

**ADDENDUM 5**  
**Issued February 13, 2019**  
**To the**  
**State of Washington**  
**Office of Financial Management**  
**One Washington**  
**Organizational Change Management Service**  
**OFM 18-2000**

**QUESTIONS AND ANSWERS**

**Additional questions received to date:**

1. **Question:** Please provide an update on the resolution to the following question. The answer may significantly influence the pricing we can offer in our proposal. Typical requirements are for \$5 Million aggregate or less.

***Question:** Section 2.23 Insurance. This section sets forth the insurance requirements, which is also stated in Appendix B - Sample Contract (Section 47). The requirements include Crime Coverage with “coverage of not less than \$35 million in the aggregate,” which appears to be inconsistent with the other policy amounts required by the State. Please confirm the aggregate amount of Crime Coverage that Bidder is required to maintain during the term of the contract.*

***Answer:** We are working with WA Risk Management to answer this question.*

**Answer:** See Addendum 4, item titled: “**Follow-up to Question # 9 from previous Addendum 3**”

2. **Question:** We are assuming that in the context of this RFP, it is very unlikely that there would be a need for “remote processing services.” Can you please define what is meant by “remote processing services” and that simply working remotely would not be considered to be “remote processing services.”

**Answer:** This question was answered in Addendum 4, Question 5.

3. **Question:** Regarding section 2.23 below is the term Cyber Tism meant to be Cyber Terrorism?

**Answer:** Yes, the term is hereby modified as shown in the paragraph below.

From Section 2.2.3: In addition to these coverage limits applicable to all Subcontractors, any Subcontractor providing remote processing services for OCM Services firm shall provide cyber-liability coverage as follows:

\$5 million coverage for Cyber Extortion, Cyber ~~Terrorism~~Tism, and Privacy Liability, with a \$2 million sub-limit coverage for breach response cost and notification expenses.

4. **Question:** Regarding SOW 4, the RFP states that the period of performance will continue through June 30, 2021 but the one deliverable included, the OCM Pool Plan, is to be delivered October 31, 2019. The only other work specifically described in the Scope of Work and Deliverables for this SOW is to assist with administration of the fund. Are there any other expected responsibilities for the consultant team within this SOW? The following statement is included within the Scope of Work and Deliverables “The Contractor must source and utilize state small businesses for this deliverable as described in the Contractor’s response”.

**Answer:** The purpose of SOW 4 is to create a plan for administration of the Agency Change Management Pool and, upon delivery and acceptance of that plan to One Washington, to assist with the ongoing administration of the pool.

With respect to the use of state small business, we apologize for this error. While we encourage the use of Washington Small Business, there is no requirement under this SOW 4 to do so. The sentence will be deleted (see the section of this document titled: Competitive Procurement Modifications below).

5. **Question:** Regarding SOW 4, is there an expectation that the consultant team would also be creating a pool of contractors to work with the agencies and assisting them with selection of the contractors or would the responsibility be to ensure the agencies are utilizing the funding pool to hire small businesses?

**Answer:** Neither, we apologize for this error. The purpose of SOW 4 is to create a plan for administration of the Agency Change Management Pool and, upon delivery and acceptance of that plan to One Washington, to assist with the ongoing administration of the pool.

6. **Question:** Regarding ~~SOW 4~~SOW 3, In the objectives the following bullet point is included “Secure experienced Contractor staff to then document agency business processes on-site at the agencies” but then in the Scope of Work and Deliverables it states “The Contractor will train Program staff to work with agencies to assist agencies in gathering and documenting this information. The Contractor will provide oversight and support to the Program and agencies throughout the process, ensuring information is complete, consistent and timelines are met”.

Is the consultant team expected to only train the Program staff to work with the agencies or to also work with the agencies and complete the actual documentation? Please clarify.

**Answer:** Contractor will be responsible for working with the agencies and completing the actual documentation.

7. After attempting to respond to the Compensation and Payment Sections of each of the 4 SOWs as well as Appendix G – Rate card, we have the following interrelated questions.

a. *Each SOW states the following related to compensation:*

*Compensation and Payment*

*[Instructions to Bidder: Populate the paragraph below and the staffing pricing template to provide clarity as to monthly rate of the Statement of Work and how the pricing was developed.]*

The State will pay Contractor an amount not to exceed [\_\_\_\_\_] dollars (\$\_\_\_\_\_) *[specify maximum monthly dollar amount]* for the monthly performance of all activities necessary for or incidental to the performance of work as set forth in this SOW. This will be a fixed monthly fee that will remain constant for as long as the Statement of Work is in effect. Contractor's compensation for services rendered shall be based on Contractor's Prices as set forth in the Pricing Details: Staffing provided below. Resource rates include all expenses associated with the resources including: travel, pricing for specialized skills, pricing for onsite or offsite resources, etc. The State will not reimburse or pay for any expense or item not detailed in the table below.

The first paragraph indicates that compensation will be solely based on a fixed monthly rate. Does this mean that the Pricing Details: Staffing that follows is only submitted to show "how the pricing was developed"? In other words, will there be no payment or pricing by deliverables, only payment by a fixed, monthly not-to-exceed amount? If so, please relate this to the following questions.

**Answer:** With the exception of Deliverable 6 in SOW C.1 (which should be a fixed monthly price), One WA expects that there will be variability in the resources needed, and therefore the monthly cost, to provide Deliverables under each of the SOWs. Please see clarification below for each SOW:

#### **SOW C.1: OCM Services Consultants**

There are two pricing components in this SOW.

For Deliverables 1 through 5, please document the resources and level of effort to produce the Deliverable. We expect to see this rolled up into a monthly fee for this SOW with invoicing based on costs, number of consultants and hours needed for any specific month to provide these Deliverables.

The 10% Holdback *will apply* to each monthly invoice for Deliverables 1 through 5 until the final Deliverable is received and accepted in writing by One WA. Upon acceptance, the Holdback will be released to the Contractor.

For Deliverable 6 is recurring on a monthly basis for the duration of the SOW. Please document the resources and level of effort to provide this deliverable each month. We expect to see a monthly price *separate* from the other Deliverables in this SOW. The price for this Deliverable is expected to be a fixed monthly amount the term of this SOW, which may be extended as depending on approval of future biennial budgets, as necessary to meet One WA business needs, and as agreed between the parties.

The 10% Holdback will *NOT* apply to this recurring Deliverable.

### **SOW C.2: Organizational Change Management Plan**

The work under this SOW culminates in a Final Comprehensive OCM Plan. Please document the resources and level of effort to produce each of the Deliverables included in this SOW. We expect to see pricing rolled up into a monthly fee for this SOW with monthly invoicing based on the progress toward finalizing the complete set of Deliverables for the SOW. Once the Final Comprehensive OCM Plan is accepted by One WA, this SOW will be closed out.

The Holdback will apply to each monthly invoice for this SOW until the final Deliverable is received and accepted in writing by One WA. Upon acceptance, the Holdback will be released to the Contractor.

### **SOW C.3: Current Agency Business Processes**

The work under this SOW culminates in consolidated documentation of the current state business processes across the state's four core administrative functional business areas: Finance, Procurement, Budget and HR/Payroll.

For Deliverables 1 through 4, please document the resources and level of effort to produce the Deliverable(s) included in this SOW. We expect a monthly invoice based on the costs, number of consultants and hours needed for any specific month to provide the Deliverables described in the SOW. Once the consolidated documentation of the current state business processes is delivered and accepted by One WA, this SOW will be closed out.

The Holdback will apply to each monthly invoice for this SOW until the final Deliverable is received and accepted in writing by One WA. Upon acceptance, the Holdback will be released to the Contractor.

## **SOW C.4: Agency Change Management Pool**

There are two pricing components in this SOW.

For Deliverable 1 and 2, Develop and guide the OCM Agency Change Management Pool Plan (Plan), please document the resources and level of effort to produce this Deliverable. We expect to see this rolled up into a monthly fee for this SOW with invoicing based on the progress toward finalizing the Deliverables.

Due to the relatively short duration to for delivery of the Plan, the 10% Holdback will NOT apply to each monthly invoice for Deliverable 1 and 2.

For Deliverable 3, this Deliverable is recurring on a monthly basis for the duration of the SOW. Please document the resources and level of effort to provide this deliverable each month. We expect to see a monthly price *separate* from the other Deliverables in this SOW. This Deliverable is ongoing on a monthly basis for the term of this SOW, which may be extended as necessary and agreed between the parties.

The 10% Holdback will *NOT* apply to this recurring Deliverable.

*b. Each SOW states the following related to timeline:*

### 4. Timeline and Period of Performance

The period of performance for this project will start on July 1, 2019 and the work tasks are estimated to continue through June 30, 2021. The State has the right to extend or terminate this SOW at its sole discretion.

Does OFM expect, based on this statement and the compensation statement that the fixed, monthly not-to-exceed amount extend from July 1, 2019 to June 30, 2021 regardless of the timelines given in Appendix D – SOW Timeline? In other words do you want one monthly fixed fee for 2 years even though final deliverables for most SOWs are due much earlier based on your own timelines? Note that since the bulk of the work for all of the SOWS is scheduled in the first year this would require bidders to either average the total cost over 24 months which would significantly delay compensation; or develop a higher monthly fixed fee to compensate for the payment delay.

**Answer:** No. Please see clarification for each of the four initial SOWs above. For further clarification, the timelines provided in the CP directly correlate to the biennial budgeting process.

Please note the following *Timeline and Period of Performance* for each SOW:

SOW C.1: Date of signature through June 30, 2021

SOW C.2: Date of signature through June 30, 2021

SOW C.3: July 1, 2019 through June 30, 2020

SOW C.4: July 1, 2019 through June 30, 2021

c. *Rate Card*

Appendix G – Rate Card requests a rate for year 1 and year 2. If the bidder is anticipating a possible rate increase in year 2, how can that be factored into a 2 year fixed monthly fee for each of the 4 SOWs?

**Answer:** If you intend to generally raise rates in year 2, you will provide that in Appendix G, Rate Card. If the rate increase applies to the resources that are proposed in any of the SOWs, it should be factored in as part of your response to the specific resource(s) that will be affected.

d. *Holdback*

The main RFP (1\_18-2000 CP Change Management 1.23.19.docx) states the following regarding holdback:

2.15 Holdback (M)

In order to ensure satisfactory performance for Deliverables described in specific SOWs executed from time to time with the OCM Services firm under the resultant Contract, OFM will withhold a 10% Holdback against each payment due the OCM Services firm for Deliverables.

Further, such Holdback will be carried forward across related SOWs when the outcome of work under separate SOWs is dependent on Deliverables from previous SOWs. Dependencies between SOWs will be clearly articulated by the parties within the linked SOWs. This requirement may be waived at the OFM's sole discretion.

The Holdback will be paid in full upon satisfactory completion of relevant Deliverables, whether in a single SOW or across multiple SOWs with dependent outcomes. In the event that Deliverables are not satisfactorily completed, and upon proper notification and opportunity to cure by the OCM Services firm, the OFM has the right to permanently withhold retainage with no further responsibility or liability to the OCM Services firm.

If funding for following related SOW's does not get approved or is withdrawn, OFM will release the holdback within 30 days of learning of such non-funding.

If as implied in the Compensation and Payment section of each RFP SOW, the bidder will be reimbursed based on the 2 year fixed monthly fee and not on deliverables, how will OFM calculate “a 10% Holdback against each payment due the OCM Services firm for Deliverables”? Also how will the holdback “carried forward across related SOWs” be calculated against the 2 year fixed monthly fee?

**Answer:** Please see clarification for each of the four initial SOWs above, which includes how the 10% Holdback will be applied. In addition, see modification to the Holdback language in the section titled Competitive Procurement Modifications below.

If it is based on a fixed monthly fee, do we have to report hours to you monthly?

**Answer:** The wording “fixed monthly fee” has caused confusion. Please see clarification for each of the four initial SOWs above, which includes how the 10% Holdback will be applied.

What happens when a team member takes vacation – does the monthly fee remain the same?

**Answer:** No. As it relates to invoicing under the resultant SOWs, OFM would expect to pay only for resources providing services in any given month. Please see clarification for each of the four initial SOWs above.

Do we have to report how many hours are attributed to each deliverable?

**Answer:** Yes, hours should be reported. Bids should be based on time and cost of providing the services.

END OF QUESTIONS

## **COMPETITIVE PROCUREMENT MODIFICATIONS:**

Based on the questions asked the modifications set forth below are made to the Competitive Procurement.

1. The following modification is made to both Section 2.15 Holdback (M) of the Competitive Procurement document and to Section 6. Holdback of Appendix B, Sample Contract:

In order to ensure satisfactory performance for Deliverables described in specific SOWs executed from time to time with the OCM Services firm under the resultant Contract,

OFM will withhold a 10% Holdback against each payment due the OCM Services firm for Deliverables.

Further, such Holdback will be carried forward across related deliverables within each SOW ~~when the outcome of work under separate SOWs is dependent on Deliverables from previous SOWs. Dependencies between SOWs will be clearly articulated by the parties within the linked SOWs.~~ This requirement may be waived at the OFM's sole discretion.

The Holdback will be paid in full upon satisfactory completion of relevant Deliverables, ~~whether in a single SOW or across multiple SOWs with dependent outcomes.~~ In the event that Deliverables are not satisfactorily completed, and upon proper notification and opportunity to cure by the OCM Services firm, the OFM has the right to permanently withhold retainage with no further responsibility or liability to the OCM Services firm. If funding for ~~following related SOW's~~ Deliverables requiring the Holdback does not get approved or is withdrawn, OFM will release the holdback within 30 days of learning of such non-funding.

2. Appendix C.4, Statement of Work 4:

The following sentence is **DELETED** from **Section 2. Scope of Work and Deliverables** of this document: "The Contractor must source and utilize state small businesses for this deliverable as described in the Contractor's response."

3. The following provision in each of the SOWs contained in **Appendix C.1, Appendix C.2, Appendix C.3, and Appendix C.4** is modified as shown below:

*Compensation and Payment*

*[Instructions to Bidder: Populate the paragraph below and the staffing pricing template to provide clarity as to monthly rate of the Statement of Work and how the pricing was developed.]*

The State will pay Contractor ~~an amount not to exceed [ ] dollars (\$ ) [specify maximum monthly dollar amount]~~ for the monthly performance of all activities necessary for or incidental to the performance of work as set forth in this SOW. ~~This will be a fixed monthly fee that will remain constant for as long as the Statement of Work is in effect.~~ Contractor's compensation for services rendered shall be based on Contractor's Prices as set forth in the Pricing Details: Staffing provided below. Resource rates include all expenses associated with the resources including: travel, pricing for specialized skills, pricing for onsite or offsite resources, etc. The State will not reimburse or pay for any expense or item not detailed in the table below.

END OF MODIFICATIONS