



**Solicitation Information
September 12, 2016**

RFP# 7550944

TITLE: BUDGET SOFTWARE ACQUISITION

SUBMISSION DEADLINE: OCTOBER 11, 2016 at 01:30 PM ET

**PRE-BID/ PROPOSAL CONFERENCE: YES
MANDATORY: NO**

DATE: Tuesday, September 20, 2016, 01:00 – 02:00 PM ET

LOCATION: Vendors can attend the pre-bid/proposal conference either in person or dial in on our conference line.

- 1. In Person:** Department of Administration, Conference Room B, One Capitol Hill, 2nd Floor, Providence, Rhode Island
- 2. Call-in Conference Line:** 877-939-3175 / Code: 45326128#

Questions concerning this solicitation must be received by the Division of Purchases at DOA.PurQuestions8@purchasing.ri.gov no later than **September 23, 2016 by 05:00 PM ET**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the **RFP#7550944** 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.

BID SURETY BOND REQUIRED: NO

PAYMENT AND PERFORMANCE 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 RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

TABLE OF CONTENTS

SECTION A. INTRODUCTION	4
A.1 Background and Scope	4
A.2 Instructions and Notifications to Offerors	5
SECTION B. BACKGROUND & CURRENT STATE	8
B.1 Specific Requirements	8
B.2 Overview – Budget Office and Performance Functions	8
B.3 Business Goals and Objectives	10
B.4 Budget Implementation Calendar	10
B.5 Rhode Island’s Budget Process	11
B.6 System Support of Budget Process	12
B.7 Interface Requirements	15
B.8 Rhode Island Budget Project Organization	17
SECTION C: SCOPE OF WORK AND REQUIREMENTS	18
C.1 Estimated High Level Schedule	18
C.2 Project Requirements	19
C.3 Training	21
C.4 Software Delivery Model	21
C.5 Software Viability	21
C.6 Vendor Qualifications	22
C.6.1 Vendor Qualifications - Mandatory & Desirable	22
C.6.2 Personnel Qualifications – Mandatory and Desirable	23
C.6.3 Vendor Project Team	23
C.6.4 Audited Financial Statement / Statement of Financial Viability	24
C.7 Vendor Payments	24
SECTION D: TECHNICAL PROPOSAL	25
SECTION E: COST PROPOSAL	30
SECTION F: EVALUATION AND SELECTION	30
SECTION G. PROPOSAL SUBMISSION	32
SECTION H. RESPONSE CONTENTS	33
SECTION I. CONCLUDING STATEMENTS	35
Appendix A – Additional Information About Rhode Island Budget Process.....	36
Appendix B – Budget Process Map	43

SECTION A. INTRODUCTION

A.1 Background and Scope

The Rhode Island Department of Administration/Division of Purchases (“State”), on behalf of the Rhode Island Department of Administration/Office of Management and Budget (“OMB”), is soliciting proposals from qualified firms to provide an information system solution to improve the State’s annual budgeting process and boost efficiency, quality and timeliness of delivering the annual Rhode Island State Budget, in accordance with the terms of this Request for Proposals and the State’s General Conditions of Purchase, which may be obtained at the Division of Purchases Home Page by Internet at www.purchasing.ri.gov.

The State seeks a Commercial Off-The-Shelf budget solution that is forms-based, web-based, and generally available and/or on the supplier’s standard price list. The Budgeting System (“System”) should be flexible enough to be configurable to OMB’s budget management needs. The proposed solution will replace or complement the current budgeting software primarily consisting of Microsoft Office applications (e.g., Access, Excel), SQL Server, and various agency-based systems of information management and storage. The State prefers to have the new system and solution delivered in a hosted and vendor-maintained (cloud) model. However, the State will consider any and all delivery models. If vendors offer both an on-premises and cloud model, they should note the expected costs associated with each option described separately in the Cost Proposal Workbook (Exhibit 2).

The goal of the State is to have a modern budget system that will be useful into the foreseeable future. The system should be easily maintainable with a clear upgrade path for the underlying software components. The State desires a system that will have the ability to interface or integrate into future systems that may be implemented by the State.

The new budget system will enable, through technology, the ongoing cycle of budgeting in the public sector. The final solution should further support the various activities of the business of budgeting including such things as: unlimited graphics and text handling; detailed personnel position budgeting; decision making and approval process workflows; budget and data analysis and reporting; distributed budgeting; and budget document publishing.

The new system should support multiple budget approaches (i.e. Incremental, zero-based, line item, performance and program). OMB expects that when the system is fully operational it will support the full multiple versions of the budget and budget process from the issuance of budget guidance to the agencies, agency budget development, OMB reviews, the legislative approval process and budget execution.

The State desires to have the ability to create multiple budget types in the new system including: operating, capital, long term planning, grants and personnel. The State also desires to incorporate revenue planning/estimating with the new system.

In addition to supporting the various budget approaches, processes and types, the proposed solution should support the typical documentation, analytics and other outputs expected from any public sector budget office. These outputs may include: budget publishing, various reports, analytics, dashboards and financial or spending plans.

The system should leverage financial data that is collected and reported by the State in order to control costs, support improved decision-making on budget requests, and promote overall financial accountability. The system should also facilitate establishment of a workflow process for budget development, review and approval. It should permit various stages of review and approval at the program, agency, and OMB levels. The proposed solution shall support multiple forms of publishing and/or printing of the budget in whole or in part.

While the State currently operates primarily through a line-item/incremental budgeting model, the system should be able to map existing expenditures to an alternate program structure, thereby facilitating program- and performance-based budgeting principles. It should support capital project budgeting and detailed personnel position budgeting – to the individual employee or position level. The solution should also provide analytical tools to assist with expenditure trend analysis, forecasting and what-if scenario modeling and graphical reporting.

The State seeks both a specific Budget System solution and an information technology (IT) services provider who will implement that solution. The initial contract period will begin approximately November 1, 2016 for one year. The system is expected to have complete installation and acceptance within the initial contract year. The Vendor will be expected to provide operational support for the second contract year. Contracts may be renewed for up to three additional 12-month periods based on vendor performance and the availability of funds.

This is a Request for Proposals, not a Request for Quotes. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to cost; 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.

A.2 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 120 days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent. The State can opt to extend this term at its discretion.
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 of Purchases.
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 of Purchases' 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 may be considered to be public records as defined in R. I. Gen. Laws § 38-2-1, *et seq.* and may be released for inspection upon request once an award has been made.

Any information submitted to the State through this RFP that a vendor believes is trade secrets or commercial or financial information which is of a privileged or confidential nature should be clearly marked as such. The Vendor should provide a brief explanation as to why each portion of information that is marked should be withheld from public disclosure. Vendors are advised that the State may release records marked confidential by a vendor upon a public records request if the State determines the marked information does not fall within the category of trade secrets or

commercial or financial information which is of a privileged or confidential nature.

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 § 28-5.1-1, *et seq.*) – § 28-5.1-1 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 to all areas where State dollars are spent, in employment, public services, 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 R. I. Gen. Laws § 7-1.2-1, *et seq.*, 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 Department 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 B. BACKGROUND & CURRENT STATE

B.1 Specific Requirements

Section C of this RFP contains the State's Scope of Work and Requirements, and an electronic template is provided for vendor completion of technical and functional requirements. Section C also includes Vendor Qualifications. The State has established mandatory vendor qualifications, staffing qualifications, and technical and functions requirements.

B.2 Overview – Budget Office and Performance Functions

The Rhode Island Office of Management and Budget (www.omb.ri.gov) provides ongoing, transparent fiscal analysis, management support, and analytical research to the public, the Governor, the General Assembly and State Departments and Agencies. OMB seeks to be Rhode Island's source of credible, unbiased financial information, and management assistance for State Agencies.

Within OMB, the Budget Office advises the Governor on the financial management of State government, including evaluation of needed resources, analysis of State programs, priorities, and alternatives, and the optimum allocation of resources needed to meet policy and management goals. Also within OMB, the Office of Performance Management tracks performance measures, objectives and goals of agency programs and agency-wide strategic plans.

The State employs about 15,000 workers within thirty-eight departments and agencies in state government. The State agencies include: fourteen General Government agencies; seven Public Safety agencies; five Education agencies; nine Human Services agencies; two Environmental agencies and one Transportation agency. A description of the agencies and their role is described in Appendix A. The solution will be used to budget all of these employees and agencies.

The functions of the Budget Office include:

1. Budget Development

Producing the Governors annual, supplemental, and capital budgets. This involves analysis of departmental budget submissions, means of financing, incorporation of gubernatorial priorities and decisions, technical assistance to smaller agencies, presentation and testimony on the Governor's budget request before the Rhode Island General Assembly and technical assistance/negotiations in preparation of the annual appropriations bill.

2. Planning and Reporting

The Budget Office provides policy makers historical, current and future projections of revenues and expenditures. The Budget Office is also responsible for the development of the State's five-year financial forecast.

3. Financial / Economic Analysis

In addition to revenue estimating, the Budget Office staff conduct analyses to:

- Identify areas of the budget that suggest budget or financial management problems;
- Estimate the financial and economic impact of policy or legislative proposals;
- Ensure that State policies and adopted laws incorporate sound financial management principles; and
- Identify budget options and analyze budget issues based on programmatic, efficiency, and financial analysis.

4. Budget Implementation

The Budget Office develops and implements statewide budget policies and ensures that agency spending plans conform to State laws. Tasks include:

- The development of monthly, quarterly and/or annual allotments
- Selected review of new positions, encumbrances and payments
- Preparation of quarterly projections of year-end balances
- Review of re-appropriating year end balances to the next fiscal year

5. Debt Issuance

The Budget Office, in cooperation with the Office of the General Treasurer, is responsible for preparation of bond and other debt issuance by the State, including presentations to rating agencies, preparation of offering circulars, tracking of expenditures against authorizations, and debt management.

6. Performance Management

Performance measures, data, objectives, and strategic planning information are collected for publication in the Governor's Recommended Budget. In addition, measures are tracked through the year and analysts work with the agencies to improve programmatic outcomes. OMB is working to integrate program performance better into budget decisions, requiring additional data about program activities and outcomes.

B.3 Business Goals and Objectives

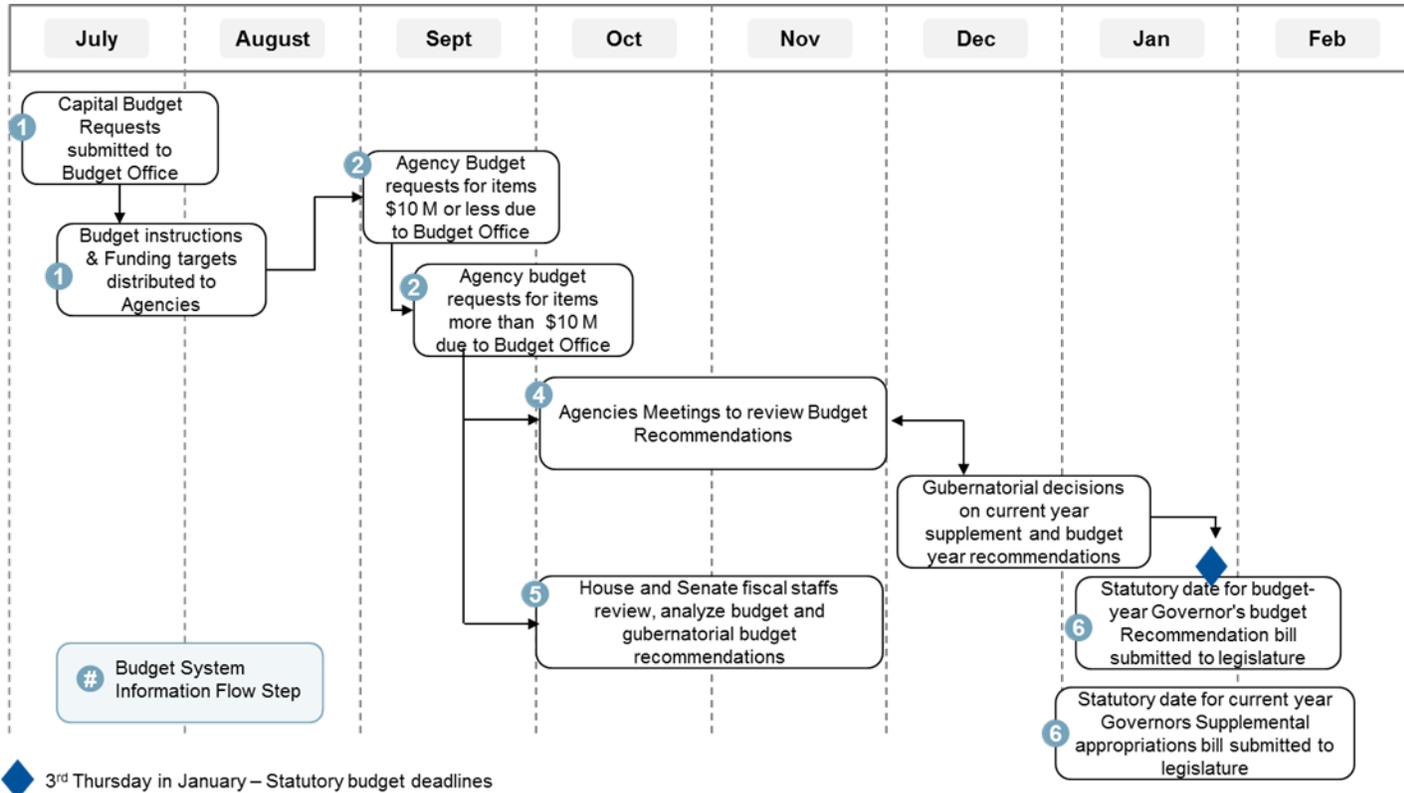
The proposed software solution would leverage the Budget Office's ability to accomplish its primary functions of budget development and execution, financial planning and budgetary reporting and financial/economic analysis (although revenue and intensive expenditure forecasting would continue to be implemented through separate forecasting software). The goal is to streamline and automate the budget process for efficiency, speed, accountability and transparency.

The proposed solution would facilitate combining all agency needs into a single, executive proposal for legislative consideration. It would integrate with existing State financial and personnel systems used for budget implementation and execution as well as be robust enough to adapt to future changes in the State's financial management systems, including accounting, grants management, procurement, human resources or payroll. In addition, the system would allow analysis by programs and connection to programmatic performance measures. Further, the system should also be adaptable through interface or integration into future back office system enhancements, such as Enterprise Resource Planning that may be considered at some point in the future. This system will not be used by the General Assembly during the initial implementation, though they may participate later.

B.4 Budget Implementation Calendar

The State budget calendar is shown in Figure 1 below. State budget activities typically begin in July and end with the submission of the Governor's Supplemental Appropriations bill and the Governor's Budget Recommendation Bill to the State Legislature on the third Thursday in January. The State is looking for a solution that can be implemented to support the budget activities projected to start in July 2017.

Figure 1: Rhode Island Budget Process & Timeline



B.5 Rhode Island’s Budget Process

Production of Rhode Island’s State budget is a continuous process. It does, however, have certain discrete phases. The budget process for the next fiscal year begins as soon as the legislative session ends in June with the enactment of budget for the fiscal year commencing July 1.

1. In the spring (for capital) and early summer (for operating), the Budget Office assesses the budget outlook for the next fiscal year (projections of revenue and expenses) and distributes budget instructions and allocations to State agencies. At those times, agencies are instructed by the Budget Office to prepare a capital and an operating budget. The capital budget contains a five-year capital improvement plan and is due to the Budget Office by mid-July.
2. Agencies are requested to prepare operating budgets at specified target levels for submission on or before October 1. Agencies may also be allowed the opportunity to request additional funding for new initiatives through special white papers, separate from the agency’s budget request.

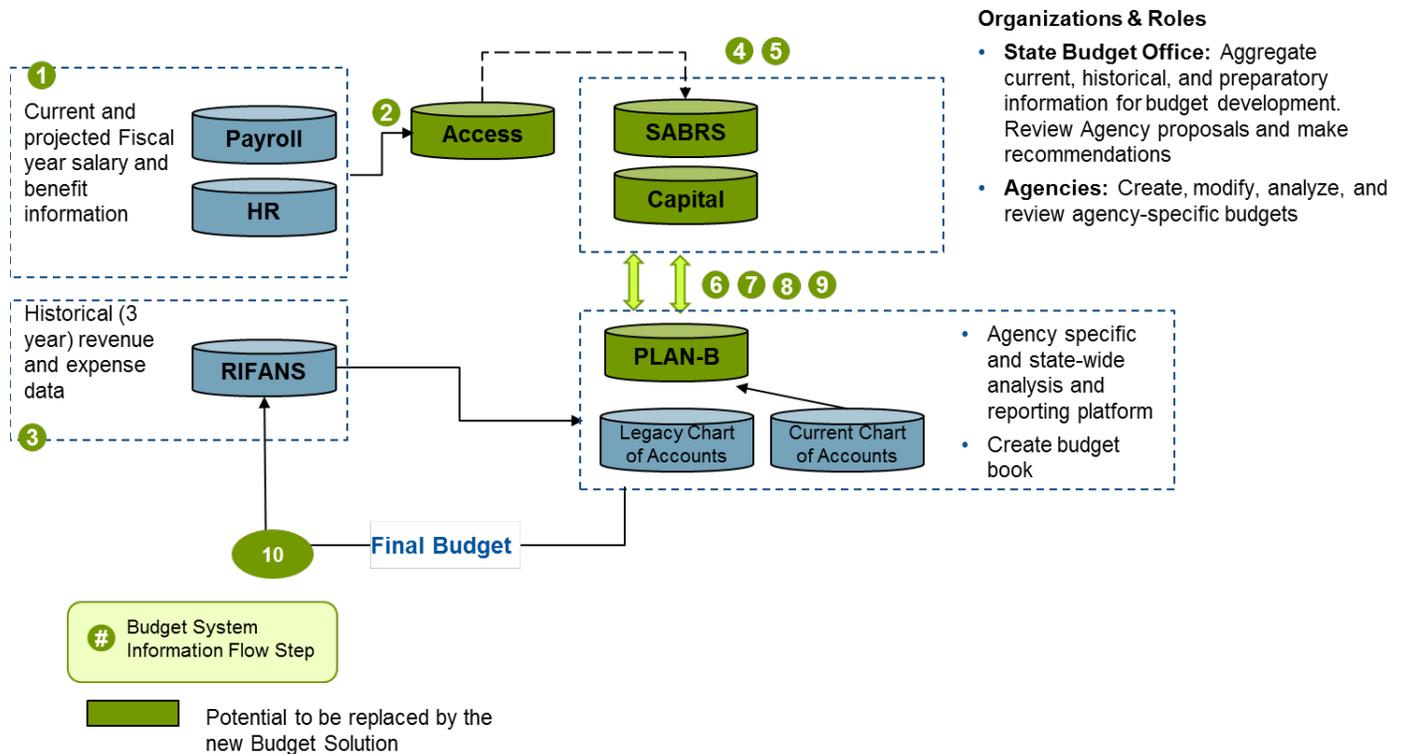
3. The individual budgets submitted by the State agencies show program expenditures, with appropriate funding sources (general revenue, federal, restricted, etc.) for each program within the agency. Expenditure data is shown for the two prior actual years, the current fiscal year, and for the coming budget year. The budget year typically includes both a constrained and an unconstrained budget request.
4. In the fall and early winter, analysts in the Budget Office review and analyze agency budget requests. The Budget Office staff prepares recommendations for review by the Budget Officer and the Director of the OMB. The analysis includes an overview of the agency's request, the agency's rationale for the proposed funding level, as well as the Budget Analyst's recommendation and the basis for it. From this analysis, a list of items added to or reduced from the agency target request are presented to the Governor. The Governor then accepts or rejects the recommendations of the OMB/Budget Office. This process is repeated for all major issues in all agencies. These decisions form the Governor's recommendations and ultimately the final recommended budget.
5. Upon final decisions by the Governor, the OMB/Budget Office compiles the individual recommendations, aggregates them, and prepares *The Budget* document. *The Budget* document reflects the revised funding plan for the current fiscal year, as well as the budget year funding plan. Under Rhode Island statute, the Governor must submit the Budget to the Legislature by the third Thursday in January.
6. During this same period between September and the start of the legislative session in January, House and Senate fiscal staffs also have the agency budget requests for analysis. Following receipt of the Governor's recommendations in January, the legislative fiscal analysts begin their analysis of the recommendations of the Governor.
7. The Governor's budget recommendations traditionally are incorporated in one omnibus appropriations bill, which includes articles containing any statutory changes that would be required to implement the Governor's budget.

Please see Appendix B for a current budget process workflow.

B.6 System Support of Budget Process

As part of the budget development and monitoring process, the Budget Office's current Budget System interacts with numerous other systems within the Department of Administration and other agencies. Please see Appendix C for a complete diagram of the current Budget System and its associated systems. A simplified version is presented in Figure 2 and is described below.

Figure 2: Current Budget Systems & Process Flow



1. The process of creating an annual budget begins with development of salary and benefit information for both the current and projected fiscal years compiled from the Payroll and Human Resources (HR) mainframe applications. The resulting output is formatted as text files and sent to the Budget Office to be reviewed by the Budget Office prior to being distributed to the various agencies. After the information is reviewed and scrubbed, the data is converted by the Budget Office from a legacy Chart of Accounts into the current Chart of Accounts needed for the rest of the budgeting process.
2. The personnel text file is then loaded into an Access database. From this data, OMB creates individual spreadsheets by agency; these files are disseminated to each agency for use in the development of their budget requests. (Departments use the data from these sheets when developing their personnel budgets in SABRS; see step 4).
3. After the close of the fiscal year on June 30, two years of revenue and expense data stored in the Oracle-based accounting system known as RIFANS (Rhode Island Finance Accounting System) are reviewed and imported into the current budget database, known as Plan B, at the line sequence/natural account level of detail.
4. When all necessary financial information is loaded into Plan B, the SABRS (State Agency Budget Reporting System) database is created by the Budget Office. SABRS is a Microsoft Access / Visual Basic (VB) application that

enables the thirty-eight different State agencies to enter budget data; export and import data to/from Excel; and generate reports on the database content. SABRS is distributed to all agencies for use in the development of their budget requests. This database enables each agency to enter its requested funding and produce certain reports required in the agency's budget submission. Upon completion of their budget request, agencies export data from SABRS and email that file to the Budget Office for uploading to Plan B. Budget Analysts are then able to review the agency proposals.

5. SABRS allows for the export of budget data to Excel for use by each agency in developing their budgets and various "What If" scenarios. The agency can export and import data as often as they like. This feature is also available in Plan B for Budget Analysts to export data to Excel, develop recommendations and then import the data back to Plan B.
6. Throughout the fall, as Budget Analysts complete their recommendations for their assigned agencies, they meet with the Budget Officer and Director of OMB to review their recommendations. Changes to recommendations may arise from these meetings, which would require the Analyst to make changes in Plan B.
7. Also during the fall, the OMB Director and Budget Officer hold ongoing meetings with the Governor to review agency recommendations. The Governor will accept, reject or request changes to these recommendations. This process continues until the Governor is satisfied with the Budget.
8. Once the Governor has made final decisions, the OMB/Budget Office enters the Production Phase. This involves the production of the various budget documents submitted to the General Assembly, in addition to the Appropriations Act (the budget legislation). Documents produced annually can be viewed at www.omb.ri.gov/budget.
9. The Budget Office uses budget and performance data from Plan B to create a comprehensive presentation for each agency, collated with any necessary images, charts, graphs, etc. Multiple agency budgets are compiled into several volumes of the budget book, each one representing a functional section of the overall budget. The Budget Office also drafts an executive summary and various appendices with tables, a five-year forecast and other technical information. This process is manually intensive, as each agency section must be edited by hand to create the overall budget document. Budget data from Plan B are used to draft the appropriations act for the current fiscal year (revised) and the budget fiscal year. Finally, budget and performance data are made available online in the State's Transparency Portal and Open Budget Portal.

10. The General Assembly then reviews the Governor's recommended budget, holds various hearings and ultimately make changes before voting on passage – usually in June. After the budget is enacted by legislature and signed by the Governor, the final version is sent back to the Budget Office, uploaded to Plan B and then exported for upload to RIFANS as the enacted budget for the new fiscal year.

B.7 Interface Requirements

As noted in Appendix C, the existing budget system interacts with numerous other systems. (For purposes of this RFP, the budget system to be replaced includes budget-related data and functions currently housed in SABRS, Plan B, Capital database, and SQL Server SQL-001.) A complete list of interfaces is available in Appendix D.

The two main external data sources feeding the current Budget System are the State's accounting system (RIFANS) and the HR mainframe, which provide point-in-time information about agency expenditures and personnel, respectively, to the Budget System.

The current Budget System exports the chart of accounts line item structure to numerous systems, including:

- Personnel Action Request (PAR) system – for approval of hiring and personnel changes
- State Time, Leave and Attendance system – electronic time sheets and scheduling system (under development)
- Worker's Compensation
- Mileage Reimbursement
- Payroll – for establishment of legacy accounts

The current Budget System exports agency codes and chart of accounts line item/line sequence structure to the following systems:

- State Fleet – vehicle inventory by agency
- Position Papers – departmental position papers on legislative proposals
- Fiscal Notes – OMB and Revenue analysis on legislative proposals

The current Budget System also exports budget and performance measure data to two web portals for the public.

- Transparency Portal – departmental performance measures
- Open Budget Portal – visualization of current and historical budget data by agency and program (powered by Socrata)

The State has also recently issued a Request for Proposals (#7550815) for a Grants Management System. The grant system is to automate the federal grants management business processes across State agencies. OMB expects that the

Budget System will need to interface with the Grants Management System, but the specific technical requirements are not yet known.

The State is currently implementing two business analytics / data visualization packages that may complement the Budget System. The State is scheduled to obtain and deploy Oracle Business Intelligence and Tableau Server within the next six months. OMB expects the Budget System to include some data analytical and visualization functions, but vendors should note if any of their other clients have used Oracle BI and/or Tableau in conjunction with the proposed solution.

NOTE: The Budget System currently maintains the State's chart of accounts as used by the State accounting system (RIFANS). The Budget System is the primary system to create new accounts, line items, or object codes (natural accounts), and then feeds them to RIFANS. Departments may also request "Authorized Red Balances" for certain accounts, allowing agencies to incur a negative balance in anticipation of future funds (budgeted federal grants, licensing fees, etc.).

Rhode Island government also maintains two charts of accounts due to the past application development life cycles and supporting applications. The "legacy" chart of accounts is primarily used in the HR and Payroll systems. The chart of accounts used in the general ledger will be the chart used in the new budgeting system, but there will be a need to convert HR data from the legacy chart of accounts when importing into the new budgeting system.

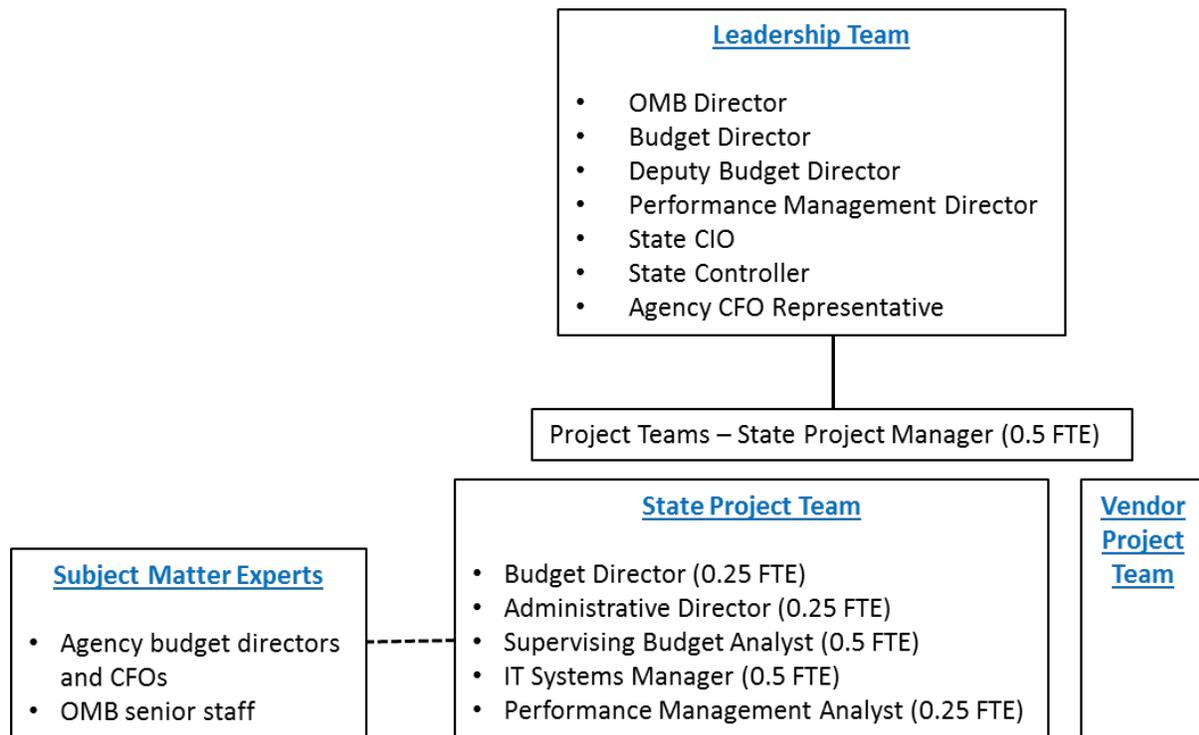
A new Budget System could accommodate this chart of accounts management function of the current system. However, as this functionality appears less common in many budget systems, OMB considers it optional, albeit desirable, and expects vendors to make a recommendation on the issue. If this functionality is not provided in the new Budget System, a live connection from the new Budget System to the State's middleware product containing the chart of accounts will likely be required.

If a vendor is able to accommodate the chart of account management functions within the budget system, please note it in the appropriate section of the Technical and Functional Requirements Workbook, Exhibit 1. Pricing for any related configuration or development services should be noted separately in the Cost Proposal Workbook, Exhibit 2.

B.8 Rhode Island Budget Project Organization

The State will form a leadership team to make all the strategic decisions to manage the project. The leadership team will meet at least monthly to review progress and resolve any pending issues. The team will be advised by a group of senior agency personnel that will be users of the system and by the state and vendor project teams. The state will also assign a project manager to work half time to coordinate the state and vendor project teams as well as manage input into the leadership team. The State team will be fully empowered to make operational decisions regarding the project. Decisions impacting cost will be brought to the Leadership Team for review. Please see Figure 3 below.

Figure 3: State Project Team



The State recognizes that delays in responses and approvals may jeopardize the vendors' proposed timelines. Given project budgetary constraints as well as the actual State budget development schedule, the project timeline is very important to the State as well. Inasmuch, the State will endeavor to provide responses to project questions and decisions as expediently as possible. The Vendor is encouraged to submit a decision matrix, associated desired timeline for response and description of typical issues that arise during a project that will require action and decisions by the State.

SECTION C: SCOPE OF WORK AND REQUIREMENTS

This Scope of Work (SOW) lists the tasks that will be undertaken by the Contractor to successfully implement the new budgeting software system. This will include the preparation and creation of a complete and comprehensive Project Plan to successfully implement, execute and control the delivery of the new Budgeting System.

The Contractor will work closely with the Office of Management and Budget (OMB), the Enterprise Technology Strategy and Services (ETSS) division and any other necessary agencies and stakeholders, to achieve the goals identified in this RFP. This work will be accomplished through the project manager and project organization described above.

C.1 Estimated High Level Schedule

From the issuance of the Purchase Order, the Contractor will have 15 days to deliver to the State a preliminary project plan. Within 30 days, the Contractor will deliver the complete project plan.

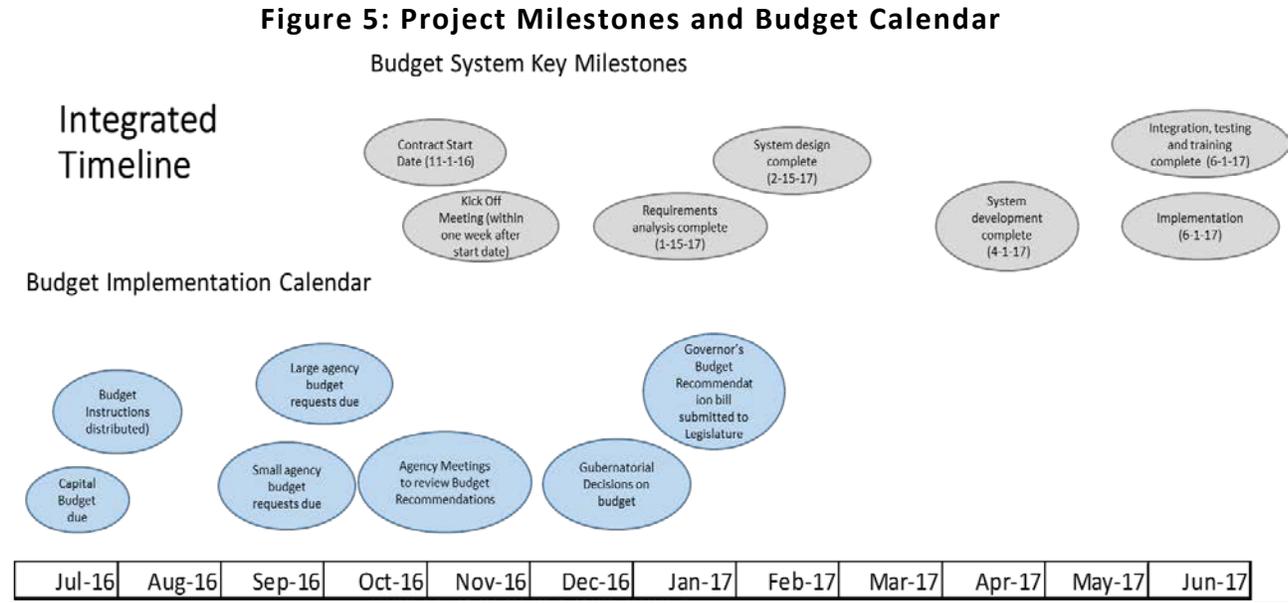
The State anticipates the duration of implementation to be approximately one year, with most work ideally completed by June 1, 2017. The estimated schedule of events and key milestones, seen in Figure 4, is notional by the State; the Vendor should propose a schedule that best meets its software and implementation methodology. The Vendor should provide estimated completion dates on these same milestones. The Vendor should also feel free to add additional high-level key milestones and dates to its proposal for comparative purposes. The Vendor's proposed schedule should also incorporate clear key assumptions required to meet the proposed dates.

Figure 4: Proposed Project Milestones and Timeline

Key Milestones	Estimated Completion
Contract start date	11/01/2016
Kick off meeting	Within one week after start date
Requirements analysis and fit-gap complete	01/15/2017
System design complete	02/15/2017
System development complete	04/01/2017
Integration, testing, and training complete	06/01/2017
Implementation	06/01/2017

The June 1, 2017 milestones include agency as well as OMB roll-out. However if the Vendor feels a staged roll-out is more advantageous, it should propose that approach as an option.

Figure 5 represents the budget system milestones overlaying the budget implementation calendar referenced in Section B.4 above.



C.2 Project Requirements

Vendors should respond to the “Technical and Functional Requirements Workbook” in the provided Excel template (Exhibit 1) holding the repository of requirements. The repository includes multiple tabs, each one representing the full set of requirements that requires a response. Each tab contains a set of requirements for the designated functional area. Requirements are grouped into logical topic/sub-process areas as applicable. Additional instructions are included in the Exhibit 1 workbook itself.

Please respond to each and every requirement (even ones that appear redundant) as follows:

- a. For each requirement, indicate with an "X" your response using one of the options indicated in Figure 6:

Figure 6: Functional and Technical Requirements Response Codes

Response	Code	Description
Yes	Y	Yes, the requirement will be met without configuration or customization.
Configuration	G	Yes, the requirement will be met through changes to tables, switches, and rules without modification to the source code. Include any changes to the existing or 'out of the box' workflow functionality.
Customization	C	Yes, the requirement will be met through changes to the existing reports or programs. This would include custom code developed to perform specific functions or validations outside the standard code. Include the creation of a new report, query or workflow that does not exist within the current application.
Future	F	Yes, the requirement will be met by packaged software in a future release. Note: In the Comments column next to this response, it is required that Offeror provide the month/year when updated software will be available for implementation and whether the update is currently in Beta testing.
Third (3 rd) Party	3	Yes, the requirement will be met by a third-party software package and is included in this Offer. Note: In the Comments column next to this response, it is required that Offeror indicate the name of the proposed third-party software package and indicate the interface/integration services being proposed.
No	N	Requirement or service will not be met by Offeror. Use of this response code for mandatory Functional Requirements may be cause for rejection of the Offer.

- b. The "Module/Solution" column should be used to indicate the name of your module that will handle each requirement so OMB can align your module pricing to the requirements.
- c. For any items noted as customizations, please include the complexity of the customization (High, Medium, Low) In the Offeror's Comments column. Customizations also be included separately by process/functional area in your Pricing Response.
- d. Vendors should list the specific forms that are included in the out-of-the-box solution, and the functionality that is provided by these forms. Please use the designated worksheet in the Exhibit 1 workbook to describe these forms.

Vendor comments should emphasize understanding of the State's objectives and the major activities that should be performed to complete the work. Where applicable, describe the methods, tools and standards that will be used to complete the technical requirements.

See the Excel template in Exhibit 1 (Technical and Functional Requirements) and Exhibit 2 (Cost Proposal Workbook) to provide complete responses to requirements.

C.3 Training

Approximately 250 concurrent users use some or all components of the current Budget System. Users include OMB/Budget Office analysts, agency Chief Financial Officers (CFOs) and finance staff, Division of Information Technology staff, and performance management analysts, among others. OMB expects that enhanced functionality and improved user interfaces of a new system will expand the number of users.

In their proposal, offerors should provide detailed plan to provide training to as many as 500 users, describing the content, location, timeline and format of training. Training materials should also include system documentation, Frequently Asked Questions (FAQs), and other options to address user questions or needs. Bidders should also describe their process for meeting ongoing training needs for existing and new users (e.g., hard-copy training manual, online help options, video tutorials, etc.).

C.4 Software Delivery Model

The State seeks a Commercial Off-The-Shelf budget solution that is forms-based, web-based, and generally available and/or on the supplier's standard price list. The Budgeting System (System) should be flexible enough to be configurable to OMB's budget management needs. The State prefers to have the new system and solution delivered in a hosted and vendor-maintained model. However, the State will consider any and all delivery models.

The vendor is responsible for providing the development environment, including "sandbox" environment, prior to system cutover or go live.

The State prefers a cloud-based hosted and vendor-maintained software solution to a vendor-hosted solution; and prefers vendor-hosted solutions to State-hosted solutions. Where multiple hosting options are available, the vendor should provide separate pricing in the Cost Proposal.

The State has also established standard contractual terms and conditions for development, operations and management of information technology-related, including the proposed Budget System. Please see Exhibit 3 – Budget System Services Agreement for the state's standard terms and conditions.

C.5 Software Viability

It is important to the State that the underlying solution and system software is robust and mature. The State desires that a software product roadmap be submitted with the proposal. This roadmap should show the product evolution

(versions, product name, major releases and support packs) for at least the past five years (from September 2011). The roadmap should also show new development underway and the planned technical and functional enhancements for at least the next two years. **The State recognizes this information is confidential and should be marked by the Vendor as such. In addition, the State recognizes this is a notional roadmap and is not a promise, indication or description of future functionality.** Should the vendor be unwilling to provide the forward looking roadmap, please indicate as much in the response.

C.6 Vendor Qualifications

C.6.1 Vendor Qualifications - Mandatory & Desirable

Mandatory Qualification: The Vendor must have budget systems currently operating in three public sector clients with annual budgets of at least \$2.0 billion, or with two clients with budgets of \$3.0 billion or greater.

Other Qualifications: Bidders should 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

Using the worksheet in Exhibit 1 (Technical and Functional Requirements Workbook), provide at least three (3) budget system installation customer references, preferably in state government. The reference information for the company should include the following:

- Name of customer organization & budget size
- Name of the project
- Types of systems / services provided
- Customer point of contact – including e-mail address and phone number
- Contract information, including value and project timeline

- c. Client List

Provide a list of all customers owning the proposed public sector version of the solution and indicate the status: Live, currently

implementing, not yet implementing, project on hold, project cancelled.

C.6.2 Personnel Qualifications – Mandatory and Desirable

Mandatory Qualifications: At a minimum, the Project Manager and Key Personnel (see defined roles below) must have collectively three (3) years of experience in public sector finance and budgeting, preferably in state government.

Other Qualifications

The following personnel qualifications are a plus:

- Demonstrated expertise in state government Capital Budgeting
- Demonstrated expertise in state government Operational Budgeting
- Demonstrated expertise in state government Performance / Program Budgeting
- Demonstrated expertise in state government Personnel Budgeting Analysis
- Demonstrated expertise in state government budget scenario analysis, “What If” analysis and data analytics

C.6.3 Vendor Project Team

Organization Chart: Bidder should submit an organization chart, showing the hierarchy of key personnel working on the project. Chart should 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 should 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 Appendix E) for this individual. Note that the form requires a minimum of two (2) references for the contractor staff person. A current resume/biography should be attached for each 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 should 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 should use their best efforts to give the State advance notice, and the substitution of new personnel should 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 should specify the key personnel on the project team who will manage/conduct the work. Bidder should 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 Appendix E) for each person. Current resumes/biographies should 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.

C.6.4 Audited Financial Statement / Statement of Financial Viability

The Vendor shall provide its most recent Audited Financial Statement ("Audited Financial Statements"). In cases where the company does not have publicly available audited financial statements, the Vendor shall provide a Statement of Financial Viability.

C.7 Vendor Payments

1. In consideration of services performed, the State agrees to pay the Contractor for the State-accepted deliverables. Payment terms shall be the governed by the contract services agreement (see Exhibit 3). Deliverables shall be invoiced at the fixed-cost rates detailed in accordance with Exhibit 2, Cost Proposal Workbook. The payment process is automated through the RIFANS Supplier Portal located via the web link:

<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 Proposal Workbook (Exhibit 2). Any excess hours to complete a deliverable shall be at no cost to the State.

- 2. Payment Withheld Until Deliverables Achieved** – In accordance with the requirements set forth in the Budget System Services Agreement (see Exhibit 3, Section 4.4), the State will retain 10% of all invoice payments for System Customization and Application & Interface Changes, until all work under this Agreement is completed and accepted by the State.
- 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 and cannot be exceeded.
- 4. Budget Contingency Clause** – 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 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 State of Rhode Island, or any statute enacted by the Legislature, which may affect the provisions, terms or funding of the Agreement in any manner.

The parties mutually agree that if the 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 D: TECHNICAL PROPOSAL

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

- 1. Audited Financial Statement / Statement of Financial Viability (“Audited Financial Statement”)**
The Vendor shall submit an audited financial statement for the most recent fiscal year including supplemental schedules and foot notes in a separate sealed enveloped; label the envelope “Confidential - Audited Financial Statement.” The financial information submitted shall remain confidential and shall not be public record. The financial information will be reviewed by

the Bureau of Audits on a Pass/Fail basis. In cases where the company does not have publicly available audited financial statements, the Vendor shall provide a Statement of Financial Viability.

- 2. Mandatory Requirements** – The proposed budget solution must meet several minimum mandatory requirements. Prior to conducting a full technical evaluation, the Review Team will review all vendor proposals to determine whether these requirements are satisfied.

Mandatory Requirements include the following:

- a. Vendor qualifications (see Section C.6.1)
- b. Personnel/staffing qualifications (see Section C.6.2).
- c. Mandatory technical and functional requirements for the proposed budget system solution should be entered in Technical and Functional Requirements Workbook (Exhibit 1). A full list of mandatory technical and functional requirements are shown in Figures 7 and 8 below.

Figure 7. Technical Requirements – As set forth in Exhibit 1:

Technical Requirements	Business Process	Importance of Requirement
Ability to set up user permissions by pre-defined groups and roles.	Security	Mandatory
Ability to set up access types (i.e. edit & read only) on a role or group basis.	Security	Mandatory
The System Administrator should have the ability to restrict user access at various stages of budget development.	Security	Mandatory
System administration access – maintenance and update of user accounts by administrator.	Security	Mandatory
The proposed solution compatible with at least one of the most current versions of Internet Explorer or Google Chrome.	Technical Requirements	Mandatory
Supports ETL capabilities to interface with other systems.	Technical Requirements	Mandatory
Provides scalable framework to support growth in users and data.	Technical Requirements	Mandatory

Figure 8. Functional Requirements – As set forth in Exhibit 1:

Functional Requirements	Budget Process	Business Process	Importance of Requirement
The system shall provide the ability to track requested, recommended and approved budgets, and decision levels, with the ability to rollover data from one budget version/stage to the next budget version/stage.	Budget Development	Base Budget/Rollover/Versions	Mandatory
The system shall import expenditure data from the state's accounting system for comparison purposes (budget vs. actual)	Budget Development	Functionality	Mandatory
The system shall provide the ability to accommodate multiple methods of budgeting, including but not limited to:	Budget Development	General	Mandatory
<i>Line-Item Budgeting</i>	Budget Development	General	Mandatory
<i>Incremental Budgeting</i>	Budget Development	General	Mandatory
The system is forms based	Budget Development	General	Mandatory
The system shall have a full audit trail of any changes made, save event, and at a minimum, capture change made, user making change, and time and date of change	Budget Development	General	Mandatory
The system shall support user or administratively defined workflow and approvals.	Budget Development	Workflow	Mandatory
The system shall provide the ability to roll-up accounts based on user-defined criteria (e.g., across any level of the organization structure).	Financial / Economic Analysis	General	Mandatory

3. Capability, Capacity, and Qualifications of the Offeror - Please provide a detailed description of the Vendor’s experience as a provider of public sector budgeting and finance systems to demonstrate compliance with C.6.1. A list of relevant client references should be provided, including client names, addresses, phone numbers, dates of service and type(s) of service(s) provided; please complete the Client Reference worksheet in the

Technical and Functional Requirements Workbook (Exhibit 1) and include it in this section.

4. 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 in the field of government budgeting in general and state budgeting in particular. Please complete the Staff Qualifications Form (Appendix E) for each key staff person involved in the project to demonstrate compliance with Sections C.6.2 and C.6.3.

5. Work Plan - Please describe in detail, the framework within which requested budgeting and planning services will be performed. The following elements should be included:

- a. Describe the bidder’s understanding of the requirements of the State of Rhode Island pursuant to the solicitation, including the intended results
- b. Address each of the components described under Section C: Scope of Work and Requirements, as well as any technical issues that will or may arise in performing the requested services
- c. Include a specific plan detailing the manner in which the bidder will develop, provide, and monitor the requested services
- d. Include Evidence of Business Continuity Plan which should demonstrate the Vendor’s ability to resurrect critical processes in the event of a natural and or manmade disaster that affects the Vendor’s ability to operate their normal systems

6. Approach/Methodology/Training

- a. **Security Protocols** – The Vendor will provide a description of their information technology security plan for the proposed solution. 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 F.
- b. **Scope Management Plan** – The Vendor will provide a change order control and 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.
- c. **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 access and utilize the Budgeting System.

7. **Project Plan** – Within fourteen (14) days of Purchase Order issuance, 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. **Risk Management Plan** – How risks will be tracked, how their estimated impact will be communicated, how risks will be mitigated to minimize the project impact. How to estimate the impact and respond to foreseen risks.
 - d. **Communications Plan** – How information will be distributed to the stakeholders throughout the life of the project.
 - e. **Schedule** – When the tasks will be performed.
 - f. **Security Protocols** – As listed above.
 - g. **Scope Management Plan** – As listed above.
 - h. **Training Plan** – As listed above.
8. **Budget Solution Product Roadmap** – Vendors should provide a look forward to the short-term and long-term goals in the planned evolution of the budget solution proposed. Functional and technical improvements should be discussed as well as role of users in product direction governance.
9. **Insurance** – The State of Rhode Island requires the Vendor maintain sufficient insurance coverage throughout the contract lifecycle. Appendix G includes the insurance requirements for this contract. **Please describe your ability to meet this insurance requirement.**

SECTION E: COST PROPOSAL

Applicants shall provide a cost proposal using Exhibit 2: Cost Proposal Workbook to specify costs for performance of tasks contained in Section C: Scope of Work and Requirements. Proposals 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.

SECTION F: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from OMB and state agencies.

Audited Financial Statements will first be reviewed by the Bureau of Audits for a "Pass"/"Fail" determination. Audited Financial Statements with a "Pass" determination, will have the Vendor's responses to Mandatory Requirements advanced and reviewed by a Technical Review Committee comprised of staff from OMB and State agencies. Audited Financial Statements with a "Fail" determination will not be reviewed further and the proposal will be dropped from consideration.

Vendor Responses to Mandatory Requirements will then be reviewed by the Technical Review Committee for a "Pass"/"Fail" determination. Vendor Responses to Mandatory Requirements with a "Pass" determination, will have the Vendor's Technical Proposal advanced and reviewed by a Technical Review Committee. Vendor Responses to Mandatory Requirements with a "Fail" determination will not be reviewed further and the proposal will be dropped from consideration.

Technical Proposals must receive a minimum of 48 (80.0%) out of a maximum of 60 technical points to advance to the Demonstration/Interview stage. Technical Proposals scoring less than 48 points shall not advance to the Demonstration/Interview stage, shall not have the cost component opened and the proposal shall be dropped from further consideration.

The Technical Proposal and Demonstration/Interview must receive a combined minimum score of 62 (82.7%) out of a maximum of 75 points to advance to the Cost Proposal evaluation stage. Technical Proposal and Demonstration/Interview scoring less than 62 points shall not advance to the cost proposal review, shall not have the cost component opened and the proposal shall be dropped from further consideration.

Technical Proposal and Demonstration/Interview scoring a combined total of 62 points or higher shall be evaluated for cost and assigned up to a maximum of 25 points in the cost category, bringing the potential maximum score to 100 points.

The State reserves the right to select the individual(s) or firm (Vendor) that it deems to be in the State’s best interest to accomplish the project as specified herein; and conversely, reserves the right to cancel the solicitation in its entirety.

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

Criteria	Possible Points
Audited Financial Statements	Pass/Fail
Vendor Responses to Mandatory Requirements	Pass/Fail
Project Staffing and Staff Qualifications	10 Points
Vendor Capability, Capacity, and Qualifications	10 Points
Quality and Completeness of Work Plan	15 Points
Functional and Technical Requirements, Approach/Methodology/Training	20 Points
Past Performance/Experience	5 Points
Total Possible Technical Points	60 Points
Demonstration/Interview	15 Points
Total Possible Technical & Interview 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 Vendor with the lowest cost bid 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:

$$(\text{low bid} / \text{Vendor's bid}) * \text{total available cost points}$$

For example: If the low Vendor (Vendor A) bids \$65,000 for total cost and service fees, and Vendor B bids \$100,000, 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.

SECTION G. 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 # 7550944** 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# 7550944**" 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 H. RESPONSE CONTENTS

Responses should include the following:

- 1. R.I.V.I.P generated 'Vendor Certification Cover Sheet'** - 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.)
- 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.)
- 3. A separate, signed and sealed Audited Financial Statement** – An Audited Financial Statement *including supplemental schedules and foot notes*, as outlined in Section C.6.4 and Section D is to be included in the response package and in **.pdf file format**. Copies to be included are as follows:
 - a. One (1) Electronic copy on a CD-R, marked “Confidential – Audited Financial Statement”.
 - b. One (1) printed Paper copy, marked “Confidential – Audited Financial Statement”, signed and enclosed in a separate sealed envelope.
- 4. A Separate Technical Proposal** - describing the qualifications and background of the applicant and experience with and for similar projects, and all information described in Section D earlier in this solicitation. The Technical Proposal should include responses to the Technical and Functional Requirements, as established in Exhibit 1. Vendors should also include project team information and qualifications, using the format from Appendix F.
 - a. One (1) Electronic copy on a CD-R, marked “Technical Proposal - Original”.
 - b. One (1) printed Paper copy, marked “Technical Proposal - Original” and signed.
 - c. Four (4) printed Paper copies
- 5. A separate, signed and sealed Cost Proposal** – A separate, signed and sealed Cost Proposal as described in Section E using the template provided in Exhibit 2 – Cost Proposal Workbook. Do not alter any formatting provided in the workbook.
 - a. One (1) Electronic copy on a CD-R, marked “Cost Proposal - Original”.
 - b. One (1) printed Paper copy, marked “Cost Proposal - Original” and signed.
 - c. Four (4) printed Paper copies
- 6. Formatting of CD-Rs** – Separate CD-Rs are required for the Technical Proposal and Cost Proposal. All CD-Rs submitted must be labeled with:
 - a. Vendor’s name
 - b. RFP #

- c. RFP Title
- d. Proposal Type (e.g., Technical Proposal or Cost Proposal)
- e. If file sizes require more than one CD-R, multiple CD-Rs are acceptable.
Each

CD-R must include the above labeling and additional labeling of how many CD-Rs should be accounted for (e.g., 3 CD-Rs are submitted for a technical proposal and each CD-R should have additional label of '1 of 3' on first CD-R, '2 of 3' on second CD-R, '3 of 3' on third CD-R).

Vendors are responsible for testing their CD-Rs before submission as the State's inability to read your CD-Rs may 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). All files must match the printed paper copies, any discrepancies may be grounds for rejection. USB Drives or any other electronic media will not be accepted. Please note that CD-Rs submitted, shall not be returned.

7. Formatting of written documents and printed copies:

- a. For clarity, the Technical Proposal and Audited Financial Statement 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 12 point Times New Roman. Previously prepared Audited Financial Statements using different formatting than specified are acceptable.
- b. All pages on the Technical Proposal and Audited Financial Statement 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.
- c. The Cost Proposal shall be typed using the formatting provided on the provided template.
- d. Printed copies are to be only bound with removable binder clips.

Vendors are encouraged to use the Submission Checklist in Appendix H to ensure a complete submission.

SECTION I. 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 an 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 – Additional Information About Rhode Island Budget Process

Appropriation Process

According to Article IX Section 16 of the Rhode Island Constitution, and Rhode Island General Laws Section 35-3-7, the Governor must present spending recommendations to the General Assembly. The Budget reflects expenditures for both the current and upcoming fiscal year and identifies the sources of financing for those expenditures.

On or before the third Thursday in January, unless delayed by act of the General Assembly¹, the Governor must submit to the General Assembly a budget containing a complete plan of estimated revenues and proposed expenditures, with a personnel supplement detailing number and titles of positions of each agency, and estimates of personnel costs for the next fiscal year. Commencing with the Governor's FY 2013 budget, this supplementary personnel information has been merged into the multi-volume document entitled *Budget*.

The budget is proposed by the Governor and considered by the General Assembly, which may increase, decrease, alter, or strike out any item in the budget, provided that the action would not cause an excess of appropriations over anticipated revenue receipts. No appropriation in excess of budget recommendations may be made by the General Assembly unless it provides the necessary additional revenue to cover such appropriation.

The Governor may veto legislative appropriations, although not on an individual "line item" basis. The General Assembly may override any veto by a three-fifths majority vote. Supplemental appropriations measures must be submitted by the Governor to the General Assembly on or before the third Thursday in January. Supplemental appropriations by the General Assembly must also be supported by additional revenues.

The general laws of the State provide that if the General Assembly fails to pass the annual appropriation bill, amounts equal to those appropriated in the prior fiscal year shall be automatically available for expenditure, subject to monthly or quarterly allotments as determined by the Budget Officer. Expenditures for general obligation bond indebtedness of the state shall be made as required regardless of the passage of the annual budget or the amount provided for in the prior fiscal year.

Fiscal Years

It is important when reading the budget to consider which fiscal year is being discussed. The state *fiscal year* runs from July 1 to the following June 30 and is numbered for the calendar year in which it ends (e.g. FY 2016). The *current fiscal year* is the one which ends the coming June. The *actual fiscal years* are the years

which concluded June of the two previous years. The *budget year* refers to the next fiscal year, which begins the July following the Legislature's adjournment. Finally, *out-years* refers to the years beyond the budget year.

By law, *The Budget* must record two actual fiscal years of spending, as well as the Governor's revised spending recommendations for the current fiscal year, and the Governor's full recommendations for the budget year.

Revenue and Caseload Estimates

Receipt estimates for the current year and budget year are those adopted by the State Revenue Estimating Conference, as adjusted by any changes recommended by the Governor.

The State Revenue Estimating Conference was created by the 1990 General Assembly to provide the Governor and the General Assembly with estimates of general revenues. It is composed of the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor, with the chair rotating among the three. It must meet no less than twice per year, in November and May, and can be convened at any other time by call of any member, and must reach consensus on revenues.

The 1991 General Assembly created a Medical Assistance and Public Assistance Caseload Estimating Conference similar to the Revenue Estimating Conference to adopt cash assistance entitlement caseload estimates. The 1998 General Assembly amended the Medical Assistance and Public Assistance Caseload Estimating Conference to estimate medical assistance expenditures, upon which the Governor's expenditures budget shall be based, and the appropriations by the General Assembly shall be made.

The consensus revenue estimate is the official revenue projection for general revenue. Estimates of revenues for federal funds, restricted receipts, and other funds are prepared by individual state agencies, reviewed by the Budget Office, and included in *The Budget*.

Classification of State Spending

The State of Rhode Island classifies state spending by function of government and by category of expenditure.

Function of Government

Function of government classifies expenditures by grouping agencies which make expenditures for similar programs and purposes. There are six functions of government defined in *The Budget*: General Government, Health and Human Services, Education, Public Safety, Natural Resources, and Transportation.

Function 1: General Government

General Government includes the administrative and regulatory functions of state government. Certain elected officials (Governor, Lieutenant Governor, General Treasurer, Secretary of State), the Legislature, and the Department of

Administration are agencies that perform an administrative function. The Department of Business Regulation, the Department of Labor and Training, and the Public Utilities Commission are examples of agencies that perform a regulatory function. The Department of Revenue coordinates revenue collection activities of several state divisions.

Function 2: Health and Human Services

Health and Human Services includes agencies that provide social services to individuals. The services provided include: the care of the disabled by the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals; child protective and social services provided by the Department of Children, Youth and Families; health programs at the Department of Health and the Executive Office of Health and Human Services; financial assistance and social services provided by the Department of Human Services; and pharmaceutical assistance and home health care at the Division of Elderly Affairs. The Executive Office of Health and Human Services centrally coordinates the legal, budgetary, and policymaking activities of the Human Services agencies.

Function 3: Education

The Education function provides education services to Rhode Islanders. The State Board of Education includes the Department of Education and Higher Education, which provide direct education services

Function 4: Public Safety

Public Safety is the function that provides safety and security services to Rhode Island citizens. Agencies in this function include the Department of Corrections, the Judiciary, the Attorney General, and the Department of Public Safety.

Function 5: Natural Resources

The Natural Resources function protects the natural and physical resources of the state and regulates the use of those resources. Agencies included in this function are the Department of Environmental Management, and the Coastal Resources Management Council.

Function 6: Transportation

Transportation includes the Department of Transportation, which is the only agency in this function. It is responsible for maintaining and constructing highways in Rhode Island, and for planning and financing all surface transportation modes.

Categories of Expenditures

Categories of expenditures classify expenditures by budgeting and accounting objects of expenditure: personnel; state operations; aid to local units of government; assistance, grants, and benefits; and capital. Objects of expenditures define how funds are encumbered and expended.

Category 1: Personnel

Personnel includes the salaries, wages, and benefits of state employees, as well as personnel services purchased from outside contractors and vendors.

Category 2: Operating Supplies and Expenses

Operating Supplies and Expenses include expenses incurred while conducting the day-to-day business of state government. This category is often referred to simply as "operating". Operating expenses comprise non-personnel expenditures for operations of state government, including facilities maintenance, program and office supplies, rental of outside property, telecommunications, and insurance

Category 3: Aid to Local Units of Government

Aid to Local Units of Government consists of payments made to governmental units that provide services at the local level. Education Aid to local school districts is an example.

Category 4: Assistance, Grants and Benefits

Assistance, Grants and Benefits constitutes payments to individuals and agencies which are not governmental units. Drugs, medicine and nursing facilities for the Medicaid programs, the pharmaceutical assistance program for the elderly, and cash assistance payments for the Rhode Island Works, Supplemental Security Income, and Child Care Assistance entitlements are a few examples.

Category 5: Capital Purchases and Equipment

Capital Purchases and Equipment include capital improvements and new capital construction financed via the Rhode Island Capital Plan Fund (RICAP), general revenues, or federal funds. Please note that the majority of capital improvements, supported by other forms of financing (i.e. state debt instruments), are generally found in the *Capital Budget*.

Category 6: Debt Service

Debt Service includes payments on short term tax anticipation notes, long term general obligation bonds, certificates of participation payments, and lease payments to the Convention Center Authority.

Category 7: Operating Transfers

Operating Transfers include inter-fund and inter-agency transfers of financial resources.

Position Budgeting for State Employees

A major part of the state operations category of expenditures is salary and wage payments to employees. Public service in state government is divided into the classified service, unclassified service and non-classified service. The classified service comprises all positions in state service, now existing or to be created, except as specifically provided under Rhode Island General Laws 36-4-2 for unclassified employees and R.I.G.L 16-59-7 for Higher Education non-classified

employees. The classified service is divided into a competitive branch and a non-competitive branch.

Employees hired to fill positions in the classified service must be hired on the basis of merit and fitness and usually upon the basis of competitive examinations. The non-competitive branch includes positions that require the performance of routine tasks, or those that require licenses, certificates, or registrations. These employees are also promoted and discharged on the basis of rules and regulations established and administered by the Rhode Island Merit System.

Certain positions are specifically designated for inclusion in the unclassified service. These positions are defined to include those in specific agencies, or types of agencies for specific purposes. Examples are employees of the General Assembly, elected officials, and employees of the courts. Compensation for unclassified positions is governed by the Unclassified Pay Board and other matters are governed by rules and regulations of the unclassified system.

State service also includes special types of positions. In addition to regular full time positions, there are seasonal positions in the classified service. Such positions require the employee to work an irregular schedule such that the employee is on call when needed, or for only a portion of the year, and only for a maximum of 925 hours in a 12-month period. Employees of the Department of Environment Management who staff the state's parks, beaches, and wildlands in the summer are an example of seasonal employees.

Financing of State Spending

Frequent reference is made in *The Budget* to "general revenue" expenditures and expenditures from "all funds". Expenditures from all funds include both general revenue expenditures and expenditures from federal funds, restricted receipts, and other or special revenue funds.

General revenue receives the most attention in the budget because it is the largest of the "uncommitted" revenue sources available to the state. It is also the fund to which most general tax receipts are credited. The General Assembly may spend general revenue dollars for any purpose.

Federal funds, restricted receipts, and other funds, by contrast, are dedicated to a specific purpose. Other funds include the University and College Funds, the Transportation Fund, the Unemployment Insurance Fund and the Temporary Disability Insurance Fund. For example, the General Assembly may not spend monies from the Unemployment Insurance Fund to build new prisons.

Within the budget documents, schedules contain expenditure data for two actual fiscal years, the current fiscal year and the budget year. The schedules display agency data by fund source for All Funds, General Revenue, Federal Funds, Restricted Receipts, and Other funds.

Rhode Island Capital Plan Funds

On November 7, 2006, Rhode Island voters approved a constitutional amendment limiting state expenditures commencing in FY 2008 such that appropriations do not result in general fund expenditures exceeding 98.0 percent of general fund revenues in FY 2008, and 97.0 percent in FY 2012 and thereafter. This amendment to the Rhode Island Constitution also restricted, as of July 1, 2007, the use of excess funds in the Rhode Island Capital Fund solely for capital projects. Previously, the fund could be used for debt reduction, payment of debt service, and capital projects. Also, the constitutional amendment increased the budget reserve account by limiting annual appropriations to ninety-seven (97%) percent of estimated revenues and increasing the cap on the budget reserve account to five (5%) percent of estimated revenues. During the 2007 Session of the General Assembly, a statutory schedule was enacted to provide for incremental decreases of 0.2 percent to gradually move spending from 98 percent of revenues to 97 percent of revenues. Additionally, the budget reserve account maximum balance would be gradually increased by increments of 0.4 percent to gradually move from 3.0 percent to 5.0 percent of resources. In FY 2013, the spending is limited to 97.0 percent of revenues and the budget reserve fund is capped at 5.0 percent of resources.

Additionally, during the 2007 Session of the General Assembly, a law was enacted which requires that revenues received in excess of the amount estimated in the enacted budget, net of reserve fund contributions, would be transferred to the State Retirement Fund upon completion of the post audit.

Budget Basis

The Budget is prepared on the same basis that the state's year-end financial statements, which is a modified accrual basis. Briefly, this means that obligations of the state are budgeted as expenditures if the goods or services are expected to be received during the fiscal year, regardless of whether a cash payment is expected to be made by the state by June 30th of that year. Revenues are estimated on the basis of when they are "earned" by the state. For example, the estimate of gas tax revenues reflects twelve months of revenues. However, due to a one month difference in the time the liability is incurred and the actual cash payment is made by the taxpayer, the revenue estimate reflects cash received from August through July.

The Comprehensive Annual Financial Report (CAFR) shows the status of the state's finances on the basis of "generally accepted accounting principles" (GAAP). Every attempt is made in preparing the budget to ensure that it is consistent with the auditing standards upon which the state's financial position will be determined.

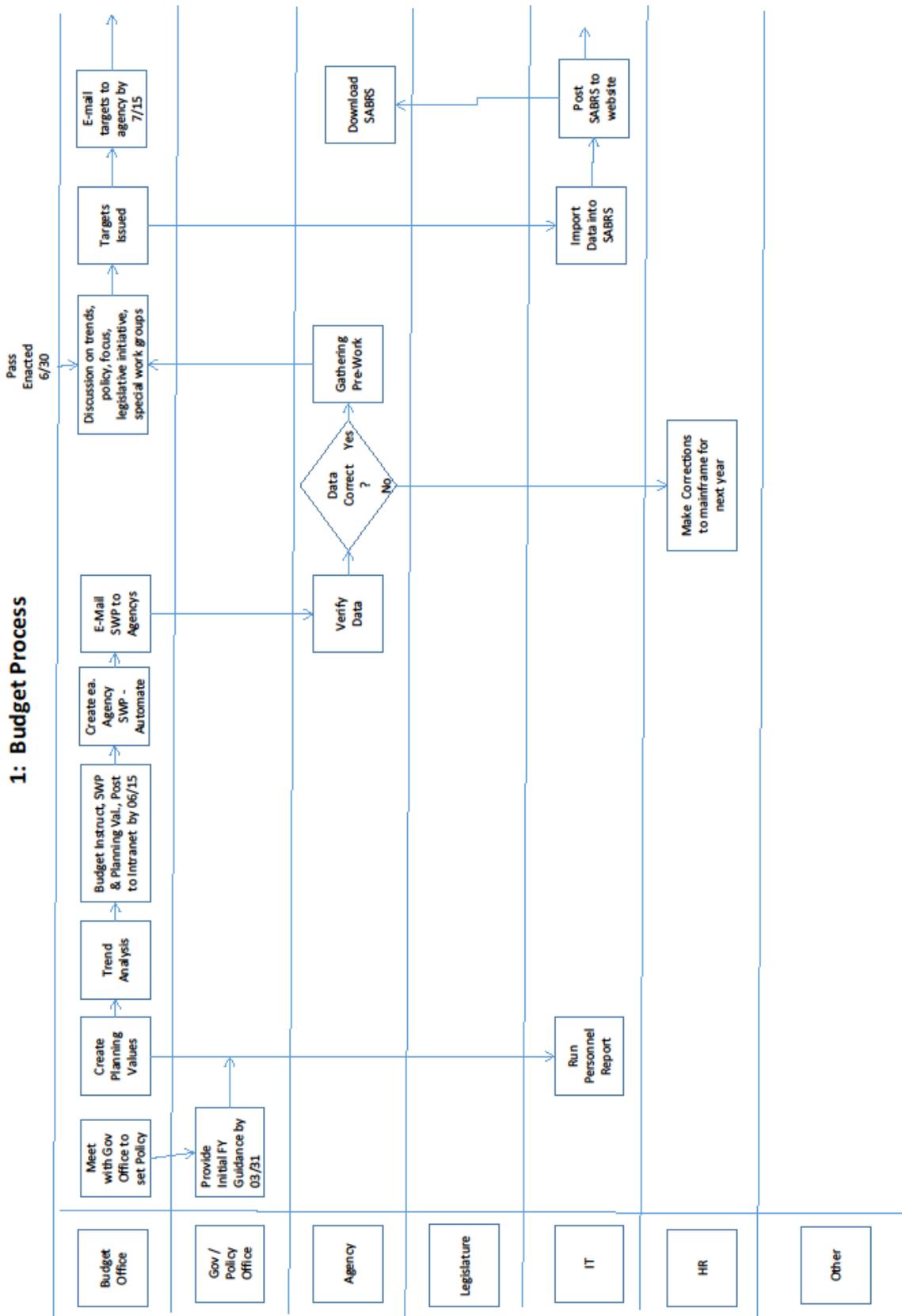
Program Performance Measures

In FY 2013, Governor Chafee implemented several improvements to the Performance Management initiative for Rhode Island government departments and agencies to improve the effectiveness and efficiency of state programs and to maximize the value of taxpayer dollars. By developing performance measures and analyzing program data, departments and agencies are able to make better

decisions about allocating personnel and financial resources to have the greatest impact.

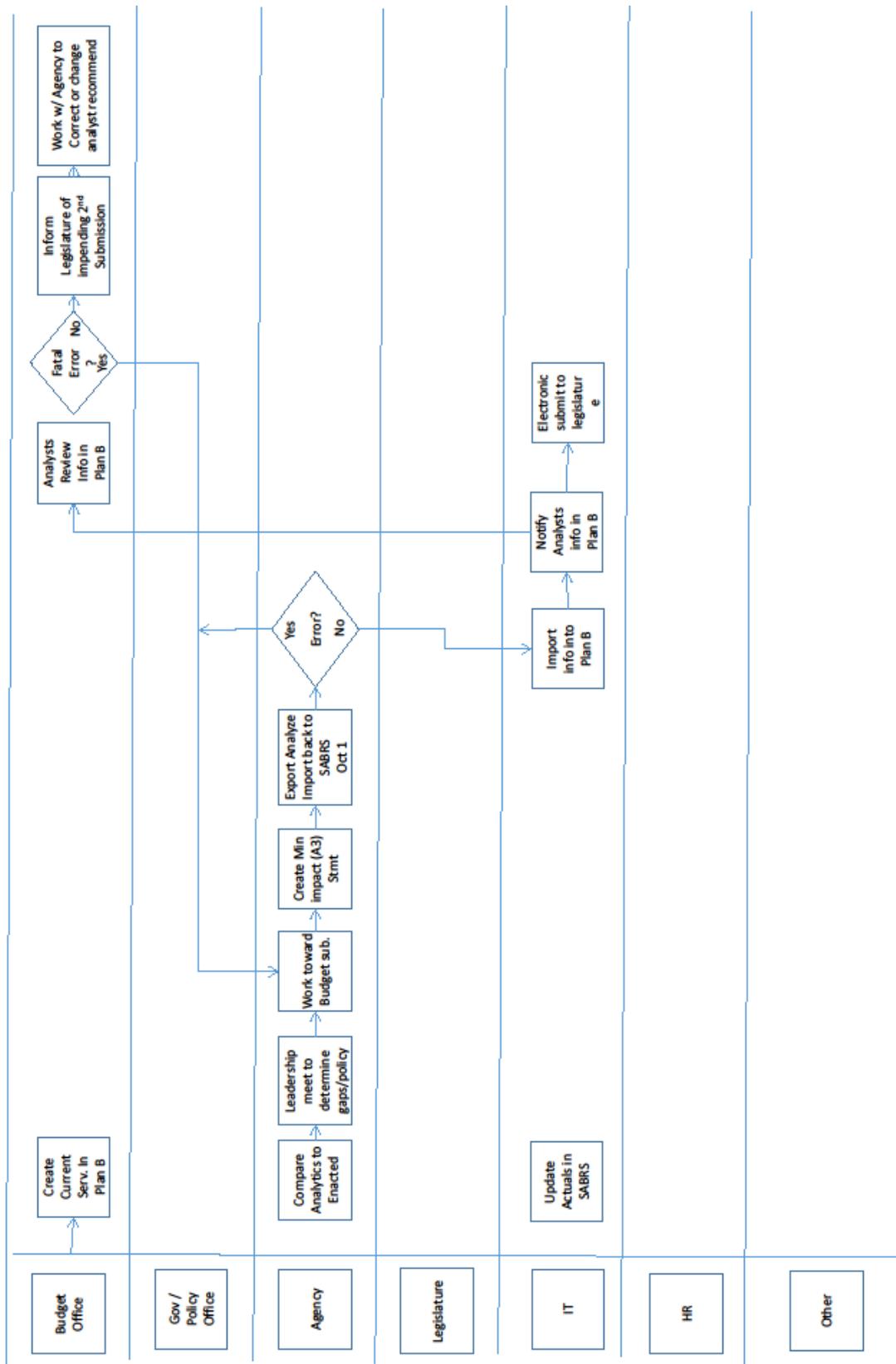
In FY 2013, departments edited existing or created new performance measures for their programs, and they report data on a regular basis to the Office of Management and Budget (OMB). An interagency Performance Management team meets with departmental leadership quarterly to review performance data, determine whether departments are meeting their goals and develop innovative solutions to solve problems. In FY 2014, the Governor's budget submission included many new performance measures, as well as historical data and targets when available. The OMB works with departments and agencies to develop performance measures that reflect the impact of their programs. The OMB reports performance data on a regular basis to improve the transparency and accountability of Rhode Island government.

Appendix B – Budget Process Map (1 of 4)



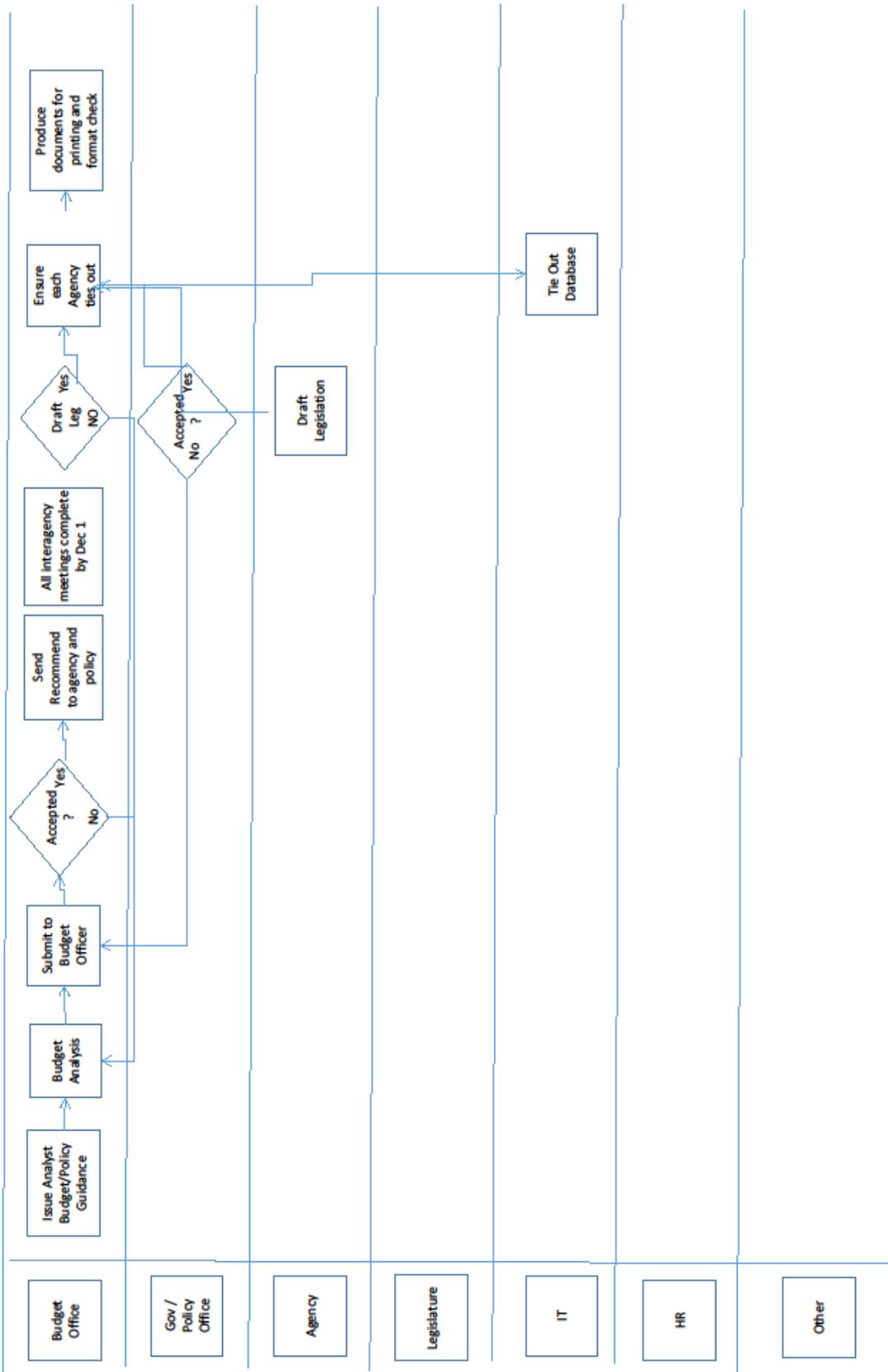
Budget Process Map (Part 2 of 4)

2: Budget Process, Cont.



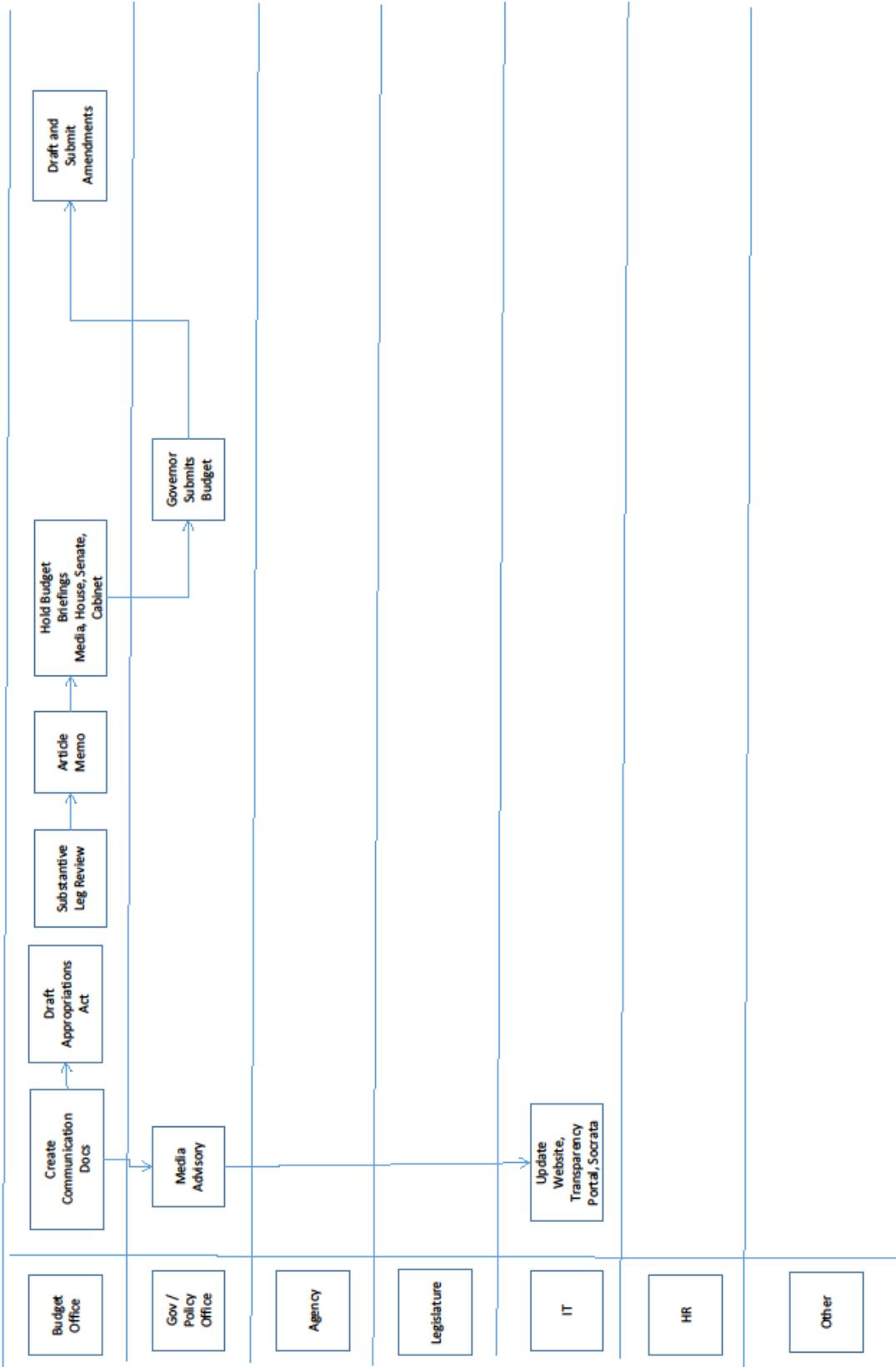
Budget Process Map (Part 3 of 4)

3: Budget Process, Cont.

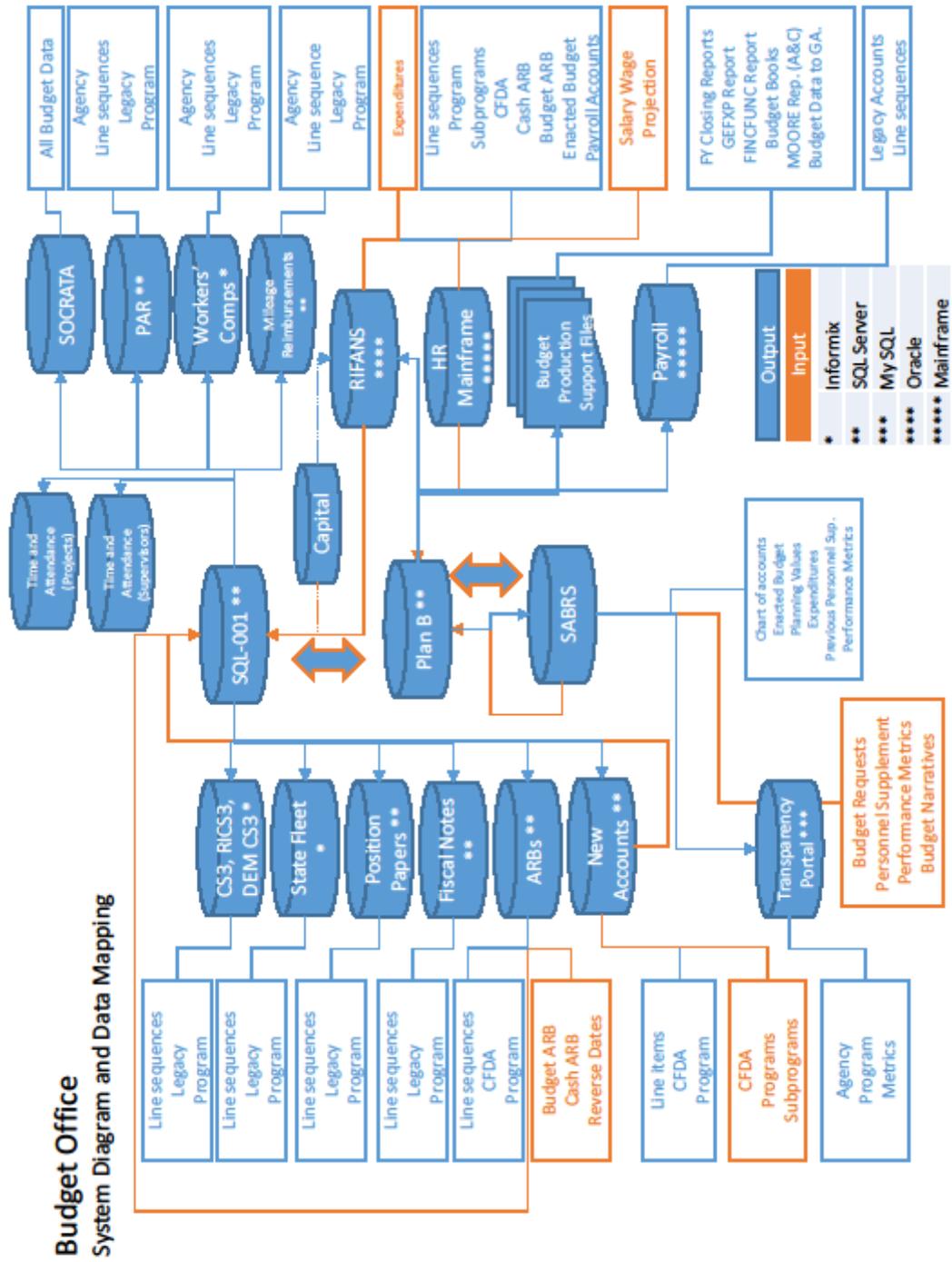


Budget Process Map (Part 4 of 4)

4: Budget Process, Cont.



Appendix C - Budget Process Databases and Systems



Appendix D – Budget System Interfaces

Interface Name	Description	Data type and transport media	Observations
CS3, RICS3, DEM CS3	<p>Interface used to transmit chart of accounts and accounting organization to CS-3 systems (currently 3 versions).</p> <p>The CS-3 systems print personnel updates and create the CS-3 form that is sent to the employees when a personnel action has being taken (updates on their leaves, pay increases, mew appointments, etc.)</p>	Flat file via FTP to CS-3	<p>System developed in INFORMIX by ETSS.</p> <p>Data on demand, around every quarter</p>
Position Papers	<p>Interface used to keep integrity on position papers for the Governor’s office, this interface allows the Fiscal Notes and Position Papers record the different positions from agencies regarding any particular bill. This interface also controls the classification of position papers and keeps track of any position paper when it is delegated to an agency for its completion and final submission to the General Assembly</p>	Live data, views shared by SQL Server database	<p>System has 4 different interfaces:</p> <p>MS. Access interface developed by ETSS for the Governor’s Office, allows the Policy office to compile all data related to all bills, all position papers for all bills and fiscal notes, the system compiles a comprehensive record of all the bill related data and provides reports for the Governor</p> <p>MS. Access interface developed by ETSS for the Director of Administration, this interface allows the director of Administration’s office to assign bills to specific users within</p>

Interface Name	Description	Data type and transport media	Observations
			<p>the department to create position papers on any giving bill.</p> <p>.NET interface developed by ETSS for the agencies, this interface allows the authorized users within an agency to work on any Fiscal Notes assigned to them by the budget office and submit it to the budget analyst for its review and approval.</p> <p>.NET interface developed by ETSS for Senate’s Fiscal Office, this interface allows the authorized users within an the General Assembly to search and review all the Fiscal Notes finalized and approved by the budget Office.</p>
ARBs	Interface used by the agencies to request authorization for red balances against the enacted in any line sequence	Live data, data contained in Budget database	PHP Interface developed by ETSS that allows the request of the authorization of the expending in an specific account, this interface captures the request and eventually captures the approval by the budget analyst and the budget officer and produces a file for the GL to be loaded with the authorization information
New Accounts	Interface used by the agencies to request new accounts (Linesequences)	Live data, data contained in Budget database	.NET interface developed by ETSS for all agencies and it captures the request of new accounts

Interface Name	Description	Data type and transport media	Observations
			(line sequences), this interface assigns the new account number based on the naming convention pre-established in the GL and captures all the accounting coding required. The interface will eventually capture the approval by the budget analyst and the budget officer and produces a file for the GL to be loaded.
Transparency Portal	Process interface that assigns state structure to indicators uploaded into the transparency portal	Live data, data contained in Budget database and flat files from Payroll	Mix interface that pulls live data from Budget system for state structure and chart of accounts and uploads into the transparency portal several data sources from Payroll, Performance Metrics, RIFANS, etc.
SOCRATA	Process interface to upload Governor's Budget Request into the open budget tool twice a year	Live data, data contained in Budget database	MS. Access interface that creates a file to be upload into the SOCRATA's web administrative tool to display the open budget visualizations as part of the Governor's Budget submission
PAR	Interface used by all agencies, HR and Budget to create and keep track of all personnel action requests	Live data, feed via connected views from SQL Server	.NET Interface developed by ETSS that allows the request and authorization at different levels of the organization of all the personnel action requests, the interface connects to the SQL server database and uses the state's chart of accounts and structure to distribute the PARs to the next valid approval entity and to keep all the correct accounting for the positions at the time to be loaded into the

Interface Name	Description	Data type and transport media	Observations
			state personnel mainframe. This system also feeds NEO GOV, system for state jobs applications.
Workers' Compensations	Interface used to transmit chart of accounts and accounting organization. The Workers' Comps system does the dual role of case management and payroll system for all the state employees while out in Workers' Comps.	Flat file via FTP to WC	System developed in INFORMIX by ETSS. Data on demand, around every quarter
In State Mileage Reimbursement	Interface used by all state employees to file mileage reimbursement and by the agencies to do the entries in RIFANS and finally do the direct deposit of the reimbursement.	Live data, feed via connected views from SQL Server	.NET Interface developed by ETSS that allows the request and authorization at different levels of the In State Mileage Reimbursement, the interface connects to the SQL server database and uses the state's chart of accounts.
RIFANS	Interface used by budget system to download expenditures history and to upload new accounts, ARBs and other changes to the state structure	Flat files	MS. Access Interface developed by ETSS that allows the Office of Accounts and Controls download the required information in a specific format to be uploaded into the General Ledger.

Appendix E – 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 three (3) years of experience in public sector finance and budgeting, preferably in state government.			
Desirable: Demonstrated expertise in Capital Budgeting			
Desirable: Demonstrated expertise in Project / Performance / Program Budgeting			
Desirable: Demonstrated expertise in Personnel Budgeting			
Desirable: Demonstrated expertise in data mining			
Desirable: Demonstrated expertise in “What If” and data analysis			

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.

Appendix F – Security Breach Agreement Form

Note: All software vendors doing business with the State of Rhode Island must complete 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. Contractor 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_____

Appendix G - 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 H – Submission Checklist

This checklist is provided to assist the bidder in preparing a bid proposal for submission. It is not a substitute for a thorough review of the Instruction to Bidders nor a comprehensive list of all bid proposal requirements. Each bidder is responsible to review the Instructions to Bidders and to comply with all requirements of the Solicitation.

- ___ Completed and signed Vendor Certification Cover Sheet (Section H.1)
- ___ Vendor W-9 (Section H.2)
- ___ Signed and sealed Audited Financial Statement - Mandatory (Sections C.6.4; D.1; H.3)
- ___ Vendor Qualifications, including:
 - ___ Experience and Client List – Mandatory & Desirable (Sections C.6.1, D.3)
 - ___ Vendor Project Team with Qualifications – Mandatory and Desirable (Sections C.6.2, C.6.3; D.4, Appendix F)
- ___ Technical Proposal (Section D), including
 - ___ Proposed Work Plan & Project Schedule (Sections C.1, D.5)
 - ___ Description of Proposed Solution (Sections C.2, D.5)
 - ___ Training Proposal (Sections C.3, D.6)
 - ___ Statement of Software Viability & Product Roadmap (Sections C.5, D.8)
 - ___ Evidence of Business Continuity Plan (Section D.5.d)
 - ___ Acknowledgement of Terms of State Security Breach Agreement (Section D.6, Appendix F)
 - ___ Ability to Meet State Insurance Requirements (Section D9, Appendix G)
- ___ Client References (Exhibit 1)
- ___ Technical Requirements, Functional Requirements and Forms (Exhibit 1)
- ___ Mandatory Technical and Functional Requirements (Exhibit 1, Section D.2.c)
- ___ Signed and Sealed Cost Proposal (Section H. 4, Exhibit 2)