES Contractor has not been selected therefore there is no initial deliverable dictionary.</p>
<p>11. General When does the State envision the release of the EES systems RFP?</p>	<p>The State of Nebraska will not comment on the status of any future RFP’s, including release dates. Please continue to watch the State Purchasing Bureau’s website for any bid opportunities.</p>
<p>12. General Does the State anticipate IV&V work commencing prior to the award of the EES systems contract?</p>	<p>Yes.</p>
<p>13. General Does the State anticipate issuing any other RFPs for work related to this project in addition to the IV&V RFP and the systems RFP?</p>	<p>No.</p>

QUESTIONS	ANSWERS
<p>14. II.A;II.F Page 2;Page 4 The RFP requests that bidders “Please note that the address label should appear in Section II part A as specified on the face of each container or bidder’s bid response packet.” Could the State please define how the term “container” is being used (i.e., is it the package or the binder)?</p> <p>Additionally, could the State please confirm or clarify that the intention of this sentence is that the two addresses listed in Section II part A must be provided as a label on all components of the response (e.g., the entire package, the original Cost and Technical proposals, etc.)?</p>	<p>The word “container” is referencing the main “packaging” provided by the bidder.</p> <p>The State of Nebraska does not require a label on each individual component.</p>
<p>15. II.F Page 4 Does the State require that the original copy be separately sealed, or is it sufficient that it be clearly labeled as the original version? If the former, does the State require both a separately sealed original Technical Proposal as well as a separately sealed original Cost Proposal?</p>	<p>The State of Nebraska will accept an original version contained in the same packaging as the required copies, contingent upon it is appropriately marked/labeled as per Section II.(F) of the RFP.</p>
<p>16. II.F Page 4 Does the State require that the Cost Proposal be submitted in a separately sealed package, or is it acceptable for the Cost and Technical to be provided in the same sealed package so long as they are provided in separate binders?</p>	<p>The State of Nebraska does not require the Cost Proposal to be submitted in a separately sealed package. The bidder should package the Technical and Cost Proposals separately as per Section II.(F) of the RFP.</p>
<p>17. III.A through III.AAA Pages 8 through 25 It is our understanding that the State is requesting that we initial each clause contained its Term and Conditions to indicate our acceptance or rejection. Where would the State like us to include our initialed version of this section of the RFP in our response package?</p>	<p>Please include “Form A” in combination with the “Terms and Conditions” from Section III with the Technical Proposal as part of the “Request For Proposal For Contractual Services” Section. Please see Section V. (A.1)</p>
<p>18. IV Pages 26 through 39 Does the State have any expectations regarding the number of full time staff required to perform the scope of work as described in Section IV?</p>	<p>No.</p>

QUESTIONS	ANSWERS
<p>19. IV Page 26 The RFP states, “An analysis was conducted by the Nebraska Department of Health and Human Services to determine the most desirable option for meeting ACA compliance, and CMS Seven Standards and Conditions as defined in Medicaid IT Supplement (MITS-11-01-v1.0).” If a final written report was generated, can the State provide a copy for our review?</p>	<p>Please see attached Appendix A.</p>
<p>20. IV.F Page 36 In this section, the RFP notes that, “all of the IV&V contractor’s personnel that attend any meeting with the Department or other Department stakeholders shall be physically present at the location of the meeting, unless the Department gives prior written permission to attend by telephone or video conference.” Does the Department extend the stakeholder umbrella to other project contractors, such as the EES systems contractor? Additionally, would the Department consider alternate approaches to this requirement for some meetings such as an on-site meeting participant with supporting team members joining by phone or video conference?</p>	<p>Yes, the Department will be extending this umbrella to other project stakeholders. The requirements clearly allow for alternate approaches if the Department gives prior written permission.</p>
<p>21. V.A Page 26 Where should Form A be included in our response package? If it is not a part of our Technical Proposal, does the State require multiple copies?</p>	<p>Please include “Form A” in combination with the “Terms and Conditions” from Section III with the Technical Proposal as part of the “Request For Proposal For Contractual Services” section. Please see Section V. (A.1)</p>
<p>22. V.A.3.h Pages 42 through 43 Could the State please confirm our understanding that the summary matrix is a listing of all previous relevant projects, and stands alone from the three (3) narrative project descriptions also requested in this section that will be used as references?</p>	<p>No. The State of Nebraska will select three (3) narratives from the summary matrix.</p>

QUESTIONS	ANSWERS
<p>23. V.A.4.d and V.A.4 e Page 45 Could the State please clarify its expectations for the “performance matrices,” which are noted in items d and e (e.g., expected frequency, anticipated level of detail, required information)?</p>	<p>Please see Question 1.</p> <p>V.A.4.d and V.A.4.e are very similar but not the same. V.A.4.d asks for the methodology used on <u>previous</u> projects. V.A.4.e asks for the methodology that will be used on this project.</p>
<p>24. Form B N/A In Form B, it is stated, “Detailed back up must be provided.” Could the State please clarify what constitutes “detailed back up”?</p>	<p>Bidders should provide their methodology and financial breakdown of how they arrived at their costs.</p>
<p>25. V 40 Is there any page limitation for any of the response sections other than the three (3) page limit for resumes?</p>	<p>No, just the three (3) page limit for resumes.</p>
<p>26. Scope of the Request for Proposal 1 The State precludes the awarded contractor for the IV&V contract from submitting a proposal in any subsequent contract related to the EES project. If we submit a bid for the IV&V contract, but are not awarded the contract, can we still submit for a subsequent EES bid?</p>	<p>Yes.</p>
<p>27. Cooperation with Other Contractors 12 Section G states that this contract may be awarded to two or more potential contractors. However, in Section IV. Project Description and Scope of Work (page 26), the fifth paragraph states that the Department will award one Contractor to fulfill all the IV&V responsibilities described herein. Can you please clarify how many contracts will be awarded?</p>	<p>The State of Nebraska intends to award the EES IV&V project to one contractor but reserves the right to award to two or more contractors.</p>

QUESTIONS	ANSWERS
<p>28. Independent Contractor 12 From time to time we contract with individuals or small consulting firms to provide services to us in a staff augmentation role. We may use these non-employee, independent consultants to provide a portion of the proposed services for this project. Would the State consider these non-employee consultants to be subcontractors as that term is used throughout the RFP?</p>	<p>Yes. Please see the requirements as identified in Section III (H, I & J) and Section V. (A.3.j).</p>
<p>29. Contractor Responsibility 12 Section I states that we cannot use any subcontractors not specifically included in our proposal in the performance of the contract. Would the State agree to a change in subcontractor in the event that a change would need to be made for circumstances beyond our control?</p>	<p>. Please see Section III (I&J).</p>
<p>30. General Did the state use a planning vendor to prepare the EES SI RFP and the IV&V RFP?? If so, who are they and are they allowed to bid on the IV&V services?</p>	<p>Yes. The State of Nebraska will not be disclosing this information at this time. Any contractor used during the preparation of the EES IV&V and the EES RFP is precluded from bidding on either project.</p>
<p>31. General What is the timeline for the EES project?</p>	<p>The timeline for the EES IV&V contract is the same as the DDI period of the EES contract.</p>
<p>32. General Is there a budget for the IV&V Services?</p>	<p>Please see question #8.</p>
<p>33. Financials 41 Due to the large volume of our financial data (over 200 pages for each year), would the State accept our financial statements on a CD/USB in lieu of the printed version? And if so how many (CD/USBs) do you require us to submit?</p>	<p>NO CD/USB will be accepted.</p>
<p>34. Personnel 43/44 Page 43 indicates that resumes for all staff should be included as part of the proposal, whereas page 44 indicates the Bidder should provide resumes for key personnel. Are resumes required for all staff?</p>	<p>The State of Nebraska follows the theory that the Bidder is in the best position to define the key personnel for the Contractor's approach to the RFP requirements. Key Personnel are directly responsible for management of the Contract; or those personnel whose professional/technical skills are determined to be essential to the successful implementation of the Contract.</p>

QUESTIONS	ANSWERS
<p>35. Technical approach 45 Bullet items d. and e. are similar in nature. Is there something different the State is looking for between these two questions? d. A documented methodology for developing performance matrices that has proved successful on past projects e. A documented methodology for developing the performance matrices.</p>	<p>Please see Question 1.</p>
<p>36. Personnel 45 Section V. states that project personnel may not be reassigned, but later in that section it clarified "key project personnel". Is it only key personnel who cannot be reassigned?</p>	<p>The State of Nebraska follows the theory that the Bidder is in the best position to define the key personnel for the Contractor's approach to the RFP requirements. Key Personnel are directly responsible for management of the Contract; or those personnel whose professional/technical skills are determined to be essential to the successful implementation of the Contract.</p>
<p>37. Section III, CC, Penalty 18 Would the Department consider removing the \$1000 per day Penalty for unapproved deliverables, since no payment for unapproved deliverables is allowed under the terms of item EE.PROHIBITION AGAINST ADVANCE PAYMENT (page 18) and item C. PAYMENT SCHEDULE (page 46)?</p>	<p>No.</p>
<p>38. Section IV, A Project Overview 27 Will the new EES application perform eligibility and enrollment for Non-Medicaid programs (TANF, SNAP, LIHEAP)?</p>	<p>No-Non-Medicaid programs are not part of the current scope.</p>
<p>39. Section IV, B, 1, c. 28 Are the Monthly Management Briefings conducted at a State provided facility?</p>	<p>Yes.</p>
<p>40. General Does the Department require that all IV&V work be performed on-site in Lincoln?</p>	<p>Please see Question 5.</p>

QUESTIONS	ANSWERS
<p>41. Section IV, C 34 The RFP states “<i>The IV&V Contractor shall perform ongoing program monitoring activities and shall review and validate issues/deficiencies/risks identified with the Department Project Management Team and the EES Contractor.</i>” Does the Department require a continuous IV&V presence in Lincoln over the term of the contract for “ongoing project monitoring”?</p>	<p>Please see Question 5.</p>
<p>42. Form B Cost Sheet Row 48 For Phase 6, an EES Management Report Document is listed. This is the only Phase (month) that requires this report and it is not described in the RFP. Can the Department clarify the intent of this report and how it differs from the Management Briefing Report?</p>	<p>The requirement is an error. Please see the attached Revised Form B Cost Sheet dated 09/10/13.</p>
<p>43. section IV, G, 1, I (and) section IV, G, 1, m Page 36, EES Estimating and Schedule Review Recommendations Report -this report is listed twice.– Are these duplicates? Should one be deleted or replaced with another deliverable?</p>	<p>The requirement is an error. Please see the attached Revised Form B Cost Sheet dated 09/10/13. Section IV (G,1,m) is deleted in its entirety.</p>
<p>44. section IV, H, 2, p Page 39 Work Breakdown Structure - Is this same as IV&V Project Schedule (see Page 36, section IV, G, 1, d)?</p>	<p>Yes, they are one and the same.</p>
<p>45. section V, A, 3, I Page 43, On page 43 it states resumes are required for ALL personnel proposed, yet on page 44 it states resumes are required for KEY personnel proposed. Are resumes required for ALL proposed personnel or just for KEY personnel? If required for ALL personnel, it then appears there are more requirements for the content of KEY personnel resumes (see page 44)?</p>	<p>Please see Question 34.</p>
<p>46. section V, A, 4 Page 45, Items d and e regarding performance matrices appear to be the same. Will the same response satisfy both requirements?</p>	<p>No. Please see question 1.</p>

QUESTIONS	ANSWERS
<p>47. phase 6 Page 2, This phase lists “EES Management Report Document” which is NOT mentioned in the RFP as an IV&V deliverable – in the RFP, page 29, section IV, A, 2, 2nd c, it references “EES Contractor submitted management reports” – Is the “EES Management Report Document” listed in the Cost Sheet, Phase 6, actually an EES Contractor deliverable and not an IV&V Contractor deliverable, and therefore should be deleted from the Cost Sheet? Note: instructions on the Cost Sheet state “Bidders cannot delete a deliverable”</p>	<p>Please see Question 42.</p>
<p>48. section V, A, 3, I Page 44-45 Ensure continuity of Key Staff - a previous paragraph on page 44, states “...describe policies, plans and intentions with regard to maintaining continuity of key personnel and the implementation team assigned to the project...”, yet this paragraph only mentions Key Staff. Should this apply to ALL personnel proposed? Is the IV&V vendor providing an “implementation team” or is this regarding the non-key personnel proposed?</p>	<p>The State of Nebraska follows the theory that the Bidder is in the best position to define the key personnel for the Contractor’s approach to the RFP requirements. Key Personnel are directly responsible for management of the Contract; or those personnel whose professional/technical skills are determined to be essential to the successful implementation of the Contract.</p>

Appendix A

Request for Proposal Number 4468Z1

1. Summary of the Alternatives Analysis

As part of the systems strategy development process for the Medicaid Eligibility & Enrollment and Information Systems project, we considered a number of system options for delivering integrated eligibility, enrollment and case management functionality which satisfies the requirements of the ACA. The options were ultimately consolidated into four primary alternatives for comparison and evaluation purposes. Those options were:

1. Maintain Status Quo
2. Ground Up Development
3. Incremental Modernization
4. Transfer/COTS System

2. Evaluation Criteria and Results

The set of criteria that was used to evaluate these alternatives was primarily based upon the architectural principles set forth by the Centers for Medicare & Medicaid Services (CMS), which are presented and described in the following table.

Table 2-1: Description of Evaluation Criteria

Criteria Used	Description
System Integration	<p>Applies a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces, and the separation of business rules from core programming, available in both human and machine readable formats.</p> <p>Ensures seamless coordination between Medicaid, DHCP, and the Exchange, and allows interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services.</p>
Service-Oriented Architecture (SOA)	<p>Employs common authoritative data sources and data exchange services such as but not limited to, federal and state agencies or other commercial entities.</p>
Isolation of Business Rules	<p>Uses standards-based business rules and a technology-neutral business rules repository.</p> <p>Enables the business rules to be accessible and adaptable by other states.</p>

Security and Privacy	Supports the application of appropriate controls to provide security and protection of enrollee and patient privacy.
Efficient and Scalable Infrastructure	Infrastructure Leverages the concept of a shared pool of configurable, secure computing resources
System Performance	Ensures quality, integrity, accuracy, and usefulness of functionality and information. Provides timely information transaction processing, including maximizing real-time determinations and decisions. Ensures systems are highly available and respond in a timely manner to customer requests.
Time to Implement	Timeliness of implementation in accordance with the ACA requirements. Ability to address scope of solution/system requirements for MAGI Eligibility by October 2013.
Cost	Minimizes impact on federal and state funding sources
Implementation Risk	Minimizes the implementation impact on existing operations.

Each alternative was evaluated against, and assigned a rating of high, medium or low based on the degree to which it satisfied each criterion. The high, medium, and low ratings were defined as follows:

- High the alternative meets the criteria to the fullest extent.
- Medium the alternative meets some aspects of the criteria.
- Low the alternative does not meet, or meets minimal aspects of the criteria.

The comparison of the alternatives based on the above evaluation is provided in the table below.

Table 2-2: Alternatives Comparison

Criteria/Alternative	#1: Status Quo	#2: Ground Up	#3: Incremental	#4: Transfer/COTS
System Integration	Low	High	Medium	Medium
Service-Oriented Architecture (SOA)	Low	High	Medium	High
Isolation of Business Rules	Low	High	Medium	High
Security and Privacy	Medium	High	Medium	High
Efficient and Scalable Infrastructure	Medium	High	Medium	High
System Performance	Medium	High	Medium	High
Time to Implement	High	Low	Medium	Medium
Cost	Medium	Low	Medium	Medium
Implementation Risk	Medium	Low	Medium	Medium

Based on this evaluation, alternative #4 Transfer/COTS System received the highest marks.

This alternative presents significant benefits to the Agency in terms of advancing its technology infrastructure; the biggest risk is associated with the likelihood of delivering a compliant system within ACA mandated timelines. A Transfer/COTS solution will need more lead time than the other alternatives to complete contracting, planning, and design activities to ensure that the

Solution meets DHHS requirements, thereby introducing risk that will need to be managed in order for the project to meet the October 2013 and January 2014 key milestones dates. Furthermore, implementation of a transfer/COTS solution heightens the risk of impact to the existing technical and programmatic operations.

Although there are risks, DHHS concluded, based on the review of the alternatives that the Transfer/COTS System approach is in the best interest of the project near term and the agency long-term.