

Tax and Licensing Systems Replacement

Bidders' Conference – RFP K1058

Washington State Department of Revenue,
February 25, 2014

2:00 – 5:00 PM PST



Introductions

- Chris Waite, RFP Coordinator
- Vikki Smith, Project Sponsor
- David Sorrell, CIO
- Kit Bail, Project Director
- Joy Danzer, Deputy Project Director
- Mark Lyon, Assistant Attorney General
- Dennis Gallitano, Special Assistant Attorney General

Agenda

- Introductions
- Protocols for Bidder's Conference
- Overview, Purpose, and Scope of Tax and Licensing Systems Replacement (TLSR)
- Recap of Proposal Contents
- Staged Evaluation Approach
- Key Dates
- Bidder Questions related to the RFP

REMINDER: (Mandatory) Vendor's Letter of Intent must be provided to the RFP Coordinator by 5:00 pm on 2/28/2014

Housekeeping Items

- Housekeeping Announcements
 - Emergency exits
 - Restrooms, Food and Beverages, Vending Machines
 - Use of microphones during session
- Other Notes:
 - Please place your mobile devices on silent or vibrate mode; take or place calls outside of auditorium
 - WebEx participants, mute your phones unless asking a question; WebEx will be muted until the comments and questions period
 - Breaks will be provided, as needed

Protocols for Bidder's Conference



Protocol's for Today's Conference

- Vendors must sign the Vendor Registration Form
 - This form will be scanned and made available via the DOR Bidders' Library
- Presentation will be followed by a comments and questions period; Please hold questions to the end
- When speaking, please identify yourself and the company you represent

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Protocol's for Today's Conference

- ***The materials presented in the Bidders Conference provide summaries of key provisions of the RFP and the Bidder Conference materials do not alter or change the RFP requirements. Bidders must review the applicable section of the RFP for the complete statement on the requirements for this RFP***
- ***Nothing said or discussed during this conference will modify, add to, alter or in any other way qualify or amend the published procurement documents.***

Protocol's for Today's Conference

- *AS A REMINDER:*

All communications concerning the TLSR RFP must be directed only to Chris Waite, the RFP Coordinator or Heidi Whisman, the backup RFP Coordinator.

Any communication directed to DOR staff, or its consultants, other than the RFP Coordinators may result in disqualification.

Any oral communications will be considered unofficial and non-binding to DOR.

Official responses to written questions will be posted as RFP addenda, Bidders should rely only on written statements issued by the RFP Coordinators.

Overview, Purpose, and Scope



Project Overview

- The Washington State Department of Revenue (DOR) is facing a challenge shared by many agencies – an inventory of legacy systems that have become increasingly hard to maintain, are difficult to recruit and retain staff to support, and in which the end-user experience is cumbersome and time-consuming.
- The Agency is looking to consolidate systems, make it easier for businesses to register and comply with their business licensing and tax obligations.
- This presents the Agency with an opportunity to both modernize the technology and to improve the taxpayer and employee user experience.

Project Overview...Continued

Replacing the current Business Licensing Service and Core Tax Systems with one that uses current architecture and technologies will:

- Ensure continued operations
- Reduce risk
- Reduce maintenance
- Quicker enhancements
- Add efficiencies
- Make it easier and more efficient for businesses

Procurement Purpose

- DOR is looking to form a partnership with the Apparent Successful Bidder (ASB) to work collaboratively to complete the TLSR Project and support and maintain the TLSR Solution on a going forward basis.
- Acquire and implement a configurable commercial off the shelf system developed in modern technologies and architecture to replace the legacy systems.
 - Includes the acquisition of implementation services.
- Replace the legacy systems used to administer the state's excise tax collection, accounting, distribution and business licensing programs.

Project Scope

- Project Management
- System design
 - Including the design and implementation of new business processes
- Customization as required
- Configuration and validation
- Data cleansing, conversion and migration
- Organizational Change Management
- Education and training of and knowledge transfer to IT and business staff
- Comprehensive testing
- Cutover to production
- Stabilization, optimization, maintenance and support for the TLSR Solution

TLSR Project Facilities

- DOR will provide working space for the entire project team, testing and training facilities.

Recap of Proposal Contents



Proposal Development Considerations

- DOR is currently analyzing the legacy code and documenting business rules in the applications. These business rules will receive business user approval and be published on the Bidder's Library by mid-June 2014.
- DOR recommends that Bidders assign centralized responsibility for proposal development and quality assurance. DOR desires high-quality internally consistent proposals.

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Proposal Development Considerations

- The RFP requires the development and maintenance of any interim Interfaces needed to support temporary integration with legacy systems and components during all phases of the TLSR Project to ensure that data flows are not disrupted from and to the DOR's legacy systems, including all real-time and batch data replication to support legacy system operations.

Minimum Qualifications

- The Bidder is licensed to do business in the State of Washington or provides a commitment it will become licensed in Washington within thirty (30) calendar days of being selected as the Apparent Successful Bidder.
- The proposed TLSR Solution is a commercially-available licensed software solution.
- The system must be a current product in use as a COTS product supporting at least individual income tax or a business tax, e.g., corporate income, withholding, sales, one (1) or more other government tax agencies.

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Minimum Qualifications

- The system must be a current generally available product in use as a COTS product supporting Business Licensing/Registration, in one (1) or more other government agencies.
- If the Bidder engages subcontractors, the Bidder must take full responsibility and accountability for the performance of all subcontractors.
- The Bidder must have a minimum of three (3) years experience in providing at least one of the two major components of the solution -- tax and/or licensing -- similar in size and scope to the system requirements as described throughout this RFP.

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Minimum Qualifications

- The TLSR Solution must provide for one location and system of record for taxpayer and business licensing information, taxpayer accounting, case notes, and correspondence.
- The TLSR Solution must provide the user with a consolidated view of the taxpayer and business licensing, related case notes, and a simplified work-list or work queue.
- The TLSR Solution must provide a taxpayer or business licensee with a detailed account history online with the ability to print that account history for the taxpayer or business licensee that shows a simple and concise accounting of all activity on that account.

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Minimum Qualifications

- The TLSR Solution must provide a consolidated Correspondence Management Solution across all aspects of tax administration and business licensing.
- The TLSR Solution must provide a consolidated Business Rules Management Solution across all aspects of Tax Administration and Business Licensing.
- The TLSR Solution must provide configurable features, policy & rules management, and workflow.
- All Vendor staff assigned work on the project will sign the DOR Secrecy Clause Affidavit in front of a notary. See Attachment 10, Security Clause Affidavit.

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Minimum Qualifications

- All Vendor staff assigned work on the project are subject to a background check conducted by the Washington State Patrol, which requires them to provide their Social Security number.

Failure to meet one or more Minimum Qualifications will result in disqualification.

Requirement Response Forms

Requirement Identifier:	x.xxxx.nn	Requirement Type:	Mandatory/Scored	Possible Points:	nn (Scored Requirements)
Requirement Statement:					
<DOR's Requirement Statement>					
Describe Approach:					
Reference:	<insert proposal reference> Enter a reference (page/section) to any other part or parts of their Proposal that corroborates the Bidder's response.				
Bidder's Response Codex (A-F):	<insert bidder's response> See RFP for explanation				
Bidder's Response Detail:	<insert bidder's response detail> Bidders must provide a thorough and complete explanation to enable DOR evaluators to understand how the Bidder's Proposal will satisfy the requirement and enable evaluators to score the response.				

Proposal Response Forms

- Management Proposal
 - ✓ Response Form 7, Management Proposal Summary Bidder Response Form
 - ✓ Response Form 8, Bidder Experience and History Bidder Response Form
 - ✓ Response Form 9, Subcontractor Experience and History Bidder Response Form
 - **Multiple Subcontractor and History Bidder Response Forms should be provided; one for each subcontractor**
 - ✓ Response Form 10, Management Requirements Bidder Form
 - ✓ M.PMGT.07: Bidder's Implementation Methodology
 - **Bidder should provide an implementation approach and associated high-level timeline. The Bidder should include a complete, unedited copy (not a summary) of the Bidder's implementation methodology.**
 - ✓ Response Form 11, Bidder Profile Bidder Form
 - ✓ Bidders must include answers to the questions for all subcontractors.
 - ✓ Response Form 12, General Requirements Bidder Form

Proposal Response Forms

- Business Process Proposal
 - ✓ Bidder must complete and include Response Form 13, Business Processes Bidder Form.
 - Provide detailed responses to each element of the Business Processes Bidder Form.
 - Business processes are categorized into Business Domains.
 - The Bidder response must address how the proposed TLSR Solution addresses each Business Domain and the associated Business Processes.
- Technical Proposal
 - ✓ Bidders must complete and include Response Form 14, Technical Requirements Bidder Form.

Planned Addendum – March 14, 2014

1. Functional Requirements

- March 14, 2014
- Bidder's will be asked to respond to each Functional Requirement
 - ✓ Codex to indicate if/how the TLSR Solution will meet the requirement
 - ✓ Identify where the functionality resides in the solution (by software module)
- Functional Requirements will also be a component of the demonstration materials.

2. Update Attachment 7 – Current System Interfaces

Issues List

- Legal review of DOR Contract and Project documents:
 - Technology Agreement
 - TLSR Project Agreement
 - TLSR Statement of Work
- Complete Response Form 16 – Issues List
 - Refer to RFP section 3.16
 - Issues, concerns, exceptions and/or objections to any of the terms or conditions
 - If Bidder does not identify specific concerns with a particular term or condition in such Issues List, the term or condition will be deemed accepted by Bidder and DOR will not negotiate further changes to such accepted or non-commented on terms or conditions.

Issues List

- **Issues List vs. Cost Proposal material – Cost Proposal material must presume terms and conditions of contract and project documents apply.**
- **Redlined documents / replacement language will not be reviewed**
- **No standard Bidder form contracts**

Cost Proposal

- Addendum #1 – February 18, 2014
- Bidders are to provide a fixed fee price for the TLSR Project.
- Bidders should not submit a fixed fee based on a fixed time period, as DOR will only accept pricing proposals based on a fixed fee for fixed scope basis.
- Fixed fee for fixed time bids and/or any other time-qualified proposal will be considered non-responsive.

Cost Proposal

- Bidders Instructions for Completing Cost Proposal Materials:
 - Bidders must complete and include Response Form 15, Cost Proposal Response Form, Appendix C (Cost Proposal Spreadsheets).
 - Assume that the TLSR Project will be completed in a sixty-six (66) month implementation with multiple go-live events as reflected in the Implementation Roadmap. DOR requires such assumptions to enable DOR to compare the Cost Proposals of multiple Bidders.
 - Cost proposals are required to be based on the commitments and obligations set forth in the Technology Agreement, TLSR Project Agreement and TLSR Statement of Work.

Cost Proposal

- Cost Proposals must be submitted using the Excel Cost Proposal Workbook provided in Addendum #1 - **Appendix C.**
- Bidders need to return the spreadsheets in a *non-copy protected format*, and not as a PDF file or any other type of document.
- Bidders are not allowed to provide alternative cost proposal(s), and DOR will not review any such proposals if submitted.

Cost Proposal

- Spreadsheets included in the Cost Proposal Workbook.

Tabs
10 Year TCO Summary
Schedule A: Detailed Solution Fees and Support and Maintenance Service Fees
Schedule B: Resources & Payment
Schedule C: Costs by Position
Schedule D: Hardware, Infrastructure, Equipment and Devices
Schedule E: Performance and Payment Bonds (Optional)
Schedule F: Travel and Expenses
Schedule G: Service Rates
Schedule H: Other Costs and Contingency
Schedule I: Price Holds and Future Discounts
Schedule J: Assumptions

Cost Proposal Spreadsheets



TLSR Cost
Proposal Spreadsheet

Staged Evaluation Approach

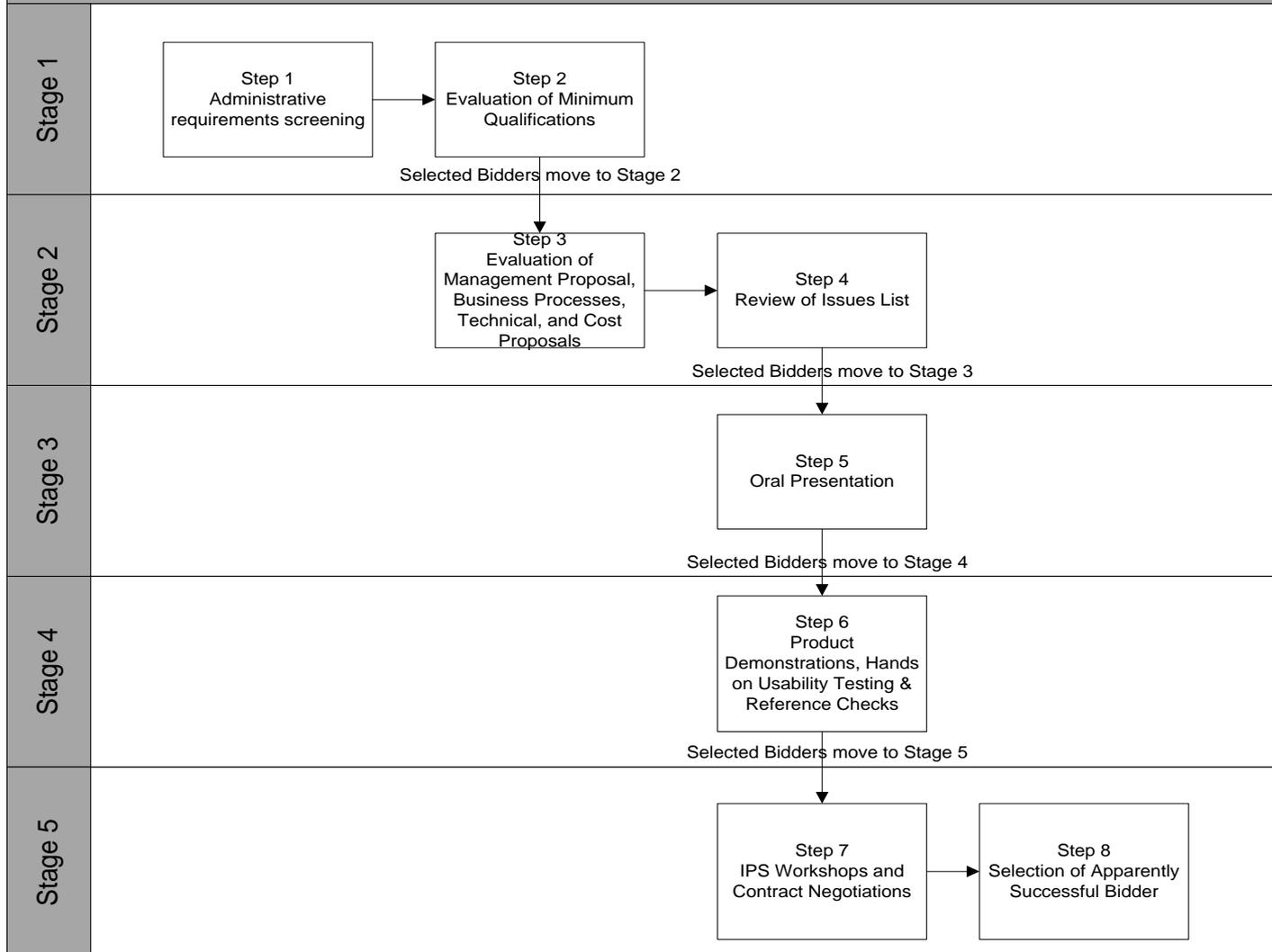


Staged Evaluation Approach

- Staged evaluation is designed to:
 - Set the stage for success
 - ✓ Save time and reduce risk for both DOR & Bidders
 - ✓ Focused discussions on key requirements & issues
 - Build relationships for a successful, long-term partnership
 - Bidders at table with DOR to collaboratively:
 - ✓ Refine scope
 - ✓ Plan and prioritize phasing for implementation
 - ✓ Build implementation schedule and refine resource plan
 - Lay strong foundation for implementation and on-going maintenance and support

Evaluation Process Model

TLSR Evaluation Process Model



Stage One

Stage	Step	Description
Administrative Screening	One	<ul style="list-style-type: none"> • Compliance with administrative requirements as specified in Section 3, Instructions to Bidders • Determine which Bidders advance to Step two
	Two	<ul style="list-style-type: none"> • Completeness of, and potential gaps in, the Minimum Qualifications • Determine which Bidders advance to Stage two

Stage Two

Stage	Step	Description
Management Proposal, Business Processes Proposal, Technical Proposal, Cost Proposal, and Issues List	Three	<ul style="list-style-type: none"> • Evaluate and score <ul style="list-style-type: none"> • Management Proposal • Business Processes Proposal • Technical Proposal • Cost Proposal
	Four	<ul style="list-style-type: none"> • Review Issues List • Determine which Bidders advance to Stage three

Stage Three

Stage	Step	Description
Oral Presentation	Five	<ul style="list-style-type: none">• Conduct oral interviews

Oral Presentation

- RFP Coordinator will notify Bidders of the date, time and location
- Key personnel proposed must participate in-person, including at a minimum:
 - Executive sponsor,
 - Account executive,
 - Project director,
 - Project manager(s), and
 - Lead functional and technical staff

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Oral Presentation

- Presentation Topics
 - Management Approach
 - ✓ Organizational Change Management Approach
 - Configuration and Customization Approach
 - Implementation Approach and Phased Implementation Strategy
 - Data Migration Approach
 - Interfaces
 - Financial Approach
 - System Releases and Change Management

Stage Four

Stage	Step	Description
Reference Checks, Product Demonstrations, and Hands-on Usability Testing	Six	<ul style="list-style-type: none"> • Evaluate and score Product Demonstrations • Conduct usability and accessibility reviews on the proposed TLSR Solution • Determine which Bidder(s) advance to Stage Five

Reference Checks

- Bidder customer on-site reference checks at DOR's discretion, prior to the product demonstrations
 - Timeframe 6/16 – 7/7
- DOR will check Bidder's key personnel references
- Bidder personnel will be subject to DOR background checks performed by Washington State

Product Demonstrations

- RFP Coordinator will notify finalists of the date, time and location
 - Will be held on-site in Tumwater
- DOR to provide Demonstration Preparation Materials (including demonstration scenarios)
- DOR will record the demonstrations which will be attached to the contract
- Bidders submit written response for Non-Supported Requirements one (1) week before demonstrations
 - Non-Supported Requirements are those requirements that cannot be met with Bidder's generally available software

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Product Demonstrations

- Phases/Waves
 - First Wave – must only demonstrate generally available (GA) software
 - Second Wave – Bidders can demonstrate any enhancements that were not in the GA portion of the demonstrations. Only those enhancements that Bidder agrees to contractually commit to develop can be demonstrated. Bidders must submit separate list of these enhancements.
- Latest version of generally available software
 - Not that currently under development or otherwise not GA software
 - Including, latest version of any third party software proposed

Hands-On Usability Testing

- Dates will align with Product Demonstrations
- Provide access to testing environment
- Scripts will align with Demonstration Materials

Certifications

- The RFP requires Bidder's written Certification in these key areas:
 - Certification and Assurances - Response Form 2
 - Certification of Compliance with Demonstration Rules - Response Form 3
 - Certification of Compliance with DOR's Negotiation Procedures - Response Form 4
 - Requirements Certification - Response Form 5
 - Certification of Cost Proposal - Response Form 17

Certification Forms

- No modifications
 - Except for completing the forms, Bidders may not modify or alter certification forms
 - Bidders may not reserve any rights to change the underlying certifications or assurances
 - Any changes will result in disqualification
- Bidder's signatory must be:
 - For a corporation - a corporate officer with authority to legally bind the corporation
 - For other legal entities - a partner, manager or other individual representative with authority to legally bind the entity

Cost Proposal Certification

- Bidder certifies that the Cost Proposal is:
 - ✓ Based on the commitments contained in the Technology Agreement, TLSR Project Agreement and TLSR Statement of Work; *and*
 - ✓ Is not based on Bidder's standard business terms or practices or any reduced level of commitment or obligation Bidder believes it may negotiate
- Bidder has completed the Cost Proposal spreadsheets without any changes or alterations to their structure
- DOR will only consider pricing information contained in the Cost Proposal spreadsheets

Certification of Cost Proposal Form

Key Certification	Reference
Partnering Principles	Section 1.2 , Technology Agreement
Must meet DOR Business and Technical Requirements, DOR's business rules, and the features and functionality presented during the Demonstrations	Section 9.1.1 , Technology Agreement; Section 5.4 of TLSR Project Agreement
Long-term (20 years) support and maintenance of the TLSR Solution	Section 7.1 , Technology Agreement
Product obsolescence protection for the TLSR Solution	Section 1.2.7 of Schedule 7.1 , Technology Agreement
Retrofitting of interfaces and extensions or customizations developed as part of the TLSR Project	Section 3.2.6 and Schedule 7.1 , Technology Agreement

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Certification of Cost Proposal Form

Key Certification	Reference
Meet Performance Standards and Performance Credits	Section 9.1.2 , Technology Agreement; Section 8 and Schedule 8.2 , TLSR Project Agreement
Meet Support Standards and Support Credits	Section 4 and Attachment B to Schedule 7.1 , Technology Agreement
Upgrading the TLSR solution during the Project and thereafter	Section 1.2.4 of Schedule 7 , Technology Agreement; Section 1.5 , TLSR Statement of Work
Meet DOR's security terms and conditions	Section 1.3.7 , Technology Agreement
Insurance coverage types and amounts	Section 15.3 and Schedule 15.3.1 , Technology Agreement

Stage Five

Stage	Step	Description
<p>IPS Workshops, Contract Negotiations & Selection of Apparent Successful Bidder</p>	<p>Seven</p>	<ul style="list-style-type: none"> • Implementation Planning Study workshops • Contract negotiations
	<p>Eight</p>	<ul style="list-style-type: none"> • Evaluation Team will develop a recommendation as to the selection of the Apparent Successful Bidder. The team will consider the scoring of the demonstration, hands-on usability testing, and references as well as the resolution of all contract and project documents.

Implementation Planning Study (IPS) Workshops

- Finalize key project documents:
 - TLSR Statement of Work
 - ✓ Bidder revises as the TLSR Statement of Work is being finalized
 - TLSR Project Plan
 - ✓ Bidder revises as the TLSR Statement of Work is being finalized
 - TLSR Joint Resource Plan
 - ✓ Bidder revises as the TLSR Statement of Work is being finalized

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Implementation Planning Study (IPS) Workshops

- Several key work streams:
 - Organizational Change Management, Communications, Education and Training and Knowledge Transfer Plan
 - Disaster Recovery and Business Continuity Plan
 - Technical - Approved Equipment Configuration + Technical Architecture

Contract Negotiations

- Negotiate contract and project document terms and conditions with one or both of the finalists
- Right to negotiate price
- Right to request changes to any components of the Bidder's Proposal

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Contract Negotiations

- Bidder negotiation team must:
 - Be empowered to make decisions; authority to negotiate on behalf of Bidder
 - Contain a senior lawyer
 - Maintain continuity
 - ✓ DOR may request a replacement
- DOR will manage all contract and project document revisions
- In-person negotiations
 - Conference calls at the discretion of DOR

Contract Award

- DOR may require that one or more Bidders sign contracts as a final written offer.
- DOR reserves the right to award the contract to the Bidder whose proposal is deemed to be in the best interest of DOR and the State. Hence, DOR may choose to not award to the highest scoring or lowest-cost proposal.
- DOR will execute a contract with one Bidder once approved by authorities in the State.

Bidder's Library and Key Dates

Bidder's Library

- Access to reference material, documents, and information that will assist bidders to prepare a thorough proposal response to the RFP.
- Provides background information which may be of use to Bidders
- Material includes
 - Pre-RFP Conference presentation and list of participating vendors
 - Business and technical data
 - Information on current systems and processes
 - Supporting documentation developed during the tax and licensing systems replacement study.
- URL: <http://dor.wa.gov/Content/Home/TLSR/>

Key Dates

Activity	Date and Time
Letter of Intent	February 28, 2014; 5:00 p.m.
Functional Requirements Addendum	March 14, 2014; 5:00 p.m.
Written Questions Due from Bidders	April 15, 2014; 5:00 p.m.
Bidder Complaints Due	April 28, 2014; 5:00 p.m.
Bidder Responses Due	May 5, 2014; 5:00 p.m.
Oral Presentations	June 9 – June 12, 2014
Select and Announce Finalist(s)	June 13, 2014 5:00 p.m.
Release Demonstration Materials	June 13, 2014 (Finalist 1); 5:00 p.m. July 11, 2014 (Finalist 2); 5:00 p.m.
Possible Site Visits	June 16 – July 7, 2014
Demonstrations	July 8 – July 28, 2014 (Finalist 1) August 1 – August 21, 2014 (Finalist 2)
Implementation Planning Study (IPS) Workshops begin	September 4, 2014
Contract Negotiations begin	September 18, 2014

See RFP Section 2, Procurement Schedule for the full list of activities and dates.

Questions and Answers



Q&A

- **Verbal responses to questions are unofficial**
- Official responses to be posted on WEBS as RFP addenda
- When asking a question, **please identify your name & company**
- For questions that we do not get to today, submit via email to the RFP Coordinator at:

DORTLSRProject@dor.wa.gov

(360) 596-3780

by Tuesday, April 15, 2014; 5:00 p.m.