

ALASKA DEPARTMENT OF ADMINISTRATION
DIVISION OF ADMINISTRATIVE SERVICES

REQUEST FOR PROPOSALS
RFP 2010-0200-9388

PRE-PROPOSAL CONFERENCE

August 17, 2010

1:00 p.m.

Centennial Hall

Juneau, Alaska

CONDUCTED BY:

STACI AUGUSTUS, CPPB
Procurement Officer
Division of Administration

1 PRE-PROPOSAL CONFERENCE ATTENDEES

2 State representatives:

3 Staci Augustus, Procurement Officer

4 Scot Arehart, Data Processing Manager III

5 Jewelee Bell, Contracting Officer III

6 John Savicky, ASU

7

8 Interested Parties:

9

10 Brandon Warren, BydSync

11 John Meyer, Black & Vetach

12 Fenton Penna, CedarCrestone

13 Sue Burman, CedarCrestone

14 Tom Kraus, CedarCrestone

15 Jeff Snyder, CGI

16 Angela Cheung, CGI

17 Jeff Robinson, CGI

18 Steve Arrants, CGI

19 Robin Milne, CGI

20 Chaille Manis, CGI

21 Doug Owen, Ciber

22 Gillian Dezzutto, Dell

23 Jeremy DeBrine, Lawson Software

24 Robert Cockrum, Maximus

25 Anthony Laszlo, Maximus

- 1 Interested Parties, Continued:
- 2
- 3 Tatia Wagner, Oracle
- 4 Adam Ettrick, Oracle
- 5 Jason Mancuso, Resource Data, Inc.
- 6 Howard Earl, Resource Data, Inc.
- 7 Rick Pannell, Resource Data, Inc.
- 8 Craig Holt, Sierra Systems
- 9 Susie McLeod, Sierra Systems
- 10 Christina Hendrickson, Tyler Technologies
- 11 Michael Muldown, CGI
- 12 Greg Witte, CGI
- 13 Dan Seaman, SAP
- 14 Mark Betchey, Oracle
- 15 Kathleen Martin, Oracle
- 16
- 17 Interested Parties Appearing via Telephone:
- 18 Sid Suarez, Dell,
- 19 Marty Small, AST Corporation
- 20 Mike Denzel, Capgemini
- 21 Kevin Doyle, Capgemini
- 22 Tom Heldt, Ciber
- 23 Bill Geddy, Ciber
- 24 Debra Donald, Lawson
- 25

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1 TUESDAY, AUGUST 17, 2010

2 1:02 P.M.

3

4 INTRODUCTIONS

5 MS. AUGUSTUS: Can everyone hear me okay? All
6 right.

7 well, we're going to go ahead and get started
8 with this pre-proposal conference for this big RFP
9 that we've been working on for a while.

10 I'm the procurement officer for this RFP.
11 Joining me in today's session will be Scot Arehart,
12 he's the project manager. I will be discussing
13 sections 1, 2, 3, Scot will discuss sections 4 and
14 5, and I'll take back over and do 6 and 7. And then
15 do some walk-throughs of the forms, if we need to.
16 okay?

17 So just like this morning, if you have any
18 questions please just raise your hand. Jewelee, our
19 lovely assistant in the back, will be coming around,
20 handing you the microphone. And we weren't real
21 strict about it this morning, but this afternoon we
22 are recording. And we have a stenographer -- is
23 that the correct terminology? -- we have a
24 stenographer here, so she needs to hear your name
25 very clearly so that she can record your name,

1 please.

2 We may call on John Savicky again from ASU to
3 pop in a time or two, if we need some help.

4 I think everybody has signed in. If you
5 haven't, please do so. The online participants
6 should be all logged in to the go-to meeting.

7 A little bit of housekeeping, again, the
8 restrooms are out the door to the right, to the
9 right. Not too many rights, because you'll wind up
10 in just a circle.

11 We have had quite a few questions asked to date,
12 and we are working on those answers. So if you've
13 asked questions, you don't need to -- if you've
14 asked questions in writing already, you don't
15 necessarily need to ask the questions here.

16 Today's forum is just basically to go through --
17 give us the opportunity to explain ourselves and how
18 the RFP is going to work, how the evaluation process
19 is going to work, and give you guys, interested
20 offerors, an opportunity to ask questions of us or
21 ask for clarification.

22 Now, some of the questions that you ask today,
23 it might be a little difficult for us to answer on
24 the fly, so we'll need to take away some questions
25 and then answer those in an amendment.

1 So don't worry if we can't answer a question
2 right now, we just want to give it some thoughtful
3 consideration and give the right answer.

4 For those of you here, again, please just raise
5 your hand and -- and Jewelie will bring that
6 microphone to you.

7 And let's see here, as far as any upcoming
8 amendments or announcements, you can check the
9 online public notice, that's where all the official
10 documents are being posted to. And then we also
11 have the Division of Finances project website. So
12 if you're not familiar with either of those
13 websites, please let me know and I can direct you to
14 those.

15 Just a reminder, please turn off your cell
16 phones or put them on silent. And with that, I
17 think we're ready to get going.

18

19 EXPLANATION/DISCUSSION OF KEY SECTIONS OF THE RFP

20 So up at the top here, yeah, we're going to
21 start off with a great cartoon. Now, this is what
22 we don't want to happen, okay. So we're going
23 through the first screen, is how the customer
24 explained it, how the project leader understood it.
25 We go on down -- I love one with the easy chair and

1 sun behind it -- pretty soon we get to the
2 documentation of the project. Not too much there.
3 At the end, what the customer really wanted was just
4 a tire swing.

5 How did they describe it? Well, three tiers, so
6 this is -- this is the opportunity to make sure that
7 we don't wind up with this. We want the tire swing
8 at the end. We're not asking for this triple-decker
9 swing.

10 So if you think, as we're going through this
11 RFP, if we haven't explained ourselves very well in
12 the RFP, we certainly want to hear about it, because
13 we don't want to wind up with this. Okay? All
14 right.

15 So it's not very pretty up on the screen, but
16 the yellow highlighted areas are the ones I'll be
17 speaking to. So the first callout that I have is
18 just an important notice that you're supposed to
19 register with me. So if you have already
20 registered, you don't need do anything additional.
21 If you haven't registered with me, please do,
22 because that means you'll get all the announcements
23 straight from me. Okay? Moving on.

24 So a little bit of an introduction to the best
25 value process. This is a new process for the State

1 of Alaska. We're really excited about it. And we
2 have a lot of help from ASU guiding us through this
3 process. So this morning's session really talked
4 about how the State is using this best value process
5 and how it applies to this particular solicitation.

6 In 1.01, you just have the return information
7 for your proposal. So this is the instructions of
8 how to return your proposals to us in a very
9 carefully prescribed format. So we want one copy as
10 opposed to previous, maybe you'd sent in six or
11 seven copies. And guess what we wind up with? A
12 lot of binders.

13 So we're trying to cut down on the extra paper,
14 cut down on the extra effort on your part. And this
15 is how we're going to do it, one hard copy. One
16 electronic copy. Pretty simple.

17 One callout that I did want to make is that when
18 we refer throughout the RFP to an attachment, that
19 means a document that is attached to the RFP. When
20 we refer to exhibit, that means what you're going
21 return as part of your proposal. So when we refer
22 to an "exhibit," Exhibit D is probably what started
23 as attachment D, but we've turned it into Exhibit D
24 for your return.

25 Any questions so far? Okay. Moving forward.

1 So my preferred method of communication is via
2 e-mail. That helps me document everything in
3 writing, because the procurement pile has to have
4 all this communication with it. So it's much easier
5 for me to print off an e-mail and print off my
6 response and put it in the procurement file. That
7 my preferred method of communication.

8 Proposals must be received no later than 1:30
9 Alaska time on Friday, October 1st. So 1:35 comes
10 by, you roll in with a proposal, guess what? We
11 can't accept it. So 1:30 is 1:30 is 1:30. Any
12 questions?

13 Okay. 1.02, just wanted to point out the length
14 of the contract. We're not specifying how long this
15 contract is going to be. So how long the
16 implementation is going to take, we're not
17 specifying that. But what we do now know is that on
18 approximately July 1st of next year, we're going
19 start work on this contract.

20 Okay. Moving on. Can you go back up to the
21 sketch a little bit? There you go.

22 Big happy face, that's today. We're all real
23 happy to be here. The deadline for receipt of
24 proposals, as I just stated, Friday, October 1st at
25 1:30. I highlighted that especially big in bold.

1 The client demos and team interviews, we have
2 scheduled Tuesday, October 19th through December
3 17th. And I'll have a little bit more information
4 back in section 7 on that. But basically what we're
5 saying here is offerors need to be ready to proceed
6 with interviews and demos on October 19th. Okay?

7 So the purpose of the RFP -- I'm not going to
8 spend a whole lot of time on this section. I think
9 we all know what this RFP is about -- it's for the
10 implementation and ongoing maintenance of our main
11 system, something to replace our existing
12 administrative systems.

13 The budget? We have currently an estimated
14 budget of between \$30 and \$35 million. We do have
15 some language in there. We've had a few questions
16 asked about the budget. And this is what we have so
17 far.

18 If we need to, we can go back and request
19 additional funding. Obviously that's going to be a
20 little bit more time than we would hope to have.

21 Location of work. We are expecting you to
22 manage the project here in Juneau. We did get a
23 waiver that allows some work to be done in Canada.
24 But outside of that, no work can occur in other
25 countries. So United States and Canada is where the

1 work can be performed.

2 Okay. 1.06, Assistance to Offerors with a
3 Disability. This is just pointing out a requirement
4 that you notify me if you need additional assistance
5 in viewing the RFP or participating in meetings like
6 this.

7 1.07. Now, this -- this is a really important
8 piece of the RFP. This tells you that it's your
9 responsibility to go through, review this RFP and
10 let us know if you see anything. You can't hold
11 your cards close to your vest and see something
12 that's wrong and then tell us later and file a
13 protest on it. You guys need to tell us now if you
14 see something wrong.

15 This gives the -- the State the opportunity to
16 fix it, make it right. And, get it corrected in an
17 amendment. So we encourage you to let us know if
18 there's something that you see in your review that
19 just doesn't make sense or, for whatever reason, you
20 need to bring it to our attention.

21 MR. AREHART: Did you do that one?

22 MS. AUGUSTUS: Yes. Yes.

23 So questions need to be directed to me. I
24 should be your sole point of -- of contact for the
25 State for this procurement at this point. Direct

1 all of your questions to me, please. And again, in
2 writing, that would help me tremendously.

3 I think we can go on.

4 Are there any questions so far? Breezing right
5 through.

6 Okay. Alternate Proposals. We're allowing
7 multiple proposals from a single offeror. Now, each
8 proposal has to stand on its own, though. So if you
9 want to submit both a cloud and the traditional
10 module, you would need to submit two different
11 proposals, completely stand-alone proposals.

12 Any questions on that? Yes?

13 And please state your name.

14 MR. COCKRUM: Hi, my name's Rob. As far as --
15 are those the only two types of proposals that are
16 allowed? And let me give you an example, could we
17 submit a proposal where a traditional licensing, but
18 then maybe we housed the dev/test environments in
19 our own data center, if we see that as an advantage
20 to the state?

21 MS. AUGUSTUS: I'm going let Scot answer this
22 one.

23 MR. AREHART: This is Scot with the State of
24 Alaska. That's an interesting question. And we did
25 have some conversation on that yesterday.

1 We are going forward with the concept that it is
2 straightforward, one or the other. Traditional
3 licensing, total software as a service. Any hybrid
4 in between only does one thing for the State, I
5 believe, and that is to start putting risk back on
6 us. We have to then be responsible for different
7 things where that demarcation line is. We want one
8 or the other.

9 MS. WAGNER: Hi, this is Tatia Wagner with
10 Oracle. So for scoring the price, there's probably
11 going to be a significant price difference between a
12 traditional and a hosted. Are they going to be
13 evaluated price by price, based on if they're
14 traditional, all the pricing, and if they're hosted
15 all the pricing?

16 MS. AUGUSTUS: They will all be evaluated
17 against each other on a level playing field. There
18 will be no cost adjustments to the clouds to bring
19 them down. There will be no cost adjustments to the
20 traditional to bring them up. They will all be
21 competing at the same level.

22 MR. KRAUS: Tom Kraus with CedarCrestone. So
23 can you clarify? You just used software service
24 versus cloud versus a hosted solution.

25 MR. AREHART: Yes. Let me clarify it, the both

1 of those, that and my previous response. We
2 envision that there be a traditional licensing
3 proposal, cloud proposal, if you want to do anything
4 else, then you can put it in as a value added.

5 MS. AUGUSTUS: I see lots of heads shaking
6 "yes," that you guys understand what that concept
7 is. And I just want to build on that a little bit
8 more, if we need to. Does everyone understand about
9 what he's talking about, about putting it in your
10 value added? Yes.

11 MS. PENNA: Hi. This is Fenton Penna with
12 CedarCrestone. I just to make sure I'm clear, so on
13 page 8 of the RFP, it says "hosted models under
14 which the offeror hosts and operates the software
15 and supplies software as a service." So that's what
16 you're talking about, Scot, from the cloud
17 perspective, if we're going offer traditional
18 hosting services, you're saying that that must be
19 value added that --

20 MR. AREHART: No. That would be the one type of
21 proposal. You've got the software, you've got the
22 hardware. You're responsible for everything on that
23 side. The other extreme is the traditional
24 licensing where we have the software, we have the
25 hardware and we maintain it.

1 Anything in between would be something that you
2 would add in part of your RAVA plan as a value
3 added.

4 MS. PENNA: Thank you.

5 MS. AUGUSTUS: Are there any other questions
6 regarding the type of system that we're
7 anticipating? Okay.

8 we'll keep going then. State not responsible
9 for preparation costs. I just highlighted this,
10 because the question has been asked throughout these
11 meetings, "will the offeror who is selected for the
12 pre-award phase be reimbursed for that?" The answer
13 is "no."

14 I think John very eloquently put it this
15 morning, you're putting all your resources into
16 that -- that one phase. And at that point you would
17 expect that you're moving forward. So, no, we won't
18 be paying for it outright.

19 Disclosure of Proposal Contents. This is our
20 normal -- normal language that we have in here
21 concerning the disclosure and how proposals will be
22 made public after the procurement -- after the
23 notice of intent to award has been issued.

24 A little bit different, though, in this, is that
25 we do plan to share -- and this is where we disclose

1 it to you -- we do plan to share the risks that
2 everybody has identified in their RAVA plan, we will
3 be sharing those with the pre-award vendor. We
4 won't be sharing the solutions, your solutions with
5 them, we're just going to be sharing the risks
6 everybody's risks with them.

7 So we've identified it here. And this is your
8 notification -- I know we talked about it a little
9 bit this morning -- but this is your notification
10 that we will be sharing those risks with the
11 pre-award vendor.

12 Any questions? Okay. We'll keep going.

13 So subcontractors, we will -- we're allowing the
14 use of subcontractors, as well as joint venturers.
15 Sometimes there's questions of what constitutes a
16 joint venture and what constitutes a subcontractor
17 relationship. I don't know if anybody has any, but
18 if you do, please ask them.

19 Yes, do we have a question over here?

20 MS. MARTIN: Hi. Kathleen Martin from Oracle.
21 It would help if you could clarify the difference,
22 from your perspective, of 1.14 paragraph and 1.15,
23 the subcontractor and a joint venturer.

24 MS. AUGUSTUS: Okay. A subcontractor is when
25 the contractual relationship is with the prime

1 offeror, and the State has no contractual
2 relationship with that subcontractor.

3 So whereas a joint venturer is two companies
4 going together for this one opportunity. And they
5 both have skin in (indiscernible), if you will, but
6 one is identified as the prime offeror, or prime
7 contractor. And we would expect to see in your
8 proposal responses, if this is the case, we need to
9 see as the RFP instructions, we would need to see
10 who is the prime offeror, who is responsible for
11 what. We require a written agreement between the
12 two parties to kind of detail out what the
13 responsibilities of each party is.

14 Does that help at all in? Yes? Yes? No?

15 MS. MARTIN: Thank you.

16 MS. AUGUSTUS: Okay. Any other questions?

17 We have one over here.

18 Just so you know, Jewelée and I did not
19 coordinate, we just happened to wear the same
20 colors.

21 MS. HENDRICKSON: Christina Hendrickson with
22 Tyler Technologies. In regards to the
23 subcontractor, just want to make sure, do you need
24 the subcontractors to complete the appendices and
25 stuff that Tyler would, if we would be the main

1 contractor, do you just want the --

2 MS. AUGUSTUS: There are few requirements in
3 there for subcontractors. I'm not going to be able
4 to name them all off right now, but there are a
5 couple forms in Attachment D that you're supposed to
6 fill out subcontractor's names and personnel and
7 types of things.

8 MS. HENDRICKSON: We as the -- as Tyler,
9 submitting can do that for them?

10 MS. AUGUSTUS: Yes. Yes.

11 MS. HENDRICKSON: Thank you.

12 MS. AUGUSTUS: Now, when we go to issue an
13 amendment with all of these questions that are being
14 asked, we might expand on them a little bit. So,
15 for instance, for that question, I'll probably go
16 back through the RFP and name specific places where
17 you need, the subcontractors, if they need to do
18 anything, I'll call them out.

19 Okay. Any other questions regarding joint
20 ventures or subcontractors? Okay.

21 All right. So on to 1.16, so the offeror
22 certification. Back in Attachment A, which you will
23 turn into Exhibit A, there's a list of requirements
24 that you're agreeing to. And we pulled that right
25 from here. So in the traditional RFP world, what we

1 would expect to see in a proposal is a document, a
2 cover letter that attests to all of these.

3 Sometimes it's really difficult to hunt, peck
4 and find the exact phraseology that you're looking
5 for. So we've made it very, very easy for you to
6 just do your little checklist and Attachment A, the
7 administrative requirements, it will be much easier
8 than I think what you found in the traditional mode.

9 Okay. On to 1.17, Conflict of Interest, this
10 just says that neither the offeror nor us, one of
11 the State employees working on this project, has a
12 conflict of interest. So this is pretty standard.
13 We just want to make sure that nobody's in cahoots
14 with anybody.

15 Okay. Moving on. Down at the bottom, 1.24 says
16 federal requirements. We don't know of any federal
17 requirements. But if there are any, we're expecting
18 that you guys, as the experts in this area, would
19 know those federal requirements.

20 So it's a boilerplate thing. This seems to get
21 a lot of questions. In my experience, we get a lot
22 of questions regarding this. So one of the
23 questions might be, "well, what federal requirements
24 are there?" well, we don't know. We don't know.
25 We don't think there are any. But this is the

1 attorney language for -- just include it just in
2 case. So I don't anticipate any federal
3 requirements.

4 Okay. Then the glossary, I think one addition
5 that we will be making is the definition of "cloud."
6 We will be inserting that into here. So I'm not
7 going to go through all of these. I just wanted to
8 highlight that we will be adding one. And are there
9 any questions regarding the contents of this
10 glossary?

11 Okay. We'll go on to Section 2.

12 So I've highlighted here Section 2.01, which is
13 the authorized signature. This just means that
14 someone with authority to bind the company has to
15 sign the proposal. And that's all back on that
16 Attachment A, which you'll turn into Exhibit A, the
17 administrative requirements.

18 Okay. Moving on. 2.06, we talked about this a
19 little bit this morning as well. The state has the
20 right to go back to the offerors and clarify stuff
21 in their proposal. This doesn't mean that we open
22 it completely up and just, it's a free-for-all; it's
23 specifically "what did you mean by this?" "what's
24 your intent here?" So it's very specific questions
25 that we would ask if we were to do this.

1 okay. 2.07, you'd never know it, but there was
2 a lot of time spent on this. We really -- we really
3 really worked this one over an awful lot. So the
4 minimum requirement is that an offeror must propose
5 a fully integrated software solution that
6 encompasses at least financial procurement, human
7 resources administration functions in order to be
8 deemed responsive.

9 So if you have a system that does not do this,
10 you're not going to make it through that first filter,
11 the administrative requirements. Okay. It's one of
12 the minimum requirements, that's the minimum
13 requirement.

14 Any questions on that?

15 Okay. So 2.11, this refers to the Alaska
16 business license requirement. Now, this is one
17 that -- well, in the past three years I've probably
18 had to disqualify maybe 9 or 10 vendors, because
19 they did not have an Alaska business license.

20 So this is one of those really tricky ones
21 where, I don't know what gets lost in the
22 translation, but the bottom line is you have to have
23 an Alaska business license when -- at the time that
24 you submit the proposal, at the time that the
25 proposals are due. So don't make a -- a little

1 mistake like that, because we cannot waive that as a
2 minor formality.

3 Okay. The five percent Alaska bidder
4 preference. As John said this morning, there are
5 two bidder preferences that are in play in this RFP,
6 one is the bidder preference and one is the
7 offeror's preference. The bidder's preference is a
8 cost preference, it reduces a qualifying vendor's
9 cost by five percent for evaluation purposes.

10 On the other hand, we have the Alaska offerors'
11 preference, and that's a points-based preference.
12 So if you qualify as an Alaskan vendor -- or Alaska
13 bidder, you get the 10 percent of the overall points
14 as well. One is points based, one is cost based.

15 Any questions on that?

16 Yes?

17 MR. OWEN: Just a quick clarification. Doug
18 owen with Ciber.

19 Must that license be held by the prime vendor?

20 MS. AUGUSTUS: That's correct.

21 MR. OWEN: What if there's a joint venture?

22 MS. AUGUSTUS: The joint venture we do talk
23 about up here. If joint venture is comprised
24 entirely of entities that qualify under the
25 subsection-- I'm trying to remember --

1 MR. OWEN: That's why I asked.

2 MS. AUGUSTUS: I think the prime has to be the
3 qualifying entity. I don't think that --

4 MR. OWEN: The prime offeror?

5 MS. AUGUSTUS: Right.

6 MS. BELL: Both parties have to have it.

7 MS. AUGUSTUS: Both parties have to have it.

8 MS. BELL: Have to meet A through D in order to
9 get -- both parties are equal.

10 MS. AUGUSTUS: Could everybody hear Jewelee's
11 response? Yes? No?

12 No. Okay. The answer is, yes, both parties
13 would have to have -- would have to qualify for this
14 in order to get the preference for the joint -- for
15 the joint venture.

16 All right. Moving on to 2.14. This is just a
17 description of how we're going to score the costs.
18 The costs are scored in the normal manner. And then
19 we carry on to 2.15, which explains how we're going
20 to do the other scoring, where we have the
21 percentage.

22 And again, as John said this morning, the
23 vendor -- for each -- for each filter we have, the
24 vendor who is receiving the highest amount of points
25 or scored the highest amount of points will receive

1 the total -- the -- the entire points allocation.
2 And then subsequent vendors will receive a
3 percentage of those points, based on how far away
4 they are.

5 This is a little bit different than what we're
6 used to seeing. Are there any questions on this?
7 No questions. Okay. Moving on.

8 You know what, let's go back there. We'll talk
9 about protests real quick. I didn't highlight this,
10 but I did I want to speak to this a little bit. If
11 you want to -- if you see something in this RFP that
12 you feel is protest -- that you feel the need to
13 protest, you must file a protest on the contents of
14 the solicitation prior to 10 days before the bids
15 are due -- or proposals are due.

16 So at this point proposals are due on October
17 1st. So we need hear from you 10 days before that,
18 is when we'd have to have received a protest from
19 any interested party. After that, you cannot
20 bring -- you know, say we get to the end. We've
21 issued the intent to award next May, May 31st, we've
22 issued the intent to award. Say you come back and
23 you say, "Well, you know what, I didn't like the
24 fact that you guys used those best value process
25 and, you know, if you hadn't have used it, then I

1 would have won." well, at that point that's not
2 protestable, because it was in the -- the protest
3 should have been protesting the contents of the
4 solicitation in 10 days prior to the proposal
5 deadline. Okay?

6 Yes, we have a question over here.

7 MR. DeBRINE: Jeremy DeBrine from Lawson. Your
8 language up there says 10 days after, and you were
9 just saying 10 days before.

10 MS. AUGUSTUS: There's two different protests
11 that we're talking about in this section. One is
12 the contents of the solicitation and the other is
13 the actual award. So after the intent to award is
14 issued, then you'd have 10 days to protest the award
15 of that contract.

16 Is that clear to everybody? Two different types
17 of protests here. One is on the contents, which has
18 to be filed 10 days prior to the deadline. And the
19 other is protesting the award or the intent to award
20 the contract, we'd have to receive within 10 days of
21 the issuance of that notice of intent to award.

22 Okay? Everybody clear on that one? There's a
23 lot going on in this RFP, so don't hesitate to speak
24 up.

25 Okay. Section 3 -- Section 3 just talks about,

1 basically, the contract that we're expecting to
2 enter into at the end of this solicitation. So we
3 do anticipate awarding two different contracts, one
4 for the implementation. And the other will be for
5 the ongoing maintenance for up to 10 years.

6 Any questions on that?

7 Now, we do have a couple of draft amendments
8 attached in G and H. And part of your proposal
9 response has to tell us in what way you object or
10 take exception to our terms and conditions. So
11 you'll need to review G, which is the implementation
12 contract, and H, which is the ongoing maintenance
13 contract.

14 And in your proposal, you'll need to point out
15 any exceptions that you take to our terms and
16 conditions that are in those two contracts. And it
17 doesn't mean we'll automatically say, "Okay, fine,
18 that's great, we'll do it your way." But it gives
19 us a speaking point when we do get to the pre-award
20 phase.

21 Now, there is a little bit of warning with
22 taking too many exceptions, though, to the State's
23 terms and conditions. Because if you -- if you have
24 too many, or if you take exception to the wrong ones
25 which affect quality, delivery, quantity --

1 something else. If you take too many exceptions,
2 then we get into the rejection language that we have
3 further on. So you have to be real careful on what
4 terms and conditions you take exception to.

5 Okay. Moving on. 3.04 just says that your
6 proposal will become part of the contract. That's
7 pretty standard. No surprises there. What's a
8 little different is that we will include the
9 videotaped interviews as part of your contract. So,
10 again, what you're promising to is what we're
11 expecting to have delivered. And it will be all
12 part of the contract.

13 Any questions? Okay.

14 Insurance requirements, those are pretty
15 standard. Any questions on those? Be sure to
16 submit them to me. Any exceptions that you take to
17 our standard insurance requirements, you'll need to
18 identify in your proposal, as well as those
19 exceptions to the State's terms and conditions.

20 So at this point, if I get a proposal in and it
21 has an exception to one of the insurance
22 requirements, I'm going to go to our Division of
23 Risk Management and ask them, "Is this okay?" So we
24 just need to know those ahead of time.

25 And their very first question me, every time

1 I've ever gone to them, their very first question is
2 "Did they take exception to them in their proposal?"
3 And they don't tend to approve those if you did not
4 take exception to them in your proposal.

5 All right. Any other questions?

6 Okay. Contract funding. I've already spoken
7 about this, but if you have any other questions
8 regarding it, let me know.

9 3.08 just talks about our payment procedures,
10 how we expect to pay the resulting contractor. We
11 are anticipating having a withholding, so 3.09 we
12 talk about the withholding. And, again, if this
13 is -- if these payment -- proposed payment
14 procedures are not acceptable to you, this is where
15 you need to take exception to them. We're not going
16 to be adjusting that after the fact. You have to
17 take exception to it here.

18 We talked a little bit about the 3.12 this
19 morning, the contract personnel. Just wanted to
20 point out that any changes to contract personnel
21 after -- well, I shouldn't even say after
22 anything -- any changes would have to be approved by
23 the State before any of those personnel changes are
24 made.

25 Moving on. 3.13 just gives the State the right

1 to inspect for unacceptable deliverables. So if we
2 have something that comes in wrong, we reserve the
3 right to inspect further for the reasons, the cause,
4 and perhaps we'll even terminate the contract if
5 we're not too happy with the outcome of that. So
6 again, it's just reserving the State's right.

7 3.15, Contract Changes, Anticipated and
8 Unanticipated. Unanticipated contract amendments
9 are those not anticipated at the time of
10 procurement. So if, over the course of the
11 contract, the State changes direction, the
12 contractor can expect the State to have to pay for
13 that change. However, using this best value
14 process, we're expecting that that will be very
15 small, because you guys are the experts. You're
16 going tell us how this is going to get done.

17 Now, on the off chance that we do need to do
18 extra work, that the State has decided to change the
19 route a little bit, we do have the availability --
20 Scot, help me out here is it D --

21 MR. AREHART: Says it right there in the second
22 paragraph.

23 MS. AUGUSTUS: D4?

24 MR. AREHART: No. No.

25 MS. AUGUSTUS: E. Okay. Attachment E, which is

1 the cost proposal forms. So what we have in there
2 is a listing of -- of positions -- go ahead.

3 MR. AREHART: So this is Scot with the State.
4 Yeah, in Exhibit E there is a listing where we'd
5 asked you to identify the five primary key resources
6 that we're going to be interviewed, and we want them
7 named by individuals.

8 After that there are areas where you could put
9 functional areas, you do not need to name
10 individuals, because as expressed earlier, you don't
11 know who those resources are. But might be a
12 database specialist, it might be project readiness
13 coordinator, different positions that you're going
14 put on the project.

15 And on that will also be a rate for that type of
16 individuals. So when we get to this point, we need
17 to do a change, we'll use those -- those types of
18 resources to cost out what it's going to cost for
19 that change.

20 MS. AUGUSTUS: That's caused by the State.

21 MR. AREHART: That's caused by the State.

22 MS. AUGUSTUS: Any questions? Okay. Moving on.

23 Okay. So 3.17 talks about nondisclosure and
24 confidentiality. That is a pretty standard
25 condition that we're seeing nowadays. I don't think

1 there's anything too unnerving in this one. Any
2 questions on this? Okay.

3 All right. And I'll turn it over to Scot for
4 the moment.

5 MR. AREHART: How's that? Everybody able to
6 hear me? How's that? Good?

7 All right. Section 4 -- that's kind of bad,
8 don't want to hold my head down. One of the areas,
9 the first one is the general background information.
10 The general background information, one key thing
11 I'd like to point out is -- is that Alaska is very
12 diverse geographically. And although we've improved
13 our telecommunications it's always going to be a
14 challenge. So it's something you should be aware
15 of, we have limited number of MAN ways. We've put
16 that, I believe it's Attachment J as the
17 connectivity.

18 We're going to organize -- the State
19 Organization, this solicitation is for an integrated
20 system for both the courts, the judicial, the
21 executive and the legislative branches of
22 government.

23 Some of you are aware that previously we went
24 down the path of soliciting for a payroll system.
25 We have -- at No. 3, states that it was

1 unsuccessful, because of funding. But, with those
2 funds, what we've been able to do is establish a
3 project workspace that we're using for other
4 projects in -- currently in the Division of Finance
5 is performing. So we'll have a project space
6 available for this project.

7 we'll also -- one of the things we did was get
8 all of our legacy data into a data warehouse, so we
9 have Business Objects as our reporting tool.

10 we're also successful at procuring time and
11 attendance known as the ASSET, the ASSET system.
12 And so that's something that you're going to need to
13 take into account, because ASSET will be in effect
14 to gather time and attendance.

15 we also did a benchmark study of resources and
16 payroll practices within the state of Alaska. And
17 we also did a business case 2003, we upgraded -- or
18 updated that in 2007. That business case is out
19 there and available in the DOF website.

20 One of the things I want to point out is several
21 existing applications will be affected by this
22 solicitation. And you can find them in attachment
23 I.

24 I want to highlight the fact that the State
25 envisions the -- couple of key things out of the

1 solicitation, and that is an employee and vendor
2 self-service, linking the procurements all the way
3 through the financials, into payment, as well as a
4 centralized customer file for tracking revenues
5 received.

6 This is where I wanted to highlight the State --
7 the State has no certified change management
8 professional. And we expect the contractor to bring
9 that expertise to the project to manage our
10 enterprise readiness to get us into a state that
11 will be -- make it for a clean rollout.

12 MR. COCKRUM: Scot, this is Rob from Maximus.
13 Does that map over to one of the key resources that
14 you were describing earlier, as far as the business
15 process, re-engineer? I want you to clarify that,
16 because I've seen it mean a couple things in the
17 past and I want to make sure that we're giving you
18 the right person.

19 MR. AREHART: I was trying to, real quick, go
20 through those five. And, yes, it does map over
21 toward them.

22 And we have those five? It's going to be the
23 key resources. Let's defer that question. What
24 I'll do is, in the response, I'll map it over to the
25 one of those five that we're expecting that to be.

1 MS. COCKRUM: Thank you.

2 MR. AREHART: Go ahead, go to the next.

3 One of the key things here I want to point out
4 is that we will adhere to PMI principals. Section
5 4.04, here's a couple things that you need to be
6 aware of, useful tools. One of them is the Core
7 Telecommunication Service, I mentioned earlier,
8 we're very diverse. We have Attachment J that
9 spells out all of our connectivities at different
10 areas within the state. Also there's a
11 comprehensive communications agreement that you can
12 go onto Online Public Notice and look to see the
13 contract that exists.

14 The other areas -- and we already had a question
15 on this -- is that some of the requirements talk
16 about the State's security policy. Obviously you
17 can imagine that that information is held
18 confidential for the State. So in order for us to
19 release it, you must complete the affidavit in
20 Attachment M, submit it to Staci.

21 Those documents have already been consolidated
22 into a zip file with a password on it. Staci will
23 send that information to you in one e-mail, and in
24 the second e-mail, give you the password. So in
25 order to see those documents, you must sign an

1 affidavit.

2 Also we have a -- in Attachment N, which are the
3 IT standards that the State is currently using. So
4 it has everything from desktops to servers, to
5 software that has been approved. You can find that
6 in Attachment N.

7 Another point I want to make is the State will
8 have training facilities in both Anchorage,
9 Fairbanks and Juneau for the training. And any
10 other areas that need be, you will find the
11 resources for the training phase. So you do not
12 have to, in your proposals, put anything for finding
13 those resources.

14 The State project team is made up of a project
15 manager, assistant project manager, function leads,
16 analyst, program programmers and subject matter
17 experts. There is an Attachment L that kind of
18 defines what that organization is. And the State
19 resources and the FTEs associated with those
20 resources.

21 One thing I want to point out is the SMEs, there
22 will be limited time during different periods of the
23 year where the SMEs will be having to do operational
24 type things, such as July 1st through the end of
25 August, when we have reappropriation for the

1 financial people. So there are times that they will
2 not be available, so we have to take that into
3 account in the proposals and the time lines that
4 you're anticipating -- and your time lines.

5 Is there any questions on that?

6 We do have a QA consultant through Wostmann &
7 Associates. We've been able to get Salvagio & Teal
8 Associates, will be our QA on this project. Many of
9 you might already realize that they've done a number
10 state ERP implementation. And I think they have
11 over 10 different states under their belt. So we're
12 very fortunate to have them on board.

13 Going into Section 5, Scope of work. We're
14 looking to purchase a fully integrated financial
15 procurement HR payroll module. Services that we
16 want is an integrated system that encompasses A
17 through M.

18 When I say "integrated," I mean that it was
19 designed to have those interfaces between the
20 different modules, so that we don't get into this
21 case where the State today had different enterprise
22 systems, and there's interfaces that have to be
23 maintained between them. And it limits the amount
24 of transfer of information between the two. So I'm
25 looking for fully integrated system.

1 We're also going to have a comprehensive
2 implementation services, which is the SI time,
3 system implementers. And to have them do A through
4 N.

5 Also an associated process for re-engineering
6 services and the 10-year software maintenance
7 period. That is the general scope of what we're
8 looking for.

9 Is there any questions on that?

10 This -- the State also expects the contractor to
11 analyze existing business processes and recommend
12 business process changes where the State could
13 benefit and adopt your best practices.

14 So obviously I think they would be slightly
15 different between the systems. We want to have you
16 come in, analyze how we do business and how we need
17 to adapt so that we can take advantage of your
18 solution.

19 This was a -- referred to earlier this morning.
20 Due to our -- our labor resources, constraints, the
21 State strongly is -- prefers the phase
22 implementation approach with financials and
23 procurement being the first, followed very closely
24 with the HR payroll.

25 System Sizing, what we provided here is an

1 estimate of the different systems user counts by
2 functional area, both by named users and concurrent
3 users, to give you an idea of possible different
4 pricing models that you might want to use.

5 Next one. Also we gave you some functional
6 statistics for the different areas of counts of
7 different things that occur within or current
8 system.

9 Is there any questions on this?

10 MR. ETTRICK: Adam Ettrick with Oracle. There
11 were, I believe, it went through J in terms of the
12 types of projects you were looking for,
13 applications, however, you don't have the same
14 amount of application users, if you will, tied back
15 to that. Can you -- can you be more -- can we get
16 some further detail?

17 MR. AREHART: So J on connectivity?

18 MR. ETTRICK: No. No. Go back to the document.
19 Section 5.02. You have the system citing, but if
20 you have back to 5.01 you go the different types of
21 integrated finance, procurement, human resources,
22 you have each of those types of activities, A
23 through M, doesn't line up exactly and specifically
24 there's things like controller budget, fixed assets,
25 et cetera. Can you give me more (indiscernible) and

1 maybe more (indiscernible) system, major accounts?

2 You don't have to do it now.

3 MR. AREHART: I know what I want to say. But I
4 think I'm going have to take it back to the crew.
5 And what I will say here is some of the areas you
6 highlighted there are things that we don't have.

7 MR. ETTRICK: Thank you.

8 MR. AREHART: Maintenance Support. The only
9 thing I wanted to talk on here is it does go through
10 two different levels, you know, the standard work
11 day, off hours. There's three different defined
12 types of malfunctions, types A, B and C, highlighted
13 there to show you how we define those different
14 types of malfunctions.

15 And during, in the maintenance portion of it
16 we'd like to see, in your proposals, that these are
17 the time frames for on hours and off hours. I think
18 that's pretty standard.

19 Deliverables. Now one thing I'd like to
20 highlight here is we gave it our best shot to come
21 up with a set of deliverables, but we are not
22 opposed to your individual methodologies to
23 reorganize those. But fundamentally, the -- the
24 results of those deliverables that we've identified
25 have to be accounted for in your methodology.

1 In other words, if you want to combine two or
2 have a different one, each one of the functional
3 areas and the results of those deliverables have to
4 be accounted for. Does that make sense?

5 The big part here is the role of the State staff
6 is to provide subject matter experts to the
7 contractor throughout the implementation process,
8 relying on the software provider extensive
9 experience to implement.

10 In other words, what we want to do is we're
11 going to provide the SMEs, we're going to provide
12 the subject matter experts to help you configure to
13 implement, but it's your responsibility to implement
14 the solution.

15 I think I need to go get glasses. And the
16 second highlight there is more about the fact that
17 it's up to you to implement it. We will be there to
18 assist, but it is your responsibility to implement
19 the solution.

20 This here is something that I -- was a lesson
21 learned from other projects. And that is the fact
22 that you all have seen our solutions. Our SMEs have
23 not. So right out of the gate, we very much want to
24 be able to see what the vision is. I think it will
25 help in the communications with our SMEs and working

1 through some of the things that we're going be doing
2 during the project. They'll see the end vision.
3 Without that, I think it makes it hard. So this is
4 one of the lessons learned I learned on another
5 project.

6 MS. AUGUSTUS: Do you want to go through those
7 at all?

8 MR. AREHART: I want to highlight the
9 different -- there's a set of deliverables, it's
10 very straightforward, what we believe is, kind of,
11 the sequence of events, as far as what needs to
12 happen what those deliverables include.

13 Again, apply your methodology to it, but make
14 sure that you include everything on -- well, on both
15 the left and right. Make sure you include those
16 ideas and what needs to occur, data conversion, the
17 training, all that stuff.

18 Do we want to do anything on that? I mentioned
19 5.05, I don't have it highlighted. I went back and
20 forth on this one. Just realized that at the end
21 you will be scored on your services to the State.
22 And the State may choose to use that in the future.
23 So what this is saying is that you recognize that
24 and if you, you know, were all successful, you do a
25 great job, you're going to get a high score. And in

1 future solicitations, it will actually help you gain
2 more points in future solicitations, but not this
3 one.

4 Are there any questions on those sections?

5 MR. KRAUS: Tom Kraus, CedarCrestone. Back on
6 section 5.01 where you list areas of function, you
7 have, looks like 5.01 bullet M is budget --
8 budgeting. And then attachment I where you're
9 listing systems, or whatever, looks like you plan to
10 keep your current budget system for another 10
11 years. So could you clarify on that?

12 MR. AREHART: So, back to what Staci said, we
13 had that long discussion on that one sentence that
14 said "minimum requirements." Minimum requirements
15 for the solicitation is those three modules,
16 financials, procurement, HR payroll.

17 That's what we're procuring now, with the idea
18 that, possibly in the future, that other modules
19 that meet those categories would be available.

20 MR. KRAUS: Okay. In the couple pages from
21 here, you have some counts -- next one. Next page.
22 Here you list a number of retiree pensioners and
23 1099 Rs. We know the pension system would be out of
24 scope. Is it your anticipation that pension
25 disbursements would be paid through the payroll

1 system?

2 MR. AREHART: No. It would not be our intent.

3 MR. KRAUS: Thank you.

4 MS. AUGUSTUS: Any other questions for Scot
5 before he sits back down?

6 Okay. So I'm going to go through Section 6,
7 which is very, very small. So this is just
8 basically an explanation of how to return the
9 proposals. Again, tying back to Section 1.01,
10 walking us through exactly how to submit your
11 proposal.

12 So up at the top here, I've just highlighted
13 the -- where you can view this solicitation, as well
14 as any amendments that we'll be issuing. And,
15 again, if you've registered with me, then you'll
16 receive an e-mail notification that an amendment has
17 been issued. And I try to attach the amendment to
18 the actual notification e-mail as well.

19 At the bottom there there's a quick little table
20 that we just wanted to differentiate again the
21 difference between attachments and exhibits. So
22 attachments are what are attached to the RFP as it
23 is. The exhibits are what you'll return to us as
24 part of your proposal, or it will constitute your
25 whole proposal.

1 Any questions on Section 6 on how we're going to
2 submit proposals? I have a question over here.

3 MS. HENDRICKSON: Christina with Tyler.
4 Stapling the documents is going to be a pretty big
5 lump of papers. Is that the only way you're going
6 accept it? You don't want any type of binding?

7 MS. AUGUSTUS: We don't want any type of
8 binding. It really shouldn't be that large of a --
9 of a submission.

10 MS. HENDRICKSON: Okay.

11 MS. AUGUSTUS: Any other questions on
12 submissions?

13 Okay. Section 7 I know that John went through
14 pretty good this morning, went through this section.
15 So I'm going to just kind of give a pretty
16 high-level runthrough of this. And please stop me
17 if you have any questions, but I think John did such
18 a great job this morning, I don't want to mess up
19 anything, any understanding that anybody has.

20 So just walking through, this first table here
21 just explains that there's a thousand points total
22 available. walks through the different sections
23 with the different filters. So starting over on the
24 left-hand side we have filter 1, it's a pass or
25 fail. Filter 2 is the evaluation of the first

1 couple of factors. We're talking about the PPI
2 information, the costs, the project approach,
3 strategic fit and part of the Alaskan offeror's
4 preference.

5 We have broken out the application of the
6 offeror's preference into these two areas. So if
7 you have any questions about that, please let me
8 know. But it's 10 percent overall, so we've made 10
9 percent of this section's points and then 10 percent
10 of the other sections' points for where that's
11 applicable.

12 Next page, please. Okay. So the administrative
13 requirements. Again, this is just a pass or fail.
14 So there's no scoring of this. It's either you meet
15 it or you don't. If you meet it, you go forward to
16 filter 2. If you don't meet it, we'll see you on
17 the other end, I suppose.

18 So it's going to be real important to make sure
19 that you fill out these papers correctly and get all
20 the information included in this Exhibit A, if you
21 will. So pass or fail. And in the example that
22 we're shown, I think offerer 4 failed, so they don't
23 move forward at all.

24 Okay. Filter 2, again we're talking about the
25 PPI cost. I think John went through obtaining the

1 PPI very well this morning. So I'm not going to
2 walk you through it again this afternoon unless you
3 have questions.

4 So scroll down. I think there's a couple pages
5 here worth of PPI stuff, so we'll just get down to
6 the bottom one here.

7 Okay. So the summary of PPI scoring up there,
8 you can see that several different offerors scored
9 higher in different areas. But overall, offeror No.
10 1 had the highest score. Okay? Now you'll see the
11 whole calculation as we get down further. So the
12 next item is 7.04, Cost. So this is what we talked
13 about earlier, about how costs will be evaluated,
14 the lowest cost will receive the highest amount of
15 points, and subsequent proposals, bid proposals will
16 be evaluated in, as we described, in section 2.13.

17 Okay. Scroll down, please.

18 We have a question over here.

19 MS. HENDRICKSON: Christina with Tyler.

20 That section states that the 50 percent above or
21 below the average 10-year total. Tyler is non-Tier
22 I, typically some of our cost will come in a little
23 bit less than what the Tier Is would be. And we'd
24 want to make sure that we're not disqualifying
25 ourselves, due to the disparity of the price. Are

1 you looking at if it's super, super low --

2 MS. AUGUSTUS: No. We're open to tier 1 or tier
3 2. We're not disqualifying anybody based on that.

4 MS. HENDRICKSON: I'm not sure this is going to
5 be answered, but is the State also going to be
6 questioning the cost of upgrades, both licenses and
7 implementation services, that would typically be
8 charged over 10 year? Within the -- over 10 years,
9 do you want to us --

10 MS. AUGUSTUS: Yes. Because back in the
11 Attachment E, we have -- I believe, we have it
12 broken down by year. Is that correct? So that's
13 your opportunity to put in your cost escalators
14 there. If you don't say anything in there, you come
15 to us in three years and said we're going increase
16 it by 25 percent, we'll have a talk.

17 Okay. Any other questions?

18 okay. Should we just leave the microphone there
19 for you? Okay.

20 So Project Approach, again, John explained this
21 very well this morning. So again we're talking
22 about the RAVA, so risk assessment value added. We
23 want to know what all the risks are that you see.

24 Again, that's going to differentiate the true
25 experts out there from the -- from the non-experts.

1 That's where we're going to see it. Okay.

2 Just keep going.

3 Okay. So here we've got the two scoring
4 examples, the RAVA plan and the work plan. Offeror
5 No. 6 scored the highest for the RAVA. Offeror No.
6 7 scored the highest for the work plan.

7 Strategic Fit Considerations. We are taking
8 into consideration your Exhibit D and F to determine
9 the strategic fit score. This is a very small
10 amount of points available on the grander scale of a
11 thousand. But it's still important to us to know
12 these things, so we're asking them.

13 Next page, please.

14 Okay. We described this earlier, we're breaking
15 the Alaska offeror's preference into two sections.
16 So at this point it's worth 65 points. Again, 10
17 percent of the total available. So for this section
18 650 points are available. 65 points are to the
19 Alaskan offeror's preference.

20 Moving on.

21 Okay. End of filter 2. So we've come to the
22 end of filter 2 now. We've gone through the risk
23 assessment value added, the work plan, the cost.
24 Now we've got everything going across added up. So
25 we're going make our determination here.

1 we're going to shortlist vendors, right? we
2 talked about this this morning. So those acceptable
3 for award would move forward. Meaning if you still
4 are within a competitive range, you'll move forward
5 in the process. If you're so far behind, if your
6 proposal has been rated, and you're so far behind,
7 that you have no chance of catching up and
8 overtaking, overtaking the lead, you're not going
9 move forward.

10 Okay. So in this case, offeror's 1, 2, 6, 7 and
11 8 all have proceeded into the next filter. And
12 everybody sees why they proceeded? You can tell
13 over on the right-hand side, their scores. Their
14 scores have qualified them to move forward. Offeror
15 4 didn't even make it through the first filter,
16 right? They didn't make it through the
17 administrative requirements.

18 offerors 3 and 5, they just didn't score enough
19 points, so they're not acceptable for award.
20 They're not within a competitive range, so if they
21 got the full points, they're not going overtake
22 anybody. So at this point they're out of the game.
23 They're not going to be invited to filter 2.

24 Any questions on that?

25 Okay. So we start filter 3, the interviews,

1 interviews are 300 points. Interviews are very
2 important to the State. We think that that's going
3 to be real dominant feature for us. We want to see
4 these people, we want to talk to them. That's why
5 300 points. That is a very important piece to the
6 State.

7 So I have a note here, it says interviews will
8 be scheduled on consecutive days with two teams per
9 day, beginning November 1st through November 5th.
10 That's our anticipated schedule.

11 Now, if you go back to Section 1.02 where we
12 have the project schedule, we're being a little bit
13 more aggressive back here. This is what we really
14 think what is going to happen. Remember what we
15 said this morning, you guys have to be ready, we'll
16 give you guys two weeks' notice, so you can get your
17 airfares, and then we're going to conduct these
18 interviews and demos.

19 Can we move on to demos, please? I guess, just
20 stop right here for a second.

21 Again, remember we're scoring each individual,
22 okay. So as you see, the training lead, the
23 business process re-engineering lead, everybody is
24 scored individually as John explained this morning,
25 the interviews are done just with one of the -- the

1 interviewee in the room with us. The project
2 manager might take a little bit longer. But we
3 anticipate these interviews lasting about 20 minutes
4 each.

5 Any questions on the interviews?

6 I know that John has mentioned this before,
7 also, the question has come up, "well, what if you
8 have somebody that just really interviews bad?"
9 well, practice, practice, practice. That's what
10 we've heard. That's all it's going to -- you know,
11 it's a lot of points, but it's a really
12 definitive -- I don't know what the word I'm looking
13 for -- evaluation factor. It's going to be a do or
14 die, I think, for us. It's going to be a really
15 important evaluation point.

16 Okay. Now we can move on.

17 So demonstrations up at the top again, this
18 isn't the full-fledged, we want to see everything.
19 We have three scenarios, we want to see financial
20 procurement and HR. Up at the top we have the note
21 that says client demos -- I'm going to follow Scot
22 to the eye doctor -- client demos will be scheduled
23 on consecutive days, with two teams per day,
24 beginning October 19th through 22. So we're going
25 have the demos first and then the interviews.

1 Again, consecutive days.

2 Any questions on the demos?

3 You guys are making me a little nervous here.

4 All right. Moving on.

5 So here's where the second Alaskan offerors'
6 preference comes into play. And we're talking about
7 350 points available on this filter, so 35 points of
8 that will be the Alaskan offerors' preference.

9 Okay. Moving on. So this shows the whole
10 scoring now. We'll walk through it real quick.
11 Offeror No. 1 has received the highest amount of
12 points. So offeror No. 1 is the one who we will
13 invite to the pre-award phase where we'll do all the
14 planning, the pre-planning, get everything out on
15 paper. Again, pre-planning to great detail.

16 And we talked about this earlier, too, the cost
17 reasonableness. So as part of the best value
18 process, that highest-ranked offeror has to be
19 within five percent of the next highest ranked
20 offeror's 10-year total cost of ownership. Okay.
21 Again, we're just ensuring that the public gets --
22 gets their money's worth.

23 Any questions?

24

25

OPEN DISCUSSION FOR QUESTIONS OR COMMENTS

1

2

MR. ETTRICK: Are you publishing the total cost of ownership calculations?

3

4

5

6

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MS. AUGUSTUS: When you speak of "total cost of ownership," are you referring to the normalized -- the normalization of proposals that we talked about earlier in the RFP? Because we have amended the -- the RFP now, and removed the normalization part of that, so we won't be doing any adjustments, so there won't be anything to publish.

11

12

13

14

15

16

But when talk about the 10-year cost of ownership, we're talking about the 10 years of maintenance. So back in Attachment E, the cost proposal forms, we've got the total cost of ownership for those 10 years. So there's nothing to publish at this point. Okay. Does that help?

17

Scot, do you want to add anything?

18

19

MR. AREHART: I think you got to it.

20

MS. AUGUSTUS: Sure?

21

22

23

24

25

Any other questions?

MS. PENNA: Fenton Penna, CedarCrestone. Staci, can you clarify what you said earlier? I thought I heard you say the client interviews and the demonstrations, did you say will be held consecutive days? Did you say that, back to back, or did I --

1 MS. AUGUSTUS: The demos and interviews will not
2 be back to back. But you need to understand, too,
3 that the demos won't be on -- on our -- here in
4 Juneau, whereas the interviews will be.

5 MS. PENNA: Okay.

6 MR. AREHART: This is Scot from the State. What
7 I think she was referring to is that the
8 demonstrations, the way we will schedule them, is
9 one in the morning, the one in the afternoon for
10 different offerors.

11 MS. PENNA: Okay. Thanks.

12 MS. CHEUNG: Hi. Angela Cheung from CGI. Can
13 the State clarify total cost of ownership, and
14 particularly the term of the contract? So in
15 Section 3.01 it talks about 10 years of additional
16 maintenance and support. So we're interpreting that
17 to be some X number of years for a design
18 development implement, plus 10 years of maintenance
19 and support. And in Amendment 2, and in the
20 sections that we're talking about here, it's 10
21 years total cost of ownership.

22 MS. AUGUSTUS: Again, going back to the two --
23 two different contracts that we're going have, we're
24 going to have one for the implementer, and one for
25 the ongoing maintenance. So that second one does

1 not go into effect until the first one has,
2 basically, ended.

3 Is that a good -- good enough statement, Scot,
4 or -- that would be my interpretation. That doesn't
5 start until it's -- we need a side bar.

6 MR. AREHART: Okay. This is Scot with the
7 State. We're going take that one back, because I
8 think there is some ambiguity in a couple different
9 sections of when the 10 years start.

10 MS. AUGUSTUS: Never mind what I just said.
11 Any other questions?

12 Okay. So the end of filter 3. Next page,
13 please. So, again, this starts that pre-award
14 phase. And I don't know that I can add anything to
15 what John said this morning. So I -- if there's
16 questions regarding this, I would ask that you speak
17 up and let us know what those questions are.
18 Because I think John hit on it very well this
19 morning.

20 Okay. So after the pre-award phase, the very
21 end of the pre-award phase we're going to produce
22 this pre-award document, basically summarizes the
23 whole pre-award phase, and what was accomplished
24 during that becomes part of the contract.

25 One thing that -- a question that has come up is

1 how will we know if we have or haven't been selected
2 as that pre-award? Because there is a long period
3 of time between the time that we notify the best
4 value vendor and by the time we issue the notice of
5 intent to award.

6 So we have the date back in section 1.02 of
7 notification by December 31st of this year. So you
8 can assume, if you have not heard by the 31st of
9 December, that your firm has not been selected as
10 the best value vendor.

11 Now, there are many reasons why we can't just
12 make an announcement that that's it -- I mean, what
13 if we don't come to an agreement with them? So
14 until the notice of intent goes out, that's really
15 going to be the notification right there.

16 Any questions about that?

17 The bottom line is, if you haven't heard by
18 December 31st, you can assume you were not the best
19 value vendor.

20 Okay. All right. So section 8 just has all the
21 attachments. I don't know, we've kind of gone back
22 and forth about going through the attachments. Is
23 there a great desire to go through them or --
24 anybody? I think we're starting to lose people.

25 We've got a question over here.

1 MS. HENDRICKSON: Christina with Tyler. Could
2 you provide additional information regarding the
3 sample configuration document that you have asked
4 for in D2?

5 MS. AUGUSTUS: That sounds like a Scot question
6 to me.

7 MR. AREHART: Can you repeat the question?

8 MS. HENDRICKSON: Provide additional information
9 regarding the sample configuration document that you
10 asked for in D2.

11 MR. AREHART: You actually have it in the
12 document down here.

13 MS. AUGUSTUS: Yeah.

14 MR. AREHART: So further clarification on what
15 we're looking for there?

16 MS. HENDRICKSON: Okay.

17 MR. AREHART: Is that your question? We're
18 looking for a document that shows your approach,
19 past projects, that shows your business process and
20 how you analyze things, maybe as a configuration
21 design, a system configuration, a sample document of
22 how you -- well, just that -- document what you've
23 created.

24 Go back to the cartoon at the front. Was the
25 one thing for the documentation, it was a blank --

1 not even a tree. I've been in this field for IT for
2 a while. And usually that's one of the last things
3 that gets accomplished. And we don't want to get
4 there.

5 so it's important that we see how you are going
6 to do that while we're developing this project, so
7 when the delivery comes, there's some requirements
8 in there about documentation, what we expect. And
9 we'd like to see a sample of that.

10 MS. AUGUSTUS: We have one more question.

11 MS. PENNA: Fenton Penna, CedarCrestone. Tying
12 this morning's session together and this section,
13 could you just clarify Section -- or Exhibit D2, the
14 one we were just speaking about? It says number of
15 pages cannot exceed 3. And I thought this morning
16 in John's presentation -- it could be my eyes are
17 going -- but I thought it said it was 7 pages.
18 Could you just clarify the total number of pages
19 allowed for Attachment D, our strategic fit, please?

20 MS. AUGUSTUS: I think the difference here is
21 that we're talking about specifically D2.

22 MR. AREHART: And I saw that this morning, too.
23 The page limit is on D2. D3, Exhibit D3 has to do
24 with your exceptions, terms and conditions in G and
25 H. It doesn't make sense for the State to limit

1 those number of pages. So there's no limitation on
2 that.

3 But, again, I'm going to defer back to what
4 Staci said earlier. Make sure that your exceptions
5 don't, for some -- they can't just say I don't want
6 any of those terms. It would be deemed a
7 nonresponsive. So D3 really doesn't have a page
8 limitation on it.

9 MS. AUGUSTUS: Okay. Any other questions?

10 Okay. Let's take a show of hands, who wants me
11 to go through the attachments?

12 who doesn't want me to go through the
13 attachments?

14 who doesn't care?

15 All right. I -- I'm not going to go through the
16 attachments.

17 But are there any questions on any of the
18 attachments? Yes? No? Any questions?

19 MS. PENNA: Fenton Penna, CedarCrestone. Just a
20 general question, Staci. I read the glossary and
21 the definition of the "offeror," so I guess I'm
22 maybe more looking for the definition of vendor
23 within the offeror definition. Is the offeror
24 defined as the combination of the software vendor,
25 the SI and the subcontractors?

1 MS. AUGUSTUS: I wouldn't necessarily consider
2 the subcontractors as part of that. I think that it
3 would be the SI and software, that's the offeror.
4 Subcontractor really, again, has no relationship
5 with the State, no direct relationship.

6 MS. AUGUSTUS: Any other questions, general
7 questions? Okay. Couple more.

8 MR. COCKRUM: Rob with Maximus. Under that
9 definition with the references only the prime SI,
10 I'm assuming, can submit references, and that
11 doesn't change at all if there's a joint venture
12 relationship?

13 MS. AUGUSTUS: Right. I -- I would agree to
14 that.

15 Do you agree?

16 MR. AREHART: (No audible response.)

17 MS. HENDRICKSON: Christine with Tyler. I
18 promise these will be the last two.

19 will the State provide a list of Alaskan firms
20 that may be interested in taking an implementation
21 role in the projects with a prime software vendor.

22 MS. AUGUSTUS: No. That's up to the vendors to
23 determine and seek and -- yeah. I don't think we
24 want to try to fill that role.

25 MS. HENDRICKSON: Okay. The cost proposal asks

1 for a blended rate. Assume that it is the blended
2 rate of all services, not just a blended rate for
3 that specific service; is that correct? want me
4 to --

5 MR. AREHART: Where do you see the blended rate?

6 MS. AUGUSTUS: Is that on E --

7 MR. AREHART: I'm going take that back, because
8 I'm not sure where --

9 MS. AUGUSTUS: Right there. Blended rate and
10 closed costs -- oh.

11 So what was the specific question again?

12 MS. HENDRICKSON: Sorry. The blended rate of
13 all services, not just a blended rate for that
14 specific service. We're assuming that it's a
15 blended rate of all the service, not just for that
16 specific service on those -- those functions.

17 MR. AREHART: We're going take that question
18 back.

19 MS. HENDRICKSON: Okay.

20 MS. AUGUSTUS: Any other questions we can't
21 answer? Anybody online have a question for us?

22 Is everybody still awake? Yes? Question over
23 here.

24 MS. CHEUNG: Angela Cheung with CGI, just a
25 logistics. For future questions do we e-mail it to

1 you and then will you -- more interested in terms of
2 how the State's going to be handling responses.
3 will be you posting it on the website or issuing
4 amendments.

5 MS. AUGUSTUS: We will be issuing amendments
6 that contain all the questions asked to date and all
7 of the answers. We have issued two amendments so
8 far. The first amendment just corrected the day
9 reference, because we had Wednesday as opposed to
10 Tuesday, which is today. So if anybody shows up
11 tomorrow, we'll just wish them good luck.

12 Then Amendment 2 we removed the language
13 referring to normalization and we have maybe one or
14 two questions that we answered. So for future
15 questions, please do e-mail them to me. It's, like
16 I said earlier, it's so much easier for me to deal
17 with them in writing than it is over the phone,
18 trying to capture the right question. And that way
19 I get it right if it's in writing.

20 So please do direct your questions directly to
21 me. And we'll get answers for you. If I can answer
22 a question by pointing you to a location in the RFP
23 by saying, "you can find the answer here," I'll go
24 ahead and answer you directly, otherwise you'll see
25 your answer in an amendment.

1 MS. CHEUNG: Okay. Staci, two more follow-up
2 questions --

3 MR. AREHART: And the amendments will be posted
4 on OPN.

5 MS. CHEUNG: I'm sorry, I missed the last --

6 MS. AUGUSTUS: On the OPN, online public notice.

7 MS. CHEUNG: Does the State anticipate
8 responding to questions once a week?

9 MS. AUGUSTUS: It really depends how fast and
10 furious they come in. We've received maybe 12 or 14
11 questions and we've got answers to most of them that
12 we're ready to issue an amendment. But we'll wait
13 for the questions and answers to come from this
14 meeting.

15 Obviously we'd like to hear from you sooner
16 rather than later. And we don't want to get down to
17 10 days before proposals are due and then get an
18 onslaught of a hundred questions. So please,
19 please, please do your thorough reviews and get
20 those questions to us as soon as possible.

21 MS. CHEUNG: Okay. Thank you.

22 And then with respect to Amendment 2, just
23 another clarification, because there are material
24 changes as a result from Amendment 2, at the
25 beginning of the amendment it says you would like us

1 to sign it and send it back to you prior, and then
2 at the end it says sign it, include it with the
3 submission.

4 MS. AUGUSTUS: I will clarify that in the next
5 amendment. And all you have to do is sign it and
6 return it with your amendment, you don't have to
7 sign it before -- or with your proposal, I'm sorry.
8 You don't need to send it in before.

9 And also in the administrative requirements form
10 there's a list of required amendments that you do
11 need to initial.

12 MS. CHEUNG: Thank you.

13

14 CLOSING REMARKS

15

16 MS. AUGUSTUS: Other questions, logistic
17 questions, procedural question, RFP-specific
18 questions?

19 Anybody online want to ask a question? Okay.
20 Anybody with the State's team have anything to add?
21 Kim? Okay. All right.

22 well, thank you all for attending. We really do
23 appreciate your interest in our business, and look
24 forward to seeing your submissions. Thank you.

25 (Pre-Proposal Conference concluded at 2:45 p.m.)

C E R T I F I C A T E

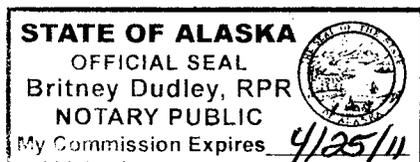
STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) SS.

I, BRITNEY E. DUDLEY, Registered Professional Reporter and Notary Public duly commissioned and qualified in and for the State of Alaska, do hereby certify that the foregoing proceedings were taken stenographically and thereafter reduced to typewriting by me or at my direction.

That the transcript of the proceedings is a full, true, and correct transcript of the proceedings.

That I am not a relative or employee or attorney or counsel of any of the parties in these proceedings, nor a relative or employee of such attorney or counsel, and that I am not financially interested in said proceedings or the outcome thereof.

IN WITNESS WHEREOF, I have set my hand and affixed my Notarial Seal this 20th day of August 2010.



Britney E. Dudley
BRITNEY E. DUDLEY, RPR,
Notary Public for Alaska.