

ADDENDUM FIVE

QUESTIONS AND ANSWERS

DATE: September 16, 2014

TO: All Bidders

FROM: Nancy Storant/Jennifer Crouse, Buyers
State Purchasing Bureau

RE: Addendum for RFP Number 4752 Z1 BAFO
to be opened September 19, 2014 at 2:00 p.m. Central Time

QUESTIONS AND ANSWERS

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. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

QUESTIONS	ANSWERS
<p>1. Topic: Clarification of bid type: fixed-price services vs. time and materials services, or both.</p> <p>References: (1) RFP Section V.B.1 Pricing Summary states:</p> <p>“This summary shall present the total fixed price to perform all of the requirements of the Request for Proposal. The bidder must include details in the Cost Proposal supporting any and all costs. These details must include, at a minimum, detailed descriptions and/or specifications of the goods and/or services to be provided, quantities, and timing and unit costs, if applicable.”</p> <p>(2) RFP Attachment Form A.1</p>	<p>This is a fixed-price bid, and as such all costs associated with software purchase, installation, and ongoing maintenance and licensing fees shall be noted on Form A.2.</p> <p>Form A.3 is the hourly rates associated with building the models as specified in the RFP. The State has estimated the number of hours they feel will be needed to build these models and the hours needed by the trainer. Any additional hours that will be needed by the modeler/trainers, that fall under the change management description, will be invoiced at the rates as bid on Form A.3.</p>

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<p>Requirements Traceability Matrix RTM-5 states:</p> <p>“Describe in detail the process that will be used to develop and implement the corporate income tax project. This should include time frames and State staffing requirements.”</p> <p>(3) RFP Attachment Form A.3 Fixed Hourly Rates states:</p> <p>“Please see Change Management as identified in Section V.B. of the RFP. These rates will only be used in the context of that section.”</p> <p>(4) RFP Section V.B.2. Change Management states:</p> <p>“The Department includes on-going software maintenance and updates as part of the contract requirements. However, there may arise from time to time a need for work not originally specifically delineated in this RFP but considered within the scope of work as it relates to technology. This additional work may stem from legislative mandates, emerging technologies, and/or secondary research not otherwise addressed in Section IV.” ...</p> <p>“The Contractor may submit Change Orders which fall under change management as described herein. An hourly rate for Change Management must be included on Attachment A, Form A.3 The Change Order must be acknowledged and accepted in writing by the Department before any additional work is undertaken.”</p> <p>Question: Reference (1) clearly states that the pricing summary should include a total fixed price to perform <u>all</u> of the requirements, and Reference (2) clearly states a requirement to develop and implement corporate income tax models. Therefore, it is reasonable to assume that what is being requested in the fixed-price is amount is a fixed-price for the services necessary to build the models. Further, Reference (3) states that the hourly rates to be quoted <u>only</u></p>	

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<p>apply in the change management context, and Reference (4) clearly states change management context to only include services <u>not</u> contemplated in the original scope of work. This reasoning led us to believe that the RFP was requesting fixed-price services for model development and hourly rates for additional work related to the contract but not specified in the requirements. The BAFO request emphasizes the need to use the provided cost forms without alteration, but the cost forms do not provide a way to itemize fixed-price services. Therefore, we assume that what you are asking for is:</p> <p>(a) Fixed-price <u>only</u> for software products and maintenance</p> <p>(b) Hourly rates for <u>all</u> services provided under the contract</p> <p>Can you confirm that this is the correct interpretation of the States' intent? If this is not the correct interpretation, please explain in more detail how to submit fixed-price services within the confines of the cost proposal forms.</p>	
<p>2. BAFO Form A.5 provides for entry of a single dollar cost value. Is the state intending this dollar value to include both product and services? For the services portion of the cost, is the state intending this to be a fixed-price bid amount for building a text mining or social networking model? Or, is the state essentially asking for the vendor to estimate the number of hours such a model would take to build and multiplying that hour estimate by the hourly rates from Cost Form A.3? Would the state consider amending the Form A.5 to clearly state the type of product and service cost bid that is being requested?</p>	<p>Form A.5 includes both products and services. The States intent is that this is a fixed-priced bid for the building of a text mining or social network model. This is an optional product/service that State may or may not implement.</p>

QUESTIONS	ANSWERS
<p>3. With respect to BAFO Form A.3, is it the State's intent to a) use the selected software solution to co-develop an application to identify corporate income tax non-filer and under-reporters, using state staff as well as expert resources provided by the selected vendor, or b) ensure their staff is trained to sufficiently support and modify the applications developed by vendor staff?</p>	<p>The State requirement is that the agency staff is trained to sufficiently support and modify the application developed by the bidders' staff as needed.</p>
<p>4. Our technical proposal for training provided the State a comprehensive training program that included professionally-developed commercial classroom training and other resources that are not priced as an hourly-rate based offering because they include intellectual-property, classroom materials and other media not compensated by an hourly rate. Conversely, other forms of training such as hands-on mentoring and on-the-job training can be provided on an hourly basis. It is not possible to provide the State best-value with a single all-inclusive training rate to provide all forms of training just mentioned. Would the state consider altering BAFO Form A.3 to allow for the differentiation of packaged fixed-cost training and hourly-basis training?</p>	<p>No, the State requires an all-inclusive hourly rate for training as specified in the RFP, Form A.1, RTM-25 and RTM-27.</p>
<p>5. With respect to BAFO Form A.5, there is no section that allows for the inclusion of a renewal cost table similar to what is listed in Form A.3. Does this need to be included in the BAFO as supporting cost information should the State elect to go with the optional cost proposal?</p>	<p>Renewal costs are not requested on Optional Form A.5. As noted on Forms A.2 and A.3 renewal costs shall not increase more than 2% per year.</p>

This addendum will become part of the proposal and should be acknowledged with the RFP.