



State of Rhode Island
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ADDENDUM # 3

RFP # 7550779

TITLE: Enterprise-wide Fraud Detection and Prevention System

SUBMISSION DEADLINE: August 25, 2016 at 02:00 PM ET

Addendum Description: Additional Submission Deadline extension and Responses to Questions Received

A. Submission Deadline Extension:

The Submission Deadline has changed:

From: August 17, 2016 at 03:00 PM ET

To: August 25, 2016 at 02:00 PM ET

B. Responses to Questions Received

- Question:** Section 8, 1.3, Page 31, The RFP states: *"The Technical Proposal is limited to twenty (20) pages (this excludes any appendices)."* Would the State please consider removing, or at least expanding, the number of pages allowed, given the fact that the Requirements/Deliverables tables will require 12 pages in and of themselves, and the State has requested substantial narrative regarding approach, staffing, methodology, planning, etc.? No limit, or a larger limit, will enable the State to better understand and evaluate bidder solutions.
Answer: Allow up to fifty (50) pages, excluding appendices.
- Question:** Section 8, 1.3, Page 31, The RFP states: *"The Technical Proposal is limited to twenty (20) pages (this excludes any appendices)."* Would the State please consider

eliminating resumes and customer references from the page count as well as the required attachments and appendices?

Answer: Yes.

3. **Question:** Page 1, Will the State please respond and post answers to bidders' questions as they are received? Questions are due only 8 days before the proposal is due, and it would be helpful to have time to adjust the proposal if necessary in response to answers to questions.

Answer: No, however a two week extension was granted in Addendum #2.

4. **Question:** Where do the tables need to be included in the response? Are they part of the technical volume and, if so, do they count toward the 20 pages?

Answer: The Contractor may respond to the Mandatory, Desirable and Deliverables tables with a "Y" or "N" in the "Contractor Agrees" column, and via an attachment with the response being identified by the question number when necessary.

5. **Question:** Does the State prefer a solution that is hosted (in the cloud) by the vendor or one where the solution software and hardware are installed and maintained onsite?

Answer: The State will entertain any viable solution that addresses the requirements identified in the RFP. (Page 3, #2)

6. **Question:** Is the initial contract term 24 months (RFP, p.3) or 3 years (as indicated in the pricing tables)?

Answer: Initial contract is for 24 months, as per Addendum # 1.

7. **Question:** Under the Desirable Requirements Section:

- a. 122. The Contractor will retain original relationships and information by instituting relationship identifiers into a composite view of possible newly-configured entities.
- b. 123. The Contractor will use full attribution to ensure that data is never lost and is always traceable to its original source.

Can the State please provide more context on these requirements?

Answer: When an individual who is suspected of fraudulent activity is identified within a specific agency, the information associated with the identification of the suspected perpetrator needs to be persisted across cooperating agencies and should be retrievable via the same attributes as the primary agency.

8. **Question:** Can you provide some clarification on what you are looking for with dynamic modeling?

Answer: The predictability of a suspect's behavior over time. Within the concept of analytics, can a target's behavior be predicted over time, as in identifying the possibility of abhorrent behavior occurring based on previous activity by that suspect.

(I.E. Is the suspect in question likely to defraud this, or another system, based on previously identified behavior.)

9. **Question:** Given clear evidence (provided below) that this RFP in its entirety appears written for a specific company and as such presents a highly non-competitive and patently unfair procurement, will the State cancel the RFP, terminate this current procurement process and instead commence a new, truly objective, transparent and fair procurement process?

Question detail and specifics:

By way of background, [Vendor Name Omitted] has a history of engagement with high impact, public facing projects within the realm of state regulatory compliance and oversight. Our work spans the spectrum of developing the first state-wide electronic Food Stamp system (EBT) in the country to identifying and investigating waste and fraud in the Medicaid, Food Stamp and Section 8 programs to providing highly effective analytical data investigation services for state clients. In the last few years, our work has increasingly involved working closely with state investigators and others in examining the use of state programs and funds, and researching and reporting on comparative anomalies in municipal services contracts statewide.

Upon obtaining a copy of RFP 7550779, [Vendor Name Omitted] immediately began the process of analyzing the requirements and beginning to formulate a strategy for preparing a proposal. As part of our customary analysis, we researched the specific requirement terms of art and associated facts and details. This analysis and research led to findings of fact that present clear evidence this RFP is intended for a specific company.

A summary of the facts include:

The above referenced Rhode Island RFP #7550779 appears to be an exact copy of an RFP issued by the State of California in 2014, Solicitation Number 65251. I have attached a PDF copy of the California Solicitation for your reference. The requirements sections of the two RFPs are identical, right down to typographical errors in the two documents.

1. The first page of the California RFP is titled 'Pondera Fraud Detection as a Service'.
2. Pondera is a company that performs waste and fraud data analytics:
www.ponderasolutions.com
3. Pondera and a company named First Data won the California RFP:
<http://www.bizjournals.com/sacramento/news/2014/10/14/pondera-solutions-to-help-analyze-california.html>

4. The California RFP was specifically written for Pondera's capabilities and existing system and relationships with data providers. California justified using Pondera because the state applied for and received federal grant money to pay for the effort – and that grant money was awarded based on Pondera's system. See vendor question and response on PDF page 98 of the California RFP document. This is critical, because that grant money allowed for California to write a vendor specific RFP – something NOT ALLOWED in the normal case of government contracting, and likely not allowed under Rhode Island rules and regulations.
5. The technical specifications start in the California solicitation at PDF page 121. The numbers and text are identical to the RI specifications, which start at PDF page 11.
6. It appears that someone at the State of Rhode Island took the technical specifics of the California proposal WORD FOR WORD except for striking out the name 'Pondera'. Had the vendor name 'Pondera' been left in the RI RFP it would be instantly recognized as illegal because state contracting cannot specify a specific contractor. The act of striking out the name does not make the RI RFP any less illegal – because the technical requirements of the California RFP were left EXACTLY intact – and those requirements specified functionality found in Pondera's technical solution, as was openly admitted to be the case by California in the questions and answers.
7. First Data, Pondera's partner in the California project, currently is paid by the Rhode Island Department of Labor and Training for some kind of UI/TDI work (based on data found on the State of Rhode Island's transparency portal).
8. The unmistakable implication is this procurement for waste and fraud services for the State of Rhode Island was heavily influenced by a likely bidder such as First Data and/or Pondera.

As a Rhode Island small business that specializes in providing waste and fraud technology and services, we ask for the opportunity to compete on a level playing field to earn the State's business in a fair and objective procurement process. There are many valid solutions for identifying waste and fraud. Rhode Island should welcome ALL of them and pick the best one.

Please note that the California Solicitation was narrowly targeted to Unemployment Insurance waste and fraud analytics. Rhode Island packaged the California Unemployment Insurance requirements and labelled them as enterprise-wide requirements. We respectfully submit that there are a tremendous number of requirements for other spending programs that are necessary requirements for a true enterprise-wide solution.

The facts as laid out above are indicative of a tainted procurement process. We consider it extremely disappointing that a critically important, statewide and enterprise-wide waste and fraud procurement appears tainted with fraud.

We hope that the State of Rhode Island agrees with our assessment of this RFP, withdraws this RFP immediately and undertakes the necessary actions to understand how this tainted process was able to occur and put in place protections to prevent this sort of thing from happening in the future.

We look forward to competing for a future open and transparent Enterprise-wide waste and fraud data analytics contract for the State of Rhode Island. It is vitally important that states do everything possible to ensure that tax dollars are achieving their intended purpose, something that is not possible when some of those dollars are lost to waste and fraud.

Answer:

The Division of Purchases (“Division”) is conducting a fair and competitive Request for Proposal (“RFP”) process to select an enterprise-wide fraud detection and prevention system. The Division will consider any and all proposals submitted which will serve the best interests of the State and protect the public fisc. Additionally, the State will consider alternative approaches to achieve this objective: Section 1 of the RFP provides: “Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited.”

The Division will closely monitor the entire procurement process to make sure that any and all vendor proposals are given due consideration. All submitted proposals will be reviewed by an evaluation team, approved by the Division, to conduct a non-partisan review of all submitted proposals.

In over a nearly eighteen (18) month period, in identifying the need for an enterprise solution, the Bureau of Audits met with various firms operating in this area. These firms were: Simpatico, SAP, BAE, RSI, Pondera and Deloitte. Further, various solicitations led by other governmental entities were examined. Although no enterprise-wide fraud protection solicitation was identified, a purchasing document issued by the State of California was deemed to be a solid template in setting forth the desired result and objectives of a comprehensive platform which would address Rhode Island’s needs.

In reviewing California’s effort, it was noted that its funding source, U.S. Department of Labor, designated Pondera’s proprietary software as the only eligible platform. In fact, the California solicitation document was titled: “Solicitation 65251 – Pondera Fraud Detection as a Service.” Nonetheless, the thrust of the California solicitation document was compatible with Rhode Island’s needs and objectives for this enterprise-wide project. Therefore, taking California’s solicitation document as a template, all

references to Pondera or any and all proprietary products were eliminated. Thus, any vendor may propose a solution using any open source platform available to it. In contrast, the requirement in the California solicitation document limited competition to only one vendor and provided: *“The Contractor will use the PonderaFDaas™ to create weekly reports . . .”*

Moreover, the language was modified to embrace an enterprise-wide approach so that Rhode Island could integrate its current program level fraud detection software into a comprehensive multi-level approach across programs to ferret out fraud, waste and abuse. This enterprise-wide approach for detecting fraud, waste and abuse appears to be cutting edge.

Although the language in the RFP allows the State to waive or amend the so-called mandatory requirements, to further clarify the intent of the Division to promote competition, the technical requirements section in the RFP is amended through this Addendum to be considered “desirable requirements,” rather than “mandatory requirements.” Therefore, all such requirements will be reviewed by the State in total to determine which solution works best for the State.

The Division fully expects multiple proposals to be submitted for consideration in response to this RFP. As stated, all proposals will be reviewed by an impartial evaluation team under the supervision of the Division. In the event there is any evidence of impropriety or unfairness, the Division will act accordingly.

Summary: All the requirements (#101-#142) shall be considered desirable and not mandatory. The evaluation team shall consider all viable solutions and determine the solution which is in the State’s best interest.

10. **Question:** Section 2, final paragraph, p.7, the final paragraph states that “As results are evaluated, other agencies will be added sequentially based on need, effectiveness of recovery, and impact of remediation.” Will the State please describe the process for adding agencies subsequent to the initial implementation of the first three (3) agencies?

Answer: 1) The need is defined as the agency that is projected to have the most outstanding abuse of funds; 2) The effectiveness is defined as the funds recouped against the funds projected for the target agency; 3) Impact of remediation is defined as the effort required to gather information and recoup outstanding abused funds as compared to other agencies.

11. **Question:** Section 3, Item 3 (Response to Technical Requirements) p.11-23, Will the State please clarify whether you are expecting us to provide answers to each individual requirement within the Mandatory, Desirable, and Deliverable tables or whether the requirements are all to be addressed in the 20-page technical response?

Answer: If the Contractor responds with a “Y” to a Mandatory Requirement, no other explanation is necessary. If the Contractor responds with an “N” to a Mandatory

Requirement, the Contractor needs to provide a brief explanation as to why that require cannot be met.

If the Contractor responds with a “Y” to a Desirable Requirement, the contractor needs to provide a brief explanation as to how they will satisfy that requirement. If the Contractor responds with an “N” to a Desirable Requirement, no other explanation is necessary.

12. **Question:** Section 3.B, Deliverable # 2.g, p.17, Will the State provide the worker’s compensation data noted or is the vendor expected to obtain a third party source?
Answer: The Vendor must provide the procedure needed to accomplish the required matching. The State will offer assistance to the Contractor to acquire the needed data.
13. **Question:** Section 3.B, Deliverable # 2.h, p.17, Will the State provide the 1099 independent contractor data noted or is the vendor expected to obtain a third party source?
Answer: We do not legally have authority to that data.
14. **Question:** Section 3.B, Deliverable # 4.o, p.19, Federal prisons data is not available to the public. Does the State currently obtain this data for data matching purposes?
Answer: No
15. **Question:** Section 3.B, Deliverable # 4.w, p.20, Will the State provide the independent contractor data noted or is the vendor expected to obtain a third party source?
Answer: See response to Question 13
16. **Question:** Section 3.B, Deliverable # 5.t, p.22, is the intent of this requirement to identify arrests as identified in Indictments and criminal complaints?
Answer: No
17. **Question:** Section 4, Item 3(3) (Quality and Completeness of Work Plan), p.24, Will the State please clarify what is meant by “follow-up measures employed”?
Answer: The follow-up measures employed to confirm the target identity.
18. **Question:** Section 5, Item 2 (Payment Withholds for Deliverables 1 Through 8) p.26, The first sentence of this section indicates a withhold of at least 10% and the following sentence indicates a definitive 25% for Deliverables 1 through 8. Will the State please clarify the amount of withhold for Deliverables 1 through 8?
Answer: 25 % until acceptance, all other Progress Payments subject to 10% withholding.

19. **Question:** Appendix D, p.43-44, Appendix D says it represents typical data sets needed as input to the FDP solution. Will the State confirm that these data sets and attributes will be available as input for the solution? If not, will the State please provide the specific data sets and attributes that will be made available?
Answer: Appendix D describes the data the agencies currently have available.
20. **Question:** General, Will the State provide population volumes for each participating agency, e.g. active adult claimants, recipients, employers, businesses, etc.?
Answer: Yes
21. **Question:** Section 1 of the RFP (page 3) provides an initial contract term of 24 months; however, Appendix A (page 34) provides the initial term is 3 years. What is the initial term of the contract and how should Vendors account for this discrepancy in the cost proposal?
Answer: Initial contract is for 24 months, as per Addendum # 1.
22. **Question:** Are there currently third party data sources Rhode Island would like Vendors to include in the solution (see Requirement #119)? If not, should Vendors include third party data sources?
Answer: This is dependent on what the Vendor requires to implement their solution. The State will attempt to make available, within reason and legality, any currently available data within its control without forcing the contractor to incur additional cost. However, should the Vendor require data unavailable to the State, they should account for the cost from a third party within their response.
23. **Question:** What is the anticipated number of end users by each department in scope?
Answer: Less than 50.
24. **Question:** What is the anticipated number of investigator users?
Answer: Less than 50.
25. **Question:** What is the anticipated number of administrative users?
Answer: Less than 50.
26. **Question:** What is the total data volume for Rhode Island's Department of Revenue (DOR) systems? What is the total data volume of Rhode Island's Department of Human Services (DHS) systems? What is the total data volume of Rhode Island's Department of Labor and Training (DLT) systems? What is the total data volume of other systems in scope?
Answer: Too vague. Unable to respond. Needs clarification.
27. **Question:** Requirement #113 provides "The Contractor will provide narrative explanations to the State team as to why any individual cases were identified by the data analytics tool and delivered to the State." Please provide clarification on what this requirement entails.

Answer: The Contractor will provide a textual explanation of the logic and information utilized that caused the suspected perpetrator to be identified and flagged, along with any status codes utilized.

28. **Question:** Requirement #121 provides “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.” How does the State define “event triggering”?

Answer: “Event Triggering” can include, but is not limited to: 1) Change of address, 2) Change of employment, 3) Marital status, 4) Job promotion, 5) Disability status, 6) Dependent changes, etc.

29. **Question:** Deliverable 4(a) provides “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.” To what external data sources does RI intend to grant Vendor access?

Answer: The Vendor should provide to the State a list of required data values as stated in the RFP. (Appendix D) The State will make every reasonable effort to provide access to the requested data sources required.

30. **Question:** Deliverable 4(d) provides “The Contractor will match claimant profiles against Social Security Administration data to determine correct matches between claimant and assigned SSN owner.” What is the state’s protocol for accessing Social Security Administration data?

Answer: The Contractor will define the necessary protocol to determine matches. The State will provide assistance to achieve the desired result.

31. **Question:** Deliverable 4(o) provides “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.” In what format will the referenced incarceration data be provided to Vendors?

Answer: This is the Vendor’s responsibility. RI can only provide State data. The DOA will assist in the effort to acquire access.

32. **Question:** Appendix A provides costs to develop and maintain a Fraud Detection and Prevention System be “fixed, firm, and fully loaded...” Would Rhode Island consider alternate pricing models?

Answer: Yes.

33. **Question:** What is the anticipated number of new participants per year in programs in scope?

Answer: Unable to estimate growth at this time.

34. **Question:** Page 10 of the RFP provides “Include a ‘Key Staff Qualifications’ sheet (see Attachment F) for each person.” For each and every staff person listed in the Vendor’s

proposal, does the Vendor need to complete Attachment F and provide (2) references?
Can the State please clarify what Vendor needs to specifically provide for each person (contractor staff person v. key personnel v. non-key/non-contractor staff personnel)?

Answer: Please provide: 1) A resume for each person the Vendor will utilize during the project, 2) Complete an Attachment F for each person the Vendor will utilize during the project, 3) List 2 references for each person the Vendor will utilize during the project.

35. **Question:** Does the State of Rhode Island have an Enterprise licensing agreement with Microsoft for software licensing services? If so, what are Rhode Island's costs (per core) for Microsoft SQL server?

Answer: Yes. Vendor should calculate based on experience and expected User volume.

36. **Question:** What are Rhode Island's connectivity and security requirements (i.e. Can the connectivity be internet facing)?

Answer: All necessary connectivity and security requirements must follow industry recognized "best practices". Additionally, the Security Officer of the Department of Administration / DoIT must approve all architectural designs and requirements pertaining to network security and systems implementation.

37. **Question:** How many systems are in the scope of the solution?

Answer: Three to begin with: Department of Human Services (DHS), Department of Labor and Training (DLT), Department of Revenue (DOR).

38. **Question:** How many and what database types are in the scope of the solution?

Answer: See Appendix D of the RFP for expected types of data elements available.

39. **Question:** Requirement #134 provides "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." To what national licensure and sanction lists is the State referring?

Answer: Lists that are generally accepted as identifying exceptions. (i.e. The GSA Suspension and Debarment List)

40. **Question:** What requirements or restrictions does the State of Rhode Island have for the Software Vendor? Are there any specific features or capabilities that you expect or a baseline that the software must maintain in order to be successful for this project?

Answer: Please refer to the mandatory requirements defined in the RFP.

41. **Question:** Pricing of the solution is highly dependent on answers to the above questions. Would Rhode Island consider extending the proposal deadline to allow vendors time to make appropriate adjustments to the cost proposal?
Answer: An extension was issued in Addendum #2.
42. **Question:** Requirement 108, p. 12, how many 3rd party data sources does the State require the solution to utilize?
Answer: This is dependent on the solution proposed by the Vendor. The State will provide reasonable access to data requested by the Vendor without the need for 3rd party data sources where possible.
43. **Question:** Section 4, p. 25, Please confirm that timeline requested for the project plan is in calendar days.
Answer: Yes, it is.
44. **Question:** Section 3, p. 9, Please confirm that more than 2 references are permissible.
Answer: Two references are required, more are unnecessary.
45. **Question:** Please confirm that personnel outside of the United States be allowed to support the project.
Answer: Personnel located outside of the United States shall not support this project. The enterprise-wide Fraud Detection and Prevention System involves reviewing and processing highly confidential and sensitive information of Rhode Island citizens. In order to protect this confidential information and to secure the identities of Rhode Island citizens in a reasonable manner as mandated by R.I. Gen. Laws § 11-49.3-2, the State requires that any and all State information and/or software code for this project shall be located within the United States at all times and all personnel supporting this project be located in the United States. Further, if applicable, any and all data storage shall be on servers located within the United States.
46. **Question:** Requirement 135, p. 15, Please elaborate on what your top priorities for “social networks analytics” are.
Answer: No specific lists have been determined. The Vendor should consider what is required for their implementation.
47. **Question:** What is the volume of data in terms of person records which can be expected from each agency (DOR, DLT, DHS)?
Answer: Approximately: DOR – 550k, DLT – 575k, DHS – 400k.
48. **Question:** Please provide the approximate number of tables that would be extracted from each of the agencies systems to import into the Enterprise Fraud Detection System.

Answer: This is dependent on the data requirements of the Vendor's solution.

49. Question: What is the current annual case volume associated with audits of DLT/DHS/DOR claims/transactions? How long does it typically take to investigate/close these audit cases? How many active investigations does each auditor/investigator typically have in his or her caseload at a given time?

Answer: The awarded Vendor will change all business processes which is expected to increase the volume of cases identified.

50. Question: How many users are expected to access the dashboards and reports as described in the mandatory requirements? How many users for each Department/Office are expected to use the case management tools? How many of these users are expected to be concurrent users?

Answer: Less than 50.

51. Question: Will this system only be accessible from the State network?

Answer: Yes

52. Question: Are there federal agencies we'll be working/interfaces with (e.g., SSA, IRS, CMS, DHS)?

Answer: Possibly. It depends on the capabilities of the Vendor's solution. If the solution has interacting capabilities, the State will partner with the Vendor to coordinate the necessary access.

53. Question: Section 4, item 5. 6. Project Plan , pg. 25, The RFP states that the Project Plan is due, "*Within 30 days of contract execution.*" Also, the Evaluation Criteria do not contain an entry for the Project Plan. Therefore, is it necessary to supply a response to Section 6 Project Plan with the proposal?

Answer: The complete project plan is due within 30 days of contract execution. A high-level schedule of milestones and a detailed data field list are expected within 15 days of contract execution. The Project plan is not required with the Proposal.

54. Question: Section II. Background, pg. 7, The RFP states: "*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.*"

Should bidders assume that DOR, DHS, and DLT will be part of the scope of the implementation during the Initial Term? How should bidders handle any pricing considerations for "other agencies", beyond DOR, DHS, and DLT? Will other agencies be involved during the Initial Term or at a later time? If during the Initial Term, will the

winning contractor be able to quote pricing at that time to accommodate each added agency should additional charges apply?

Answer: DOR, DHS, and DLT are the scope of the Initial Implementation. The Initial Term as defined in the RFP provides for two years of pricing for these agencies. Optional extensions for the above agencies is provided within the Costing Form. Additional agencies will be requested and/or negotiated “as need, effectiveness of recovery and impact of remediation” are evaluated.

55. **Question:** Section 3.A.1, pg. 8, The RFP states: “Approximately 150 days after the Agreement start date, the Contractor shall be in full production, and thereby deliver a weekly report...” In the Key Milestones table, system acceptance is 6 months (180 days) from the PO and at 6 months + 1 week the contractor is to provide the first report. Please clarify the sequence and timeframe when the system will be accepted, is expected to be in production, and when the first report is required.

Answer: The System should be in full production within 6 months, however the Contractor has an additional 7 days to present the first report to the State. Based on the quality of the system and the accuracy of the report, the State will accept the system.

56. **Question:** Mandatory Requirement 114, pg. 12, Please confirm that the contractor is required to propose fixed pricing for, and to provide any and all hardware and system level software required for the solution.

Answer: The Vendor should provide a reasonable cost projection as to how the system should be provisioned, configured and implemented. DoIT will assist the Vendor in provisioning the required infrastructure and configuration to support the Vendor’s solution.

57. **Question:** Section 5.2, pg. 26, The RFP states: “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.”

As there are only eight enumerated deliverables in the deliverables table, please clarify the above statement and confirm that the holdback amount will be 25% for each, inclusive of the sub-deliverables, and not 10%. At what milestone will the holdback be paid?

Answer: See Question 18.

58. **Question:** Section 6, pg. 28, Will members of the Technical Review Committee individually score bidder proposals or will a consensus approach be used to award points to a vendor?

The RFP further states: “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.”

Will such requests for clarifications and oral presentations be made before the final technical scoring and the determination is made that the bidder achieved the 80% threshold, or will the 80% threshold be based solely on the scoring and only those who pass the 80% threshold may be asked for clarifications and oral presentations?

Answer: Individual scoring will be utilized to award points to each proposal. The individual scores will be added to determine if the 80% threshold has been reached. In the event that additional information or an oral presentation is required for clarification, this would occur prior to the technical scoring being finalized.

59. Question: Appendix A , pg. 34, If there are varying degrees of use of the FDP system by different agencies and different assumptions on implementation timeline, required support levels, and specialized fraud detection services aligned to the needs of each agency, will different respondents naturally have different amounts of “Business Consultative Services” or a different distribution and amounts of "Implementation and Maintenance" costs assumed as part of their implementation plans and therefore different costs and prices for the Initial Term? How will these likely differences be evaluated across responses?

Answer: This RFP describes the position of the State in their search to acquire a solution to the problems identified. The State assumes that the Vendor has considered the above factors in their approach to developing and marketing their individual solutions. The State makes no additional allowances to the nature or consequences of the current competitive market.

60. Question: Section 3 – Deliverables Table, pg. 17, The reliance on a defined “dashboard” and other deliverable documents (“reports, spreadsheets, presentations, and databases”) seems to indicate that the emphasis of the FDP system is on detecting potential instances of fraud and/or abuse *after payments have already been issued*, as a “post audit” function conducted by State investigators, auditors and analysts. Is there a vision for use of the FDP system in more of a preventative capacity, where more real-time analytics and evaluations of various data and algorithms are conducted at the point of claim, verification, payment, etc., in order to suspend suspicious payments before they are issued? If so, could you point to the specific requirements, deliverables, and/or sections of the RFP that reflect this vision?

Answer: “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”. (Page 3, paragraph 1)

61. Question: Section 6, pg. 28, Under which of the evaluation criteria defined in Section 6 of the RFP will the bidder's responses to the defined Requirements and Deliverables found in Section 3 be evaluated?

Answer: The RFP response will be evaluated in its entirety within the confines of the criteria defined in Section 6.

62. Question: Section 3 – Estimated High-level Schedule, page 8, If the schedule of implementation of use is not specified after the initial implementation at 150 days, what should respondents assume with respect to ongoing implementation services, support, and Business Consultative Services during the Initial Term, for the various agencies that might use the system, since that is not fully defined at this point? Should respondents define a proposed implementation plan across the initial three areas of assumed focus (defined in the RFP as DOR, DLT, and DHS), and thereby allow the State to evaluate the merits of those plans?

Answer: Within the estimated High-Level Schedule, the Vendor should identify how they plan to provide support to the auditing staff during the knowledge acquisition phase of the implementation.

63. Question: Section 3 – Requirements and Deliverables tables, pg. 11-23, Does the State expect that the defined dashboard and specific fraud checks itemized in the Requirements and Deliverables will be the same for all agencies that use the solution, or will it be the case that many of the techniques described will not be applicable to certain government expenditure programs across various agencies? What should respondents assume in this regard?

Answer: The State is seeking an "Enterprise-wide solution" in the detection and prevention of fraud within state agencies using information from Executive Branch agencies.

64. Question: Section 3 – Requirements and Deliverables tables, pg. 11-23, Does the State assume that the specific fraud checks conducted by the FDP solution will be limited to those itemized in the Requirements and Deliverables lists, or that the solution will naturally evolve over time to include other sources of data, other innovative fraud detection and prevention techniques, and other uses; and if so, should vendors assume those extensions of capabilities or use beyond the enumerated Requirements and Deliverables in the RFP to be changes to the scope of work, and therefore not included in their fixed price proposal?

Answer: The State can only speak to the current requirements defined in the RFP, but would hope that the Vendor would implement occasional updates and improvements to better serve the people of Rhode Island.

65. Question: Section 3 – Deliverables #2e-2j, pg. 17, Deliverables #2e – 2j each note that "The Contractor will include data sources for ..." Should respondents assume that all

costs associated with the acquisition and integration of the various external data sources enumerated in the RFP in this manner should be definitively included in the scope of the FDP solution for the Initial Term, and will be paid by the vendor (and not by the State directly and separately from the eventual contract with the winning vendor) and therefore must be included in the Contractor's fixed price proposal?

Answer: Yes

66. Question: Section 3 – Deliverable #3, pg. 17, Deliverable #3 specifies the details of the “*Dashboard Design and Development*” deliverable. Should respondents assume that this one-time exercise will define a static and single-purpose dashboard as the sole interface for receiving results from the FDP solution for any agency and any type of fraud or abuse being analyzed? Can the State please help clarify to what degree the FDP system (and the “dashboard” and other methods used to present information) is expected to be flexible to address the different needs of each agency, different government expenditure programs, and the different FDP solution models employed.

Answer: The concept of an “Enterprise-wide solution” should be extended to the User interface as well.

67. Question: Section 3 – Deliverable #4, pg. 18, Deliverable #4 (Claimant Validation Analysis) includes an initial statement prior to the itemized deliverables/requirements below it that begin with “*The Contractor will...*” and which seems to serve to introduce this #4 deliverable and states: “*Representative run of RI claimants through the Fraud Detection and Prevention (FDP) solution models*”. What is meant by “representative” run? Is this deliverable intended to be the very first use of the FDP solution on claimants from one particular government program administered by DOR, DLT, or DHS? Will there be anything substantially different from the first “representative” run and the ongoing reporting done on a weekly basis?

Answer: It represents the results of the agreed upon output from the solution being implemented. It represents the expected artifacts that will be generated from recurring executions of the solution in production. They will need to be validated against the requirements of each of the agencies being addressed for approval. There should be no substantial difference form the agreed upon formats.

68. Question: Section 3 – Deliverable #5, pg. 20, Deliverables #5 (Employer Validation Analysis) includes an initial statement prior to the itemized deliverables/requirements below it that begin with “*The Contractor will...*” and which seems to serve to introduce this #5 deliverable and states: “*Representative run of RI employers through the Fraud Detection and Prevention (FDP) solution models*”. What is meant by “representative” run? Is this deliverable intended to be the very first use of the FDP solution on employers from one particular government program administered by DOR, DLT, or DHS? Will there be anything substantially different from the first “representative” run and the ongoing reporting done on a weekly basis?

Answer: See Question 67

69. Question: Section 3 – Deliverables #7 and 8, pg. 23, Will Deliverables #7 and #8 be considered complete when the first agency is using the FDP solution, or only after DOR, DLT, and DHS (the stated priority users in the RFP) are all using the system in production?

Answer: Only after all agency’s processing has been fully implemented will the deliverables be considered complete. However, partial payments will be considered as individual agencies come online.

70. Question: The term “dashboard” can vary throughout the industry. Typically, dashboards are intended to provide summary level data and quick access to system tools to allow users to efficiently conduct their job functions. There are some features required as part of a “dashboard” that are not typically part of a “dashboard”, but are part of the overall solution we would provide to the State of RI. We believe that where we house features within our solution have been well vetted and are intuitively located for our users. For some of the requirements/desirables within the RFP that indicates features be accessible from a “dashboard”, please confirm if it is acceptable (where it makes sense) for bidders to meet RFP requirements if we ensure required features are part of the solution we are proposing, but not necessarily from a “dashboard.”

Answer: The ambiguity of the question makes it difficult to respond. However, the workflow of the system and the ease of access to data and results for the User is a high priority. The State presumes that the Vendor has taken into account all the above considerations in the creation of their User interface and that it is fully functional, intuitive and fits easily into the defined workflow, and satisfies the RFP requirements.

71. Question: Will the State be awarding this RFP to a single bidder, or could the State make multiple awards for different elements of this RFP? (For example, could the State break out the work to different vendors for Analytics, Third Party Data Providers, Case Management, etc.)

Answer: The State will make the award to a single bidder.

72. Question: The RFP has not included requirements for solution support. Does this indicate that the State is looking for more of a SaaS solution? Also, what hours should the solution be accessible to the State (accessibility, and % of up time are also typically referenced with solution support)?

Answer: The State is looking for the solution that provides the best overall value in cost, functionality, and supportability for the requirements defined in the RFP. The Solution should be 100% available during the working hours of the state employees.

73. **Question:** Is the State willing to accept proposals for requirements and desirable features with implementation plans that include delivery in Phases? This would include the time up to the 6 month production go live, and beyond that date as well.

Answer: Full payment will not be completed unless the system is implemented and fully functional based on the requirements stated within this RFP.

74. **Question:** There could be some significant challenges in data cleansing and integration of supplemental third party data to ensure that the State of Rhode Island can have access to the necessary data set needed optimize the analytics being sought. Based on the way the RFP is written, it requires vendors to submit a bid for third party data, prior to vendors being given access to all of the data the State will be providing. The risk for the State and any vendor bidding this is that until a baseline review of the data is conducted, it is difficult to know which or how many third party data vendors will be needed to get the State's data to where it needs to be effective. To give a price before reviewing what data is truly necessary could cause a bidder to over/under estimate the scope of this RFP and impact pricing to the State. To ensure that the State is not over/under purchasing third party data, will the State accept bids where a vendor could add third party data costs post award (with prior approval of the State) as a direct pass through for the cost of the data?

Answer: For the purposes of continuity, all Vendors should price their proposal on all the needed supplemental 3rd party data sources they require assuming they are not available to the State. This will provide a uniform approach for all vendors to compete and be evaluated equally.

75. **Question:** Some third party data providers may be remiss to work with their competitors because of potential impact to their business. With some vendors that offer fraud detection and prevention solutions, and third party data, this could be a risk to the State of RI if a vendor awarded the contract is short certain data needed to address potential issues within RI's data, and there is potential unwillingness for other third party vendors to work with them directly. Since it is expected that multiple third party data vendors will be required to address potential challenges within the RI data, does the State plan to mitigate their risk for this potential issue through RFP amendments, contract terms, or other means?

Answer: This should not be a consideration for the State. The State assumes that the Vendor will be able to provide all necessary requirements to make their solution viable through-out the contract period.

76. **Question:** In order to price hardware for the hosting of the data, can the State provide size estimates and formats for the amount of data it intends to send to the vendor awarded this contract?

Answer: The Vendor needs to make a "Best Estimate" on sizing based on past implementation experience for a State the size of Rhode Island which encompasses a population of 1,056,298 residents.

77. **Question:** Some third party data providers price data based on the number of times the data is accessed, and the amount of data that is accessed. To aid in pricing, other than the initial access to the data to address the data cleansing prior to go live, how many transactions, and/or amount of times does the State anticipate the third party data will be accessed annually? The more detailed the access requirements, the more accurate the pricing will be within the proposal.

Answer: The third party data could be accessed: 1) At time of the data cleansing process, 2) At time of analytical processing to determine if fraudulent circumstances exist, 3) At time of suspect dashboard reporting due to positive results identified, 4) At time of investigation to confirm suspect status as positive, 5) At time of suspect Case creation, 6) during suspect Case remediation.

78. **Question:** The RFP has references to visual “map” features (apart from geospatial analytics). However, some references come across as a desired feature, and some references seem to indicate maps as a required feature at the go live date. Can the State confirm if this is a required feature at go live, or if it is a desired feature that can be added post-go live?

Answer: If they are required, they need to be available at go live. If they are recommended, the feature can be provided after go live based on an agreed upon delivery date. Costs for all features being provided must be included in the RFP response.

79. **Question:** Note: the Statement of Work (SOW) has 2 items numbered “117.”

Answer: Under Mandatory Requirements, Number “117” will now be identified as “117M”; and under Desirable Requirements, Number 117 will now be identified as “117D”.

80. **Question:** In regards to SOW item 108, there is a requirement for “verifying [the] identity and credentials” of entities. Other than validating key fields within the data submitted and the data within the warehouse, what (if any) verification efforts are required?

Answer: Identity verification must be accurate and repeatable for targets and associated individuals to ensure validity and minimize false positives. This may include associated attributes and/or keys equated to the targets and linked individuals.

81. **Question:** In regards to SOW item 132, will the State provide criminal data records, lawsuit info, and/or other legal related data? If so, can the State provide any additional detail about the data that will be provided? (i.e.- Some States have criminal records in multiple databases, and some have the data in one source. The number of sources can impact time and pricing.)

Answer: The Contractor must establish the needed protocol to provide the data expected. The State will provide assistance to the Contractor to satisfy the needed data.

82. **Question:** The RFP states that “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.” Can the State confirm the types of anti-fraud efforts that these 3 divisions are responsible for addressing? We ask this question because enterprise-wide solution implementations include specific efforts for each of the applicable types of fraud models being utilized. To ensure the implementation plan is streamlined to meet these 3 division’s requirements by the go live date, this additional clarification will aid in scoping.

Answer: Each agency has specific requirements to address fraudulent activity within the scope of their responsibilities, and therefore should be addressed individually. This is true for all other agencies that may be added to the system at a later date. The Enterprise-wide solution should take individual agency needs into consideration in creating an “Enterprise-wide” reporting and case management system.

83. **Question:** If the State is concerned with the viability of the proposed solution (hence the limited interdepartmental roll out), would the State be open to a Proof of Concept for this solution?

Answer: No

84. **Question:** In the Deliverable Description/Requirements portion of the RFP, it states in 3.i- The dashboard will allow details to be displayed in maps viewable to “street level.” In reference to the term “street level”, is the requirement to have basic map views, or is there an expectation for street views from satellite images (as are available from Google Maps)?

Answer: Basic map views as a minimum, street level imaging is a plus.

85. **Question:** In the Deliverable Description/Requirements portion of the RFP, it states in 5.f – The Contractor will provide indicators of fraud on a “scaled system”, or with a “confidence code or value index.” Beyond the adjustable elements of weights and scores of rules, maintaining updates to predictive models, and making edits to data to limit false positives, is the State seeking additional capabilities in reference to the features noted above? If so, could the State provide additional clarification on this requirement? Since terminologies can vary, we want to ensure we are meeting the State’s expectations for the requirements.

Answer: No additional capabilities other than the ones documented in the RFP are expected.

86. **Question:** Would the State be open to a solution that didn't include the purchase of third party data, and relied on the State's data, and data that is available from public sources?
Answer: Yes, if the public sources are reputable and valid.
87. **Question:** Pg. 1, Will the State consider an extension to the RFP due date?
Answer: Yes, see Addendum #2.
88. **Question:** Pg. 10, The two (2) page limitation for key staff qualifications, is that for the resume or for the resume and the "Key Staff Qualifications" sheet (Attachment F)?
Answer: The resume.
89. **Question:** Pg. 10, What is meant by 'headquartered' when referring to team members? Staff for many firms travel and perform the majority of their work at client sites and do not have a dedicated headquarter or office.
Answer: The term "headquartered" is used to identify the Vendor's primary place of business or incorporation.
90. **Question:** Pg. 11-23, Where does the State want Vendors to respond to the mandatory and desirable Technical and Deliverable Requirements? Should the completed tables be included as attachments or appendices to the Technical Proposal?
Answer: The Contractor may respond to the Mandatory, Desirable and Deliverables tables with a "Y" or "N" in the "Contractor Agrees" column, and via an attachment with the response being identified by the question number when necessary.
91. **Question:** Pg. 14-15, Does the State or do the Departments currently have access to public record, third party data, and national licensure and sanctions list?
Answer: Possibly. The Contractor must identify the data required.
92. **Question:** Pg. 24, Is the technical proposal response required to follow the order of response elements as listed in the RFP (e.g. 1. Project Staffing and Staff Qualifications, 2. Capability, Capacity, and Qualifications, 3. Quality and Completeness of Work Plan, etc.)?
Answer: It would be preferable, but not required.
93. **Question:** Pg 25, Is the State asking that the Vendor submit both a detailed Change Management Plan and Training Plan with the response or is the State asking for a description of the Vendor's plans that are to be deliverables and executed upon during the project?
Answer: A high-level overview of the Change Management Plan and Training Plan would be acceptable at time of response delivery. The complete versions of these plans will be required to be delivered within the full Project Plan for the awardee.

- 94. Question:** Pg. 28, Can the State elaborate on the make-up of the Technical Review Committee? Will the committee consist of IT personnel, end-users, department leadership?
Answer: All of the above and all committee members will be from the State.
- 95. Question:** Pg. 31, It is assumed that Attachment F and associated resumes do not count towards the twenty (20) page limitation. Is that the correct assumption?
Answer: Correct, however the limitation has been expanded to fifty (50) pages.
- 96. Question:** Pg. 43, What are the formats of data listed in Appendix D?
Answer: Normal data types for purposes of the attribute are expected. (i.e. date, number, alpha, SSN, phone number, Currency, etc.)
- 97. Question:** Pg. 43, How large are the files (in bytes) listed in Appendix D?
Answer: This is dependent on the data elements requested by the Vendor.
- 98. Question:** Do the Department(s) currently license any statistical software applications (e.g., SAS, IBM Modeler, Revolution Analytics, etc.)?
Answer: Yes.
- 99. Question:** What are the current levels of identified fraud for the various Departments?
Answer: The awarded Vendor will change all State business processes affecting the current metrics.
- 100. Question:** Will the Contractor's proposed solution be granted access to the Department's systems or will extracts of the data be provided?
Answer: Extracts will be provided.
- 101. Question:** Will the State or Departments be able to provide the Contractor with historically fraudulent data?
Answer: Historical data will be made available. Determination of fraudulent status is the purpose of the tools being sought.
- 102. Question:** Approximately how many users does the state anticipate will use the FDP system?
Answer: Less than 50.
- 103. Question:** Does the state require multiple operating environments such as development, test, and production or will a single production environment suffice?
Answer: Yes.
- 104. Question:** Does the state have any requirements for system back-ups or disaster recovery?

Answer: Vendor backup requirements should be compatible with the current procedures defined within DoIT.

105. **Question:** Would Rhode Island consider a 2 week extension?

Answer: Yes, see Addendum #2.

106. **Question:** page 24 of the RFP-section on technical proposal #4 Approach/methodology /training: reference is made to define the methodology "used to generate leads,/targets/, documentation available for investigation of client cases as well as the process of remediating, generating billing statements and/or fee collection for a variety of clients" Please elaborate. Is this creating a system to process collections and issue billing statements or an interface with another RI ?

Answer: The solution being sought is to detect and prevent waste, fraud, and abuse. It is not a system which actively processes collections or issues billing statements.

107. **Question:** There is a 20 page limit to the technical section , yet, the proposal contains 12 pages of requirements (Pages 11-23 of the RFP) with a required yes/no answer and in the case of the desirable quals (2.5) pages where you answer yes you must explain how you will accomplish. The rest of the technical section must address a staffing plan, capability and qualifications, writing of approach/methodology and training, security, past performance, communication, corporate experience, a project plan and communication plan among other required response. --all of these could easily take more than 8 pages. Please provide guidance re: the 20 page limit?

Answer: Allow up to fifty (50) pages, excluding appendices.

108. **Question:** I saw that an RFP was released back in July for Enterprise-Wide Fraud Detection and Prevention System (RFP# 7550779). It says that Rhode Island's plan would allow for the integration of data from all executive departments (including the Health and Human Services Department). Now I understand that EOHHS has a current contract for "Enhanced Fraud, Waste, and Abuse and Improper Payment Surveillance" with BAE Systems Applied Intelligence LLC, which will expire on October 2018. Will the Enterprise-Wide RFP include the requirements of the incumbent contract with BAE Systems and EOHHS? If you are not the correct person for this inquiry, please let me know who I can contact to inquire.

Answer: No, the Enterprise-Wide RFP will NOT include the requirements of the incumbent contract with BAE Systems and EOHHS.

109. **Question:** We understand that the original question deadline has passed but we respectfully request your response to one additional question that we believe could have a significant impact to the scope of each vendors' response. Please see attached. The Mandatory and Desirable requirements in section 3.B of the RFP speak to the fraud analytics capabilities needed in the FDP solution. The background section mentions case management as part of its vision but there are not corresponding requirements relative to case management in the Mandatory and Desirable requirements. Could you

please confirm if case management is part of the solution scope and identify the requirements are needed for investigative case management?

Answer: Case Management is expected as part of the solution scope. Since the State is looking for an Enterprise-wide COTS solution, it will provide alerts for targets that have been identified and communicated to the various agencies for review.

NO FURTHER QUESTIONS WILL BE ENTERTAINED AS OF THIS ADDENDUM.

**Meredith Skelly
Interdepartmental Project Manager**