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Solicitation Information

June 22, 2015

ADDENDUM # 1

RFP# 7549632

RFP Title: Cost Allocation and Analysis Services

Bid Opening Date & Time: July 1, 2015 at 1:30 PM (Eastern Time)

Notice to Vendors:

**ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES.
NO FURTHER QUESTIONS WILL BE ANSWERED.**

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Interested parties should monitor this website, on a regular basis, for any additional information that may be posted.

Vendor Questions for RFP 7549632 Cost Allocation and Analysis Services

Question 1: Billing System – has the State conducted a needs assessment for the billing system(s) to determine the specifications for such a system, the technology it should be based on, the desired outputs of the system, the necessary interfaces to other State systems, etc.? If so, can this information be shared for purposes of this RFP?

Answer to question 1:

A needs assessment has not been conducted. The technology that should be based upon is web enabled dotnet or Java. There will be no interface with State systems. The system must generate a CSV or text delineated file.

Question 2: Billing System – the RFP states “*the billing system shall present benchmarking analysis of the State's billing rates it charges its end users in comparison to the private sector.*” Questions include:

- a. Does benchmarking have to be built into the billing system, or may it be done outside the system as a separate analysis?
- b. What frequency does the State expect the benchmarks to be updated (quarterly, semi-annually, annually, etc.)?
- c. What number of entities does the State expect to be compared against?
- d. Can public sector benchmarks be used in lieu of or in addition to private sector benchmarks?

Answer to question 2:

The benchmarking results must be accessible through the system. Separate analysis may be done to accomplish the requirements of the bid, but the results must be loaded into the billing system. It is expected that the updated benchmarks should be completed annually. The State expects that the information will be compared utilizing regional data by the service types billed. Public sector benchmarks may be used in addition to private sector benchmarks.

Question 3: Billing System – the RFP states on page 6, “*Bids that exclude a cost proposal for implementing a Facilities Management Billing System will have points deducted from their technical score.*” Although not mentioned, is this option also applicable to the DoIT, Telecommunications, and Mail System scopes of work?

Answer to question 3:

Yes it is applicable to the DoIT, Telecommunications, and Mail System scopes of work.

Question 4: Billing System – the RFP states that “*the system should record expenditures including fees for federal State Audit Fees and non-federal Indirect Cost recovery fees and the subsequent revenue deposited.*” Can this statement be expanded upon in terms of the applicability of the fees to Facilities, HR, DoIT, Telecommunications, and Mail?

Answer to question 4:

Pursuant to an agreement with DCA, the State generally bills Federal accounts on a monthly basis for the cost of the annual Single Audit. Currently this billing represents .05% of cash draw for the respective Federal program. The per cent is subject to change.

The State bills restricted receipt accounts 10% for restricted revenue collected with the exception of accounts exempted in general law or any funding sources who do not allow this fee. To ensure that 100% of the bill is collected, the billing percentage utilized is 11.11%.

Question 5: Billing System – what types of systems (departmental or vendor, as may be the case with telecommunications services) will the billing system need to interface with to gather service usage metrics?

Answer to question 5:

The usage information will be exported to the vendor for input into the billing system by account. Therefore there are no specific systems to cite.

Question 6: Billing System – can the State expand on the relationship the billing system will have to other financial systems:

- a. What type of financial systems (accounts receivable, financial reporting, etc.) will the billing system need to interface with?
- b. Is the billing system expected to post transactions to these financial systems or only prepare an exported data set that can be imported into the financial systems?
- c. If the billing system is expected to post transactions, what type of transactions would be included?
- d. To demonstrate the workflow of the current billing processes, can the State provide a typical example of how of an agency gets billed for a service from DoIT or Facilities from an accounting standpoint?

Answer to question 6:

The system will not interface with the State Financial System, but rather the billing system will export the bills, which will be used to generate the transaction with the State's financial management system. The billing system will not post transactions. The workflow from the perspective of the **Human Resources Billing** is as followed:

- 1) Billed rates are calculated by the vendor.
- 2) The Department of Administration (DOA) reviews billing data for confirmation of the decision points and calculation.
- 3) The allocations utilized to distribute the costs of filled FTEs are submitted to the DOA by the billed agency.
- 4) DOA utilizes the filled FTE count at the end of each month and allocates the costs via an excel spreadsheet based upon information in step 3.
- 5) DOA creates a journal entry to record billed services.
- 6) DOA creates a bill summary in excel recording the monthly charges and audit/indirect fees as applicable.
- 7) DOA submits billing summary to each billed agency and

- 8) Agency transfers revenue into DOA for federal, restricted and other funds (general revenue is appropriated in DOA, so no reimbursement is required).
- 9) DOA reconciles the restricted and other funds in accordance with GASB 56 which requires said funding stream to finish each fiscal year with a positive balance.

The workflow from the perspective of the **Facilities Management Billing** is as followed:

- 1) Billed rates are calculated by the vendor.
- 2) The Department of Administration (DOA) reviews billing data for confirmation of the decision points and calculation.
- 3) The allocations utilized to distribute the cost by squared foot for each building of occupied are submitted to the DOA.
- 4) DOA utilizes the occupancy reports from Facilities Management to allocate the square footage costs via an excel spreadsheet based upon information in step 3.
- 5) DOA creates a journal entry to record billed services.
- 6) DOA creates a bill summary in excel recording the monthly charges and audit/indirect fees as applicable.
- 7) DOA submits billing summary to each billed agency and
- 8) Agency transfers revenue into DOA for federal, restricted and other funds (general revenue is appropriated in DOA, so no reimbursement is required).
- 9) DOA reconciles the restricted and other funds in accordance with GASB 56 which requires said funding stream to finish each fiscal year with a positive balance.

The workflow from the perspective of the **Division of Information Technology** is as followed:

- 1) Billed rates are calculated by the vendor by various services in Information Technology
- 2) The Department of Administration (DOA) reviews billing data for confirmation of the decision points and calculation.
- 3) The Division of Information Technology verifies the allocations utilized to distribute the cost by squared foot for each building of occupied are submitted to the DOA.
- 4) DOA utilizes the system usage, per machine/license fees and billable costs (data lines, cable, etc.) and bills it based upon information in step 3.
- 5) DOA creates a journal entry to record billed services.
- 6) DOA creates a bill summary in excel recording the monthly charges and audit/indirect fees as applicable.
- 7) DOA submits billing summary to each billed agency and
- 8) Agency transfers revenue into DOA for federal, restricted and other funds (general revenue is appropriated in DOA, so no reimbursement is required).
- 9) DOA reconciles the restricted and other funds in accordance with GASB 56 which requires said funding stream to finish each fiscal year with a positive balance.

The workflow from the perspective of the **Mailroom** is as followed:

- 1) The Mailroom is an internal service fund within the Department of Administration (DOA) and the billed rates are calculated by the management in the mailroom; which include postage and printing services.
- 2) The mailroom collects the mail usage information from cards submitted by Department's which includes the cost account for the mail job requested.
- 3) The Mailroom submits the data through a FTP file to the Controller's Office to post the expenses to the appropriate account.
- 4) Billing issues with bad accounts are fixed prior to the bill posting to the State account.

- 5) The bills are posted directly to the State Agency or outside customer utilizing the services. Revenue received by outside entities are collected and deposited to the mailroom fund.

The workflow from the perspective of the **Telecommunication billings** is as followed:

- 1) The Telecommunication Operation's is an internal service fund within the Department of Administration (DOA) and the billed rates are calculated by the management in the Telecommunication's Office mailroom; which include PBX and Centrex systems.
- 2) Telecommunication Operation's collects the usage, personnel costs, and repair data and calculate the monthly billing for each Department.
- 3) Telecommunication Operation's submits the data through a FTP file to the Controller's Office to post the expenses to the appropriate account.
- 4) Billing issues with bad accounts are fixed prior to the bill posting to the State account.
- 5) The bills are posted directly to the State Agency or outside customer utilizing the services. Revenue received by outside entities are collected and deposited to the mailroom fund.
- 6) Note: Telecommunication's wireless accounts are directly billed to the State Department where the cell phone is assigned and it is not an internal service fund.

Question 7: **Billing System** – are customer bills to be generated by state staff or vendor staff? What is the expected frequency of the bills (monthly, quarterly, etc.)?

Answer to question 7:

State Staff will utilize the system and will retrieve the information to generate the customer bills monthly in order to post the bills to the State's Financial Management System (RI FANS).

Question 8: **Billing System** – is the system to be hosted by the State or the vendor? If the State wishes to host the system, will the state or the vendor provide at its own expense the hardware infrastructure to run the system?

Answer to question 8:

The State offer's to host the system, but the vendor would need to specify hardware/software required outside of the user licenses requested in the bid including SaaS.

Question 9: **Billing System Invoices** – are invoices to be generated in electronic, paper or both formats?

Answer to question 9:

Electronic invoices

Question 10: **Billing System Invoices** – are invoices to be distributed to agencies by the State or the vendor?

Answer to question 10:

The expectation is the State agencies will view the bill from the system, with printing capabilities. This is the purpose of requesting user and read only license fees for the system.

Question 11: Billing System Invoices – will customer invoice disputes be handled by the State or the vendor?

Answer to question 11:

No, the vendor will only represent the State in disputes with the DCA or any other Federal Agency who questions the rates or methods used to develop the rates.

Question 12: Reconciliation to Actual Costs – the RFP states for each of Facilities, HR, DoIT and Telecommunications / Mail Services that the “*Vendor must verify assumptions used in developing the current version of the FY 2015 cost allocation plan for billed services, and validate the rates...*” Can it then be assumed that the Facilities, HR, DoIT, and Telecommunications / Mail Services rates implemented for FY 2014 have already been reconciled to actual costs by the State and is out of scope of this RFP? If this is not the case, should the “FY 2016 Rate Development” proposed fees on the Cost Form be inclusive of the following analyses:

- a. FY 2014 Reconciliation to Actual Costs
- b. FY 2016 Forecasted Rates

Answer to question 12:

The “FY 2016 Rate Development” proposed fees on the Cost Form should be inclusive of the following analyses:

- a. FY 2014 Reconciliation to Actual Costs
- b. FY 2016 Forecasted Rates

Question 13: Timetable for FY 2017 and Beyond – the RFP states on page 10, “*Subsequent billed service years will commence in November of each calendar year with an expected delivery of “draft” rates due ninety days from acceptance of documentation delivered to the vendor.*” Is the commencement of work to begin in November of each year related to the forecasting of the following fiscal year’s rates beginning 7/1 or the reconciliation of billings to actual costs of the previously closed fiscal year ending 6/30?

Answer to question 13:

The commencement of work to begin in November of each year related to the forecasting of the following fiscal year’s rates beginning 7/1 will commence with the reconciliation of the previously closed fiscal year ending 6/30 in order to calculate over/under recoveries. Upon the Governor’s Budget Submission to the General Assembly in the second week of January, the rate development of the rates beginning 7/1 inclusive of the over/under calculation of the previous fiscal year in accordance with A-87.

Question 14: RFP – in our experience, the technical skill sets needed to develop and implement a billing system are significantly different than those necessary for cost allocation. Would the

State consider separating the billing system and the cost allocation requirements into two separate Requests for Proposals?

Answer to question 14:

The State is requiring that the billing system be included in the specifications with the understanding that the billing system would not be required until the FY 2017 Billed Rates are published.

Question 15: **RFP** – Would the State automatically disqualify a vendor proposal that responds to either the cost allocation services or the billing system services, but not both?

Answer to question 15:

Yes, the State would disqualify the vendor if the billing system and/or the cost allocation are excluded from the vendor’s proposal.

Question 16: **Technical Proposal** – the RFP states on page 10 that “*proposals are limited to 50 single-spaced pages*” excluding budget, budget narrative, appendices, or attachments. Yet on page 14, the RFP states, “*the Technical Proposal is limited to six (6) pages (this excludes any appendices).*” Which statement takes precedence?

Answer to question 16:

The technical proposal of 50 pages will take precedence.

Question 17: **Proposal Submission** – RFP Page 14 states “Responses (an original plus four (4) copies) should be mailed or hand-delivered in a sealed envelope...” Does this apply to both the Technical Proposal and the Cost Proposal?

Answer to question 17:

Yes, separately sealed.

Question 18: **Response Contents** – RFP Page 14 includes:

- “One completed and signed three-page R.I.V.I.P. generated bidder certification cover sheet (included in the original copy only)...” Is this to be supplied in the Original Technical Proposal?
- One completed and signed W-9 (included in the original copy only)...” Must this be an original signed version of our W-9? Is this to be supplied in the Original Technical Proposal?
- “In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposals in electronic format...” “Only 1 electronic copy is requested and it should be placed in the proposal marked “original.” Does the State want the 1 electronic copy to contain both the Technical Proposal and the Cost Proposal? In which separately sealed package should this be placed, the Technical Proposal or the Cost Proposal?

Answer to question 18:

Put one electronic copy of the technical proposal in a sealed envelope with the original technical and one electronic copy of the cost proposal in the seal envelope containing the original cost proposal.

Question 19: RFP 7549632 Page 3 Section 1: Introduction/Instructions and Notifications to Offerors: #2 second sentence "*However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.*" Please clarify if this means that the bid is considered binding or if the Vendor may take exceptions in our response.

Answer to question 19:

The question is vague and ambiguous. All vendor proposals are considered to be binding for a period of 60 days, see item 4 page 3 Section 1: Introduction/Instructions and Notifications to Offerors. It is unclear what is meant by "may take exceptions in our response".