Solicitation Information
July 11, 2016

RFP# 7550779

TITLE: Enterprise-wide Fraud Detection and Prevention System

Submission Deadline: August 2, 2016 at 02:00 PM ET

PRE-BID/ PROPOSAL CONFERENCE: NO

Questions concerning this solicitation must be received by the Division of Purchases at DOA.PurQuestions8@purchasing.ri.gov no later than **July 21, 2016 at 03:00 PM ET.** Questions should be submitted in a *Microsoft Word attachment.* Please reference the RFP# **7550779** on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

Meredith Skelly
Interdepartmental Project Manager

Applicants must register on-line at the State Purchasing Website at www.purchasing.ri.gov

Note to Applicants:

Offers received without the entire completed three-page RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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SECTION 1. INTRODUCTION

The Rhode Island Department of Administration/Division of Purchases, on behalf of the Rhode Island Office of Management and Budget, Office of Internal Audit (Audit), is soliciting proposals from qualified firms to provide an Enterprise-wide Fraud Detection and Prevention System. The Enterprise-wide Fraud Detection and Prevention System will provide state of the art analytical tools, methods, and services that can assist the Office of Internal Audit to detect patterns of fraud or questionable activities currently happening or that may happen in the future.

Data will be a) available via a portal and/or dashboard that will visually communicate work product results to Audit staff or other department investigators in a user friendly manner b) extensible for querying, reporting and exporting and c) securely hosted, processed and stored. Audit will use the results of the analytic services to identify improper payments and improve processes/procedures to prevent fraud, waste and abuse to various Rhode Island agencies and programs. This solicitation is in accordance with the terms of this RFP and the State's General Conditions of Purchase, which may be obtained at the Rhode Island Division of Purchases Home Page by Internet at www.purchasing.ri.gov.

The contract that results from this RFP will have an initial term that begins with Contract execution and terminates twenty four (24) months from execution date. The Contract may be extended at the discretion of DOA, in twelve month increments through 2020 with Scope of Work, Cost and Schedule to be negotiated by contracting parties.

This is a RFP, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals.

Instructions and Notifications to Offerors

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.

2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. 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.

3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.

4. Proposals are considered to be irrevocable for a period of not less than 60 days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.

5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.

6. Proposals misdirected to other state locations, or which are otherwise not present in the Division of Purchases at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.

7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.

8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov.

9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.

10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.

11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.

12. Equal Employment Opportunity-R. I. Gen. Laws § 28-5.1 Declaration of Policy. – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of

Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies in all areas where the state dollar is spent, in employment, public service, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Employment Opportunity Office, at 222-3090 or via e-mail at Raymond.Lambert@doa.ri.gov .

13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).

14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information visit the website www.mbe.ri.gov

15. Under HIPAA, a "business associate" is a person or entity, other than a member of the workforce of a HIPAA covered entity, who performs functions or activities on behalf of, or provides certain services to, a HIPAA covered entity that involves access by the business associate to HIPAA protected health information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits HIPAA protected health information on behalf of another business associate. The HIPAA rules generally require that HIPAA covered entities and business associates enter into contracts with their business associates to ensure that the business associates will appropriately safeguard HIPAA protected health information. Therefore, if a Contractor qualifies as a business associate, it will be required to sign a HIPAA business associate agreement

SECTION 2. BACKGROUND

History

Currently, Rhode Island agencies and departments of State have business processes that include procedures to identify fraud, waste and abuse within their own areas of responsibility. These procedures vary from department to department by need, software tools available, access to required current and historical data, and departmental goals. The current environment is a pool of heterogeneous tools that perform at various levels of proficiency and acceptability for each agency depending on need, and in most cases provide limited crossover usage of data and technique for inter-agency cooperation. Audit analysts are currently required to understand and utilize multiple implementations of software to investigate leads and targets associated with fraudulent activity when working inter-departmentally.

Additionally, no consistent case management system exists across agencies to provide a uniform process for documenting and quantifying ongoing and completed investigations. This deficiency provides the sharing of investigative findings of a suspected perpetrator very difficult when cooperating personnel of different agencies need to share resources and information.

Specific Requirements

The State is embarking on a technology solution to manage potential and confirmed acts of fraud, waste and abuse across the enterprise, known as the Enterprise-wide Fraud Detection and Prevention System.

The Enterprise-wide Fraud Detection and Prevention System is part of an overall initiative to consolidate the internal audit function across departments and agencies and to create efficiencies and cost reductions. It will provide the tools and information to identify, investigate, act, govern, and track workflow in response to identified fraudulent activity throughout various departments of State.

Rhode Island's plan would allow for the integration of data from all executive departments. Any suspected fraudulent action would be shared across all participating departments, and the perpetrator would be investigated on all department fronts: Health and Human Services, Business Regulation, Labor and Training, Revenue, Secretary of State, Administration. This initiative is based on the findings of a working group including representatives of the EOHHS Program Integrity Unit, DOR Division of Taxation, the DLT Division of Labor and Training, DHS Fred/Fraud Unit, and Audit.

The Enterprise-wide Fraud Detection and Prevention System is designed to ensure that State-wide operations are better prepared to detect and deter instances of fraud. A pro-active fraud detection and prevention plan to battle against fraud would:

- Reduce risk of fraud and fraudulent activities
- Deter fraudulent activity
- Reduce opportunities to commit fraud
- Provide an open avenue of communication via centralized case management software
- Save money and resources in the long run

Anticipated Results

- Holistic approach to detect and deter fraud, waste and abuse of funds through the use of targeted anti-fraud analytics and predictive modeling. This methodology is similar to that deployed in the banking/finance industry and will be deployed across all executive branch organizations.
- Technology solution to generate potential targets and leads with limited human intervention.
- Standardized methodology and processes (case management) to investigate, document, and manage work, increasing management oversight and internal controls.
- First year expected to recover or cost avoid approximately a net of $5M.

It is anticipated that the Department of Revenue (DOR), Department of Human Services (DHS), and the Department of Labor and Training (DLT) have the most urgent need and would benefit the most from the first implementation of the system. As results are evaluated, other agencies will be added sequentially based on need, effectiveness of recovery, and impact of remediation.

SECTION 3: SCOPE OF WORK

Statement of Work

A. Introduction

This Statement of Work (SOW) lists the tasks that will be undertaken by the Contractor to create the logic, leads, data analytic reports and alerts that identify potential instances of fraud and/or abuse in the Department of Revenue (DOR), Department of Human Services (DHS), Department of Labor and Training (DLT) programs; which will be analyzed by the State investigators, auditors and analysts. The potential instances identified must be provided in reports that will include but not be limited to the following: findings, leads, fraud indicators and aberrant payment patterns.

The Contractor team will work with DOR, DHS, DLT and the Department of Information Technology (DOIT), as well as other stakeholders as necessary, to create the data analytic leads, reports, and alerts. The Contractor team will consist of expert level consultants who will provide analytical, technical, and project management support for the required Agreement activities. The Contractor's team must be able to provide cogent explanations to the State team as to why individual alerts were identified by the data analytics tool.

1. Estimated High-level Schedule

From the start date of the Agreement the Contractor will have 15 days to deliver to the State, a detailed list of all data fields required and a preliminary project plan. Within 30 days the Contractor will deliver the complete project plan.

Approximately 150 days after the Agreement start date, the Contractor shall be in full production, and thereby deliver a weekly report of results for the subsequent 12 months of the Agreement.

Key Milestones	Estimated Completion
Contract start date	Date of Purchase Order
Kick off meeting	Within one week after start date
Acceptance of system capabilities	Six months from Purchase Order
Creation of the first weekly report	Six months and one week from PO
Contract end date	Twenty-Four months from PO

B. Description of Requirements, Services, and Deliverables

1. Key Staff Qualifications

Mandatory Qualifications

At a minimum, the Project Manager and Key Personnel (see defined roles below) each must have experience in at least one area listed below; however, experience in all of the areas listed below must be addressed collectively as a team. Failure to meet these mandatory qualifications will result in the disqualification of the proposal.

- Minimum two (2) years of experience in performing data analytics.
- Minimum one (1) year experience in working with benefit fraud detection in government benefit programs.

Desirable Qualifications

The following qualifications are a plus.

- Demonstrated expertise in Unemployment Insurance fraud detection
- Demonstrated expertise in Disability Insurance fraud detection
- Demonstrated expertise in Taxation
- Demonstrated expertise in Health and Human Services fraud
- Demonstrated expertise in data mining
- Demonstrated expertise in dynamic modeling

2. Company Qualifications and References

Bidders must provide a response to the following requirements:

a. Description of Organization Services, Experience, Expertise and Activities.
Provide a description of the nature of the organization's services and activities. Note when the business was established, brief history, and location. List office location(s) from which the primary work on this contract will be performed.

b. Company References
Provide two (2) customer references. If there will be subcontractors, two (2) customer references must be provided for each subcontractor. The reference information for the company must include the following:

- Name of customer organization.
- Name of the project.
- Company role on the project.
- Types of services provided.
- Customer point of contact – including e-mail address and phone number.

c. Personnel

Organization Chart: Bidder must submit an organization chart, showing the hierarchy of key personnel working on the project. Chart must show the relationship between project manager and key personnel of the bidder's organization and all other parties (subcontractors) to the proposal.

Project Manager: Bidder must identify one (1) individual on the project team who will manage the contract work, and who will be available to the State for a sufficient amount of time to manage the project.

Include a "Key Staff Qualifications" sheet (See Attachment F) for this individual. Note that the form requires a minimum of two (2) references for the contractor staff person. A current resume/biography must be attached for this person. Do not exceed two (2) pages for this document. Resume entries should clearly demonstrate that the experience requirements described in the "Key Staff Qualifications" Attachment F of the RFP are met.

Key Personnel: Key personnel are defined as those people who will exercise a major management and/or administrative role on behalf of the proposer. All persons identified as key personnel must be retained by the bidder throughout the term of the Agreement, including any extension of term by exercise of the option to renew. If bidder finds it impossible to retain any of the key personnel, bidder must use their best efforts to give the State advance notice, and the substitution of new personnel must be accepted by the State. If the State does not accept the substitution, then the State shall have the right to terminate this Agreement upon thirty days' prior written notice to the bidder; provided, however, if bidder is able to provide substitute personnel that the State finds acceptable during the thirty-day notice period, then the Agreement will not be terminated.

Project Team/Resumes: Bidder must specify the key personnel on the project team who will manage/conduct the work. Bidder must also identify the role each team member will serve, title, where the individual is headquartered and the percentage of the firm's total effort that will be provided by the individual.

Include a "Key Staff Qualifications" sheet (See Attachment F) for each person. Current resumes/biographies must be attached for each person. Note that the form requires a minimum of two (2) references for the Contractor staff person. Do not exceed two (2) pages per person. Resume entries should clearly demonstrate that the experience requirements described in the "Key Staff Qualifications" in Attachment F of the RFP are met.

3. Response to Technical Requirements

Bidders must include a description of their understanding of the technical requirements of the SOW, emphasizing understanding of the State's objectives and the major activities that must be performed to complete the work. Describe the methods, tools and standards that will be used to complete the tasks identified in the SOW.

In preparing their response, Bidders must adhere to these general requirements:

1. Includes tabbed sections, and is well-organized, comprehensive, and technically sound;
2. Includes clear and distinctive explanations for the specific response section; and
3. Does not just provide a repeat of the SOW requirements, but demonstrates a well thought out approach to meeting the requirements of the SOW.

Mandatory Requirements

The Contractor shall adhere to the following mandatory requirements for the services provided under this Agreement. Bidders must indicate whether they agree with the requirement (Y) or not (N). A "N" response requires an explanation from the Bidder as to why the requirement cannot be met. The State may then change or waive the requirement for all bidders. If the requirement is not changed or waived, a "N" response may disqualify the proposal.

Req. #	**Mandatory Requirements**	**Contractor Agrees (Y or N)**
101	The Contractor will use the FDP System to create weekly reports using the State-supplied data, which include fraud alerts and potential leads, instances of aberrant payments, filings and other potential fraud indicators and deliver to the State in the agreed to dashboard (the requirements for which are listed out below under Deliverable 3). NOTE: The information detailed in requirements 102 through 113 must be provided as part of the weekly report to the State.	
102	The Contractor will provide alerts of potential fraud leads, instances of aberrant payment filings, and other potential fraud indicators, to user-configurable queues for follow-on investigative work from batch or real-time analysis.	
103	The Contractor will detect suspicious patterns based upon analyzing claims data using advanced analytical tools, and deliver the information to the State	

	in the agreed to dashboard.	
104	The Contractor will link and analyze fraudulent and abusive practices using various databases, and deliver the information to the State in the agreed to dashboard and/or geospatial and/or mapped format.	
105	The Contractor will identify outlier behavior relating to claimant filing, employer reporting/withholding activity with regard to what is "normal" behavior, and deliver the information to the State in the agreed to dashboard and/or geospatial and/or mapped format.	
106	The Contractor will group and cluster suspicious employers or claimants who have the same outlier and/or fraudulent behavior, and deliver the information to the State in the agreed to dashboard.	
107	The Contractor will detect aberrant and/or fraudulent behavior (predictive) over time, and deliver the information to the State in the agreed to dashboard.	
108	The Contractor will link beneficiaries to suspicious employers/schemes, verifying identity and credentials, personal identification (e.g., SSN, driver's license, other licenses, addresses) against available databases, and assure that the person is verifiable, and deliver results to the State in the agreed to dashboard.	
109	The Contractor will link employers/beneficiaries based on Internet Protocol (IP) addresses, and deliver the information to the State in the agreed to dashboard.	
110	The Contractor will link employers/beneficiaries based on listed business/residence addresses, and deliver the information to the State in an agreed to dashboard.	
111	The Contractor will analyze large data volumes with speed and accuracy, and deliver the information to the State in the agreed to dashboard.	
112	The Contractor will identify entities that may be related to other entities through various relationship matching criteria (e.g., address, owner, employees, familial, IP address, telephone number, etc.), and deliver the information to the State in the agreed to dashboard.	
113	The Contractor will provide narrative explanations to the State team as to why any individual cases were identified by the data analytics tool and deliver to the State.	
114	The Contractor will work in conjunction with Division of Information Technology (DoIT) to provide the required configuration to support execution of the FDP system.	
115	The Contractor will utilize DoIT-approved security procedures to transfer and process data at all times.	
116	The system will be adjusted over time to improve efficiencies and accuracy	

	by considering earlier performance.	
117	The Contractor will identify "unknown" suspects via "fuzzy" (i.e., diffuse or probabilistic logic) data matches on Names, AKAs, Physical/Mailing Addresses, Phone Numbers, SSNs and DOBs and deliver the information to the State in the agreed to dashboard on a weekly basis.	

Desirable Requirements

Bidders must indicate whether they agree with the desirable requirement by indicating (Y) or no (N). If a bidder agrees to the requirement by indicating "Y", the bidder must provide a description of how the requirement will be met.

Req. #	Desirable Requirements	Contractor Agrees (Y or N)
117	The Contractor will incorporate geo-spatial representations of fraudulent behavior and provide to the State in a map representation using ESRI or other mapping products. Updated map representations will be provided with each weekly report.	
118	The Contractor will provide State staff with the capability to utilize tools and reporting capabilities by building and running State- developed models and scripts and deliver to the State on a weekly basis.	
119	The Contractor will provide the capability to receive or capture, manage, analyze, and integrate data offline (batch) from any source, including existing and future State systems, internet, provider/other intermediary master files, third party relationship systems (LexisNexis, etc.), regulatory compliance lists, consumer affairs (corporate reporting), tax information, and address correlations.	
120	The Contractor will provide the capability to incorporate batch data into a real-time analysis capability for verification of claims applications.	
121	The Contractor will re-evaluate entities after new data is loaded and provided by event-triggering or by configurable schedules (this shall occur no less often than weekly). The system will be able to determine what has changed from previous evaluations and deliver the changes to the State.	
122	The Contractor will retain original relationships and information by instituting relationship identifiers into a composite view of possible newly-configured entities.	
123	The Contractor will use full attribution to ensure that data is never lost and is	

	always traceable back to its original source.	
124	The Contractor will re-evaluate all potential entities as new data is loaded in real-time, and provide risk scoring to outcomes no less often than weekly.	
125	The Contractor will link entities by configurable identity attributes, such as telephone numbers and addresses, to uncover relevant, yet non-obvious, relationships and deliver the information to the State in the agreed to dashboard on a weekly basis.	
126	The Contractor will assemble networks of associations using individual data attributes (such as identification numbers and names), locations (address correlation), email addresses, IP addresses, businesses at the address (include multi-tenant), facility type (such as warehouses, buildings, apartment, etc.), organizations (such as church, clubs, associations, or gangs), and accounts (such as banks, checking, credit, or savings) and deliver the information to the State in the agreed to dashboard and/or geospatial or mapped format on a weekly basis. Consideration may include but will not be limited to: Consumer information (e.g. demographics, bureaus, utility); Phone and Email Assets (e.g. motor vehicles, watercraft, aircraft); Real Property Data (e.g. deeds, assessments, foreclosures); Licensing (e.g. drivers, professional, medical); Business and Employment Legal Information (e.g. bankruptcy filings, liens and judgments, civil court); Derogatory Information (e.g. criminal records, criminal court, sex offender).	
127	The Contractor will assemble suspect or interesting relationships, even those that are hidden or disguised, and develop pointers that enable relationship diagrams to be produced for on-line viewing delivered to the State in the agreed to dashboard and/or geospatial or mapped format on a weekly basis.	
128	The Contractor will provide analysts the capability to develop sophisticated searches against the entity correlation database to further explore each related entity and every entity or attribute that those entities are linked to.	
129	The Contractor will provide link analysis (correlations) between various provided datasets. This could include employers, claimants, claim detail records, applications, forms and other datasets to be delivered to the State in the agreed to dashboard, geospatially or in a mapped format on a weekly basis.	
130	The Contractor will have the ability to remove key attributes from link analysis to observe the impact to the linked network.	
131	The Contractor will further expand linked information from provided databases to third party databases to identify fraud schemes and outlier	

	behavior patterns and deliver results to the State in the agreed to dashboard on a weekly basis.	
132	The Contractor will identify criminals, lawsuits, and other legal information about linked persons involved in a business or with some relationship to entities and deliver the information to the State in the agreed to dashboard on a weekly basis.	
133	The Contractor will incorporate public record and proprietary data sources on entities (businesses, non-profit organizations, etc.), employees, claimants and related parties and deliver pertinent results to the State in the agreed to dashboard on a weekly basis.	
134	The Contractor will conduct matches with national licensure and sanction lists and deliver potential suspects list to the State in the agreed to dashboard on a weekly basis.	
135	The Contractor will utilize social network analytics to link people, businesses etc., to identify high densities of suspicious behaviors between relationships and deliver to the State in the agreed to dashboard on a weekly basis.	
136	The Contractor will collect, classify, analyze and interpret data to reveal patterns, anomalies, key variables and relationships into a set of models for further determination and delivery to the State in the agreed to dashboard on a weekly basis.	
137	The Contractor will provide dynamic modeling and deliver to the State in the agreed to dashboard on a weekly basis.	
138	The Contractor will forecast trends and possible fraudulent behavior and deliver the information to the State in the agreed to dashboard on a weekly basis.	
139	The Contractor will provide dynamic visualization of all identified suspicious entities and activities and prioritize them for further investigation through scoring algorithms and deliver to the State in the agreed to dashboard, geospatial or mapped reporting tool on a weekly basis.	
140	The Contractor will follow social network analytics to determine significant relationships between entities to identify fraud rings or collusive networks and holistically evaluate the activities of the entire network and deliver the information to the State in the agreed to dashboard on a weekly basis	
141	The Contractor will evaluate incongruity in physical distance between claimant and employer and deliver the information to the State in the agreed to dashboard on a weekly basis.	
142	The Contractor will evaluate incongruity in physical distance between claimant residence address and claimant mailing address and deliver the information to the State in the agreed to dashboard on a weekly basis.	

Deliverables

The Contractor shall provide the following deliverables with associated requirements for the services provided under this Agreement. Bidders must indicate whether they agree to provide the deliverable (Y) or not (N). A "N" response requires an explanation from the Bidder as to why the deliverable will not be provided. The State may then change or waive the deliverable for all bidders

Deliverable documents will be provided in Microsoft Word format, including reports, spreadsheets, presentations, and databases. The media of delivery will be compatible with the DoIT document storage devices. The State requires the Contractor to conduct internal quality reviews for all deliverables before the deliverables are submitted to the State.

Del. #	**Deliverable Description/Requirements**	**Contractor Agrees (Y or N)**
1.	Requirements Validation Document: Confirmation of flags, geospatial maps, prediction models, binary checks, and validations. This document shall be provided one time, prior to dashboard design.	
	a. The Contractor will provide a written plan explaining how it intends to validate requirements necessary to deliver to the State the Fraud Detection and Prevention (FDP) solution. This is a one-time deliverable.	
	b. The Contractor will meet with State staff on an "as needed" basis to determine, validate and clarify known requirements and uncover any additional desired functionality.	
2.	Source Data Recommendations Document: Analysis and description of all internal and external data inputs required to run the Fraud Detection and Prevention (FDP) solution. This document shall be provided one time, prior to dashboard design.	
	a. Prior to dashboard design, the Contractor will provide a written plan explaining the data source requirements necessary to deliver to the State the Fraud Detection and Prevention (FDP) solution. This is a one time deliverable.	
	b. Prior to dashboard design, the Contractor will provide an Enterprise Architecture Model (EAM), a plan/diagram depicting, and showing the Contractor's understanding of, the State computing environment including integration of employer data sets, client data sets, claims	

	processing, and the movement of data, to facilitate this process. The Contractor should use details and visual diagrams as necessary.	
	c. The Contractor will identify existing data sets which are not owned by the State or bundled with the Fraud Detection and Prevention (FDP) solution, but could yield value to the State fraud detection efforts.	
	d. The Contractor will identify data sets which are not currently collected by the State, but could be of value to the State fraud detection effort if these data sets are collected in the future.	
	e. The Contractor will include data sources for matching the State claimant data against a data source to identify incarcerated claimants.	
	f. The Contractor will include data sources for matching the State claimant data against a data source to identify deceased individuals.	
	g. The Contractor will include data sources for matching the State claimant data against a data source to identify Worker's Compensation claimants.	
	h. The Contractor will include data sources for matching the State claimant data against a data source to identify 1099 Independent Contractor payments.	
	i. The Contractor will include data sources for matching the State claimant data against a data source to identify known bad or suspected bad physical addresses or mailing addresses.	
	j. The Contractor will include data sources for matching the State claimant data against a data source to identify known bad or suspected IP addresses.	
3.	Dashboard Design and Development: Design and develop an integrated dashboard to be used by the State staff as an interface for receiving results. The dashboard must be fully designed and accepted by the State prior to the start of live service and weekly reporting.	
	a. Prior to dashboard design, Contractor will provide the State with written documentation explaining how it will supply the State with an integrated "dashboard" to be used by the State staff as an interface for receiving results of the Fraud Detection and Prevention (FDP) solution fraud detection efforts.	
	b. The dashboard will include a variety of data displays, to include maps, charts, graphs and spreadsheets.	
	c. The dashboard will have the capability to categorize alerts by like kind.	
	d. The dashboard will have the capability to prioritize potential fraud on a weighted basis.	
	e. The dashboard will have permissions setting built in to allow the State to	

	regulate users and/or views.	
	f. The dashboard will allow drill-down capability of alerts displayed.	
	g. The dashboard will allow users to jump directly to claimant and/or employer profile.	
	h. The dashboard will allow predetermined thresholds to be adjusted as necessary to detect ever changing fraud schemes.	
	i. The dashboard will allow details to be displayed in maps viewable to street level.	
4.	Claimant Validation Analysis: Representative run of RI claimants through the Fraud Detection and Prevention (FDP) solution models.	
	a. The Contractor will provide a written plan for how it will validate applicant and claimant related data, including but not limited to, SSN, address, age, DOB, criminal convictions, and benefit claim history. This is a one-time deliverable.	
	b. The Contractor will receive applicant and claimant data from the State in the condition that the State receives it from the applicant/claimant (un-scrubbed and unrefined), and create a claimant profile for each claimant/applicant.	
	c. The Contractor will match claimant profiles against available third-data party aggregators to detect anomalies in the claimant data. These anomalies will be reported to the State in the dashboard format on a weekly basis.	
	d. The Contractor will match claimant profiles against Social Security Administration data to determine correct matches between claimant and assigned SSN owner. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	e. The Contractor will identify additional SSNs when associated with a claimant profile. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	f. The Contractor will match claimant profiles against the Social Security Death Index to ensure the identity of an individual reported as deceased is not being used to apply for or receive benefits. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	g. The Contractor will identify claimant profiles that are found, in third-party data, to be experiencing consumer related fraud or identity theft. Contractor will report this information to the State in the dashboard format on a weekly basis.	

	h. The Contractor will match client profile addresses against third- party data addresses for disparities which may be an indicator of potential fraud. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	i. The Contractor will match claimant profile against self-reported consumer statements (i.e., reporting identity theft, etc.) for indicators of potential fraud. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	j. The Contractor will have a process for receiving feedback from the State regarding the value of potential fraud indicators provided, with the intent of improving the process of fraud detection, eliminating false positives, and increasing the value of fraud indicators.	
	k. Contractor will identify groups or clusters of claimants by occupation, geography, familial or other connection, telephone numbers or IP addresses used, or other connecting event. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	l. The Contractor will provide mapping, link analysis or other graphic representation of associations listed in deliverable requirement #4.i. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	m. The Contractor will identify for claimants that apply for benefits within a specific timeframe (to be determined by the State and capable of being adjusted), of when applications were first submitted to the State. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	n. The Contractor will match addresses provided in claimant profiles to addresses gleaned from third-party data obtained by the Contractor. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	o. The Contractor will match claimant profiles against individuals reported as incarcerated in county jails, state or federal prisons. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	p. The Contractor will match claimant profiles against the State supplied database of known "bad actors" (individuals involved with fraud). Contractor will report this information to the State in the dashboard format on a weekly basis.	
	q. The Contractor will match claimant profile against the State supplied database of known "bad" addresses. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	r. The Contractor will match claimant profiles against the State supplied	

	database of known "bad" I.P addresses. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	s. The Contractor will match claimant profiles against the State supplied database of known "bad" telephone numbers. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	t. The Contractor will identify instances where proximity between claimant and last reported employer is excessive. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	u. The Contractor will detect multiple claimants using the same physical address. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	v. The Contractor will detect multiple claimants using the same mailing address. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	w. The Contractor will match claimants against independent contractor data to detect unreported income. Contractor will report this information to the State in the dashboard format on a weekly basis.	
5.	Employer Validation Analysis: Representative run of RI employers through the Fraud Detection and Prevention (FDP) solution validation models.	
	a. The Contractor will provide a written plan for how it will validate employer data, including but not limited to the State supplied registration data, and registration with other sources commonly used to determine legitimacy of a business.	
	b. The Contractor will receive employer data from the State in the condition that the State receives it from the employer (un-scrubbed and unrefined), and create an employer profile. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	c. The Contractor will match the employer profile against third- party business data to identify anomalies and other potentially suspicious activity in the employer supplied business profile information. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	d. The Contractor will match employer profiles against disparate third-party data such as invalid addresses, commercial mail receiving agencies, bankruptcy records, tax liens and other similar data sources. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	e. The Contractor will have a demonstrated process for using the State feedback on alerts to improve or fine-tune future detection efforts.	

	f. The Contractor will provide indicators of fraud on a scaled system, or with a confidence code or value index, allowing the State to sort or triage indicators based on their potential for fraud. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	g. The Contractor will identify groups or clusters of employers, corporate officers, Limited Liability Companies or Sole Proprietors, by occupation, geography, familial or other connection, telephone numbers or IP addresses used, or other connecting event. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	h. The Contractor will provide mapping, link analysis or other graphic representation of associations listed in deliverable requirement 5.g. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	i. The Contractor will match employer profiles against individuals reported as incarcerated in county jails, state or federal prisons. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	j. The Contractor will match employer profiles against the State supplied database of known "bad actors" (individuals involved with fraud). Contractor will report this information to the State in the dashboard format on a weekly basis.	
	k. The Contractor will match employer profiles against the State supplied database of known "bad" addresses. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	l. The Contractor will match employer profiles against the State supplied database of known "bad" IP addresses. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	m. The Contractor will match employer profiles against the State supplied database of known "bad" telephone numbers. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	n. The Contractor will identify instances where proximity between employer and claimant is excessive. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	o. The Contractor will detect multiple employers using the same physical address. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	p. The Contractor will detect multiple employers using the same mailing address. Contractor will report this information to the State in the dashboard format on a weekly basis.	

	q. The Contractor will match employer profiles against independent contractor data files to detect unreported wages. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	r. The Contractor will match employer profiles against business activity records to identify businesses with low or unconfirmed market activity, possibly identifying shell companies. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	s. The Contractor will match employer and state vendor profiles against a federal debarment list identifying companies precluded from doing business with the federal government, possibly indicating fraudulent business practices. Contractor will report this information to the State in the dashboard format on a weekly basis.	
	t. The Contractor will match employer, benefit recipients and state vendor profiles against indictments and criminal complaints filed in state or federal jurisdictions. Contractor will report this information to the State in the dashboard format on a weekly basis.	
6.	Claims Analysis (Predictive Models): Production-ready binary and prediction models.	
	a. The Contractor will provide a written plan explaining how it intend to validate information necessary to deliver to the State the Fraud Detection and Prevention (FDP) solution.	
	b. The Contractor will employ predictive models to proactively identify data anomalies and potentially fraudulent activities.	
	c. The Contractor will employ comparative models to proactively identify data anomalies and potentially fraudulent activities.	
	d. The Contractor will employ pattern recognition models to proactively identify data anomalies and potentially fraudulent activities.	
	e. The Contractor will map results of potential fraudulent activity. Contractor will report this information to the State in the dashboard format on a weekly basis.	

7.	Data Matching Services: Upon completion of the prior six deliverables, all of the elements of the Fraud Detection and Prevention (FDP) solution will work in unison to perform the tasks described in the Scope of Work. Necessary testing, as determined by the State, shall be conducted to ensure that the system functions to the State's satisfaction prior to the acceptance of this final deliverable and the commencement of ongoing live service. **NOTE: See "SECTION 5: Invoicing and Payment" below for information on payment withhold relating to this deliverable.**
8	Production Go-Live Upon completion and the State acceptance of the first seven deliverables defined above, the Contractor will commence with ongoing live Fraud Detection and Prevention (FDP) solution including weekly reports to the State in accordance with the deliverables and requirements listed above.

SECTION 4: TECHNICAL PROPOSAL

Narrative and format: The separate technical proposal should address specifically each of the required elements:

1. **Project Staffing and Staff Qualifications** – Provide staff resumes/CV and describe qualifications and experience of key staff who will be involved in this project, including their experience relevant to FDP Solutions. Include an Attachment F for each individual.

2. **Capability, Capacity, and Qualifications** - Please provide a detailed description of the Vendor's experience as a FDP Solution provider. Also provide a detailed description of the Vendor's organization and operation, including but not limited to number of employees, primary locations that will service the awarded contract and length of time of continuous operation. The Vendor's should also include a list of current activities and contracts being executed on behalf of the State of Rhode Island.

3. **Quality and Completeness of Work Plan -** Please describe in detail, the framework within which requested FDP services will be performed. The following elements must be included: 1) methods used to verify demographic and client information; 2) methods for reconciling missing or inconsistent information initially provided; 3) follow-up measures employed; 4) methods used to maximize relevant leads and frequency; 5) a system of controls to identify errors, omissions and feedback to the Offeror.

4. **Approach/Methodology/Training** – Define the methodology to be used for the generation of leads/targets, documentation available for investigation of client cases as well as the process of remediating, generating billing statements and/or fee collection from a variety of clients. Explain approach to collaborate with other State vendors who are responsible for systems that will feed the FDP solution.

    a. **Data Sets/Field Layouts -** The vendor should incorporate in the proposal the use of the data sets and field layouts as noted in Appendix D.

    b. **Security Protocols** -.The vendor will provide a description of their security plan to the State which incorporates plans and procedures to ensure safe and effective access to the FDP system via the infrastructure agreed to. In addition, the vendor will agree to the State's plan to address the possibility of, and resolution to a system breach which includes agreeing to the procedures outlined in the Security Breach Agreement Form, Appendix B.

c. **Change Management** – The vendor will provide a change management plan which outlines the process and controls by which changes to scope may be brought forth for inclusion and either approved or denied by the Project Steering Committee.

d. **Training Plan** – The Vendor will provide a Training Plan and Schedule to be executed with State Employees to provide them with the necessary knowledge and skills to effectively utilize the FDP System.

5. **Previous Experience and Background** – The vendor will provide references for:
   a. Two (2) relevant clients and/or subcontractors with projects of similar scale. Please include names, addresses, phone numbers and dates of service.

   b. If there will be subcontractors, two (2) customer references must be provided for each subcontractor. Please include names, addresses, phone numbers and dates of service.

   c. The references may be contacted by the State for opinions on the Vendor's timeliness of completion of tasks and the quality of work performed.

6. **Project Plan** – Within 30 days of contract execution, the Vendor will provide a complete Project Plan which includes the elements described in the above section including:

   a. **Work Breakdown Structure** – Identifying the tasks to be performed.
   b. **Resource Allocation Map** – Identifying who will perform the tasks listed.
   c. **Communication Plan** – How information will be distributed to the stakeholders.
   d. **Schedule** – When the tasks will be performed.
   e. **Change Management Plan** – as listed above.
   f. **Training Plan** –as listed above.

SECTION 5: COST PROPOSAL

Detailed Budget and Budget Narrative:

Applicants shall provide a cost proposal using Appendix A: Cost Form to specify costs for performance of tasks starting on page 8 within Section 3: Scope of Work. Proposal shall include all anticipated costs of successful implementation of all deliverables outlined. An item by item breakdown of costs shall be included in the proposal, including option years. Applicants shall submit the breakdown and demonstrate how the cost was determined.

If there are any implementation fees associated with providing services in the RFP, the applicant shall identify each type of implementation fee to be charged.

Invoicing and Payment

1. In consideration of services performed, the State agrees to pay the Contractor for the State accepted deliverables. Deliverables shall be invoiced at the fixed-cost rates detailed in accordance with Appendix A, Cost Data Sheet. Invoicing should occur on the 30th of the month for the prior month's work. The payment process is automated through the RIFANS Supplier Portal located via the weblink:

   http://controller.admin.ri.gov/iSupplier/isup/index.php

   If the State rejects all or part of the Contractor's work or work product, the State shall withhold payment for the rejected work product and shall notify the contractor in writing via email of the reason why the work product was rejected. The Contractor shall take appropriate measures to correct the work and demonstrate to the State that the Contractor has successfully completed the work before payment can be made.

   The Contractor may not invoice the State for any costs exceeding the maximum amount identified for each specific deliverable listed on the Cost Data Sheet Appendix A. Any excess hours to complete a deliverable shall be at no cost to the State.

2. Payment Withhold for Deliverables 1 Through 8

   In accordance with the requirements set forth in this agreement, the State may withhold, from the invoiced payment amount to the Contractor, an amount equal to at least ten percent (10%) of that payment. Under this Agreement, twenty five percent (25%) of the amount charged for deliverables 1 through 8 shall be withheld until the State's acceptance of deliverable 8. Such retained amount shall be held by the State and only released to the Contractor upon the State's determination that the Contractor has satisfactorily completed all of the required services as itemized in deliverables 1 through 8.

3. Unanticipated Costs

   The Contractor may specify additional deliverables to meet unanticipated requirements of this SOW. Prior to commencing work on any unanticipated deliverable, the Contractor must complete a Change Request, as per the Change Management Project Plan, and obtain signed-approval and the issuance of a Change Order by the Division of Purchases. The specified number of labor hours and the hourly wage rate for unanticipated deliverables must be based on the hourly rate specified on the Cost Data Sheet for a given job classification cannot be exceeded.

4. Budget Contingency Clause

   It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional and legislative appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

   This Agreement is valid and enforceable only if (1) sufficient funds are made available by the State Budget Act of the appropriate State Fiscal Year(s) covered by this Agreement for the purposes of this program; and (2) sufficient funds are made available to the State by the United States Government or by the State of Rhode Island for the Fiscal Year(s) covered by this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations or conditions established by the United States Government and/or the State of Rhode Island, or any statute enacted by the Congress and Legislature, which may affect the provisions, terms or funding of the Agreement in any manner.

   The parties mutually agree that if the Congress and/or Legislature does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

   The State has the right to terminate the Agreement under the 30-day termination clause or to amend the Agreement to reflect any reduction of funds

SECTION 6: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from State agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 60 (80%) out of a maximum of 75 technical points. Any technical proposals scoring less than 60 points will not have the cost component opened and evaluated and the proposal will be dropped from further consideration.

Proposals scoring 60 technical points or higher will be evaluated for cost and assigned up to a maximum of 25 points in cost category, bringing the potential maximum score to 100 points.

The Office of Management and Budget, Office of Internal Audit reserve the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Project Staffing and Staff Qualifications	10 Points
Capability, Capacity, and Qualifications	10 Points
Quality and Completeness of Work Plan	25 Points
Approach/Methodology/Training	25 Points
Past Performance/Experience	5 Points
Total Possible Technical Points	**75 Points**
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 25 points *	**25 Points**
Total Possible Points	**100 Points**

*The Low Vendor will receive one hundred percent (100%) of the available points for cost. All other Vendors will be awarded cost points based upon the following formula:

(low bid / vendors bid) * available points

For example: If the low Vendor (Vendor A) bids $65,000 and Vendor B bids $100,000 for monthly cost and service fee and the total points available are Twenty-Five (25), vendor B's cost points are calculated as follows:

$65,000 / $100,000 * 25 = 16.25

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify Statements made in their proposal.

Selection

The Rhode Island Office of Management and Budget, Office of Internal Audit (Audit) will commission a Technical Review Team ("Review Team") to evaluate and score all proposals that are complete and minimally responsive using the criteria described in this RFP. The evaluation of any item may incorporate input from sources other than the Vendor's response and supplementary clarifying materials submitted by the Vendor. Those other sources could include assessments made by evaluators based on findings recorded from reference checks (including but not limited to those supplied by the Vendor), prior experience with or knowledge of Vendor's work, responses to follow up questions posed by Review Team and/or oral presentations from the offerors. Review Team may elect to use any or all of these evaluation tools.

The Review Team may call in any, all or some of the vendors in for an oral presentation at any point during the process at its own discretion. The Review Team may slightly adjust the technical score of any vendor after conducting such an interview. The State reserves the right to inspect and review any facility as part of the evaluation.

The Review Team will present written findings, including the results of all evaluations, to the State Purchasing Agent or designee, who will make the final selection for this solicitation. When a final decision has been made, a notice will be posted on the Rhode Island Division of Purchases web site.

In order for the Cost Proposal to be reviewed, all technical proposals must meet a minimum technical evaluation score of 60 technical points. Any technical proposals scoring less than 60 technical points will not have the cost component either opened or evaluated and the proposal will be dropped from further consideration.

Because the evaluation takes into consideration both the technical and cost components in a value based approach, the lowest costing vendor may not necessarily be awarded the contract.

Notwithstanding anything above, the State, and its agents reserve the right to either accept or reject any, or all, bids, proposals, award on cost alone, cancel the solicitation and to waive any technicality in order to act in the best interest of the State and to conduct additional negotiations as necessary.

Proposals found to be technically or substantially non-responsive, at any point in the evaluation process, will be rejected and not considered further. The State, at its sole option, may elect to require presentation(s) by offerors in consideration for the award. An award will not be made to a contractor who is neither qualified nor equipped to undertake and complete required work within a specified time.

SECTION 7: PROPOSAL SUBMISSION

Questions concerning this solicitation may be e-mailed to the Division of Purchases at **DOA.PurQuestions8@purchasing.ri.gov** no later than the date and time indicated on page one of this solicitation. Please reference **RFP # 7550779** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to monitor the Division of Purchases website for any related postings such as addendum(s) and download this information. If technical assistance is required to download, call the Help Desk at (401) 574-8100.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted**. Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses should be mailed or hand-delivered in a sealed envelope marked "**RFP# 7550779"** to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

SECTION 8. RESPONSE CONTENTS

Responses shall include the following:

1.1. R.I.V.I.P generated 'Vendor Certification Cover Sheet' - One (1) completed and signed three-page *original* printed paper copy of this form. (The form is available for download from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.)

1.2. W-9 (Rhode Island version) - One (1) completed and signed *original* printed paper copy of this form. (The form is available for download from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.)

1.3. A Separate Technical Proposal - describing the qualifications and background of the applicant and experience with and for similar projects, and all information described earlier in this solicitation. The Technical Proposal is limited to twenty (20) pages (this excludes any appendices). As appropriate, inclusion of Attachment F and resumes of key staff that will provide services covered by this request.

- One (1) Electronic copy on a CD-R, marked "Technical Proposal - Original".
- One (1) printed Paper copy, marked "Technical Proposal -Original" and signed.
- Four (4) printed Paper copies

1.4. A separate, signed and sealed Cost Proposal - A separate, signed and sealed Cost Proposal reflecting the hourly rate, or other fee structure, proposed to complete all of the requirements of this project.

- One (1) Electronic copy on a CD-R, marked "Cost Proposal -Original".
- One (1) printed Paper copy, marked "Cost Proposal -Original" and signed.
- Four (4) printed Paper copies

1.5. Separate CD-Rs - Separate CD-Rs are required for the Technical Proposal and Cost Proposal. All CD-Rs submitted must be labeled with the Vendor's name, RFP #, RFP Title and which of the three (2) files it contains (e.g. Technical Proposal and Cost Proposal. Vendors are responsible for testing their CD-Rs before submission as the State's inability to read your CD-Rs will be grounds for rejection of a Vendor's proposal. All files should be readable and readily accessible on the CD-Rs submitted with no instructions to download files from any external resource(s). If a file is partial, corrupt or unreadable, the State shall consider it "non-responsive". USB Drives or any other electronic media will not be accepted. Please note that CD-Rs submitted, shall not be returned.

1.6. Formatting of written documents and printed copies:

1.6.1. For clarity, the Technical Proposal shall be typed. These documents shall be single-spaced with 1" margins on white 8.5"x 11" paper using a font of 12 point Calibri or Times New Roman.

1.6.2. All pages on the Technical Proposal are to be sequentially numbered in the footer, starting with number 1 on the first page of the narrative (this does not include the cover page or table of contents) through to the end, including all forms and attachments. The Vendor's name should appear on every page, including attachments. Each attachment should be referenced appropriately within the proposal section and the attachment title should reference the proposal section it is applicable to.

1.6.3. The Cost Proposal shall be typed using the formatting provided on the provided template.

1.6.4. Printed copies are to be only bound with removable binder clips.

SECTION 9. CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

If a Vendor is selected for the award, no work is to commence until a Purchase Order is issued.

The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchases/General Terms and Conditions can be found at the following URL: https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf

Appendix A – Cost Form 1 of 2

Table 1

Vendors must complete

Firm, fixed, fully loaded cost to develop and maintain a Fraud Detection and Prevention System as described in **Section 3.**	
Initial Term – Year 1 -Software License Fees (specify each product and terms) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 1 -Business Consultation Services -Implementation and Maintenance (includes all modifications and updates) -All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified in Cost Response Table 1; and -All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs	Subtotal cost: $_____
Initial Term - Year 2 -Software License Fees (specify each product and terms) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 2 -Business Consultation Services -Implementation and Maintenance (includes all modifications and updates) -All other real and incidental costs the Vendor anticipates it will incur that are not specifically identified in Cost Response Table 1; and -All other costs or expenses, including deliverable reproduction and presentation preparation costs, travel, and other indirect costs	Subtotal cost: $_____
Initial Term - Year 3 -Software License Fees (specify each product and terms) -All application hosting related costs and expenses the Vendor anticipates it will incur in Year 3 -Business Consultation Services -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
Extended Term – Option Year 1 -Software License Fees (specify each product and terms) -All application hosting related costs and expenses the Vendor anticipates it will incur in Extended Term – Option Year 1 -Business Consultation Services -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
Extended Term – Option Year 2 -Software License Fees (specify each product and terms) -All application hosting related costs and expenses the Vendor anticipates it will incur in Extended Term – Option Year 2 -Business Consultation Services -Maintenance (includes all modifications and updates)	Subtotal cost: $_____
TOTAL	$_____

Cost Form (Con't) 2 of 2

Table #2A – Hourly Rates - Initial Term

Project Role / Function / Title	Rate per Hour
	$
	$
	$
	$

Table #2B – Hourly Rates – Option Years 1 & 2

Project Role / Function / Title	Rate per Hour
	$
	$
	$
	$

Table #3 – Other Costs Not Covered

Description	Cost
	$
	$
	$
	$

Appendix B

Security Breach Agreement Form

Note: All software vendors doing business with the State of Rhode Island must complete a Security Breach Agreement form as part of this RFP solicitation process.

Bidder Name: _____

RFQ/RFP Bid Solicitation Number: _____

32. DPE ACCESS, ACCESSIBILITY, UNAUTHORIZED ACCESS, SECURITY AND ACCESS REQUIREMENTS, SECURITY ASSESSMENTS AND CONFIDENTIAL INFORMATION

32.1 Unless otherwise specified in a Data Provider Entities (DPE) Agreement or an associated statement of work, DPE's shall have access to a report of Network users accessing DPE data not otherwise openly available to the general public. Such reports will be made available without added costs to the DPE or agencies of the State.

32.2 A DPE must be able to sign on to Rhode Island Interactive, LLC (Contractor)'s system to audit enhanced access to its for-fee records or be provided reports containing that information on a regular basis by Contractor. On-line access to transaction logs must be available for the length of time specified by the DPE after transaction processing. After the on-line retention period has expired, Contractor shall, as specified between Contractor and the DPE, retain, destroy, or provide the Network user log information to the DPEs without cost. Insofar as these records may be public, Contractor shall act as directed by the DPE in compliance with the Rhode Island law on retention or access of public records.

32.3 Contractor shall comply with the requirements of Section 508 of the U.S. Rehabilitation Act of 1973, as well as the Web Content Accessibility Guidelines (WCAG) 2.0 issued by the Web Accessibility Initiative (WAI) of the World Wide Web Consortium (W3C) regarding accessibility.

32.4 At a minimum, the Network shall retain the following data: name of Network user, transaction data and time, type of inquiry and IP address.

32.5 SECURITY BREACH. Contractor shall notify affected DPEs and the Chief Information Officer, Chief Digital Officer and Chief Security Officer of the State ("State Impacted Parties") of any successful unauthorized electronic or other access to State Portal and/or Network operations which results in the compromise of Personal Information as defined in Section 32.7 ("PI Security Breach") or any defacement of the State Portal operated by Contractor ("Defacement") or the compromise of Confidential Information described in Section 17.2.2 or 17.2.3 ("CI Disclosure") within two (2) business hours of knowledge of occurrence. The notice shall contain information available to Contractor at the time of the notification, to aid the State Impacted Parties in examining the matter. More complete and detailed information will be provided to the State Impacted Parties as it becomes available to Contractor. For security reasons, the disclosure from Contractor to State Impacted Parties as contemplated in this Contract may include information specifically designated as "confidential" and shall be treated by State Impacted Parties as such. Contractor and State Impacted Parties shall cooperate with each other (a) in any public disclosures

related to any such successful unauthorized access, and (b) in pursuing any third party (other than Contractor's affiliates) who may have contributed to any such successful unauthorized access. In the event of a successful PI Security Breach, Defacement or CI Disclosure, Contractor agrees it shall pay for an independent third party security firm acceptable to the State, currently Verizon Business Systems, to analyze the incident and determine the cause and extent of the compromise, and a report shall be provided to the State. In the event of a successful PI Security Breach, Contractor, at its cost, shall provide notification to applicable credit card companies, local office of the Secret Service, merchant banks and affected users, plus offer and pay for the following assistance: notify affected portal customers, establish a call center and purchase credit monitoring services, where necessary. Contractor shall indemnify and hold harmless the State and any DPE and their officers and employees from any and all damages, penalties, costs, expenses, claims, causes of action, fees, penalties (including reasonable attorney's fees and regulatory defense) (together "Claims") which may arise, accrue or be caused in whole or in part, directly or indirectly, by any such PI Security Breach; *provided, however*, Contractor shall not be responsible for that portion of Claims to the extent the State or any DPE is found to have contributed in part to said Claims. The duty to indemnify the State or any DPE under this Contract shall not be limited by the insurance required to be maintained pursuant to this Contract.

32.6 Contractor shall comply with and provide the Security and Access requirements required in Sections II.5, III.6, III.8 and Appendix 1.5: State Security and Privacy Requirements and elsewhere in the RFP, to the extent set forth in the Contractor Proposal and this Contract. RII shall make its Confidential Incident Response Plan available to the State at its Rhode Island office during normal business hours for viewing by the State.

32.7 Contractor shall procure at its cost an annual comprehensive Network security assessment that includes vulnerability testing to determine the integrity and security of Personal Information as defined below and in Contractor's or its affiliates' or subcontractors' possession by an independent security company of its choosing, currently Verizon Business Systems, and shall cause its affiliate providing payment processing to procure a SSAE 16 or its equivalent Systems, and a report shall be provided to the PRC, CIO and CISO within thirty (30) days of receipt of such assessment or SSAE 16. Contractor shall provide the State its plan for correcting or remedying any significant security vulnerabilities posing an immediate threat to the security of the Network identified as a result of the security assessment within twenty-four (24) hours following Contractor's receipt of the security assessment report. Contractor shall also perform quarterly PCI security scans at its cost. Quarterly security scans are conducted pursuant to PCI/DSS Requirements for the most recent version, by an independent, third-party approved security scanning vendor over the internet to review network vulnerabilities of all external-facing IP addresses of the Network. Contractor shall provide within fifteen (15) days of said quarterly scan a written report to the PRC and CISO with the results of said quarterly scan, including the assurance that all application patches, operating system patches and any other patches are up to the latest recommended revisions if an immediate threat to the security of the Network exists. For security reasons, the disclosure from Contractor to the State as contemplated in this Contract may include information specifically designated as

"confidential" and shall be treated by the State as such.

"Personal Information" is defined for purposes of this Contract as the first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:

1. Social security number;
2. Driver's license number or State identification card number;
3. Account number, credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account;
4. Personal Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records. The definition of Personal Information used in this Contract shall be modified to reflect any changes to the definition of Personal Information set forth in R.I. Gen. Laws § 11-49.2-5, as may be amended throughout the Term; provided, however, in no event will a change in applicable law cause the definition of Personal Information used in this Contract to remove the Encryption Exclusion (as defined below) for purposes of the rights and remedies set forth herein. The "Encryption Exclusion" means that if the name and the data elements are encrypted, then such name and data elements will not be included within the definition of Personal Information..

Signature_____ Date_____

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Appendix C

Insurance

All Contractors, and Contractors shall require all subcontractors, to procure at their own cost and expense and maintain in full force and effect during the entire term of the contract until all of their obligations have been discharged, including any warranty periods or extended reporting periods, against any claims, damages or causes of action (including costs and attorneys' fees) that may arise from or in connection with, in whole or part, the performance of the contract and the results of the performance of the contract by the Contractor, its agents, representatives, officers, employees, subcontractors or any other entity or person for which the Contractor is legally responsible, the following insurance coverages:

Commercial General Liability. $1,000,000 combined single limit per occurrence and aggregate covering bodily injury (including death), broad form property damage, personal and advertising injury, independent contractors, products and completed operations and contractual liability. This insurance shall be in policy or policies of insurance written on an occurrence basis.

Automobile Liability. $1,000,000 combined single limit per occurrence for bodily injury and property damage for all automobiles used in conjunction with the performance of this Contract covering all owned, non-owned, or hired vehicles. If a Contractor does not own an automobile, but one is used in the performance of this Contract, then only hired and non-owned coverage is required. If a vehicle is not used in the performance of a Contract, then automobile coverage is not required.

Workers' Compensation and Employers' Liability. Statutory coverage as required by the compensation laws of the State of Rhode Island or any applicable state law in which any work related to the contract is performed and Employers' Liability with minimum limits of $100,000 each accident, $100,000 disease or policy limit and $100,000 each employee. A Contractor neither eligible for, nor entitled to, Worker's Compensation who is an independent contractor under Rhode Island law must comply with the statutory procedure precluding an independent contractor from bringing a workers' compensation claim against the Insured Parties.

Technology Errors and Omissions Coverage: Technology Errors and Omissions Insurance covering any damages caused by an error, omission, negligence or any wrongful acts of Contractor, its subcontractors, agents, officers or employees under the contract. Coverage to include: product failure; security failure; professional liability including, but not limited to, intellectual property infringement; and, personal injury if limited or uninsured under commercial general liability insurance. Coverage to be maintained for the term of the contract and for a period of three years after the contract has ended. Combined single limit per occurrence shall not be less than $2,000,000. Annual aggregate limit shall not be less than $2,000,000.

Data Breach Regulatory Liability and Privacy Coverage (a/k/a Network Security and Privacy Liability Insurance): Contractor will obtain and keep in force at Contractor's expense for the term of the contract and for a period of three (3) years after the contract ends insurance to cover Contractor, its subcontractors, agents, officers or employees, for privacy breach, unauthorized access or disclosure of data, including privacy liability, notification costs, regulatory defense and penalties, cyber extortion, crisis management, credit monitoring and public relations. Such insurance will contain limits of not less than $2,000,000 per occurrence.

The State of Rhode Island, its departments, agencies, officers, employees, agents, volunteers, and any party authorized by R.I. Gen. Laws § 37-2-1, *et seq*. and the Purchasing Regulations to participate in a procurement, and any other party directed by the State (together the "Insured Parties") and Contractor shall submit a copy of a policy endorsement or blanket endorsement evidencing the Insured Parties as an additional insured to the Contractor's Liability policies. This requirement shall not apply to Workers' Compensation and Employers' Liability.
Any deductible, self-insured retention, or form of self-insurance amount under the policies shall be the sole responsibility of the Contractor and shall be disclosed to and acceptable to State.
This insurance shall be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophic form and must be placed with insurers authorized to do business in Rhode Island, rated "A-," class VII or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. A lesser rating must be approved by the State.
The insurance required through this Section, through a policy or endorsement, shall include:

a) A Waiver of Subrogation waiving any right to recovery the insurance company may have against the Insured Parties;
b) A provision that Contractor's insurance coverage shall be primary as respects any insurance, self-insurance or self-retention maintained by the Insured Parties and that any insurance, self-insurance or self-retention maintained by the State or any additional insureds shall be in excess of the Contractor's insurance and shall not contribute with it;
c) Cross-liability/severability of interests for all policies and endorsements;
d) The insolvency or bankruptcy of the insured Contractor shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Contractor from meeting the retention limit under the policy; and,
e) The legal defense provided to the Insured Parties under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the Insured Parties is necessary.

There shall be no cancellation, material change, or potential exhaustion of aggregate limits without thirty (30) days prior written notice by registered or certified mail from the Contractor or its insurer(s) to the Department of Administration, Division of Purchases Attn: Purchasing Agent, One Capitol Hill, Providence, RI 02908.
As evidence of the insurance required by this Section, the Contractor shall furnish Certificates of Insurance and required additional insured endorsements to the Department of Administration, Division of Purchases before Notice of Contract Award by the Division of Purchases. Failure to comply with this provision may result in rejection of the bid offer.
Certificates of Insurance and required endorsements shall thereafter be submitted annually or earlier upon expiration and renewal of any of the policies.
Certificates of Insurance and additional insured endorsements shall be in form and coverage acceptable to the State. All Certificates of Insurance and to the extent possible for endorsements shall reference the State procurement number. State retains the right to demand a certified copy of any required insurance policy, Certificate of Insurance or endorsement.
The Contractor shall be responsible to obtain and maintain insurance on any real or personal property owned, leased or used by or otherwise in the care, custody or control of Contractor. A waiver of subrogation shall apply in favor of the Insured Parties.

The Insured Parties shall be indemnified and held harmless to the full extent of coverage actually secured by the Contractor in excess of the minimums set forth herein and the duty to indemnify the Insured Parties shall not be limited by the insurance required in this Section.
The Contractor shall comply with any other insurance requirements including, but not limited to, additional coverages or limits contained in the solicitation that differ from this Section.
Failure to comply with this Section is a material breach of contract entitling the State to terminate or suspend the contract immediately.
This Section shall survive expiration or termination of the contract.
The Purchasing Agent reserves the right to consider and accept alternative forms and plans of insurance or to require additional or more extensive coverage for any individual requirement.

Appendix D

Dataset / Field Layouts

The following entities and attributes represent the typical data set that is needed as an input to the Fraud Detection and Prevention (FDP) solution. This is a broad outline of the data needs for FDP and it is desirable to receive any additional attributes that are used by a particular client within the various State agency spaces. At least three (3) years of history should be provided.

1. Unemployment and Temporary Disability (DLT)

   (Note: The UI and TDI programs have distinct perspectives for fraud detection, the Claimant or Beneficiary side of fraud, also referred as the Benefits side, and the Employer or Business side of fraud, also referred to as the Taxation side. In the TDI context, fraud detection would also need to be able to address qualified healthcare providers who authorize individuals for disability benefits. The data requirements for both perspectives are very distinct with a small overlap where claimants employed at a business are applying for benefits and both entities are within the same jurisdiction.

   a. Claimant Profile – has personal and demographic information at the time of filing a UI claim. This includes SSN, name, address details, email, demographic information (gender, race, education, residency, profession, marital status (RI no longer collects this data), military, disability, dependents, citizenship (?), DOB (?), etc.), and employment and income histories (if possible).

   b. Payment Setup Profile – includes information related to bank account(s) and bank details, payment formats, tax deduction situations, other subsidies available, etc.

   c. Claims File – has details on dates of filing and approval, details of last employment including profession, designation, employer details, salary, etc., and information around claim rejection or closed claims and re-opened claims, etc.

   d. Claim Adjudication – payment amounts approved, various codes and statuses to track the benefit payments approval activity, running totals on how much benefits have been paid and how much remains, tax deductions, funding of the payment amount (various codes, types related to that), adjustments, employment (or termination) confirmation, etc

   e. Weekly Certifications – details around weekly certification by a claimant for continued UI benefits. Typical data includes how certification was filed, when it was filed, the mode of filing details around location, IP address, email address, call center, etc., along with historical certifications and claim ID.

   f. Payment Transaction – includes data on the actual payment transaction like dates, amounts, check number or ACH transaction details, breakdown of

amounts, historical data on payments, claim ID, and weekly certification ID against which the payment was issued.

2. Qualified Health Care Providers (TDI)
   a. Authorizations made for specific claimants or groups of claimants, and history of authorization periods for TDI

   b. Use of morbidity codes (classification of illness)

3. Employer or Business Data (Taxation)

   Attributes of some of the Taxation data are described below.

   a. Business Registration – includes the basic business information used to register for UI tax withholdings, such as names, addresses, locations, DBA, incorporation information, industry, size, principal officers, basic financial information, first tax payments date, new business versus acquired, legal entity and subsidiaries, agents responsible for UI tax payments, communication, etc.
   b. Tax Adjudication – includes industry codes, various other codes, and statuses and types used to determine the taxation rate, UI tax rate (and historical rates), estimated tax amounts, prior delinquencies, risk rating, acquisition information, etc.
   c. Quarterly Payments – actual details around employees on whose behalf the payments were made, quarter, year, return filing date, employee start and end dates, out of state employee information, etc.

4. Personal Income Tax Information (Taxation)

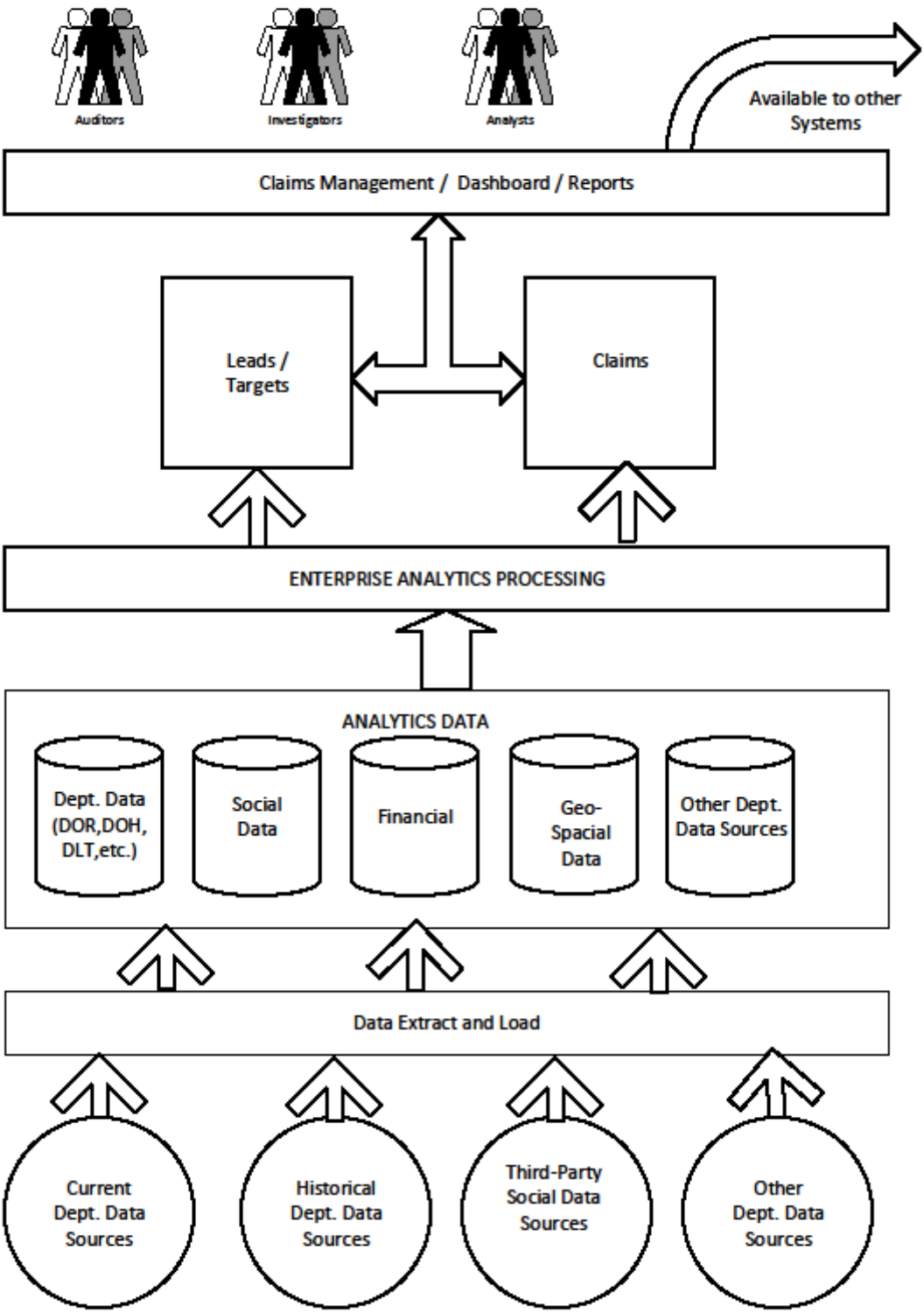
   a. Individual Registration includes demographic information: SSN, Name, Address, Spouse ad Telephone Number

   b. Individual Return File includes: Details of personal income tax filings, income, deductions, exemptions, credits

For all of the above, additional attributes in a source system should be included along with any historical files where previous updated information is archived, such as prior addresses, prior claims and prior payment methods or transactions. Historical data would be available only within the three years of claims data. Also, to be clear, overpayment data could not be shared due to security restrictions DLT is required to adhere to.

Figure E

Process Flow



Attachment F

Key Staff Qualifications

Complete this attachment (or a table or spreadsheet similar to it) for each of the proposed key staff. Failure to complete this attachment may be cause for rejection of the offer.

Qualifications	**Experience**		
	Number of Years	**Name of project(s), staff role and the relevant experience on the project(s). List dates of each engagement**	**Reference information[1]: name, e-mail address, phone number**
Mandatory: Minimum two (2) years of experience customizing and operating data analytics systems.			
Mandatory: At least one (1) year experience with benefit fraud detection			
Desirable: Demonstrated expertise in Unemployment Insurance fraud			
Desirable: Demonstrated expertise in Disability Insurance fraud			
Desirable: Demonstrated expertise in Taxation fraud			
Desirable: Demonstrated expertise in Health and Human Services fraud			
Desirable: Demonstrated expertise in data mining			
Desirable: Demonstrated expertise in dynamic modeling			

Describe previous experience with data analytic systems. Include the following information (attach additional sheets as needed):

- Client/project name
- Client name, contact name, and contact telephone number
- Start date and end date for each client/project
- Overview of the contractor staff person's role on the respective project
- Final disposition of the services and/or products provided to the client

[1] List at least two references in this column. Two references are not required for each row, instead a minimum of two references is required for each staff person.