

**NJ DOL
UNEMPLOYMENT INSURANCE OPERATIONS MODERNIZATION
PROJECT SERVICES
2004-x-36355
QUESTIONS & ANSWERS
November 17, 2003**

1. What is the small business set aside requirement of this procurement? **There is no set aside requirement for this procurement.**
2. For this particular procurement, liability is limited to two times the value of the project. The language change is as follows:

Substitution of Section 2.2 Language of the State's Standard Terms and Conditions.

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 200% of the value of the contract, except that such limitation of liability shall not apply to the following:

A. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor; and

B. The contractor's breach of its obligations of confidentiality. The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the Standard Terms and Conditions. The contractor shall not be liable for special, consequential, or incidental damages.

MGD

3. Will a site to perform the work be provided or is that the responsibility of the bidder? **Workspace to accommodate the vendor's staff will be provided by the State.**
4. Will contract performance related computer equipment be provided or is that the responsibility of the bidder? **The State will provide the contract performance**

related computer equipment required to conduct the VV & T testing. The vendor is expected to provide their own PC equipment for Project Services.

5. Will internet and intranet access to the testing and development environments be provided or is that the responsibility of the bidder? **Yes, internet and intranet access to the testing and development environments will be provided by the State.**
6. Will there be a separate bid for the VVT Testing portion of the project that is separate from this bid? **No. The requirements under this RFP as referenced in Section 3.5 include the VV & T testing portion.**

Infotech Research International

7. We understand that project oversight responsibilities assumed by the PS Contractor extend beyond the NJ SUCCESS “work stream” to encompass additional projects within other work streams (foundational, organization and cultural, IT business prep). To what extent should the bid consider costs associated with providing project oversight assistance to the PMO above and beyond procuring and building NJ SUCCESS?

As referenced in Section 3.4 and 3.4.3.1, the UI Modernization Project consists of four work streams: Foundational Projects, Procure and Build NJ SUCCESS, UI Organizational and Cultural Change and State IT Business Preparation. A complete listing of all projects in each work stream can be found on the appendices website <http://www.state.nj.us/labor/UImod/UImod.html> under UI Modernization Documents, in both the Executive Summary and the Strategic Plan documents. All responses must include the costs associated with providing project oversight service assistance to the PMO for all of the work streams.

Alterion, Inc

8. Is the vendor who was awarded the contract in October 2002 related to this project eligible to bid or subcontract for this RFP? **Yes, the contractor for contract T-2074 is eligible to bid on RFP 2004-x-36355. Neither the vendor for contract T-2074, nor the subcontractors for contract T-2074, nor the contractor or subcontractors for RFP 2004-x-36355, will be eligible to bid, subcontract, or render any assistance to a bidder for the implementation phase of UI Modernization (referred to as “DDI” in RFP 2004-x-36355).**
9. Please clarify the use of the Price Schedules for one time deliverables and ongoing deliverables. For example, in Task 3.4.3.2 Project Scope Management, there are two deliverables that are delineated on Price Line 13 and 14, which would seem to be completed near the beginning of the project, however there are ongoing tasks for the duration of the project. Should Price Lines 13 and 14

include the on-going review, or should that be included as part of Price Line 1? If it is to be included in Price Line 13 and 14, when will the vendor be compensated?

On-going maintenance may be included in price line 1, but it shall not be included in price lines 13 and 14.

Price lines 13 and 14 reflect specific deliverables which will be compensated (less the retainage) upon formal acceptance of the deliverables by the State. For purposes of clarity, the bidder shall provide specifications of what they acknowledge to be covered as an on-going activity payable through price line 1.

10. Will the resulting contract be fixed price? **Yes.**
11. Is there a budget for this project? **Yes, it is not available at this time.**
12. Is there a budget for the subsequent DDI project? **Yes, it is not available at this time.**
13. How is this project funded? General Fund? Unemployment Compensation Fund? Federal Funds? **NJDOL has funds available to support this engagement.**
14. Since the system has not yet been designed and the scope of the system has not yet been finalized, it is difficult for a proposer for this RFP to fix the scope of the VVT services. Is it possible to base the proposal on fixed number of hours set by the state or by the vendor, or some other means to agree upon the scope of work? **The State is relying on the bidders to provide their professional estimate and recommendation for staffing, scheduling and cost based on the volume and other details provided in the RFP.**
15. In reference to 3.6.1 - Contractor Project Administrators, please clarify if the full time requirements apply to all 60 months of the project. For example, the VVT services begin about 9 months into the project, and there could be a lull in the project after the DDI project RFP is issued and prior to receipt of proposals and evaluation. **These nuances should be addressed in the bidder's proposed schedule and assignment of personnel.**
16. Would the State of NJ consider breaking apart the RFP into small more focused tasks or entertain a proposal focusing on only specific areas? **No.**

KPMG

17. Provide a list of the bidders who submitted proposals for the Unemployment Insurance Operations Modernization Contract (T-2074). **The following vendors submitted bids for contract T-2074:**

cyberThink
Deloitte Touche
eVisory
Fujitsu
Gartner
GovConnect
Indus
KPMG
Mathtech
Maximus
PA Consulting
Q Data USA
Rohn
Spherion
TRW
Unisys

18. I understand that the contract (T-2074) was awarded to PA Consulting for a total fixed price of \$849,970. Is this correct? **Yes.**
19. Were there any exceptions made to the State's Standard Terms and Conditions for this contract, specifically related to the limiting contractor liability? **No.**
20. Do you have the same information for T-2107 (SACWIS VERIFICATION, VALIDATION AND TESTING FOR DHS/DYFS)? **Yes, as follows:**

BDMP
Bearing Point
CSC
CTC
Gov-connect
Indus
KPMG
Mathtech
Maximus
MCS
SSI
St John's
TATA
TMS

21. Was liability limited for this contract (T-2107)? **Yes, liability was limited to three times the value of that contract (T-2107). In addition, the liability was limited to two times the value of the contract for the implementation of SACWIS. Liability for the UI Modernization Project Services contract (RFP 2004-x-36355) is limited to two times the value of the resulting contract.**

Henry Savelli & Associates

22. Provide a copy of the Evaluation Committee Report, and the Award Recommendation for the UI project that resulted in a contract award to PA Consulting to develop a strategy for the Labor UI project. **These documents will be provided as part of the addendum containing the written answers to the written questions received prior to this mandatory pre-bid conference.**
23. I understand the RFP included language that precludes PA Consultants and any subcontractors, i.e. Tier, from bidding on any subsequent phases of the project. This is usually called an "exclusivity clause" Could you verify this? **Contract T-2047 included the following clause:**

1.1.3 Prohibition from Bidding on Subsequent RFPs

The Contractor selected for this project is prohibited from submitting a proposal in response to subsequent RFPs that may be issued to implement projects identified in the Strategic Plan. This prohibition extends to being a subcontractor or rendering any assistance to a firm or individual submitting a proposal in response to a subsequent RFPs.

This clause applies to the implementation of UI Modernization, which will be the subject of the DDI RFP. The Project Services requested in RFP 2004-x-36355 are not implementation.

KPMG LLP

24. Page 9, Section 1.2.2 – Who was the contractor, who developed the Conceptual Business Process Redesign, and are they eligible to bid on the current RFP? What other vendors have provided services to DOL related to the NJ SUCCESS project (e.g., assisted in writing the current RFP), and are they eligible to bid on the current RFP? **The primary contractor for T-2074 was PA Consulting with Tier Technologies Inc., TALX UC Express and Donovan Associates as sub-contractors. Yes, the contractor for contract T-2074 is eligible to bid on RFP 2004-x-36355. Neither the vendor for contract T-2074, nor the subcontractors (listed above) for contract T-2074, nor the contractor or subcontractors for RFP 2004-x-36355, will be eligible to bid, subcontract, or render any assistance to a bidder for the implementation phase of UI Modernization (referred to as “DDI” in RFP 2004-x-36355). The Department of Labor in conjunction with Treasury – Purchase Bureau developed**

specifications for the current RFP without assistance from any outside party.

25. Page 17, Section 3.1.1 - Please confirm our understanding that the project plan to be presented at the kick-off meeting is the project plan specific to scope of services outlined in this RFP rather than the overall project plan. **Yes, the project plan should be specific to the scope of services outlined in this RFP.**
26. Page 22, Section 3.4.1 – This section states that the PS Contractor will “assist with the management of State staff assigned to the project”. Please elaborate on the nature of the assistance to be provided by the PS Contractor in assisting with the management of State staff. **The PS Contractor will assist the PMO in managing the project managers assigned to all of the projects for UI Modernization.**
27. Page 25, Section 3.4.3.2 - Please clarify what is meant under the PS Contractor Deliverables by “existing Projects document”. **As referenced in Section 3.4 and 3.4.3.1, the UI Modernization Project consists of four work streams: Foundational Projects, Procure and Build NJ SUCCESS, UI Organizational and Cultural Change and State IT Business Preparation. A complete listing of all projects in each work stream can be found on the appendices website under UI Modernization Documents. The address is: <http://www.state.nj.us/labor/UImod/UImod.html> in both the Executive Summary and the Strategic Plan documents. The existing projects document refers to the Project Plans for these projects.**
28. Page 29, Section 3.4.3.13 - This section states that the responders to the current RFP “must provide quality assurance.” In our experience, the quality assurance/validation, verification, and testing (VVT) role is typically given to a group that is independent of the project management and developer roles. This allows for objective and independent feedback on the management and execution of the project. In addition, the Federal government requires States that are implementing systems for Federally funded programs to separate the quality assurance/VVT role from the project management and developer roles. What are the State’s views on the potential inherent conflict of interest resulting from the PS Contractor developing the DDI RFP, providing project management functions, and, at the same time, providing quality assurance of these functions? Will the State consider a separate procurement for the quality assurance role in order to enhance the objectivity and independence of this critical function? **As outlined in this RFP the State will award a single contract to a vendor to assist in project oversight and perform VV& T services. There is no mandate either from the United States Department of Labor (USDOL) or the New Jersey Unemployment Compensation Law that these functions be separated.**
29. Page 31, Section 3.5.1.1 - The RFP states that the PS Contractor will help assure the quality of internal and external projects as well as the PMO. Please

confirm our understanding that the PS Contractor will be responsible for VVT services for two of the four overall project work streams, including "Foundational Projects" and "Build NJ Success", but NOT including "UI Organizational and Cultural Change Projects" and "State IT Business Preparation". For the work streams included in the scope of VVT services, please elaborate on the nature of the processes and deliverables anticipated from these work streams. **Yes, the VVT component of the contract would apply to the “Foundational Projects” and the “Build NJ Success”, and would not include the “UI Organizational and Cultural Change Projects” or the “State IT Business Preparation” projects. All projects, however are to be included in project oversight.**

30. Page 38, Section 3.5.2.8 - The RFP states that the PS Contractor will be responsible for conducting Performance/Stress Testing, System Performance Testing, and System Load Testing. Please elaborate on the State’s expectations regarding the level of testing effort to be performed by the PS Contractor vs. the DDI Contractor (i.e., does the State expect the VVT testing effort to be the same level of detail/rigor as the developer?). **As stated in Section 3.5.2.8- “The PS Contractor must conduct Quality Assurance testing on the NJ SUCCESS system. The DDI Contractor will be expected to conduct the same level of testing.” NJDOL will provide the client, server, network and application tool set that will be used for performance testing. The vendor awarded this contract will not be required to acquire or evaluate software tools for use in performance testing.**
31. What is the estimated overall cost of the NJ SUCCESS Project? **PA Consulting provided a range of estimates for the Design, Development and Implementation of NJ SUCCESS during the planning phase of the project; these estimates ranged from \$35-50 million. The estimate of \$35 to 50 million dollars received from PA Consulting is not the Department of Labor's (DOL) budget for this last phase of the project. DOL, is interested in acquiring the most effective solution taking into account cost and other factors in reaching a decision to recommend award to a potential bidder.**

Tier Technologies

32. On page 7, section 1, the RFP refers to ‘management consulting firms’. What is the State’s definition of this type of firm? **For this RFP, the State’s definition of this type of firm is any vendor who possesses the experience and skill sets, or has the ability to acquire the experience and skill sets required to deliver the services requested in this RFP.**
33. On page 17, section 3.2, the State directs that the Contractor must provide 2 separate individuals for the Project Administrator roles. Can you elaborate why the State feels these must be different people? **As stated in both sections 2.1 and 3.6.1 of this RFP the State is requiring two Project Administrators ; an**

individual designated by the PS Contractor to assume project responsibility for VV & T Services and a second individual who will be designated as Contract Project Administrator for all other project services requested in this RFP.

Due to the complexity, criticality and time constraints of both the VV & T services as well as all other Project Services in this RFP, the State is requiring two separate full-time project administrators.

34. On page 48, section 3.6.2, the state requests 25 hardcopies of each deliverable plus an electronic copy. As a cost savings measure, would the state consider reducing the number of hardcopies to around 10? **The wording states a maximum of 25 copies. The State will make every effort to minimize the required number of copies.**
35. On page 61, section 7 lists an attachment for Subcontractor Set Aside Forms. These forms do not appear to be in the attachments. Is this correct? **There are no subcontractor set aside requirements and therefore the forms are not required. A corrected chart will be provided with these written questions.**
36. What is the possibility the State will extend the proposal deadline? **There is no plan to extend the deadline at this time.**

PA Consulting Group

37. Could the State please clarify the difference between a contractor project administrator (sections 2.1 and 3.6.1) and a contractor project/program manager? **There is no distinction between a contractor project administrator and a contractor project/program manager.**
38. Is the expectation that the 2 contractor project administrators as defined in sections 2.1 and 3.6.1 are to serve the full 5 years of the contract? **No. As stated in both sections 2.1 and 3.6.1 of this RFP the State is requiring two project Administrators ; an individual designated by the PS Contractor to assume project responsibility for VV & T Services and a second individual who will be designated as Contract Project Administrator for all other project services requested in this RFP. As indicated in the response to question #29, the VVT Project Administrator would be expected to manage the VVT of the Foundational Projects that are currently underway and then manage the VVT of NJ SUCCESS. Given the timeline projections provided in the appendices (Strategic Plan, project timelines, slide 9) of this RFP, there may be variations in the level of involvement for the VVT Project Administrator.**
39. Is the 10% retainage (section 5.18) over the full life of the project or will the State release the retainage as and when the specific deliverables are accepted by the State project manager? **The state will retain the 10% of each deliverable until the contract is accepted as complete at the end of the contract.**

CACI

40. Please provide further explanation regarding the completion of Attachment 4-Price Schedules. Some specific questions follow: Define "PRICE Extended" (Fixed Price is defined in section 2.1, but Extended is not). **Price extended is the monthly rate times the number of months in that phase of the project.**
41. Define "UNIT Per Month". Are Lines 001 through 001F considered Fixed Price or not? **Lines 001A-001F request a monthly fee to cover ongoing administration/reporting requirements that cannot be captured in the deliverables. The request for fees is separated by phases so the number of months in each phase should be multiplied by the monthly rate to be charged for that phase.**
42. Can you provide a completed sample of Lines 001 through 010? **Yes we will provide an example with the addendum that will be issued following this conference.**
43. Are Lines 001 through 001F separate and distinct from lines 002 through 093, or is there a roll-up of the Task lines into lines 001 through 001F? **Lines 001A through 001F are separate and distinct from the other price lines.**

Gartner

44. The legal terms and conditions of the RFP appear to be silent with respect to the V V&T consultant's limits of liability. This is often taken to indicate that there are NO limits of liability to the consultant providing V V&T services. A V V&T contractor who has no limits of liability would be inclined to highlight even minor issues, including ones that are unlikely to have a material effect on the progress and success of the project. This would be a counter productive effect of contracting for V V&T services. Would NJ DOL consider negotiating a limit of liabilities? **This question has been addressed in #2.**
45. We find it advantageous to use our company's published and unpublished research material in delivering the services specified in the RFP. The T&Cs of the RFP present us with difficulties in delivering the services requested as a result of our company's being in the published IT Research business (in addition to consulting). Would NJ DOL consider a negotiating a modification to the terms of ownership of intellectual property? **The terms, conditions and requirements of the RFP inclusive of pricing and all addendums are not negotiable. The language in the RFP section 5.11 clearly defines the parameters for use and protection of intellectual property. Here is the language:**

Should the bidder anticipate using pre-existing intellectual property to perform any of the services required under the contract, the intellectual property must be identified in its bid

proposal. Otherwise, the language in the first paragraph of this section shall prevail. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, shall remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual, royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

46. Client expectations and project requirements for V V&T services can differ widely with respect to the level of involvement of the V V&T consultant on the project. On the one hand some clients expect a full time presence of the entire V V&T consultant's team, while others expect the V V&T presence only for periodic reviews. Please elaborate on NJ DOL's vision and expectations for working with the V V&T consultant on this project. **The State believes that this project will require the contractor team to have a full time ongoing presence. The bidders' presentation of staffing details, hours and approach will be considered in the evaluation of the bid.**

Northrop Grumman

47. When and how will answers to questions be provided? **Answers to questions will be provided at this meeting and by addendum to be posted to the internet.**
48. Will all questions and answers submitted by proposed vendors be available to all prospective vendors? **Yes.**
49. What is the amount budgeted for this procurement? Has funding already been established for this work, as well as the system build? **Refer to previous questions and answers.**
50. Will the state provide work space for the selected contractor? **Refer to previous question and answer.**
51. **Section 1.2.2 UI Modernization, page 9:** Is the contractor who was awarded the October 2002 contract eligible to respond to this RFP? **Yes, see previous questions and answers.**
52. Is this contractor (awarded October 2002 contract) eligible to respond to the NJ SUCCESS RFP? **See previous questions and answers. The contractor and subcontractors for T-2074 are eligible to bid on this project services contract but will not be eligible to bid on the design, development, and implementation services RFP.**

53. **Section 3.4.2 Project Management Methodology, page 23: Paragraph 1:** States that “NJDOJ utilizes the Project Management Institute’s Body of Knowledge (PMBOK) as its project management methodology”. Are NJDOJ managers trained in PMBOK and experienced in using this methodology? **Yes. Some project managers have been formally trained in the PMBOK, the remainder have been coached in this methodology. The State is in the process of establishing formal training for those that have not yet received it.**
54. Is PMBOK NJDOJ’s preferred project management methodology? **Yes.**
55. **Section 3.4.3.11 Project Change Management, page 28:** Does the “Develop program/project communications” requirement (bullet #1) require a formal Organizational Change Management Communication Plan document? **Yes, it is listed as Price Line #30.**
56. **Section 3.4.3.11 Project Change Management, page 28:** What are the expectations of the State regarding stakeholder training (bullet #2)? **The expectations of the state are that the contractor will conduct ongoing change management seminars for the stakeholders.**
57. Is there a preferred software for requirements gathering? **Yes, the Department is in the process of purchasing Rational Rose.**
58. Are there specific time frames for this project? **Yes. The timelines are provided in the Appendices. Initial implementation is planned for April 2007.**
59. Will the vendor be required to use IEEE standards? **No.**

Attachments:

Bidders Conference Attendance
Corrected Price Sheets
Sample Price Sheet (Question 8)
UIOPSMOD (T-2074) Award Recommendation and Evaluation Report
SACWIS VV&T Evaluation Report