

**DEPARTMENT OF HUMAN RESOURCES/OFFICE OF TECHNOLOGY FOR HUMAN
SERVICES (OTHS)
REQUEST FOR PROPOSALS (RFP) FOR
AUTOMATED FISCAL SYSTEM (AFS) MODERNIZATION PROJECT**

QUESTIONS AND RESPONSES #12

Question 104: Please clarify which portions of the project are to be provided at a firm-fixed price and which are to be provided as Time and Materials?

Answer: Firm fixed pricing applies to all services needed to implement the solution. This includes (a) user licenses for either a SaaS or COTS solution, (b) provisioning and configuring of default configurations for Test, Development, and/or Production SaaS environments, (c) labor costs for legacy data conversion, and (d) end user training.

Time and Materials pricing relates to any additional services that may be needed after the SaaS or COTS solution is deployed, pursuant to the Work Order Process described in RFP Section 3.8.

Question 105: Section 1.3 of the RFP indicates “The pricing for the System will be firm-fixed price, and pricing for support services that support the implementation of the System will be time and materials.” On Page 13 of the RFP, “System” is defined as: “The application that will provide the capability to the state to meet its business objectives, including all services and activities necessary to fully support the implementation of the new AFS application.” Since “System” is used in section 1.3 as a capitalized reference, it is subject to the definition listed on page 13. The definition would seem to include implementation services in the fixed fee portion of the project, which does not seem to be the intent of section 1.3 of the RFP. Is this the State’s intention to include implementation services in the as part of the fixed fee portion of the project?

Answer: Yes. Please refer to Amendment #5 and the response to Question #104 for further clarification.

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Question 106: AFS ATTACHMENT V: Data Extraction: Will State personnel extract the data from the legacy AFS system? If not, is the Offeror responsible for all data extraction activities from the legacy AFS system?

Answer: The Contractor will be responsible for extracting the data, with the assistance of State subject matter expertise. See the response to Question #20, Question Series #3.

Question 107: AFS ATTACHMENT V: Integration to FMIS: Can the State supply data requirements for the Integration to the FMIS system?

Answer: There will not be any direct integration with FMIS. Data exchange with FMIS will continue to be a batch process. Thus, the replacement System must be able to export data that ultimately will be imported into FMIS.

Question 108: AFS ATTACHMENT V: Clarification of Question 42 answer: 'The AFS application contains approximately 26,000,000 records totaling approximately 3 gigabytes of data.' Can the State confirm this is summarized data?

Answer: The data represents the current total data volume within the application; not summarized data.

Question 109: AFS ATTACHMENT V: Can Maryland DHR please supply the following Financial volumes and information?

- a. The number of Ledger Accounts
- b. The number of Legal Entities and/or Business Units
- c. The number of departments (cost centers)
- d. The number of divisions
- e. The number of journals added per month
- f. The number of vendors (suppliers)
- g. The number of vendor (supplier) contracts
- h. The number of purchase orders created per month
- i. The number of vendor (supplier) invoices created per month
- j. Do you have capital projects?
- k. If yes to "j", please describe process the County follows to create a capital project.
- l. Are there any asset integrations?
- m. The total number of Projects and the average amount added per year

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- n. Are projects tracked at a granular level (Phases, tasks)?
- o. The number of customers
- p. The number of current and active customer contracts
- q. The total number of current and active Grants
- r. The volume of Grants established per year
- s. The number of current and active funds
- t. The number of current and active programs
- u. The number of banks (financial institutions)
- v. The number of bank accounts
- w. The number of true endowments
- x. The number of Quasi endowments
- y. The number of donors
- z. The number of gifts added per month
- aa. The number of investment pools
- bb. The number of investment statements recorded per month
- cc. The number of business assets
- dd. How are business assets depreciated?
- ee. Does the County track assets by employee, location, etc?

Answer: **This information is not currently available.**

Question 110: AFS ATTACHMENT V: Is Maryland DHR using procurement cards? If so, please explain the process.

Answer: **Yes. However, State Procurement Card usage has no impact on the AFS. Information regarding the State of Maryland Corporate Purchasing Card can be found at:**
http://comptroller.marylandtaxes.com/Government_Services/State_Accounting_Information/Corporate_Purchasing_Card/

Question 111: AFS ATTACHMENT V: Is Maryland DHR using Travel/Expense cards? If so, please explain the process.

Answer: **The State of Maryland Corporate Purchasing Card can be used for lodging, conference, and some transportation expenses. However, different State agencies have specific rules for in-state and out-of-state travel. For more information, see the response to Question #110.**

Question 112: AFS ATTACHMENT V: How does Maryland DHR currently track their gifts/investments (if any)?

Answer: This question is not relevant to this solicitation.

Question 113: AFS ATTACHMENT V: Do you have a centralized A/P structure?

Answer: The existing legacy system handles Accounts Payable (A/P) processing.

Question 114: AFS ATTACHMENT V: Do you have multiple systems of record for finance (i.e., sub systems and/or access databases/additional accounting entries that are not in your current ERP environment)? If so, how many and what types?

Answer: No.

Question 115: AFS ATTACHMENT V: Which accounting dimensions does the State use to balance their financial reporting (i.e., Fund/Grant/etc.)?

Answer: The structure is local, bank account, fund, project/sub-project and object.

Question 116: AFS ATTACHMENT V: Please explain how the County is using CHESSIE to generate payments? Would these payments be generated from the new solution (CHESSIE feeds information into the new solution), or CHESSIE (the new solution feeds information to CHESSIE)?

Answer: The legacy system, and thus its future replacement, is the system of record for all disbursements. CHESSIE will feed payment information to the new system and payments will be generated from the new system.

Question 117: AFS ATTACHMENT V: What types of reporting or analytics are you unable to generate today, using your current systems?

Answer: Various, including advance ad-hoc reporting with robust data analytical tools are currently unavailable. The replacement system must possess these tools, along with a modern and intuitive user interface.

Question 118: AFS ATTACHMENT V: Under current processes, how long does it take you to close a period?

Answer: The period does not close until all prior months batches are closed. For example, if CHESSIE generates a batch on the last day of the month, it will interface with AFS on the first day of the month and must be processed before closing. Locals must complete all prior month activities before closing the period and starting the new month.

Question 119: AFS ATTACHMENT V: Under current processes, how long does it take you to close a year?

Answer: The yearly closing is subject to the same conditions as the closing of a period. See the response to Question #118.

Question 120: AFS ATTACHMENT V: What is the estimated volume of A/R and A/P carryover to the next year?

Answer: AP expenditures are not on an accrual basis; and AR is approximately 50-500.

Question 121: AFS ATTACHMENT V: Please describe your current budget process.

Answer: Budgeting related details will be provided post award.

Question 122: AFS ATTACHMENT V: What factors do you budget by today (e.g. department, fund, grant, etc.)?

Answer: See the response to Question 121.

Question 123: AFS ATTACHMENT V: Please confirm that you perform budget checking.

Answer: See the response to Question 121.

Question 124: AFS ATTACHMENT V: Please confirm that you use commitment/encumbrance accounting.

- a. For purchase orders?
- b. For vendor (supplier) invoices?

Answer: See the response to Question 121.

Question 125: RFP Key Information Summary Sheet: Will the state consider extending the due date for the RFP response by 3 weeks?

Answer: No.

Question 126: R20: Vendor is strongly considering a comprehensive Subscription solution for this requirement. We are concerned with a number of the terms and conditions outlined in the requirements as they related to our subscription solution and because of that we may be forced to propose a perpetual hosted software solution. A perpetual hosted solution would inherently create fewer exceptions based on these requirements. Will the state consider limiting penalties for exceptions for a subscription solution?

Answer: Offerors are expected to accept all of the terms and conditions in the RFP (Section 1.24) However, if an Offeror takes exceptions, they should be noted in Executive Summary (see Section 4.2.2.4). The Department will review and evaluate all assumptions and exceptions during the evaluation of proposals and decide whether to accept or reject the exceptions or modify the terms and conditions.

Question 127: RFP Sec. 1.12 states that “Multiple and/or alternate Proposals will not be accepted.” While vendor is willing and ready to submit a proposal in response to this solicitation, we are unable to do so in the current technical and contractual environment of this RFP. Would the State be willing to entertain an alternative solution that recognizes the unique features and contractual requirements of a SaaS solution?

Answer: An Offeror shall submit only one proposal that meets the requirements of the RFP and may not submit a proposal that gives alternative solutions per Section 1.12. (i.e. One proposal contains a solution for COTS and SaaS). Should the Offeror take exception to some of the terms and conditions in the RFP, the Department will review and evaluate all assumptions and

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exceptions during the evaluation of proposals and decide whether to accept or reject the exceptions or modify the terms and conditions.

Question 128: R20.7: In order to substantiate the provisioning and deployment of a comprehensive subscription solution for this mission critical system, the subscription product requires a one year minimum commitment. Would the State of Maryland be open to this exception to their termination for convenience requirement?

Answer: At this time, the State will maintain its discretion to terminate the Contract when deemed to be in the best interest of the State. See also, response to Question #126.

Question 129: R20.17.1: Vendor subscription deployment is not a one-off configurable instance and utilizes managed services, processes, procedures, and security controls which are standardized across our customers. Vendor controls are based upon industry standards and frameworks that include ISO 27001, NIST 800-53, HITECH, COSO and the Cloud Security Alliance. Due to security, availability, and cost reasons, we are not able to accommodate customer specific policy, technical, or operational changes to the subscription offering. Vendor's other subscription customers rely upon our SSAE16 audits and SOC reports to incorporate necessary security and other controls into their compliance program. Is the State willing to remove the requirement of strict compliance with its security policies?

Answer: See the responses to Questions #117 and 118 and the revised response to Question #50, Series 10 Responses.

Question 130: R20.17.1 The required reviews in the IRS regulation are not currently being conducted by vendor. Is the State willing to remove that warranty from the contract?

Answer: No.

Question 131: R20.17.4 R20.17.5: Vendor's incident response plan can accommodate notification to the State of a breach within 24 hours. The Vendor needs sufficient time to access the situation and identify if a potential breach actually occurred. Two hours is not sufficient. Additionally, Vendor requires

more than 1 day formulating a written report. Is the State willing to change the notice periods in the contract?

Answer: **The vendor needs to alert DHR of all service interruptions within 2 hours. Within this time, the vendor will initiate research into what caused the interruption and provide written explanation and future mitigation strategies.**

Question 132: R20.17.7 R20.19.3: In the proposed subscription service, the State is the data controller, not the Vendor. As such, is the State willing to maintain those responsibilities of the data controller such as notifications, credit monitoring, etc. of affected individuals in its organizations? Vendor and the State can further discuss cost allocation, but ultimately the State should want to maintain control of communication to end users.

Answer: **Yes. However, the Contractor shall work with the State and provide assistance and resources as needed and as requested.**

Question 133: R21.2: The ability to recreate data is not predictable. Consequently, Vendor is not agreeable to recreating data in the event of a data loss. Is the State willing to remove this requirement?

Answer: **No.**

Question 134: R23: Vendor utilizes Amazon web Services for its cloud offering, which does not allow audits of its facilities or services. Additionally, Vendor conducts third party assessments and audits of its services, the results of which can be provided to the State upon request. Consequently, the State will not be able to audit the Vendor. Is the State willing to accept these independent third party audits of Vendor and AWS in lieu of Section R23 of Attachment A (Page 106)?

Answer: **The Department is not willing to modify the terms at this time. These audit provisions refer to the successful Contractor, and the Contractor's compliance and performance under the Contract, not just compliance with IT related functions.**

Question 135: Attachment A Section 6.1(b): Vendor acknowledges that there may be contract claims in the event of fraud or willful misconduct. Vendor is not

agreeable to also include an indemnity for such claims. Is the State willing to limit the indemnification to intellectual property breaches and damages to property and person?

Answer: No.

Question 136: RFP Section 1.3 Contract Type: Maryland has stated that the services for this contract will be on a time and materials basis. However, there are specified deliverables referenced in the RFP. Will Maryland allow us to submit a fixed price response based on deliverables?

Answer: Section 1.3 has been revised to clarify that this is a fixed priced contract. Only work Orders will be billed on a time and materials basis. See Amendment #5.

Question 137: RFP Section 4.2.2.11: As a large corporation our financial statements can run over a hundred pages. Is it acceptable to provide a link to our web site where this information is made publicly available?

Answer: No. However, as stated in the response to Question #67 in Question Series #10, financial statements can be submitted in an electronic format on a compact disk.

Question 138: RFP Section: 4.4.5: This section states "All pages of both proposal volumes shall be consecutively numbered from beginning (Page 1) to end (Page "x"). However, there are numerous attachments that need to be signed in the form provided in the RFP in Tab O. Do these attachments need to be consecutively numbered as well?

Answer: Yes.

Question 139: Please consider granting an extension of at least 3 weeks for this procurement. As of 3/15/17, there are several significant questions that have not yet been answered by the state that will factor in to our decision to submit a response. As it stands now, there is not enough time between when we will receive answers to outstanding questions

and the due date of 3/29/17 to allow for appropriate internal reviews and approvals and final production activities.

Answer: **The proposal due date has been revised to April 12, 2017 per Amendment #5.**

Question 140: Is there a list of companies that are bidding on this RFP? My company is looking to join one, or propose resources that can assist to increase their chance of winning since we have limited financial standing to bid on this on our own.

Answer: **The Department does not know who may submit proposals. However, those entities in attendance at the pre-proposal conference, along with their contact information, are listed on the Attendee List, which is posted on DHR’s website and eMaryland Marketplace.**

Question 141: Follow-up to Question 101: Please clarify the difference between “Offeror” and “Offeror’s Team”. Does “Offeror” refer only to the prime contractor submitting the proposal or does “Offeror” refer to the prime contractor and the rest of the team submitting the proposal?

Answer: **As defined in Section 1.2 “Abbreviations and Definitions,” an Offeror is “an entity that submits a proposal in response to this RFP.” The proposed staff, including subcontractors, who will perform the work comprise the Offeror’s Team.**

Question 142: We are a minority owned small business that is not certified MBE. Would we still be eligible to get the MBE points without the certification?

Answer: **No. Per Section 1.33.6, “Only MDOT-certified MBEs may be used to meet the MBE subcontracting goals.” Offerors can find more information regarding applying for certification at: <https://mbe.mdot.maryland.gov/apply/>**