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ROBERT E. BELOTEN
CHAIR

May 14, 2012

Dear Contractor:

Question 1: Upon reviewing posted "RFP C140312 - Workers' Compensation System Business Process Reengineering (BPR) Request for Proposal", I find mention of a separate "WCB eClaims Project". Can you let me know if an RFP is available (or forthcoming) related to the eClaims project?

Response: No. An RFP is not forthcoming related to the eClaims project. The WCB is developing eClaims with internal resources. Please refer to the WCB website as well as subject number 046-477 for information related to the eClaims project.

Question 2: Assume there is no bidder's conference?

Response: A bidder's conference will not be scheduled.

Question 3a: Pursuant to RFP section 6.14.4 which requires a performance bond / letter of credit for \$10MM for this project – based on our experience, this type of financial assurance requirements is typically reserved for projects requiring software development services and not those of strategic and or business process reengineering (BPR) nature.

Response: The WCB is modifying section 6.14.4 (pg. 67) to read "The letter of credit shall name the Chair of the Workers' Compensation Board as beneficiary and be in the amount of one million dollars (\$1,000,000). If at any time, in the WCB's discretion, the Contractor has satisfactorily performed its duties, such letter of credit may be reduced to the maximum amount of five hundred thousand dollars (\$500,000)."

In addition, as Governor Cuomo outlined in his 2012 State of the State Address, one of the biggest challenges facing small and MWBE contractors is securing credit, which limits their ability to obtain state contracts. To eliminate this barrier to growth, New York State has launched a new statewide bond assistance program that will provide financial assistance in the form of credit support to help small and minority— and women —owned businesses secure surety bonds and state contracts. The revolving loan fund provides irrevocable letters of credit, up to 30 percent of the base contract amount on a project specific basis, and is expected to facilitate \$200 million in new bonding activity over five years. The state is also collaborating with intermediary lenders to help facilitate working capital loans to New York State contractors. To learn more about the New York State Surety Bond Assistance Program please visit <http://esd.ny.gov/BusinessPrograms/BondingAssistance.html> [2].

Question 3b: Given that this project is not for software delivery but for Business Process Reengineering, would the State of New York consider some alternate form of financial assurance, e.g. 10% holdback on deliverable payments until successful completion of the project?

Response: No, the WCB will not consider an alternate form of financial assurance.

Question 4: Can the WCB alter section 6.17 to remove the reference to “patents”? We are making this request based on the fact that software is not being built. This work entails business process reengineering in partnership with your organization. To that point, the work we deliver under this contract cannot violate a patent. A patent could potentially be violated during the system implementation, but the BPR vendor cannot provide indemnification for that possibility.

Response: The WCB will not remove the reference to patents. While the RFP does not require the Contractor to supply a software solution, implementation may later include software. The language in 6.17.1 limits contractor’s duty to indemnify only for those patents or copyrights arising from the Contractor or the WCB “using any materials or information prepared, developed, or furnished by the Contractor in performing the contract.” If the Contractor does not prepare, develop or furnish the material subject to the patent or copyright, the Contractor is not required to indemnify under 6.17.1.

Question 5: Section 6.17 requires us to indemnify WCB for our work and as well as future use of our work, which we feel is excessive. Would NY WCB provide clarification on this contractual requirement and consider altering the language to require indemnification on only the work performed directly as part of this contract?

Response: Refer to response # 4. In addition, indemnification is limited by Section 6.1.14.

Question 6: Pertaining to section 1.6.3 Out of Scope: What level of detail currently exists for the current as-is models? Can the WCB provide these current models or samples of current documentation?

Response: All of the WCB's existing process documentation will be made available to the selected vendor. The current as-is documentation is in one of two formats- written narrative procedures or process models with supporting narrative text. Most of the WCB's processes have been documented and approximately over half of these processes are core functions that are in scope of the business process reengineering project. Please refer to the Request for Information (RFI) on the WCB's website <http://www.wcb.ny.gov/procurements.jsp> for additional information on current internal processes.

Question 7: How are claimant awards currently processed and monitored? Are they proactively monitored, randomly audited, or does the commission only hear disputes if payments are not distributed?

Response: Currently, when the WCB receives notice of payment of an award, claims examiners and judges monitor payment. Otherwise, awards are not systematically monitored. Payers of awards are not required to send notices of payment to the WCB for every payment. Once the WCB implements electronic First and Subsequent Reports of Injury (eClaims project), the WCB will be able to monitor the timely payment of awards.

Question 8: In terms of current state operational efficiency and KPI review, what is the current capability of systems to report metrics to be utilized to establish a baseline? What factors do existing system(s) track (e.g., throughput, claim or case lifecycle durations, paper versus electronic processing, etc.)?

Response: The WCB has a formal performance management methodology and software system that delivers performance reports on various core processes at both the statewide and district level. The performance reports include metrics on inventory summary, age of inventory, timeliness, and outputs of a process. In addition, the WCB will provide the selected vendor with our set of key performance indicators.

Question 9: Page 10 & 36 Section 1.7 and 3.4: Can the experience requirements be met as a combination of experience and qualifications of the companies partnering for this opportunity?

Response: Yes.

Question 10: Page 12 Section 2.2 Submission of Proposal: This section indicates that the WCB reserves the right to reject any or all contract issues raised by the Offeror and to require full acceptance of the terms of this RFP. If the successful Offeror has raised contract issues in its Cover Letter as required by this section, but the WCB exercises its right to require full acceptance of the terms of the RFP, will the successful Offeror be free to decline to enter into a contract with the WCB for the proposed services?

Response: Yes.

Question 11: Page 25 Section 3.3 Contractor Requirements: This section indicates that all subcontractors must be identified in the Offeror's cover letter. We sometimes contract with individuals or small consulting firms to provide services to us in a staff augmentation role. These non-employee, independent consultants may provide a portion of the proposed services for this project. Does the WCB consider these independent consultants to be subcontractors that must be identified in the cover letter?

Response: Yes. Every subcontractor must be identified in the cover letter.

Question 12: Page 42 Section Volume I, Technical Volume, Content: Object Number 4.5.1.0-3 requires a Statement of Company Background for each subcontractor. We sometimes contract with individuals or small consulting firms to provide services to us in a staff augmentation role. These non-employee, independent consultants may provide a portion of the proposed services for this project. Does the WCB require a Statement of Company Background for our staff members who are independent consultants?

Response: Yes. A brief statement of a consultant's background and the basis for the Contractor's retention of the consultant is required.

Question 13: Page 45 Req. 157 & 158: Please clarify that the Staffing Plan is only for Phase 1 – Reengineering Planning.

Response: The staffing plan is for all deliverables in Phase 3, as listed in attachment 2 Deliverables Document Descriptions. Refer to Sec 1.5 of the RFP for overview of the process.

Question 14: Page 46,47 Req.161: Please confirm that WCB requires a written response to the Solution Description requirements as well as a written response for every requirement (item by item) as required on page 41 – Section 4.4 Volume I, Technical Volume, Format – Third Paragraph.

Response: Yes, the Offeror must complete the requirements-traceability matrix. Offerors must respond to all requirements, even if negatively.

An Offeror's proposal must address, item by item, how it will satisfy each requirement. The proposal must provide responses for each requirement in Section 3. The Offeror must complete the requirements-traceability matrix showing not only the detailed technical requirements but also the page numbers within its proposal that address them. Appendix F provides the format for the requirements-traceability matrix.

Question 15: Page 50, 5.3.3.2: Please confirm that the Cost Evaluation on the fixed price proposal will only include BPR Planning Services.

Response: Yes.

Question 16: Page 53, 6.2.2 Document Incorporation and Order of Precedence: The fourth bullet point indicates that the transcript of any oral presentation made by the Contractor to the WCB will be incorporated into the contract. How will the transcript be created? Will the WCB give the successful Offeror a written copy of the transcript to review prior to contract negotiations?

Response: The WCB is modifying the fourth bullet point of Section 6.2.2.1, (page 53) to remove the following phrase “the transcript of any oral presentation made by the Contractor to the WCB” as no transcript will be made of any oral presentation.

Question 17: In order for WCB to be able to compare Vendor’s proposals and price consistently, could WCB please provide a high level timeline indicating time periods for each phase (Reengineering Planning and Reengineering Implementation)?

Response: The time line for the Reengineering Planning should be included in the Offerors proposal. The timeline for the Reengineering Implementation will not be determined until after the Reengineering Planning is concluded.

Question 18: Please confirm that WCB will provide software licenses associated with Data Modeling for the Contractor.

Response: The WCB will provide the contractor with up to eight ProVision floating software licenses. These licenses require installation from the WCB's network and can only be used for modeling while on-site at a WCB office. For clarification purposes, ProVision is a business process modeling tool that can generate data models using the Business Class Modeler.

Question 19: Cost Summary, Appendix E: Please clarify that Vendors do not populate the “Total Implementation Phase Costs:” field within the Cost Summary tab.

Response: Please refer to 5 of the Cost Volume Instructions. The Offeror shall fill out their name and address information in the Cost Summary worksheet, print and sign the sheet for inclusion as their hardcopy version of the Cost Proposal. All other cost information is calculated from the other worksheets. (The accuracy of calculations and formulas in the spreadsheet are the sole responsibility of the Offeror, and should be verified before submission). Note: The Offeror should NOT FILL IN any entries in the shaded cells.

Question 20: RFP section 6.14.4, pages 66-67, requires a letter of credit for \$10MM for this project. This impacts the ability of MWBEs to submit a bid. As this project is not for software delivery but for Business Process Reengineering, would the New York State consider some alternative performance assurance?

Response: Refer to response #3.

Question 21: From the RFI phase of the project, is there a list of available vendors that participated in the Round Table discussion?

Response: Yes, the following vendors attended the Round Table discussion:

GCOM Software, Inc.	SAIC
Verizon Business	Documentation Strategies, Inc.
West Monroe Partners LLC	GENESYS Consulting Services, Inc.
KPMG	First Data Government Solutions, LP
Gartner, Inc.	Deloitte Consulting LLP
Accenture	MITRATECH
CapTech Ventures, Inc.	PWC Diamond Mgmt. &Technology Consultants, Inc.
IBM Global Business Services	EMC ²
ISO (Insurance Services Organization, Inc.)	Line of Sight, LLC
Sanghi Consulting, Inc.	Barrett Russell, LLC
Med Link International	NY Health Information Network
Cúram Software	NYSTEC
Lynch Ryan	Cacam Software

Question 22: Did any outside vendors or consultants contribute in the development of this RFP?

- a. If yes, are they precluded from bidding on this BPR Planning phase of the project and/or the Implementation phase?
- b. If determined to be appropriate by the WCB, are these consultants allowed to reintroduce themselves in some capacity for the Monitoring and Control activities (IV&V and Quality Assurance)?

Response: Yes, an outside vendor did contribute in the development of this RFP and that vendor is precluded from bidding on this solicitation. Until the consulting phase of the contract is complete it is impossible to determine whether the vendor's participation in the later phase would be appropriate.

Question 23: Is there an approximate timeframe for when the WCB wants to begin the BPR Planning phase of the project?

- a. Please clarify the 3 year contract duration specified in the RFP. Is this 3 year period for the BPR Planning phase only or does it include the BPR Implementation phase as well?

Response: It is the WCB's plan to begin the project immediately after completion of contract negotiations and approval by control agencies (i.e. Attorney General and Office of the State Comptroller). The time frame includes the implementation phase.

Question 24. Clarification: Does the RFP require one meeting with the WCB at the beginning of the BPR Reengineering Phase and another at the beginning of the BPR Implementation Phase, or at the start of each activity (i.e. Initiation, Outreach and Discovery, Assessment, Communication and Training, etc.)?

Response: The WCB expects the selected vendor to spend a significant amount of time on site at the Albany (Menands) and potentially Schenectady (new WCB location) offices. Please see Table 2 (page 26) for a list of necessary activities (specifically 3.1.0-3).

Question 25. Can you provide more information on the funding source? Specifically, which "state funds" are being allocated to fund this project?

- a. Is the funding source anticipated to remain the same for the BPR Implementation phase?
- b. Is there a capitalization requirement or cost category requirement to be considered in developing the proposed solution to be implemented?
- c. Are there specific criteria that define allowable costs for the use of these state funds?
- d. What is the likelihood of these funds becoming unavailable?

Response: This question is not relevant to furthering potential Offerors' understanding of the WCB's business requirements.

Question 26. What is the typical turnaround time for the WCB evaluation and acceptance of project deliverables?

Response: The amount of review time will depend of the size of the deliverable. The exact time frames will be agreed upon with the selected vendor during the initial review of the project plan (See Table #2 #3.1.0-2).

Question 27. Is every resource brought onto the BPR project team over the duration of the contract required to attend the WCB mandatory training classes? If so, how often are these classes made available?

Response: Every resource will not be required to attend mandatory training classes. The training will be available online.

Question 28. Please provide an organizational chart that details the personnel of the different business units/practices that fall within the scope of this RFP. We note a high-level organizational chart is provided of the WCB in Attachment 1, however, something more granular relative to claim processing operations (titles, units, # of personnel in each etc.) would be helpful.

Response: Refer to page 10 of Attachment 1, Overview of the WCB. In addition, the following table provides the number of personnel in each functional area of the WCB.

Office	Filled Positions
Office of the Chair, Exec Dir and Bd Members (includes Public Info and Secretary's Office)	25
Advocate for Business/Injured Workers	8
Fraud Inspector General	20
Medical Director and Health Provider	23
Policy and Program Development	49
Counsel's Office	80
Regulatory Affairs	184
Administration	256
OPERATIONS	
Management	6
Law Judges	117
Verbatim Reporters	124
Contact Management	161
District Offices	227
Disability Benefits	9
Case Assembly	30
Quality Assurance	9
Norwich Records Center	12
Rehab & Social Services	25
Subtotal Operations = 720	
Total Filled	1365

Question 29. Can you share a listing of material/ information that will be made available to the successful bidder to help them understand the current business processes and operations of the WCB?

Response: Please refer to the BPR RFI document, which is available on our website: <http://www.wcb.ny.gov/procurements.jsp>.

Question 30. The RFP indicates the majority of the work will be based in the Menands office, but the successful bidder will also need to participate in activities in other areas of the state. Can you provide detail on how many other facilities will be involved in this project and their locations?

Response: The majority of the work will be based in the Albany (Menands) and Schenectady offices, but the successful bidder may need to visit WCB's District Offices, Document Control Center (Binghamton), and customer service centers to understand the WCB's business needs. There also will be external stakeholder outreach, please refer to 3.3.1 Contractor Performance Requirements. Video conferencing facilities will be available for use on this project.

Question 31. What metrics are currently used to identify the effectiveness of the existing processes/practices/operations of the WCB?

Response: Refer to response #8.

Question 32. Can you provide any details on the anticipated training activities that will be needed, specifically the level and number of personnel that will need to be trained?

Response: Refer to response #45.

Question 33. Can you share any existing process models currently in place?

Response: Refer to response #6.

Question 34. When is the project expected to commence and how long are you anticipating for completion?

Response: Refer to response #23.

Question 35. What claims processing technology is the WCB currently using?

Response: Refer to section 1 and 4 of the BPR RFI document, which is available on the WCB' website: http://www.wcb.ny.gov/procurements/BPR_RFI.pdf.

Question 36. How long has this technology been in place and what enhancements have been made to it during its existence?

Response: Refer to response #35.

Question 37. Is it the intent that the scope of this project will be inclusive of all sixteen (16) areas as provided in Attachment 1, overview of the WCB 1.1 The WC claims process, 1.2 Local office support, 1.3, the adjudication process.....1.8 Administrative review...etc.?)

Response: The scope of this business process reengineering project does not include all the areas provided in Attachment 1. Please refer to section 1.6.3 of the RFP that outlines items that are considered out of scope for this project.

Question 38. What is the expected timeframe for the planning requirement phase?

Response: Refer to response #23.

Question 39. Who are the key external stakeholders?

Response: Please see Table 3 3.2.1.0-1. The WCB expects the selected vendor to work with the WCB to identify the list of external stakeholders. In addition, Attachment 1 (Overview of the WCB) Section 1.16 Stakeholders has been amended to remove "both" and "external".

Question 40. How many external business processes need to be documented?

Response: The role of the stakeholders in the envisioned workers' compensation system should be documented within the BPR deliverables (see attachment 2 in the RFP). Further, WCB and external stakeholder touch points should be documented in a high level model to provide a complete understanding of the system's interactions.

Question 41. What is the expected length for BPR implementation requirement?

Response: The expected length will be determined based on the WCB's acceptance of the recommendations from the BPR phase.

Question 42. What is the purpose of developing logical data model?

Response: The purpose of developing a logical data model, such as an entity relationship diagram (ERD), is to capture data requirements and the relationship between them for the envisioned workers' compensation system. Capturing this data in an ERD will promote data integrity and avoid the storage of duplicate data elements that exists in the system today.

Question 43. Can WCB please publish a list of the firms that have submitted an Intent to Bid form for RFP C140312? We believe that all potential subcontractor firms such as specialty / boutique operations and MWBE firms which are not able to bid as prime contractors can benefit from this information. Prime contractors also can benefit by becoming aware of firms with capabilities that can enhance solutions and proposals. If WCB is willing to accommodate this request, timing is also an important factor, as vendors need time to connect with potential partners. Therefore we request that WCB consider releasing this information as soon as possible, prior to the scheduled date for full response to vendor questions.

Response: The following firms submitted an Intent to Bid form. Please note, that a submission of an Intent to Bid form is not a mandatory requirement, therefore, not all vendors who may be interested submitted the Intent to Bid form.

GCOM Software, Inc.
West Monroe Partners
KPMG
CapTech Ventures, Inc.
Aon Risk Services Central, Inc.
First Data Government Solutions, LP
Deloitte Consulting LLP
Sanghi Consulting, Inc.

Delphi Technology, Inc.
CMA Consulting Services
PwC (Pricewaterhouse Coopers)
TEO Consulting, LLC
Aeon Nexus
Total Quality Associates, Inc.
Knowledge Pro, LLC

Question 44. Section 1.5 Page 5: Was there stakeholder involvement during the RFI and Procurement Phases, and if so, what was their level of involvement?

Response: There was limited stakeholder involvement.

Question 45. Section 1.5 Page 6: Communication, Information and Training, second bullet indicates that during the Reengineering Plan Phase the contractor is required to: "Conduct communication, information and training activities to engage stakeholders and manage stakeholder expectations." However, it is not clear what type of training would be needed at this phase. Please clarify WCB's expectations regarding the type/scope of training that would need to be provided during this phase of the project

Response: Communication and outreach to external stakeholders is imperative to the success of this business process reengineering effort and requires the development of a formal outreach plan. The WCB anticipates that not all internal and external stakeholders may be familiar with a business process reengineering exercise. To that end, the WCB envisions the selected vendor will align stakeholder

expectations and educate them on key concepts of a reengineering effort. Since the RFP is for the reengineering plan phase and not the implementation of the envisioned system, no formal delivery of training is anticipated within this phase.

Question 46. Section 1.5&3.3.3.3 Page 7&35: Please confirm that the six activities noted under Reengineering Implementation (page 7), as well as IV&V tasks (page 35); reflect the full scope of subprojects/activities that WCB expects the vendor to perform during this phase of work. Please also confirm that the IV&V contractor will be a full time on-site contractor.

Response: As stated on page 7 of the RFP, the specific subproject/activities will be determined by the WCB based on the BPR recommendations. It is not anticipated that the IV&V contractor will be full time on-site.

Question 47. Section 1.6.2 Page 9: Integration Points, bullet 7 (2nd last bullet) indicates that WCB currently has a Communications Committee with which the contractor will work as part of any stakeholder outreach processes.

Please clarify the makeup and role of this committee? In particular, please clarify if the Committee's focus is primarily on Integration Projects stakeholders or of a broader scope. Please clarify if key points of contact from each integration project will be designated and available as needed to work with the contractor during the Reengineering Plan and other phases of the project?

Response: The Modernization Program's Communication Strategy Team is a cross-functional team of internal stakeholders that reports to the Steering Committee. The role of this committee is to oversee all communication efforts related to the project.

Question 48. Section 2.6 Page 14: What does the state expect the offerer to provide for IV&V services, as the scope is yet to be determined in order to demonstrate ability to execute on both the Reengineering and Implementation Phases.

Response: Refer to response #46.

Question 49. Section 2.3 Page 13: What is the anticipated start date for the services requested in the RFP? Is there an anticipated completion date for the services requested?

Response: Refer to response #23.

Question 50. Section 3.3.1 Page 25: In addition to the WCB Project Manager, please specify the WCB staff roles and responsibilities that are envisioned for the WCB project team structure for the project as a whole and for each project work stream.

Response: Refer to response #81.

Question 51. Section 3.3.1 Page 26: The Contractor Performance Requirements states: "The available to travel to the WCB's various locations". Can the state indicate the extent of travel (frequency and duration) to WCB offices around the state? Are the WCB and state video conferencing facilities available for use on this project to the successful vendor? Please identify which of the various WCB's site locations throughout the State would the contractor will be required to travel.

Response: Refer to response #30.

Question 52. Section 3.3.2.1 Page 27: Table 2/#180 states: “The Contractor shall participate in the WCB’s mandatory training classes. It is expected that the amount of time to be spent on training over the duration of the contract is less than 8 hours per consultant.” Please clarify what WCB site(s) the training is expected to take place.

Response: The training will be available on-line at any WCB facility.

Question 53. Section 3.3.2.5 Page 31: Please clarify if WCB has an existing Disaster Recovery Plan that might be leveraged as a starting point for accomplishing requirement #207 noted on Table 7, Develop Target Environment Description requirements.

Response: WCB does not have an existing Disaster Recovery Plan that could be leveraged for accomplishing requirement #207.

Question 54. Section 3.3.3.2 Page 34: Table 11, Quality Assurance program requirements, the differences between these two deliverables is not clear (#60, #220). Please clarify your expectation regarding what each of these deliverables will entail: 1. Quality Assurance Plan, 2. QA process and procedure documentation.

Response: The QA plan is a comprehensive document that will list the overall approach. The second requirement, the QA process and procedure documentation will detail the specific artifacts of the plan.

Question 55. Section 3.4.2 Page 38: Table 15: re: Business Process Modeling Tool, please clarify if WCB expects the contractor to supply the modeling tool (ProVision version 6.24 or later) and the licenses, or will these be provided by WCB?

Response: Refer to response #18.

Question 56. Section 3.4.2 Page 39: Please confirm how much WCB will provide for physical space, desks, telephone, computers, meeting space and other resources have been allocated for all contractors’ staff, and what location staff will reside to enable the performance of its work?

Response: The WCB will provide the necessary resources at the Albany (Menands) and Schenectady NY offices.

Question 57. Section 6.5.1 Page 58: The RFP states that all ‘...deliverables submitted by the Contractor, accept or reject those deliverables, and provide written comments and notice of deficiencies, if any, to the Contractor, within 30 days following receipt by the WCB’s Project Manager...’. This is outside accepted practice of NY state as well as industry standards. This timeframe will add considerable duration and cost to the project. Will the state consider a standard of 10 days and for certain designated large deliverables, the option of 20 days to provide written comments on the deliverable to the Contractor?

Response: Thirty days is the standard process for acceptance of deliverables in WCB contracts. This language does not preclude the parties mutual agreement to expedite the approval process for certain deliverables.

Question 58. Section 6.14.4 Page 66: The RFP states that for financial assurance... “a letter of credit shall name the Chair of the Workers’ Compensation Board as beneficiary and be in the amount of ten million dollars (\$10,000,000)...” Will the Board accept other options, as this activity is for BPR services and not for the design and build of a system? For example: a hold back provision, or a letter of credit up to the value of the proposal.

Response: Refer to response #3.

Question 59. Section 6.17.1 Page 67: Patent or Copyright Infringement: Please clarify the reference to “patents”? As this work is BPR no patents would apply.

Response: While the RFP does not contemplate development of any software, the WCB includes 6.17 to address any patent or copyright issues that could arise during implementation of the Contractor’s solution. Refer to response #4.

Question 60. Section 6.17.1 Page 67: Will the State consider removal of the additional phrase “...for the WCB using any materials... furnished by the Contractor in performing the contract...” as this would be outside the control of the Contractor?

Response: No. To the extent that any materials are prepared, developed or furnished by the Contractor in performing the contract, the Contractor is expected to indemnify the WCB for patent or copyright infringement claims arising from the use of the materials.

Question 61. Attachment 1 Section 1.1.6 & RFP 3.3.1 Pages 8 & 22: Per Attachment 1: WCB currently has a Steering Committee for the initiative. What is the role of the Steering Committee and what is the make- up of the group (including stakeholder group’s representation)? Is there a separate Project Governance Committee in place for this project? What role would the WC Executive Oversight Committee (RFP Section 3.3.1) play on the Project?

Response The WC Executive Oversight and Steering Committee are the same and is an internal cross-functional group that oversees the project. There is no separate Project Governance Committee.

Question 62. Appendix E Page 12: Worksheet 2: Please clarify what the state is requesting for demonstration of IV&V capability. As the scope, duration etc. of the Implementation Phase are TBD (Cost Template) is the state only expecting hourly billing in the Cost Worksheet #2 for the Implementation Phase Costs?

Response: The table labeled as Worksheet 2-BPR Implementation Phase Hourly Rate should be labeled Worksheet 3 – BPR Implementation Phase Hourly Rate. An updated Appendix E (cost volume instructions) is available on our website: <http://www.wcb.ny.gov/procurements.jsp>. The Offeror must provide hourly rates for the categories listed.

Question 63. Will analysts from the State Legislature be participating as stakeholders? How does WCB intend to address legislative changes as part of this BPR project?

Response: It is possible that analysts from the State Legislature may participate as stakeholders. It is impossible for the WCB to predict whether legislation may be adopted during the course of the study that would impact this project. In the event that BPR recommendations include legislative changes, those will be handled as part of the WCB's legislative program.

Question 64. With the Board’s primary goals of increasing efficiency, lowering the cost of workers compensation insurance for employers and enhancing the benefits provided to injured workers, we are seeking clarification on the degree to which the Board will entertain significant changes in each of the following areas : Restructuring the Board’s role in the management of claims, substantially reducing involvement in undisputed claims processes and significantly reducing the use of formal hearings to approve routine changes in claim status Substantially reducing the number of documents required by the Board involving routine transactions within individual claims.

Response: The WCB does not have a preconceived notion of what its reengineered business environment should look like. The WCB is seeking an experienced vendor to work closely with the WCB and system stakeholders to understand how current processes, including WCB claim administration, the

hearing process, and required documentation, impact the overall efficiency and performance of the system for injured workers. The WCB will consider all recommendations that are supported by a well-informed assessment of the New York system, including its legal requirements, the business processes and needs of all stakeholders, and national best practices.

Question 65. As the financial information for our firm is confidential and not available to the public, we would like to enter into a Mutual Non-Disclosure, prior to submitting the response, is this acceptable. If not, how do you suggest we deliver the confidential information without disclosing our financial data as public record?

Response: The WCB cannot enter into an agreement with a vendor to keep information from being disclosed under FOIL. Decisions with respect to the release of records are made solely in accordance with the Public Officers Law (POL) and the exceptions set forth in POL Section 87(2).

The submitting vendor should, however, familiarize themselves with the mechanism set forth in POL Section 89(5). If that vendor claims that the information submitted is proprietary or would cause substantial competitive harm if released, 89(5) allows it to indicate as such at the time of submission, and specifically identify those portions of submission that should be withheld from disclosure. If the WCB receives a FOIL request for that submitted information, the WCB would then be required to provide the submitting vendor with an opportunity to state its case before rendering a decision on the FOIL request. If the decision made by the WCB was ultimately unfavorable to the submitter, then the affected submitter would have the right to file an Article 78 challenging the determination. Finally, only the exceptions set forth in 87(2)(d) (trade secrets exception) and (i) (critical infrastructure exception) may be invoked under the POL 89(5) mechanism.

Question 66. Section 6/14 states "The letter of credit shall name the Chair of the Workers' Compensation Board as beneficiary and be in the amount of ten million dollars (\$10,000,000). If at any time, in the WCB's discretion, the Contractor has satisfactorily performed its duties, such letter of credit may be reduced to the amount of five million dollars (\$5,000,000)." The question is - The \$10M amount seems excessive given the nature of the work and the deliverables. Would the Board consider lowering this amount to \$5M and \$2.5M respectively.

Response: Refer to response #3.

Question 67. Can you describe the composition of the Board staff who will comprise the team and make up the Program Steering Committee? What level of Senior Leadership will be appointed to drive Change Management within the Steering Committee? Will representatives from the Governor's office be on the Board Steering Committee? Will there be external Advisors on the Steering Committee?

Response: The WCB's top executive leaders from across the agency are heavily involved in the Modernization program including this reengineering effort, and will continue to lead the steering committee. It has yet to be determined what formal role, if any, the Governor's office and external advisors will have on the steering committee.

Question 68. Regarding the desire to include Stakeholders ranging from Carriers, attorneys, providers, NY WCB and claimants, when competing goals and objectives, how will priorities be set, managed and communicated?

While the program will likely make recommendations, will it be the responsibility of the Board / Steering Committee to communicate?

Response: Refer to response #45. The WCB and the selected vendor will communicate the goals, recommendations, and objectives that result from the BPR.

Question 69. Regarding the IV&V Vendor, will the BPR vendor be responsible for hiring the IV&V vendor and developing the plan? Table 12 reflects the requirements of the IV&V Contractor during the Implementation Phase which appears to be out of scope for the BPR Phase. Please confirm: Will the BPR Vendor be responsible for the performance of the IV&V Vendor? Is there a specific list of IV & V vendors approved by the NY State WCB?

Response: The BPR vendor will not be responsible for hiring the IV&V vendor and developing the plan. The BPR vendor will not be responsible for the performance of the IV&V Vendor and there is not a specific list of IV&V vendors approved by NY State. The WCB included the IV&V component to provide us the option of utilizing the BPR vendor in an IV&V capacity.

Question 70. In the RFP Response evaluation factors, the technical review section does not mention past experience for individuals or corporate, although these requirements are mentioned in Table 20 and elsewhere. Can you elaborate on the evaluation process and how much weight would be given to past experience, the methodology and plan, etc.?

Response: No, Section 5 of the RFP provides a description of the evaluation methodology to be used for evaluating each proposal.

Question 71. The RFP Project Content section 1.5 references Phase 2 as being the phase to identify necessary technology changes while Phase 3 will conduct the BPR and Requirements documentation. Have there been any technology decisions already made as far as platform, solutions database etc.?

Response: Phase 2 does not include identifying technology changes. Section 1.5 of the RFP indicates the second phase is the development of the RFP to procure vendor services to perform the BPR foundational activities which will consist of identifying the necessary technology changes to support the envisioned reengineered business processes. No technology decisions have been made.

Question 72. The RFP Project Content Section 1.5 references the implementation phase and multiple vendors, there is a discrepancy whether or not the IV&V vendor is considered a part of the BPR Phase or the Implementation Phase. Due to the fact the IV&V vendors would extend through the duration of implementation, we are requesting clarity on whether or not the BPR / IV&V vendor will be involved in the Implementation Phase.

Response: Refer to response #69.

Question 73. The RFP BPR Section 1.6 Scope and Considerations section references the WCB will not consider a solution offering a new tool suite for claims processing around which new business processes will be designed. Does this imply a solution selection or “buy vs build” decision needs to support the new processes without customizations and that a framework based solution will not be considered?

Response: No decision has been made. The goal is to have the business processes direct the technological framework.

Question 74. The RFP Section 1.6.2 Integration Points references a separate initiative for the eClaims project, has that solution been selected? How will the BPR for claims initiative be incorporated? Will the NY WCB share the processes in scope for eClaims so that the responding BPR vendors will understand scope of in scope processes?

Response: Refer to response #1.

Question 75. For the overall technology solution, will the selected vendor support the negotiations with the selected vendor. Will the selected vendor make the recommendation and develop the plan?

Response: No, the BPR vendor will not support the negotiations with the technology vendor selected for the implementation phase. The WCB may look to the BPR vendor for advice.

As described on page 31 (table 7), the selected Offeror must include technology solution requirements in the Target Environment Description deliverable.

Question 76. Section 6.14.1 Page 66: Section 6.14.4 of the RFP specifies a requirement for an irrevocable letter of credit (LOC) in the amount of \$10 Million as a form of financial assurance. This is a very unusual requirement in State of New York procurements, especially for a project that does not have the implementation of a large system as its primary scope. An irrevocable letter of credit adversely impacts the balance sheet of the vendor (must be carried as a liability simply by its mere issuance). Thus many vendors have a policy to not bid with such a requirement. Further, a prime contractor would look to flow down the LOC to its subcontractors and many smaller subcontractors (such as M/WBEs) may not be able to financially meet the requirement. Thus the LOC is inconsistent with the M/WBE goals of the procurement. Further, even for those vendors willing to bid with a LOC, this would incur a significant financial cost which would be passed onto the WCB in all cases. Thus the form and amount of this financial assurance requirement may substantially reduce the number of bidders. Would the WCB consider alternate financial and performance assurances in substitution for a letter of credit, such as a performance bond up to the value of the contract, payment retainage, defined deliverable acceptance criteria, or some combination of these alternatives to be negotiated with the selected vendor?

Response: Refer to response # 3.

Question 77. Section 6.8 Page 60: Section 6.8.1 indicates “Any existing pertinent subcontracts must be identified in the Response to the RFP, and a copy of any subcontract must be attached to the Response”. While it is common in State of New York procurements for a requirement for agency approval of subcontractors, it is highly unusual to require approval of the actual subcontracts themselves, and we have never seen a requirement to submit subcontracts with the bid. The selected vendor will require many terms of its prime contract to flow down to its subcontractors. Since the prime contract has not been finalized with the WCB, existing subcontracts will therefore need to be amended. Hence the ability to submit copies of subcontracts is essentially not feasible. In addition, some subcontract terms may be of a confidential and proprietary nature.

Similarly, Section 6.8.3 requires submission of subsequent subcontracts for approval. Again, some subcontract terms may be of a confidential and proprietary nature. It seems that the interests of the WCB are adequately covered by Section 6.8.2, which require that the terms of the subcontracts be consistent with the prime contract and by those provisions of 6.8.3 which requires submission of a description of the supplies or services to be provided under the proposed subcontract, identification of the proposed subcontractor, and the proposed subcontract price.

Would the WCB consider removing the requirement to submit actual subcontracts for approval as long as the other requirements of Section 6.8 are met?

Would the WCB consider alternatives to submission of actual subcontracts that allow for non-disclosure of confidential and proprietary information?

Response: The WCB is modifying Section 6.8 as follows:

- 6.8.1 -remove “and a copy of any subcontract must be attached to the Response”
- 6.8.3 -remove “In addition to furnishing the WCB with a copy of any proposed subcontract for prior approval”
- 6.8.4 -remove in its entirety

Question 78. Can the WCB provide technical documentation and information on technologies used to support its current business processes?

Response: Refer to response #35.

Question 79. Attachment 1-Overview of the WCB: Attachment 1 contains a brief description of WCB current processes and stakeholders. Can the WCB provide any existing As-Is process documentation describing in more detail its current business processes?

Response: Refer to response #6.

Question 80. Section 1.4 and 1.6.1 Pages 3 & 9: Sections 1.4 and 1.6.1 provide high level background on existing business processes in scope. Can the WCB provide details on the business process areas of most concern and of the highest priority to the WCB?

Response: The WCB cannot prioritize the existing business processes listed in sections 1.4 and 1.6.1. The processes listed in those sections are all key areas that must work in sync in order to meet the needs of our stakeholders and fulfill the mission of the WCB.

Question 81. Section 3.3.1 and 3.4.3 Pages 25 & 38: Section 3.3.1 indicates that “WCB will assign a WCB Project Manager to lead and coordinate the effort for the WCB.” Section 3.4.3 describes “that the WCB will be able to provide 3-5 FTEs over the duration of the project to support the Reengineering Planning activities, with additional expertise provided on an as-needed basis.” Is this the full extent of all of the WCB staff planned to support the project? Can any more specific information around the roles of these or any more staff identified be provided as well as the hours per week they would be devoted to the project?

Response: The WCB will be able to provide 3-5 full time employees to support this project. A WCB project manager will be dedicated to the project who will be responsible to lead and coordinate the effort for the WCB. The WCB will also supply a Business Analyst to work directly with the vendor's lead business analyst for the duration of the project. Furthermore, the WCB anticipates on providing a legal liaison and a lead from the WCB's Modernization Communications team who will assist with communicating and promoting the envisioned system to stakeholders. The WCB anticipates that staff dedicated to this project will be available at least 25 hours each week over the duration of the project. Additional WCB staff will participate as necessary in a subject matter expert role.

Question 82. Section 3.4 and 4.5 Pages 36 and 44: Can you please clarify if 2 or 3 references are required? Object Number 3.4.1.0-7 / ID 74 (pg.36) states that the Contractor's experience shall be verified by two references and Object number 4.5.3.0-1 / ID 143 (pg. 44) states that the offeror's proposal shall include three references.

Response: The Offeror's proposal shall include three references.

Question 83. Section 4.2 Page 39: The last paragraph on pg. 39 states that “a comprehensive Table of Contents for their complete response” is to be included. Is this comprehensive Table of Contents only for the Technical Volume (as stated in Requirement 4.4.0-3 in Table 19 on pg. 42), or does this comprehensive Table of Contents include the Cost Volume as well?

Response: Yes, the Table of Contents should only be for the Technical Volume.

Question 84. Section 4.2 Page 40: The RFP states that “Offerors must submit the Cover Letter, Volume 1, and Volume 2 in separate sealed packages”. Can you please confirm that your intent is to have the Cover Letter, Volume 1, and Volume 2 each put in three separate packages?

Response: Yes, this is our intent.

Question 85: If an MWBE subcontractor is a second tier subcontracting arrangement, does the state’s MWBE component goal (20%) still apply? That is, if the MWBE has a legal arrangement with subcontractor on the bid that has the direct agreement with the prime contractor, and meets the 20% goal, does this meet the intended requirement goal of the state for the RFP? The MWBE would still be appropriately disclosed in the bidder’s proposal.

Response: If the overall contract meets the 20% goal, it should not matter if the goal is met through a 1st tier sub or 2nd tier sub.

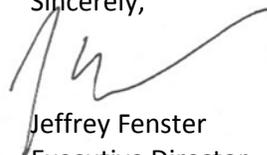
Question 86: A question related to the current procurement.

If our company has a consultant working at WCB who has not been involved with the BPR project or the RFP development, can WCB confirm that our firm would be eligible to work as a subcontractor on another firm on this project?

Response: Yes, your firm will be eligible to work as a subcontractor on another firm on this project as long as your firm did not contribute in the development of this RFP. Please refer to response #22. Outside vendors or consultants who contributed in the development of this RFP are precluded from bidding on this RFP.

Please note, that, from the issue date of this project definition until a contract is awarded and approved by the New York State Office of the State Comptroller, all contacts with Board personnel concerning this solicitation must be made through Michelle Schultz, the main contact, (518) 473-1319 or e-mail michelle.schultz@wcb.ny.gov. When she is not available, Mary Grace Petralito will be the alternate contact, (518) 486-3332 or e-mail MaryGrace.Petralito@wcb.ny.gov.

Sincerely,



Jeffrey Fenster
Executive Director