

**State of North Dakota
Department of Human Services
600 East Boulevard Ave, Judicial Wing, 3rd Floor
Bismarck, ND 58505**

**SOLICITATION AMENDMENT 2
September 4, 2014**

REQUEST FOR PROPOSAL (RFP)

RFP Title: Integrated Eligibility Determination System

RFP Number: 325-14-050-031

The above referenced solicitation is hereby amended as follows:

Section 1.5 of the solicitation established a deadline for receipt of questions. The responses to these questions are provided as addenda to the solicitation. When necessary, the solicitation has been amended.

- 1. Question:** Your RFP states: "The STATE has submitted Implementation Advance Planning Documents (IAPDs) and has received approval from Centers for Medicare and Medicaid Services (CMS) and Food and Nutrition Service (FNS) for an integrated eligibility system and engaged services of an IV&V vendor for the project. The STATE has conducted high level requirements analysis for all program components and has conducted detailed requirements, design, and is in the process of final development and testing of phase one of the modernized system."

Who was the IV&V vendor and who was the vendor for development/implementation of the Phase One system? How can I obtain their proposal submissions?

Response: IV&V is Maximus and the vendor for development and implementation is the STATE's Information Technology Departments described in section 2.0 of the RFP. For a copy of proposals please submit an open record request to the procurement officer.

No amendment necessary

- 2. Question:** Will North Dakota consider a Commercial Off the Shelf (COTS) based solution that is in production in multiple states for either or both of the approaches outlined in the RFP Section 1.0?

Response: We are open to proposals that have a product in production in another state that meets the STATE's requirements.

No amendment necessary.

3. **Question:** Who is the current IV&V vendor? If you haven't selected one yet, how will you go about that? Might a consultant be hired to aid in the process?

Response: See response to question 1.
No amendment necessary.

4. **Question:** The question is in reference to RFP Section 6.2 B Limitation of Liability. As you may be aware, many Systems Integration vendors with a history of success in the Health and Human Services State Government Marketplace are not able to sign contracts that do not place reasonable limits on liability. For example, until recently the State of Oklahoma would not place any limit on liability and largely due to this provision, when it sought to procure a new eligibility system several years ago, no Systems Integrator bid on the RFP. As such, as it pertains to any Offeror's proposed modifications to the STATE's Terms and Conditions, will the STATE consider any exceptions and proposed language that places a reasonable and industry-accepted standard on the limitation of liability on all damages? Please note that Offeror will be unable to submit a bid if the STATE is unwilling to negotiate a reasonable limit on liability.

Response: Refer to Attachment G "Technology Contract" section 15 – 18. Both parties must enter into a contract that complies with the laws of North Dakota. As such, the STATE is able to negotiate terms within the limits set forth by law and can agree to terms that are in its best interest of the STATE. Parties may propose language after the pertinent section in the Contract. Should the vendor be one of the highest scores and reasonably susceptible for award, the STATE would negotiate within the limits of the law based on comments in the Contract (section 5.8 of the RFP) and in the best interest of the STATE.
No amendment necessary.

5. **Question:** Will the STATE accept and review bids for a commercial off-the-shelf (COTS) product for its Integrated Eligibility Determination System that has been implemented in other states but is not a transfer of a solution from another state?

Response: See response to question 2.
No amendment necessary.

6. **Question:** Can bidder include the experience and references from its full project team, including partners or subcontractors for meeting the mandatory requirements for this RFP?

Response: Yes. Offeror must identify the key personnel that will be directly involved in the project. See section 4.2 section 5A.
No amendment necessary.

7. **Question:** Has the STATE reviewed existing integrated eligibility determination system from other states - is there a preferred solution or technology?

Response: Yes we have reviewed existing integrated eligibility determination systems. Refer to the non-functional requirements identified in attachment B for the preferred solution or technology.

No amendment necessary.

8. Question: We are seeking a clarification regarding the transfer system requirement:

1a. Is the STATE interested only in bringing a complete existing implementation into the STATE or is it really your desire to look at proven technology such as a COTS solution that has been implemented elsewhere? If the latter is the case does the transfer need to only be from one State or can it be various pieces (modules) that come from various States?

1b. Given that the STATE will have to accept business processes of the other States with transfer solutions or expend significant effort and funds to change these transfers to meet your business processes and accept the associated risks of customizing the transfer system. Will the STATE consider the option to have a “clean” installation with a COTS solution, if you will allow COTS?

1c. Given the newness of trends in eligibility and enrollment systems, any older solution could well be out of date related to technology and regulations and thus need significant work to make the solution acceptable to North Dakota, which of course brings its own risks; is the STATE willing to reconsider the requirements of years of previous service when considering COTS type solutions, if they are willing to accept these at all?

1d. If the STATE requires only complete system transfers from another State, which States meet your acceptance?

Response: 1a: See response to question 2. The STATE believes the speed of implementation would be enhanced with a transfer of a system that has a proven integration of all six programs. The STATE is not opposed to considering a Commercial off the Shelf system that can meet this criteria.

1b. The STATE expects there will be some degree of modification to meet our rules and regulations

1c. No

1d. All States operate these six programs. In North Dakota today, we support these six programs with five separate information systems. The purpose of this RFP is for the STATE to evaluate options that are available in the market that will provide for a single integrated solution. Our definition of a single integrated solution will be demonstrated by clients and county workers being able to navigate the system through seamless user interfaces within a single system that allows for appropriate sharing of information across programs.

No amendment necessary.

9. Question: What is the total budget for this RFP?

Response: Refer to section 2.2 in the RFP and the response to question 10.

No amendment necessary.

10. Question: Should the STATE be required to obtain additional funding to complete this initiative, should there be consideration by the successful vendor for the potential interruption of the program during the period when additional funding is being secured?

Response: It is not anticipated that the STATE will exceed our budget authority prior to the next legislative session.

No amendment necessary.

11. Question: Does the STATE have ETL and Testing tools currently in place and readily available to be leveraged by the successful vendor?

Response: The STATE's existing ETL and Testing tools can be leveraged. However, the offeror is open to propose their own tooling preferences.

No amendment necessary.

12. Question: Will the STATE accept vendor provided templates for Deliverable submission or will the STATE provide templates and require the successful vendor to conform?

Response: Offeror templates will be accepted; however, STATE may require certain artifacts or content.

No amendment necessary.

13. Question: RFP 2.0, Pg. 9; Attachment A, Pg. 4 - FileNet for Case File document imaging is identified as being "in progress." Attachment A implies FileNet P8 is the current case management EDMS. What is the current projected implementation date for commissioning the FileNet system, or is it already in production use? What is the current Doc/Image management system if FileNet is not yet in production for Case File management?

Response: FileNet is currently in production for the imaging and storage of case files for approximately 90% of our 53 counties.

No amendment necessary.

14. Question: RFP 2.0.G – MMIS - What is the target implementation date for the replacement/new MMIS? If this date is not met, is it expected that the IE system will interchange real-time transactions with the legacy MMIS (according to the Attachment J specification), or will some other interface standard be required i.e. batch.

Response: The interface requirements outlined in Attachment J apply to both legacy and the new MMIS.

No amendment necessary.

15. Question: Attachment A; Attachment B, NF177-NF181 - What is the STATE's (ITD's) technical architecture to support Disaster recovery / business continuity if its primary data center should suffer a catastrophic failure? What is the STATE's present preferred hardware, network, environmental, and data center options to support the recovery/continuity objectives expressed in Non-Functional requirements 117 through 181?

Response: The STATE's (ITD) preference is to leverage the existing VMware ESX infrastructure utilizing Site Recovery Manager.

No amendment necessary.

16. Question: Assuming a STATE/ITD hosted solution, what procurement time-frames are typical for acquisition and deployment of standard key system components, such as: servers; supporting network fabric; middleware/database; SAN storage?

Response: The STATE's (ITD) typical acquisition and deployment window is 30 days.

No amendment necessary.

17. Question: Attachment C, Q13 - Is question 13 requesting a listing of the Data Elements of the proposed system's internal data model, or is this a request for a listing of data elements expected/required by the proposed system to be supplied by systems external to the proposed system?

Response: This will be removed and will not require a response.

Amendment: Section Attachment C, question 13 is amended as follows: Delete question 13 in its entirety.

18. Question: In Attachment B, tab M2-Functional, requirement M2F62 does not have an accompanying description. Please supply the requirement description or indicate if the requirement has been removed.

Response: This was removed, M2F62 is not a requirement.

Amendment: Section Attachment B, tab M2-Functional requirement M2F62 is amended as follows: Delete M2F62 in its entirety.

19. Question: In 2.0 Section F of the RFP, the STATE's Medicaid program is described. What is the current caseload for Medicaid cases?

Response: Medicaid's current caseload is 63,000 individuals.

No amendment necessary

20. Question: Our application is a Commercial Off The Shelf (COTS) program with support for all six programs plus the ACA components. Must all capabilities be live in the same system for over a year?

Response: All programs must have been in production for one year with the exception of the ACA components and stated in section 3.0 of the RFP.

No amendment necessary.

21. Question: Is the State of North Dakota currently using components (Rules Engine, Case Management etc...) from other State's Integrated Eligibility Determination Systems in their current environment? If so, please describe.

Response: No.
No amendment necessary.

22. Question: Does the State of North Dakota wish to leverage any components of its current Integrated Eligibility System or do they intend to replace all existing components?

Response: The STATE's two approaches we will consider are discussed in the RFP, refer to the approaches as defined in sections 3.0 and 5.1
No amendment necessary.

23. Question: 1.0 Purpose of the RFP, pg 4 - Will the STATE please clarify what is meant by "transfer of a system that is currently in production"? Would a Commercial Off-the-Shelf (COTS) system that is currently in production satisfy this description?

Response: See response to question 2
No amendment necessary.

24. Question: 1.0 Purpose of the RFP, pg 4 - This section states that the system must "[have] the capability of integrating all or portions of the STATE's existing Medicaid Affordable Care Act (ACA) solution." Will the STATE please define "capability" as it relates to this RFP? (i.e., The system can provide the integration but is not priced into nor part of the response to this RFP. Or, the system can provide the integration and all necessary software and services related to the application are included in the RFP response.)

Response: In regard to Approach two, the proposed system must be capable of providing the integration and all necessary software and services related to the application, however the system should align to the state's approach to MITA maturity for business, architecture, and data.
No amendment necessary.

25. Question: 1.0 Purpose of the RFP, pg 4 - Are Approach One and Approach Two listed in section 1.0 Purpose of the RFP required to comply with CMS' Seven Conditions and Standards, as well as with the current version of CMS' MITA 3.0?

Response: The ACA component must meet the Seven Conditions and Standards. Currently there is no federal requirement for Medicaid Eligibility systems to be MITA 3.0 compliant.
No amendment necessary.

26. Question: 2.0 Background Information - In paragraph 2, the STATE mentions it has received approval from CMS and FNS for the "engaged services of an IV&V vendor." Are IV&V services included as part of this contract or will they be solicited in a separate bid?

Response: No. Through the solicitation process, the STATE has contracted with Maximus for IV&V services for this project.
No amendment necessary.

27. Question: 2.0 Background Information - Paragraph 3 states that “Due to the delay in deploying phase one, the STATE is exploring options for accelerating the full system replacement through the transfer of another state’s system versus a system build.” Would a currently implemented COTS system from another state meet this option?

Response: See response to question 2 of this amendment.
No amendment necessary.

28. Question: 3.0 Scope of Work - Approach Two states, “The STATE is soliciting proposals for a contractor that has the capability of integrating all or portions of the STATE’s existing phase one solution with the transfer of an existing integrated eligibility determination system.” Will the STATE please provide detailed information regarding its existing phase one solution, which would allow vendors to determine the scope and level of effort required to integrate the existing phase one solution with the transfer system.

Response: The STATE’s existing phase 1 solution is comprised of high level functional components as defined in section 3.0 of the RFP.
No amendment necessary.

29. Question: 3.0 Scope of Work - Approach Two states, “The STATE is soliciting proposals for a contractor that has the capability of integrating all or portions of the STATE’s existing phase one solution with the transfer of an existing integrated eligibility determination system.” Will the STATE please define “capability” as it relates to this RFP?

Response: See response to question 24.
No amendment necessary.

30. Question: 3.0 Scope of Work - Approach Two states, “That system must be in production with Medicaid, CHIP, TANF, SNAP, LIHEAP, and CCAP for a minimum of one year with the exception of ACA system components. Offeror’s ACA components must be in production but consideration will be given for deployment within the last year.” Is the STATE’s existing phase one solution in production and providing all of the aforementioned functions?

Response: No. The STATE’s phase 1 implementation was limited to ACA related functionality. Refer to section 2.0. Phase one includes the Medicaid coverage groups Modified Adjusted Gross Income (MAGI) Medicaid, MAGI CHIP, MAGI transitional and extended, and MAGI Medical Needy requirements of the ACA. It also includes other system enhancements necessary to ensure

compliance with ACA mandates. Phase two is comprised of TANF, LIHEAP, SNAP, CCAP, and the remainder of the Medicaid programs.

No amendment necessary.

31. Question: Attachment G, Section 5 - Will the STATE please clarify the anticipated duration of the contract?

Response: It is important to the STATE to maximize the CMS 90% federal matching funds set to expire December 31, 2015. That being said, a thorough understanding of the successful proposal is necessary to fully determine the appropriate vendor and state resources and correspondingly, the duration of the contract.

No amendment necessary.

32. Question: Attachment G, Section 8 - The force majeure section seems unintentionally to limit the definition of “force majeure” to “fire, riot, acts of God or war.” Would the STATE interpret force majeure more broadly to include all events not reasonably within the control of a party, e.g., “strike, embargo, insurrection, terrorist acts, civil disturbance, epidemic, court order, acts of civil or military authorities, government act or omission”?

Response: Vendors may add suggested language to Attachment G, Section 8 and refer to section 5.8 of the RFP. Should the vendor be one of the highest scores and reasonably susceptible for award, the STATE would negotiate within the limits of the law based on comments in the contract.

No amendment necessary.

33. Question: Attachment G, Section 9.b. - What would be the liquidated damages for failure to complete on schedule?

Response: The amount of liquidated damages will be an amount that reasonably sets forth an estimate of damages the STATE would incur if the triggering event occurs. A thorough understanding of the successful proposal is necessary to fully understand that amount.

No amendment necessary.

34. Question: Attachment G, Section 12- Will the STATE provide notice and reasonable opportunity to cure prior to withholding payments?

Response: Vendor may add suggested language to Attachment G, Section 12 and refer to section 5.8 of the RFP. Should the vendor be one of the highest scores and reasonably susceptible for award, the STATE would negotiate within the limits of the law based on comments in the contract.

No amendment necessary.

35. Question: Attachment G, Section 15 - Will the STATE clarify what is meant by the statement that the “obligation to defend, indemnify, and hold harmless does

not extend to professional liability claims arising from professional errors and omissions”?

Response: The successful vendor’s obligation to indemnify the STATE is not triggered by claims related to professional errors and omissions. A fuller understanding may be obtained through consultation with an offeror’s legal counsel.

No amendment necessary.

36. Question: Attachment G, Section 17 - Will the STATE clarify the reference to “[INSERT OTHER AGREED UPON WARRANTY LANGUAGE HERE]”?

Response: Reference sections 3.3 A and 5.8 of the RFP.

No amendment necessary.

Question: Attachment G, Section 19 - Will the STATE consider a license back right for non-custom components of the solution?

Response: The STATE will consider a license back to the extent permitted by law and in the best interest of the STATE.

No amendment necessary.

37. Question: Attachment G, Section 24 - Will the STATE allow for exceptions in the event key personnel leave their employment on their own volition, for illness, or other reasons outside the control of Contractor?

Response: Vendor may add suggested language to Attachment G, Section 24 and refer to section 5.8 of the RFP. Should the vendor be one of the highest scores and reasonably susceptible for award, the STATE would negotiate within the limits of the law based on comments in the contract.

No amendment necessary.

38. Question: Attachment G, Section 33 - Will the STATE provide for reasonable protection of Contractor’s proprietary trade secrets?

Response: See response to question 4.

No amendment necessary.

39. Question: RFP Amended 08-22-2014, Section B. Limitation of Liability - We recognize and respect the STATE’s establishment of a statutory prohibition the limitation of direct damages, but we nevertheless note that any large and well-established bidder will need to balance its return on any work with a government with some level of risk management. Would the Agency, in consultation with the Office of the Attorney General agree to negotiate the inclusion of a limitation of liability on a contractor’s indirect, consequential and punitive damages that will be incorporated into the Final Contract? And toward that same end, we encourage the Agency to consider other creative ways to identify areas of limitation across different scopes of work or areas of responsibility within the Contract. For

purposes of clarity, this limitation is wholly separate from the issue of any indemnification obligation in favor of a contractor or supplier.

Response: See response to question 4.
No amendment necessary.

40. Question: Attachment G Technology + Contract, Section 15. Indemnity - A large and well-established bidder's response and submission to the STATE's invitation to bid, is dependent upon its ability to negotiate and reach mutual agreement upon critical industry standard terms and conditions applicable to other similarly situated projects. Toward that end, will the Agency confirm whether the STATE will negotiate and consider an industry standard Indemnity obligation in which the Contractor would only be obligated to indemnify the STATE for actions that are within its control and are unrelated to delivery or performance of its agreed-upon contractual obligations. We propose this approach as a function of establishing an industry standard agreement that reflects traditional government contracting protocols and risk management practices for both parties

Response: See response to question 4.
No amendment necessary.

41. Question: Attachment G Technology + Contract, Section 17. Representation and Warranties - In reaching Agreement on a Final Contract concerning Warranty provisions, we encourage the STATE to consider, as an overarching principle, that Contractors can only be responsible for the actions and performance activities of deliverables, products or persons under their direct control in a commercially reasonable timeframe. In addition, we encourage the STATE to consider that any Warranty provision should recognize the important difference between a 3rd party providers' obligations in an Integrated Eligibility System Contract, and the standard warranty obligations that System Integrators will provide during a defined period of time concerning its Services. Would the STATE consider these points during any future negotiation over the development of a commercially reasonable, mutually-balanced, Warranty provision in the Final Agreement?

Response: See response to question 4
No amendment necessary.

42. Question: Attachment B, Functional Requirement M2F595 - Attachment B, Functional Requirement M2F595 states that "The system must be able to determine eligibility automatically based on input data and program business rules". Is the STATE requesting that MAGI eligibility be determined and results provided back to the applicant immediately? Additionally, is it a requirement of the system to be able to determine eligibility and establish a case without caseworker intervention?

Response: Yes and yes

No amendment necessary.

43. Question: Attachment B, Non-Functional Requirements No. NF7 - Just to confirm, is the STATE requiring all 6 major programs to be MITA compliant? What about the circumstance when the programs implemented were before MITA compliance was established?

Response: The ACA component must meet the CMS Seven Conditions and Standards. Currently there is no federal requirement for Medicaid Eligibility systems to be MITA 3.0 compliant; however the system should align to the state's approach to MITA maturity for business, architecture, and data.

No amendment necessary.

44. Question: RFP Amended 08-22-2014, Section 3.4. Offeror Experience and Qualifications Mandatory Requirements - How many years of Integrated Eligibility project experience will the STATE require of bidder Key Personnel?

Response: Key Personnel are required to have a minimum of three years of experience in the role that they will be fulfilling.

Amendment: Amend section 4.2 section 5 **Delete** the sentence: The contractor must provide key personnel, who have previous experience of providing quality work on projects of similar scope and size, to ensure successful design, construction and implementation of this project. **And replace with:** The contractor must provide key personnel, who have a minimum of three years of experience providing quality work on projects of similar scope and size, to ensure successful design, construction and implementation of this project.

45. Question: RFP Amended 08-22-2014, Section 1.0 Purpose of RFP - Will the STATE consider a solution where all 6 major programs are in production in different States as opposed to all programs running in one State?

Response: See responses to questions 2 and 20.

No Amendment necessary

46. Question: Attachment D, Hosting Questions - We understand the North Dakota Century Code requires that the STATE's Information Technology Department (ITD) host all information systems unless a hosting exemption is granted.

- a. Will the STATE consider a Software-as-a-Service (SaaS) solution?
- b. Would the STATE be willing to have another State host their IE system? If so, will the STATE allow storing of personal and confidential citizen information outside the STATE?
- c. Is the STATE's Integrated Eligibility System data allowed to be stored outside of the United States?

Response: a. The STATE will evaluate proposals and select a proposal based on the evaluation criteria in section 5.1 of the RFP.

b. The STATE will evaluate proposals and select a proposal based on the evaluation criteria in section 5.1 of the RFP. Yes, the STATE may agree to allow personal and confidential citizen information to be stored outside of the STATE but within the United States.

c. No

No amendment necessary.

47. Question: RFP Amended 08-22-2014, Section 5.2 Proposal Evaluation, Sub-section B Responsibility - We understand the STATE has made two Deloitte site visits to Montana and Michigan. Has the STATE visited or will the STATE consider other vendor site visits?

Response: Please reference section 5.6 "Demonstrations" of the RFP. The STATE is now in an RFP process and will accept demonstrations based on section 5.6.

No amendment necessary.

48. Question: RFP Amended 08-22-2014, Section 3.2 Information Technology Solution, Sub-section E Location of Work/Travel - How many key people are expected to be onsite in ND for the duration of the project? Which roles does the STATE consider Key?

Response: We expect the offeror to propose who the key personnel for their solution are and their anticipated on site durations.

No amendment necessary.

49. Question: RFP Amended 08-22-2014, Section 3.2 Information Technology Solution, Sub-section E Location of Work/Travel - Will the STATE consider work to be performed off-shore? If so, what percentage of off-shore work will the STATE allow?

Response: Yes. The expectation is that they would be available during normal STATE business as necessary.

No amendment necessary.

50. Question: 3.4.C - Offeror Experience and Qualifications Mandatory Requirements - Will the offeror be considered if offeror qualifies on 3.4.A, 3.4.B and 3.4.D, however has six years professional experience performing similar IT Consulting?

Response: Section 3.4 defines the mandatory requirements.

No Amendment necessary

51. Question: 3.0 Scope of Work - Is the STATE willing to consider a COTS solution that contains most of the functionality that STATE is looking for? The missing functionality in the COTS solution can be configured/customized as per STATE's requirements.

Response: See response to question 2 and section 3.0 of the RFP
No Amendment necessary

52. Question: 3.2.A Operational Reporting - Please specify the total number of reports that would need to be created. Also provide the classification of reports in terms of High, Medium, Low complexity.

Response: The base system is expected to fulfil the operational reporting and information analysis needs necessary to support the business's functional requirements. The total number reports will depend on the flexibility of the base system to expose operational information to the user base in addition to the federally mandated reports.

No Amendment necessary

53. Question: General - What is STATE's total budget for this procurement?

Response: See response to questions 9 and 10 of this amendment.

No Amendment necessary

54. Question: 3.2.C Licensing - Will the license be used only for ND DHS Eligibility System or state-wide?

Response: Statewide. Refer to section 2.0.

No Amendment necessary

55. Question: 3.2.A Data Conversion - Instead of having standard data conversion approach, does the offeror has the option to propose possible data conversion solutions that aren't quite time-consuming and require a separate conversion team and management of that team?

Response: We will review all proposals and evaluate based on the criteria in the RFP.

No Amendment necessary

Any questions regarding this amendment must be submitted in writing to the undersigned Procurement Officer.

Carol Cartledge

Procurement Officer

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