

**CGI**

## PROJECT WORK PLAN

**1. METHODOLOGY FOR MANAGING PROJECT SCOPE, SCHEDULE, AND IMPLEMENTATION OF THE PROJECT:** We know that the State of Alaska (the State), while similar in many dimensions to other states, has a unique combination of systems, business processes, requirements, culture, and geography. We have a unique understanding of these specific elements and proven expertise in managing, implementing, transitioning, training, and maintaining ERP solutions specifically for governments. We will use our ERP COTS Implementation Methodology (E-CIM) to manage this project. E-CIM combines industry best practices for project management (e.g., PMBOK, IEEE, CMMI, ISO) with a structured, four-phase implementation model derived from breakthrough performance concepts. The four phases are Envision, Create, Achieve, and Support. E-CIM spans the full project lifecycle, and includes processes, templates, and tools for managing scope, schedule, budget, and daily implementation activities. We will tailor E-CIM specifically for the State using knowledge gained from our past projects with multiple, major Alaska departments. This section provides a high-level summary of our approach.

**Managing Scope** – Developing a perfect project plan at the outset, and expecting that plan to remain static is unrealistic for a project with this level of complexity. Changes will arise that must be accommodated and addressed for a successful outcome. Consistent requirements traceability is critical, and a foundation of our E-CIM methodology. During the E-CIM Envision phase, we will collaborate with the State to confirm requirements, and use our collective knowledge of the state legacy systems and processes to produce a clear project plan and solution blueprint. This blueprint provides a comprehensive picture of the entire ERP solution (including baseline requirements, interfaces, data sources, configuration decisions, and hardware infrastructure) very early in the project. Developing this comprehensive picture early is the only way to effectively manage the project, and minimize the implications of scope changes that often materialize months later. E-CIM is highly flexible and built to accommodate new, time-sensitive requirements often introduced by external forces ( [REDACTED] ). We address these inevitable changes in a disciplined, methodical fashion. During the pre-award phase, we will clearly document our mutual understanding of scope. During the post-award implementation phase, our scope management processes will be used to analyze, document, and implement any agreed changes.

**Managing Schedule** – We will manage and control the comprehensive work plan, including State activities and ours. The project Work Breakdown Structure (WBS) and schedule will be refined and validated during the pre-award phase, and will be the vehicle for our schedule management activities. The work plan defines schedule, responsibility, and accountability at the individual team member level, and is sufficiently granular to manage tasks and resources without being cumbersome to create and maintain. The work plan encompasses all aspects of the project, and breaks the work into discrete phases, groupings, and tasks. Day-to-day project activities and dependencies between and within the phases will be clearly identified. We will baseline the schedule at the end of pre-award, and start tracking actual versus estimated effort. We report progress at the individual task level with team leads, group leads, and senior project management verifying the results. The work plan will be visible to all staff, and a dashboard will be provided to senior management and the project steering committee for project visibility.

**Managing Implementation** - The State needs a vendor that emphasizes project management, organizes tasks based on proven experience, assigns work to the right staff, manages the work activities, and provides adequate visibility and reporting to the State's Project Steering Committee. Our governance structure will define roles and responsibilities, decision rights, performance measures, and escalation procedures consistent with Attachment L (L-3). Our iterative, waterfall approach has regular checkpoints to assess quality, and address issues and risks. Our management team will remove obstacles, and confirm that team members have access to the resources, information, and material needed to complete their work. Project management will also coordinate with external project stakeholders, monitor progress and quality, report status to the Steering Committee, and facilitate issue resolution. Members will perform work in accordance with the schedule and identify issues and risks as appropriate. Group and team leads will monitor performance, conduct quality reviews, and verify completed tasks. Our Go/No-Go readiness assessment determines when to proceed with cutover activities.

**2. APPROACH FOR MANAGING ERP IMPLEMENTATION ACTIVITIES.** History has clearly shown that it takes more than the right ERP product to succeed. The State also needs the right team and the right approach. We will bring experienced senior staff to the State that has led successful statewide ERP projects. One of our key differentiators is that we bring both deep implementation and specific knowledge

of Alaska's business and legacy systems. This unique blend of expertise reduces risk.

**System Initialization** - This activity coincides with the E-CIM Envision phase and includes confirming requirements, identifying optimal configuration to enable business processes, assigning individual project tasks, coordinating activities, and monitoring and reporting quality and progress. During System Initialization, we will confirm the technical infrastructure and business process strategy, conduct benchmarking, define cost effective solutions for performance and scalability, and recommend the right hardware infrastructure and configuration required to implement and support the new ERP. The agreed upon technical infrastructure will also be prepared during initialization.

**System Installation** - The activities of analyzing the requirements for rack space, power, air conditioning, connectivity, operating system configuration, and integrating with the State's Tivoli backup system will be coordinated with the project team and the State's ETS division. System installation encompasses the hardware and software environments needed to support BPR, configuration, testing, training, conversion, and production activities across all phases. A comprehensive installation test is performed on all environments prior to release to the project team and the Installation Certification Document is prepared and submitted.

**Business Process Design/Reengineering** - This full lifecycle activity uses interactive BPR sessions to map current as-is processes to government best practices and our solution capabilities. System configuration options and as-is business processes will be reviewed with stakeholders in each functional area to identify improvement opportunities, and reduce customizations. We will work with the State to meet business requirements using the baseline product and configuration, rather than new code. Our BPR approach includes two key tenets: 1) include all business processes when creating the solution blueprint and planning the deployment; and 2) use our Alaska and public sector experience to assess the impact of potential process changes on policies, statutes, process integrity, and information access.

**System Configuration** - System configuration activities are performed throughout the project and include configuration training, selecting and implementing configuration options, and delivering comprehensive configuration documentation. System settings and configuration options necessary for each business area (referenced in Sample Configuration Plan) are also included. A baseline configuration environment will be established and maintained with current system configuration settings. This environment will be updated and maintained by authorized staff throughout the project and will serve as the "gold standard" for updating other environments as needed.

**System Tailoring** - We will use a four-pronged approach to tailor our solution: 1) provide an out-of-the-box COTS solution meeting at least 88% of the State's requirements based on our preliminary assessment, 2) provide a comprehensive set of configuration capabilities to implement existing processes and facilitate future upgrades, 3) leverage BPR to realign state business processes with government best practices embedded within our ERP, and 4) wherever possible, incorporate the State's software customizations into our baseline COTS product to reduce the cost of maintenance and future upgrades. During pre-award, we will work with the State's SMEs to understand the intent for requirements marked as "not met" in Exhibit F. As with our other implementations, we are confident that with this interaction, along with our proposed value added services, we can achieve a 100% fit.

**Interface Design and Development** - During pre-award, we will confirm our understanding of the existing interfaces, data they exchange, and their operating patterns. We will develop a set of interface specifications based on our past experience with the AKSAS, AKPAY, WPA, and other legacy systems. We will produce an interface map detailing how and when each interface is transitioned to the ERP, which interfaces are retired, the number of interfaces to be created, and any temporary interfaces to be used during the phased implementation (e.g. AKPAY to ERP for personal services information). We will use our standard data integration tool to develop the system interfaces based on the approved interface specifications. We will test and validate the operation of the interfaces against the ERP, and 3<sup>rd</sup> party interfaces which can be problematic, and coordinate the transition of the interfaces from legacy systems to the new ERP.

**Data Conversion** - We have extensive experience with the data models and structures of the AKSAS, AKPAY, WPA and supporting legacy systems. We will develop a Conversion Plan that maps the data between the legacy data sources and the new ERP. These maps define transformation (including data typing) and validation rules to be applied during the conversion process. Sample conversion runs are performed to verify the process and rules, and identify data quality issues. The conversion process will target current and prior year information from AKSAS, and current information from AKPAY and WPA.

Historical data will remain in ALDER. Once in production, the ERP will feed data to ALDER.

**Testing** - We will develop a comprehensive Test Plan outlining the approach, testing activities, data requirements, and test reporting activities. We will leverage a repository of existing public sector and scenario-based scripts, and develop new scripts, all traced back to baseline requirements. Scripts will cover system, integration, performance, and acceptance testing. We will use production-level data to validate the business functionality and system performance capabilities of the technical environment. Our testing tools will provide visibility related to progress and results. We will work with the State to define a clear set of Go/No Go criteria for system acceptance.

**Post-implementation Stabilization** - This activity starts with developing the Go Live and Stabilization Plan. This plan includes mutually agreed upon criteria for moving into production, a readiness checklist, and tasks and resource assignments for Go Live. The Go Live Plan also includes a data load plan for conversion. A rollback contingency plan will be developed in the unlikely event that significant problems occur following cutover. In addition to the configured and tested software solution, we will provide in-depth functional and technical training and knowledge transfer, comprehensive training materials, ERP documentation, and transition support to the ETS team. Our transition team will provide initial maintenance and stabilization services as each phase is implemented, and will remain on-site until each phase is complete.

**3. TRANSITION FROM EXISTING TO PROPOSED SYSTEMS.** We will execute system transition tasks within each project phase and across the entire project lifecycle based on a comprehensive Transition Plan coordinated with the State's business and technical staff. A key differentiator of our approach is "just-in-time" software licensing and installation. Licenses for operating systems, databases, and ERP modules are obtained and used as needed, and no earlier, resulting in significant acquisition and maintenance cost savings. The Transition Plan describes steps required to transition from legacy systems to the new ERP, including software, infrastructure, data, staff readiness, and staff functional and technical training. The team will conduct mock conversions to verify readiness, and confirm data quality. Our plan is based on realistic implementation dates, including fiscal year end, annual close, and other key dates. After Go Live, we will transition solution maintenance and support to the State's Help Desk.

**4. EDUCATE AND TRAIN STATE EMPLOYEES ON THE PROPOSED SYSTEMS.** We use a holistic approach to education and training, knowledge transfer, and skill development by addressing the needs of end users, systems and technical staff, senior management, and other stakeholders. We will develop a comprehensive Training Plan defining the training curriculum, training materials, delivery methods, instructors and attendees, schedule, and tools. Our approach will incorporate the State's unique geographic challenges, staff and facility availability, and scheduling constraints. Education and training for key functional and technical staff will begin in the pre-award phase and continue throughout the project, expanding to end user groups prior to Go Live. We will use a train-the-trainer approach with a combination of formal classroom training in Juneau and other state training facilities, distance learning, and computer-based training. We will also provide a complete set of functional and technical training materials and Quick Reference Guides tailored to the State of Alaska implementation.

**5. MONITOR PERFORMANCE THROUGHOUT THE CONTRACT TERM.** A key to managing large complex projects is selecting the right attributes to measure and monitor. Those activities controlling critical path, or containing significant risk or complex dependencies, must be monitored and measured. Performance measures will be focused on the actual product and solution, not the work by-products created during the project. Installing the solution, completing configuration, and completing data conversion are examples of key project milestones against which performance can readily be measured. Our E-CIM methodology leverages PMBOK-based principles and includes proactive processes, reusable templates, and dashboard tools to monitor performance, and provide exception-based reporting and visibility to internal and external stakeholders. We will establish mutually agreed upon key performance indicators with the State at the on-set. We will also conduct project health reporting using specific methods, tools, and quantifiable measures (e.g., cost and schedule variance reporting) to clearly indicate status, and manage change, risks, and issues. Project status will always be visible to the State, and monitored by our corporate Project Management Office through a mandatory monthly client engagement health check process. A Weekly Risk Report (WRR) will be prepared and if any project health issues arise, corrective actions will be implemented. Corrective measures may include additional reporting and monitoring, and/or additional executive oversight of the engagement. This process has produced a perfect ERP implementation track record – truly the lowest risk delivery method.

## RAVA PLAN

### EXHIBIT C2: RISK ASSESSMENT

List and prioritize major risk items that are unique to this project, as well as your proposed mitigation strategies. This includes areas that may cause the service to not be completed within budget, schedule, or in accordance with the scope of work and conditions described in the RFP. The risks may include both internal and external factors. The risks should be non-technical, but should also contain enough information to describe to an evaluator why the risk is valid. Explain, also in non-technical terms, how best to mitigate or avoid the risks, highlighting your unique methods or approaches.

The risk assessment plan must include the risks and mitigation for both the Software Product and System Implementer Offerors in the same response form.

**Please note that your Risk Assessment cannot exceed three pages (excluding these instructions).**

## RISK ASSESSMENT

**Risk 1: Critical – The product selected as the foundation is not specifically suited for use in the public sector.** This leads to compromising functional requirements and excessive customizations diluting the value of the ERP and leading to increased risk for schedule slippage and cost overruns. In a Southern California school district, after a delayed rollout and cost overruns, the district concluded, "It can't be fixed. They need to change the system, dump... and come up with a system that deals with [public sector] payroll only."

**Mitigation: Right product.** Implement a solution that has been successfully implemented in over 190 states, state departments, municipalities, and other government organizations. Our product's native alignment to Alaska's requirements results in an 88% out-of-the-box fit. With our proposed value added services and BPR, we can achieve a 100% fit.

**Risk 2: Critical – The vendor team lacks implementation knowledge and specifics on Alaska systems.** Inexperienced staff underestimates complexities, and fails to understand the scope and breadth of critical system interfaces, resulting in poor project scheduling, resourcing and staffing estimates. In August 2010, a California Bay Area county was forced to "rip and replace" its ailing ERP system which after four years of implementation met only 50% of the functionality required. The county complaint stated the vendor used the project as a "trial and error" training ground for inexperienced staff.

**Mitigation: Right Team.** Our project team only implements our ERP product; each of our key project team members has successfully implemented our product in multiple states. Collectively, our team brings over 75+ years of field experience successfully implementing our product. Specifically, our project manager has implemented our product in 6 states. Our business/functional lead has also implemented our product in multiple states. Our DW/Reporting lead has extensive experience with other State of Alaska Departments the specific systems (AKSAS, AKPAY, WPA) that the new ERP is replacing, and Alaska's data warehouse and reporting solution (ALDER). Our project team, senior management, and system staff (which build and maintain our ERP product) bring Alaska a highly seasoned, proven team with a deep understanding of public sector ERP systems and direct Alaska experience.

**Risk 3: Critical – Vendors without a standard methodology adapted specifically to the unique needs of Alaska will be unable to create and execute a realistic and achievable plan.** The multi-phased implementation of an ERP is a complex undertaking requiring a comprehensive, proven approach to completing the project. This risk will result in key activities being omitted, an underestimate of the level of effort, and unrealistic time commitments for key State staff. The lack of a standard methodology tailored specifically to the needs of the State of Alaska will jeopardize project value, increase costs, and introduce unnecessary risk.

**Mitigation: Right Methodology/Approach.** Our estimates are based on factual historical metrics collected from over 190 implementations of our product in the state and local government space. For Alaska, we have crafted a comprehensive approach based on our in-depth understanding of the State's business environment, staff, and legacy systems. We validated our Alaska plan for completeness and accuracy against these historical metrics. We recognize that the implementation process is not a sprint and must make efficient use of resources over a period of years not weeks. Knowing state resources must continue supporting the business, legacy systems, and other time sensitive requests (e.g., implementing fund categories to meet GASB reporting requirements), our approach targets participation of state resources in a focused and balanced manner. This is the right approach to reduce the risk of schedule delays caused by unrealistic or uninformed expectations of state resource time and participation levels.

**Risk 4: Critical – Attempting to integrate an ERP's standard reporting tool alongside or in place of ALDER increases implementation risk, reduces user efficiency, limits enterprise data access, increases maintenance and operations costs, and potentially jeopardize business continuity.** As stated in the RFP, the new solution must be integrated with ALDER to support historical and current transactional reporting. ALDER is a complex and powerful reporting tool and integration is complex.

**Mitigation: Right use of ALDER by integrating to the ERP solution.** Instead of relegating ALDER to a historical only repository or replacing it, our solution is to utilize ALDER as the reporting tool for ERP. This fully leverages Alaska's investment and takes advantage of ALDER's widespread adoption. Data

from our ERP solution will be loaded into the ALDER database and historical and current financial transaction reporting is done through ALDER's Business Objects front end. This will provide a statewide view of financial, procurement, and human resources data. As a result, Alaska staff will require minimal training on the new reports, and have broader access to strategic ERP data. Our approach to ALDER as the reporting solution reduces license, maintenance and operating costs, while also reducing implementation risk and increasing user satisfaction and adoption of the new ERP system.

**Risk 5: Severe – Not staffing for a multi-year project the size and complexity of Alaska ERP (which is more critical than for small, short duration, narrowly focused projects).** Large, complex ERP projects require staff committed to the entire project lifecycle to avoid the risks associated with staff turnover – particularly of key senior staff. This turnover impacts timely and efficient decision making, compromises team collaboration, and impacts project schedule.

**Mitigation: Right Staff Plan.** We understand firsthand the unique challenges and costs of staffing a long-term project in Alaska with SMEs from other parts of the U.S. Climate, culture, and distance combine to create a unique set of project challenges in Alaska. We are committing one of our most seasoned, experienced, and dedicated project managers who has started and successfully finished all six of the previous ERP projects she has managed. Additionally our project manager will relocate to Juneau for the duration of the project to maximize time on-site, and to support effective collaboration with Alaska. Our functional/technical SMEs will work onsite for efficient collaboration and direct interaction with state staff. When appropriate, they will work remotely to minimize travel costs. We have successfully applied this same distributed project team structure on other complex Alaska projects. Additionally, we have added a top ranked local Alaska IT partner with state systems experience and resources on the ground in Juneau to augment our data conversion activities and local on-site presence.

**Risk 6: Severe – The tight linkage between AKSAS and AKPAY raises the risk of failure when an existing linkage is replaced in Phase 1 with the new ERP financial module.** As described in the 2006 Business Case, a natural disaster (or system failure) impacting AKSAS or AKPAY during the implementation of the ERP could significantly impact the project schedule, and potentially result in the state incurring significant costs due to the outage (e.g. Penalty Pay).

**Mitigation: Right Specific Disaster Protection Planning.** Having worked with many state clients with similar legacy systems, we have the expertise to assess potential failure points for uncommon natural disasters, and more common infrastructure, system, and configuration failures. In the pre-award planning phase, we will conduct a risk assessment of the AKSAS and AKPAY environments to identify potential failure points, then identify and implement risk mitigation strategies to guard against this risk.

**Risk 7: Severe – The ERP is designed to serve a broad market audience.** Products designed to support manufacturing, retail, and other commercial environments must consider the needs of all these industries when planning future enhancements. Alaska would compete for the limited R&D resources to maintain, sustain, and enhance the product, and be forced to develop workarounds to meet legislative mandates and federal directives.

**Mitigation: Right Future.** Every dollar we spend on R&D is focused on government best practices and requirements. Alaska will be nominated to our User Steering Committee, and will have a much stronger voice in defining the future direction of new ERP releases. Alaska benefits when enhancements to the baseline ERP are provided to all clients (e.g. to meet federal directives), and has the option to implement customizations into the Alaska codebase to accommodate state specific requirements.

**Risk 8: Severe – Not having one primary responsible party.** Solutions involving independent solution integrators and separate ERP software providers introduce multiple points of responsibility, clouding the resolution of issues encountered during implementation.

**Mitigation: Right Combination.** Our solution provides Alaska a single point of accountability for the project. Having this single point of accountability is a major factor in contributing to our 100% success rate of implementing government ERP solutions. The best mitigation is for the vendor to be the product owner/developer, product implementer, and maintenance provider with the expertise, knowledge, and resources. This eliminates delays in communications, accessing baseline code changes, resolving technical issues, and obtaining support that often arise between separate organizations.

**Risk 9: Severe – A vendor approach that treats the implementation as three separate projects, each focusing on only one business area at a time.** In a complex, multi-phase project, failing to clearly define the entire solution early may cause significant rework in later phases, and ultimately project failure.

**Mitigation: Right Processes.** Early in the project (Envision), we will create a comprehensive blueprint for the entire solution, encompassing all verified requirements, business processes, and systems affected. The blueprint provides a holistic view of the entire ERP solution, including the interface of legacy systems with the new ERP, and is used to verify that scope and objectives are met during each stage of the project. For example, the ASSET project's TimeLink system requires custom interfaces with AKSAS and AKPAY. The blueprint helps the State understand how those custom ASSET interfaces are impacted when AKSAS and AKPAY are replaced, and how we plan work to avoid major changes and disruptions later. Similarly, the blueprint helps Alaska identify other legacy systems and processes which may be affected, but to date may not have been contemplated.

**Risk 10: Severe-The criticality of the tight link between AKSAS and AKPAY is not understood by the vendor.** AKPAY passes personal service cost information to AKSAS. This information must continue to be exchanged during the time between retirement of AKSAS and retirement of AKPAY. Without this interface, personnel expenditure costs will not be available for reporting from ERP or ALDER.

**Mitigation: Right Continuity.** A current and working knowledge of the legacy systems will minimize this risk when used as input to the blueprint and interface design. As part of preparing our response, we assessed the effort for existing interfaces between AKPAY and AKSAS (e.g. labor distribution); AKPAY and ALDER (e.g. employee and position transactions); AKSAS and ALDER (e.g. structure, financial, reference transactions); AKSAS, AKPAY, and ASSET (labor, hours and leave); and the HR Indicative file while including them in our approach and plan.

**Risk 11: Moderate – Software License Model constrains future growth and increases cost.** The true total cost of ownership can be underestimated if the State has to undergo future "re-sizing" adjustments, audits from the software vendor, or expensive upgrades.

**Mitigation: Right Licensing Model.** We will issue the State an enterprise license for our ERP product with no restriction on the number of users or environments to be implemented. When the need arises to expand the usage of the ERP solution, Alaska will not have any additional base ERP product license costs.

**Risk 12: Moderate – Unrealistic and excessive demands for State staff during implementation and post-implementation causes delays, impacts to solution quality, and impacts to support levels.**

Vendors not familiar with the resource challenges present in state government often create project work plans based on faulty assumptions about the availability and capability of resources, assuming the State is able to divert key senior resources from their normal duties for extended periods of time. Additionally, these same vendors often create schedules with multiple large deliverables scheduled to be delivered at the same time or during peak work time, and with unrealistically short turn-around timeframes for approval.

**Mitigation: Right Work Plan.** Key state resources are highly leveraged on a day to day basis, and likely may have to perform their current job and support the project. Our approach will use their time in a targeted manner to review work products and desired process changes, and make decisions. To optimize their time, we will bring solutions rather than asking for lengthy explanations, and conduct walkthroughs with Alaska staff to make the review more efficient. Our existing, intimate knowledge of Alaska legacy systems and IT infrastructure will give us the ability to work independently with reduced guidance or training from State staff. In addition, our structured mentor training program will prepare the AKPAY and AKSAS maintenance and operations resources (Analyst Programmers, System Programmers, Database Specialists, Data Processing Managers, etc.) to transition to the new ERP solution with minimal impact to their time. Our approach gradually transitions responsibility for maintenance and operations as each person gains sufficient proficiency. Since we provide hosting and support for our ERP, our team is also available as needed to augment state support staff further minimizing risks.

### **EXHIBIT C3: VALUE ADDED OPTIONS**

Identify any associated value added options that may benefit the State of Alaska. Outline additional product features and/or implementation services you may provide. All value added options must include an associated cost. **DO NOT** include value added options in your cost proposal. Prior to award, the State of Alaska will determine if the value added items will be accepted or rejected. Add additional items as necessary.

The value added options must include those for both the Software Product and System Implementer Offerors in the same response form.

**Please note that your value added options response cannot exceed two pages (excluding these instructions).**

## VALUE ADDED

### **Item 1: Treasury Reciprocity Program (TRP) and Funding Potential**

The TRP allows states to match vendor payments nationwide against Alaska debts. Vendor payments are offset and the funds are routed to Alaska for repayment. Three states, MD, NJ, and NY have collected over \$69M in payments. A present client with similar size and budget estimates over \$10M in debt collected from vendor payments. For Alaska, this includes the interface to submit and receive debt information with the U.S. Treasury, and to process offset payments in the ERP system. Alaska will realize payments in excess of \$3M annually, and will have a pay back of less than one year. During the pre-award phase, a benefit funding approach will be discussed to support the implementation of this item.  
Cost: \$2,363,301

### **Item 2: Managed Services of the ERP Solution (Operations and Enhanced Maintenance).**

This provides Alaska with a singular responsible contact for daily operation, issue resolution, version upgrades, Alaska specific configuration, and underlying 3rd-party software. Under an SLA, we proactively conduct performance tuning, capacity management and planning, identify future infrastructure needs as part of state planning cycles, and provide 24/7 production monitoring of the ERP system. We also provide management services for interfaces between the ERP and ALDER, ASSET, and ABS, and provide a 24/7 2<sup>nd</sup> level helpdesk. This service also provides Alaska with support for the State's disaster recovery system and three non-production systems (e.g. testing system). The benefits to Alaska include a singular point of contact and accountability for the entire ERP solution, enhanced business continuity, and 25% lower cost of ownership as a result of amortizing costs and deferring upfront expenditures. With this model, the application remains hosted within the State's data center with the State retaining control of the infrastructure and physical hardware. Collectively, this services model provides higher application stability, minimizes disruption of normal operations, and provides a level of services and support that is consistent with the critical needs of an ERP at a value-oriented price point.

Cost: Year 1 = \$1,858,170 and thereafter Years 2-9 = \$1,651,474 (Based on a 10-year term to be paid in annual installments at the beginning of each year).

### **Item 3: Enhanced "Strategic Fit" Customizations**

We have identified 27 targeted customizations to our baseline ERP product, covering 84 requirements, that if implemented increase our out-of-the-box fit with Alaska requirements from 88% to 91%. These customizations will include asset management, overpayments, and leave, and will optimize the alignment and fit of our financial and payroll modules to the business needs required by Alaska.

Cost: \$2,488,231

### **Item 4: Advanced Performance Budgeting (APB)**

The retirement of the Alaska Budget System (ABS) should be considered as part of the implementation of the ERP solution. We can replace ABS with our APB solution, providing Alaska with the functionality required for comprehensive budget planning and analysis that is fully integrated with the ERP solution. APB will also provide broader budget management capabilities than currently available with ABS. Alaska gains the value of fully integrated budget planning and forecasting within the ERP, and eliminates the interface between ABS and the AKSAS and AKPAY systems, and the interfaces between ABS and the new ERP solution. This provides the legislative budget planning process with real time analysis capabilities of budgeted positions, and actual personnel costs. It provides up to date forecasting and analysis of currently encumbered and expended amounts, and the ability to easily perform "what-if" budget creation and analysis during the time-critical May through Sept re-appropriation period. The State will be able to easily analyze position vacancy rates, turnover, retirement projections, and the resulting impact to the personal services budgets. Forty-six of our clients have earned the "Distinguished Budget Presentation Award" from the Government Finance Officers Association using our APB budgeting capabilities.

Cost: \$4,648,172 (This includes implementation services, license, and 10-year maintenance.)

### **Item 5: Grant Life Cycle Management (GLM) System**

Each year Alaska departments receive and independently manage millions in grant funding. The lifecycle of a grant frequently spans multiple fiscal years and requires significant effort to track and administer successfully. Section 1512 of the American Recovery Reinvestment Act (ARRA 2009), instituted additional reporting requirements for federally funded grants that add to the overall burden. The GLM module provides Alaska with grant management capabilities ranging from identification and application, through award, execution, and closing phases. It also provides complete tracking and reporting of

disbursements, expenses, overhead and indirect costs, produces ARRA required reports, and interfaces with the cost accounting module of our ERP, and the federal reporting portal (Reporting.Gov). The GLM module allows Alaska to act as either grantee or grantor, and brings uniformity across departments, increases the visibility of grant opportunities, and maximizes grant utilization. Clients using GLM have realized increased grant funding and streamlined grant management.

Cost: \$655,173 (This includes implementation services, license, and 10-year maintenance.)

**Item 6: Data Integrity**

The success of data conversion, user acceptance testing (UAT), and overall implementation depend on the quality of legacy source data. Our expertise indicates that frequently states do not have the resources to maintain current operations, support the ERP implementation, and perform the analysis necessary to correct integrity issues prior to entering the critical UAT phase. To address this potential risk, we will provide Alaska experienced resources to research and correct integrity issues prior to the implementation of the ERP. Our knowledge of Alaska's legacy systems indicates that over the years, numerous software patches and "creative" use of data fields by end-users has introduced a number of data integrity issues. For example, the AKPAY and the WPA have an inter-system integrity issue with the job class code that identifies the position. The WPA system also employs a de-normalized database design and allows free form entry on key identifiers, such as the range and step of the recruitment. The Vendor file for AKSAS contains duplicative vendors and mistyped data elements, such as the city name where variations of the spelling of Juneau and other cities exist. With this value add service, Alaska will minimize implementation risk, and maximize the value of the ERP by resolving key integrity issues prior to implementation. The modest amount of effort required to resolve the integrity issues as part of the data conversion will mitigate many downstream risks and issues. This cost only applies to the identified systems being replaced by this base ERP implementation.

Cost: \$421,770

**Item 7: Expanded Analytics and Forecasting**

Commissioners and administrators are tasked by the Governor's Office and Legislature to generate detailed analytical information, trending and forecasting data, often with short turnaround expectations. Our solution will use ALDER as the reporting engine, fully integrating the ERP data with historical information contained in the ALDER data warehouse to support statewide reporting. With this option, we can further extend ALDER's capabilities by adding additional advanced analytics and forecasting functionality to support predictive modeling from historical trends, current conditions, and what-if scenarios. With advanced analytics, departments will easily identify and compare historical service budgets against actual expenditures, identify amounts unexpended due to position vacancies, analyze vacancy trends due to turnover and retirement, and model predictions for upcoming fiscal years based on currently budgeted positions and incumbent range and step. This cost includes the addition of 3 ETLs and 5 additional reports.

Cost: \$94,476

**Item 8: Common 3<sup>rd</sup> Party Add Ons**

There are a small number of Debt and Treasury and Learning Management requirements our baseline solution does not support. If these requirements are critical to the State, we have an established relationship with 3<sup>rd</sup> party providers that can deliver the required functionality. We have implemented and fully integrated these third party products for numerous other clients with a proven history of success. Alaska presently manages billions in short and long term debt and bonds. SymPro Debt and Treasury Management provides the State with a tool to efficiently manage debt service, redemptions, service providers, compliance, and reporting required for issuers of private debt and publicly traded bonds. With Debt and Treasury Management, issuers have a tool to create a comprehensive and user-friendly library of information on all outstanding obligations. Our 3<sup>rd</sup> party Learning Management System (LMS) provides Alaska with a robust education management system for all ERP modules. LMS includes creating and managing courses, enrolling participants, conducting training, collecting feedback, and managing educational material for directed (instructor led) and self-directed (participant managed) training. State staff can create individual profiles used to provide access to training and educational material, and to collect and store information related to the training modules.

Cost: SymPro Debt and Treasury \$555,210; LMS \$877,727 (Both include implementation services, license, and 10-year maintenance.)

## ATTACHMENT D STRATEGIC FIT CONSIDERATIONS

### TABLE OF CONTENTS

Exhibit D1: Implementation Team and Key Staff.....	2
Exhibit D2: Sample System Configuration Document.....	14
Exhibit D3: Exceptions to Terms and Conditions .....	15
Exhibit D4: Implementation Roles and Responsibilities .....	28

**EXHIBIT D1: IMPLEMENTATION TEAM AND KEY STAFF**

Complete this form to identify proposed project staff, including subcontractor(s) and joint venture staff that will be assigned to the Offeror's implementation team. Include additional lines as necessary. Indicate the time each staff member will be dedicated to the project and each member's years of implementing the proposed software. Also, identify key staff members, including – at a minimum – the proposed project manager, technical lead, functional leads, process reengineering lead, as well as other staff members with substantial hours on the project. For each key staff member, complete the table "Key Staff Background and Information" on the following page.

We understand it can be difficult to accurately predict project staffing at this stage. However, we expect Offerors to commit staff designated as "key staff" to the project.

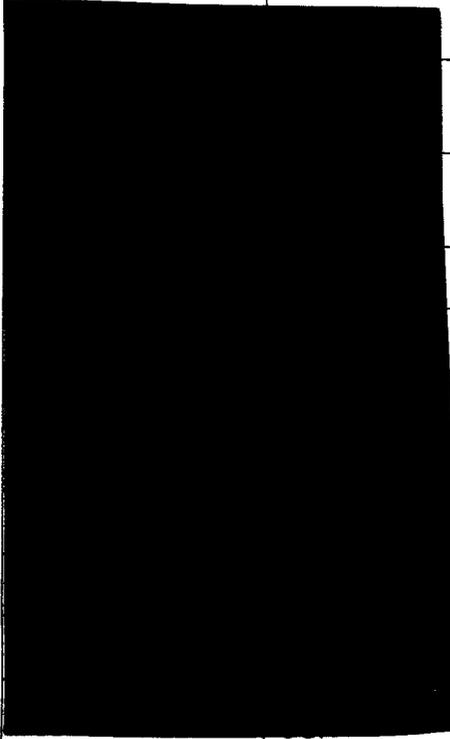
**PROPOSED IMPLEMENTATION TEAM**

Name	Employee	Current job title	Proposed project role	Total project hours	Total hours on site	Number of years with proposed product	Key staff? (Y/N)
Business Development Director			Project Director	1,058	212	2	N
Director of Consulting			Project Manager	6,804	5,783	20	Y
Executive Consultant			BPR Lead and Training Lead	6,636	4,977	12	Y
Director of Consulting			Technical Lead	6,384	4,788	20	Y
Director of Consulting			Finance/ Procurement Functional Lead	4,116	3,087	17	Y
Director of Consulting			Enterprise Data Architect	6,720	4,032	15	N
Project Manager			PMO Support	6,300	6,300	0-3	N
Database Administrator			Technical DBA	6,300	6,300	3-5	N
Senior Consultant			Software Installer	6,300	4,725	3-5	N
Consultant			Finance/ Procurement Business Analyst	18,228	10,937	0-3	N

*Time @ Company  
Time on site*

13 20  
12 12  
20 20  
17 12

5985 4658.75 17.25 15.5 16

	Senior Consultant	Sr. Finance/ Procurement Business Analyst	3,780	2,268	3-5	N
	Consultant	Finance/ Procurement Technical Analyst	11,167	6,700	0-3	N
	Senior Consultant	Sr. Finance/ Procurement Technical Analyst	6,888	4,123	3-5	N
	Director of Consulting	HRM Lead	4,032	3,024	5-7	N
	Consultant	HRM Technical Analyst	7,728	4,637	3-5	N
	Consultant	HRM Business Analyst	10,080	6,048	0-3	N
	Senior Consultant	Sr. HRM Technical Analyst	6,048	3,629	3-5	N
	Senior Consultant	Sr. HRM Business Consultant	4,032	2,419	3-5	N
	Business Analyst	Business Analyst	840	840	0-3	N
	Technical Analyst	Technical Analyst	13,944	13,944	0-3	N
	Warranty Services	Warrant Services	4,032	3,225	3-7	N

**\* Information contained in these columns will not be provided to the PEC during evaluation.  
 KEY STAFF BACKGROUND INFORMATION**

Complete the following table for each of the key proposed staff identified in the previous table. The individuals listed below shall be the individuals assigned to this project for the total duration of the project. These individuals cannot be replaced unless the State of Alaska provides approval. Create additional copies of this table as necessary. There is no page limit for completing these tables. This form must be completed as-is – standard resumes are not acceptable – however resumes for specific staff may be requested as a part of contract negotiations. At a minimum, you should provide information for the proposed project manager, technical lead, functional leads, process reengineering lead, as well as other staff members with substantial hours on the project

<b>* Staff member name</b>	[REDACTED]
<b>* Employer name</b>	[REDACTED]
<b>Position in the company</b>	Director of Consulting
<b>Length of time in position</b>	13 years
<b>Length of time at company</b>	20 years
<b>Project position and responsibilities</b>	<p>Project Manager</p> <p>The Project Manager will be dedicated full-time for the duration of the ERP solution design, development and implementation and will be responsible for ensuring the project receives full corporate support, commitment, and oversight to meet all its contractual requirements. The Project Manager will provide on-site, day-to-day direction to the project effort to ensure staffing and other resource needs are met as required and to maintain accountability for project performance. The Project Manager will be responsible for managing contractual relationships and agreements, on-going risk management, communications for reporting, coordinating issue management with executive staff, and managing fiscal reporting.</p> <p>The Project Manager will also be responsible for providing quality assurance oversight on the overall ERP solution design and implementation and to expedite the discussion and resolution of architectural issues. The Project Manager will share their knowledge and experience gained on prior implementations by participating in system requirement definition and design meetings and providing input to process re-engineering activities.</p>
<b>Education and certifications</b>	<p>Bachelor of Arts - Business Administration - Eastern Washington University</p> <p>MBA - Business Administration - William Woods University</p> <p>Large Project Management Certificate</p> <p>ISO9001 Certified, Sarbanes-Oxley Trained</p>

<b>Technical skills and qualifications for the project position</b>	<p>Our Project Manager has extensive experience in project management for large complex implementations of administrative systems and improved business processes for state government entities, which include financial contracts in excess of \$60M and staff of over 150. Our Project Manager has successfully implemented 6 statewide ERP solutions for various government clients to improve financial, budgeting, purchasing, payroll, personnel, and revenue collection systems.</p> <p>Our Project Manager has been responsible for managing requirements definitions, controlling scope, managing risks, coordinating client support, and the overall work planning and monitoring needed to successfully implement large complex system implementations. Our Project Manager has key expertise in facilitating and directing the system design, development, and implementation activities, including overall responsibility for the business design and architecture of the ERP solution. Her expertise includes hands-on experience addressing State business issues and processes including new mandated policies, like GASB 34, Governmental Accounting and Budgeting Standards, Generally Accepted Accounting Principles, Purchasing Policies, Fixed Assets including GASB 34 regulations.</p> <p>Technical Skills: Languages: COBOL, Basic, Pascal, C, XML, JAVA, J2EE Software: Harvard Graphics, Drawing Gallery, Business Objects, Crystal Reporting, MS Reporting Services, Adobe Forms Operating Environments: DB2, UNIX, MS SQL, Oracle, MVS, CICS, Websphere, Weblogic</p>
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\* Information contained in these fields will not be provided to the PEC during evaluation.

<b>* Staff member name</b>	[REDACTED]
<b>* Employer name</b>	[REDACTED]
<b>Position in the company</b>	Executive Consultant
<b>Length of time in position</b>	12 Years
<b>Length of time at company</b>	12 Years
<b>Project position and responsibilities</b>	<p>Business Process Reengineering Lead and Training Lead</p> <p>Our project staffing approach combines the overall responsibility of the Business Process Reengineering Lead and Training Lead under one individual. This approach supports a smooth transition from helping our clients identify business process improvements to supporting the change management efforts to implement the process improvements and designing the training for the end users.</p> <p>The Business Process Reengineering (BPR) Lead will be responsible for managing and leading the review and documentation of the "As-Is" business processes, the identification and evaluation of process improvement alternatives, and the development of business process improvement recommendations. The BPR Lead will also be responsible for the documentation of the "To-Be" business processes for the proposed solution, and the impact these new business processes will have on the software, State staffing, policy, procedures, and other aspects of the overall ERP solution. The BPR Lead will be responsible for the development and delivery of the Business Process Modification Recommendations deliverable.</p> <p>The Training Lead will be responsible for managing and providing guidance to the Training Team to plan and conduct both technical and functional training for the project team members; conduct the overall end user training needs assessment; develop the overall Training Plan for each project phase; develop training materials to include training manuals and hands on exercises; develop and conduct the Train the Trainer sessions; and plan and conduct knowledge transfer activities to the State's staff.</p>
<b>Education and certifications</b>	<p>Bachelor of Science Degree – Business Administration – California Coast University</p> <p>Organizational Development/Change Management Certification – Georgetown University</p> <p>Project Management Professional Certification – Project Management Institute</p>

<b>Technical skills and qualifications for the project position</b>	<p>Our Business Process Reengineering Lead and Training Lead has spent 33 years working directly with federal, state, and local government clients and understands the unique aspects of government versus private sector organizations. She has previously worked with 15 state and local government entities on business process redesign and improvement efforts associated with statewide financial, tax and revenue, talent management, and receivables management system implementations. Our BPR Lead brings to the project the knowledge of proposed software functionality as well as business reengineering and process improvement principles coupled with project management, leadership, and negotiation skills. All of which will be necessary to help the State design their future business processes and to obtain concurrence for enterprise wide business process changes and improvements across multiple departments which may have conflicting interests.</p> <p>Our BPR Lead and Training Lead qualifications include prior experience working with 8 State and local government entities to lead and conduct BPR and Training activities associated with system implementations including the proposed software. She has successfully utilized the BPR and Training approach proposed for the State for a statewide financial system implementation which included the development and delivery of training to 15,000 students across multiple functional training sessions and across multiple physical locations some of which included remote locations with only 56kb internet access. Our Training and BPR Lead also holds an Organizational Development / Change Management Certification from Georgetown University.</p>
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\* Information contained in these fields will not be provided to the PEC during evaluation.

<b>* Staff member name</b>	[REDACTED]
<b>* Employer name</b>	[REDACTED]
<b>Position in the company</b>	Director of Consulting Services
<b>Length of time in position</b>	12 years
<b>Length of time at company</b>	17 years
<b>Project position and responsibilities</b>	<p>Finance/Procurement Functional Lead</p> <p>The Finance/Procurement Functional Lead will be dedicated full-time for the duration of the ERP solution design, development and implementation. The Finance/Procurement Functional Lead will be responsible for managing and actively participating in the requirements validation, the development of the Fit-Gap Analysis for the overall ERP solution, system configuration for each implementation phase, and the detailed designs for data conversion, reports and interfaces in the financial and procurement areas. The Finance/Procurement Functional Lead will also be responsible for providing input to the overall risk management process, identification and resolution of issues, and quality assurance oversight of project deliverables.</p>
<b>Education and certifications</b>	<p>Bachelor of Science Degree - Finance - East Tennessee State University                      Project Management Professional Certification - Project Management Institute                      E-commerce for Managers Certification - Carnegie Mellon University</p> <p>Internal Corporate Training:</p> <ul style="list-style-type: none"> <li>• Engagement Management</li> <li>• Leadership Challenge</li> <li>• Contract Law</li> </ul> <p>IBM Corporation:</p> <ul style="list-style-type: none"> <li>• VM System Administration</li> <li>• SQL/DS System Administration</li> <li>• VSE System Administration</li> </ul>

<b>Technical skills and qualifications for the project position</b>	<p>Our Finance/Procurement Functional Lead has over 28 years of public sector experience, which includes 11 years in Information Technology management positions within North Carolina state and local government entities. While working with the 10th largest county within North Carolina, our Finance/Procurement Functional Lead implemented the then current version of our proposed ERP solution and has direct experience from the client perspective.</p> <p>Since joining our firm, our Finance/Procurement Functional Lead has worked with public sector clients including cities, counties, school districts and 7 state governments to architect business and functional solutions using our proposed ERP software products. He possesses key expertise in Governmental Accounting and Budgeting Standards, Generally Accepted Accounting Principles, Purchasing and e-procurement, Fixed Assets, Inventory Management, Grants and Project Accounting and Reimbursement Billing, and Cost Accounting including Cost Allocations.</p> <p>Technical Skills: Languages: COBOL, JCL, SQL Software: Business Objects, Crystal Reporting, Adobe Forms Operating Environments: Windows, UNIX, MVS, VSE, CICS, WebSphere, DB2, Oracle</p>
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\* Information contained in these fields will not be provided to the PEC during evaluation.

<b>* Staff member name</b>	[REDACTED]
<b>* Employer name</b>	[REDACTED]
<b>Position in the company</b>	Director of Consulting
<b>Length of time in position</b>	20 years
<b>Length of time at company</b>	20+ years
<b>Project position and responsibilities</b>	<p>Technical Lead                  The Technical Lead will be dedicated full-time for the duration of the ERP solution design, development and implementation and will be responsible for managing and providing quality assurance to the technical aspects of the overall project. He will be responsible for the architecture and design of the overall ERP solution and for ensuring the solution tightly integrates with the State's infrastructure and complies with State policies.</p> <p>The Technical Lead will manage and direct the day-to-day activities of the technical teams, including the Interface and Conversion teams, and will coordinate tasks with the State's technical counterpart. The Technical Lead will be responsible for the planning, installation, configuration and customization of hardware and software components; configuration management activities; and the planning and execution of performance testing. The Technical Lead will also be responsible for managing and coordinating issue resolution support for the project's functional teams; and the receipt, installation and promotion of software patches. The Technical Lead will be responsible for managing the design, development, testing and delivery of interface and conversion programs.</p>
<b>Education and certifications</b>	Business Administration coursework – University of Phoenix VMware Sales Professional 4 Certification Infrastructure Virtualization Sales Accreditation 4 Certification

<b>Technical skills and qualifications for the project position</b>	<p>Our Technical Lead has over 30 years of public and private sector information technology experience with responsibilities ranging from direct data center management and network operations to technical management oversight of large ERP implementations. Our Technical Lead's prior experience includes the design and implementation of enterprise-wide solutions for 8 large government clients, managing teams of up to 75+ members. This experience includes designing and managing the construction of mission critical business solutions capable of meeting stringent availability requirements and the support of nation-wide user bases.</p> <p>Working with public section clients, our Technical Lead has been responsible for ERP solution design and architecture, hardware and software specifications, acquisition, installation and configuration of ERP solution components.</p> <p>Technical Skills: Software: Oracle Database, IBM DB2, WebSphere Pervasive Data Integrator (PDI), Business Objects, BO Crystal Reports, Adobe Forms, LDAP, WebSphere MQ Series, SilkPerformer, Symantec system management tools, Rational ClearCase/ClearQuest Hardware: IBM Power5 family, Dell / HP / IBM x86 Intel, Cisco enterprise routers/switches, IBM mainframe (30xx – System z9), EMC SAN Languages: COBOL, XML, JAVA, J2EE Operating Environments: z/OS, MVS, AIX, Linux, Windows, Cisco</p>
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\* Information contained in these fields will not be provided to the PEC during evaluation.

<b>* Staff member name</b>	[REDACTED]
<b>* Employer name</b>	[REDACTED]
<b>Position in the company</b>	Director of Consulting
<b>Length of time in position</b>	10 years
<b>Length of time at company</b>	15 years
<b>Project position and responsibilities</b>	<p>Enterprise Data Architect</p> <p>The Enterprise Data Architect will serve as the primary data architect that uses his Alaska knowledge to manage the movement of data throughout the solution implementation. This will specifically include a quality assurance role for interface and conversion development. In addition, he will lead the data warehouse and reporting activities throughout the project.</p> <p>He will be responsible for managing and providing direction to the design and specifications for the data warehouse infrastructure, developing the architecture for the data warehouse schemas including the ETL processes. This includes responsibility for the integration on the financial, payroll, and HRM information from the ERP into the existing ALDER data warehouse schema and functionality. He will also be responsible for the design and implementation of the business recovery and disaster recovery strategy for the data warehouse and will work closely with the State technical resources to ensure compliance with State standards and data security policies.</p> <p>In addition, he will manage and direct the day-to-day activities of the reports design, development, testing, and implementation activities that include responsibility for the identification and capture of business intelligence and data requirements and the development of the business intelligence strategy and specifications.</p>
<b>Education and certifications</b>	<p>Bachelor of Science - Computer Science - Alameda University</p> <p>Technical Architect Certification</p>

<b>Technical skills and qualifications for the project position</b>	<b>Technical Skills:</b> Software: Business Objects Xlr2, Web Intelligence, Universe Designer Operating Platforms: Windows, IBM MVS, VSE Database Platforms: Oracle, Microsoft SQL Server, Sybase, IBM DB2, Adabase/Natural Languages: Microsoft Visual Basic, C#, C++, IBM Cobol II, Python
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\* Information contained in these fields will not be provided to the PEC during evaluation.

**EXHIBIT D2: SAMPLE SYSTEM CONFIGURATION DOCUMENT**

Attach a sample system configuration document, which will demonstrate your approach to business process analysis, configuration design, and system configuration/tailoring. The sample does not have to be a complete document. An excerpt sufficient to demonstrate the typical contents, quality, and detail of your proposed deliverable will suffice. Note that simply reproducing the table of contents will not be considered an acceptable sample document.

In order to minimize any bias, this document **must NOT** contain any names that can be used to identify the Offeror (company name, personnel names, past project names, product names or any other identifying information).

**Please note that your Sample System Configuration Document cannot exceed three pages (excluding these instructions).**

## 1 SCOPE

<This section describes the purpose and/or charter of the System Configuration Report. The scope of the System Configuration Report is derived from the baseline requirements in the RFP. This section documents in detail what the deliverable will and will **not** include and at what level of detail and identifies the intended audience. If the document assumes a specific knowledge level, the key concepts that must be understood are identified.>

## 2 OVERVIEW OF FEATURES

<This section describes the overall functionality and basic concepts offered in the solution.>

## 3 BUSINESS PROCESS REQUIREMENTS

<This section lists all the requirements that relate to this business area.>

Req ID	Requirement description	Category	Sub-Category	Source	Business Scenario

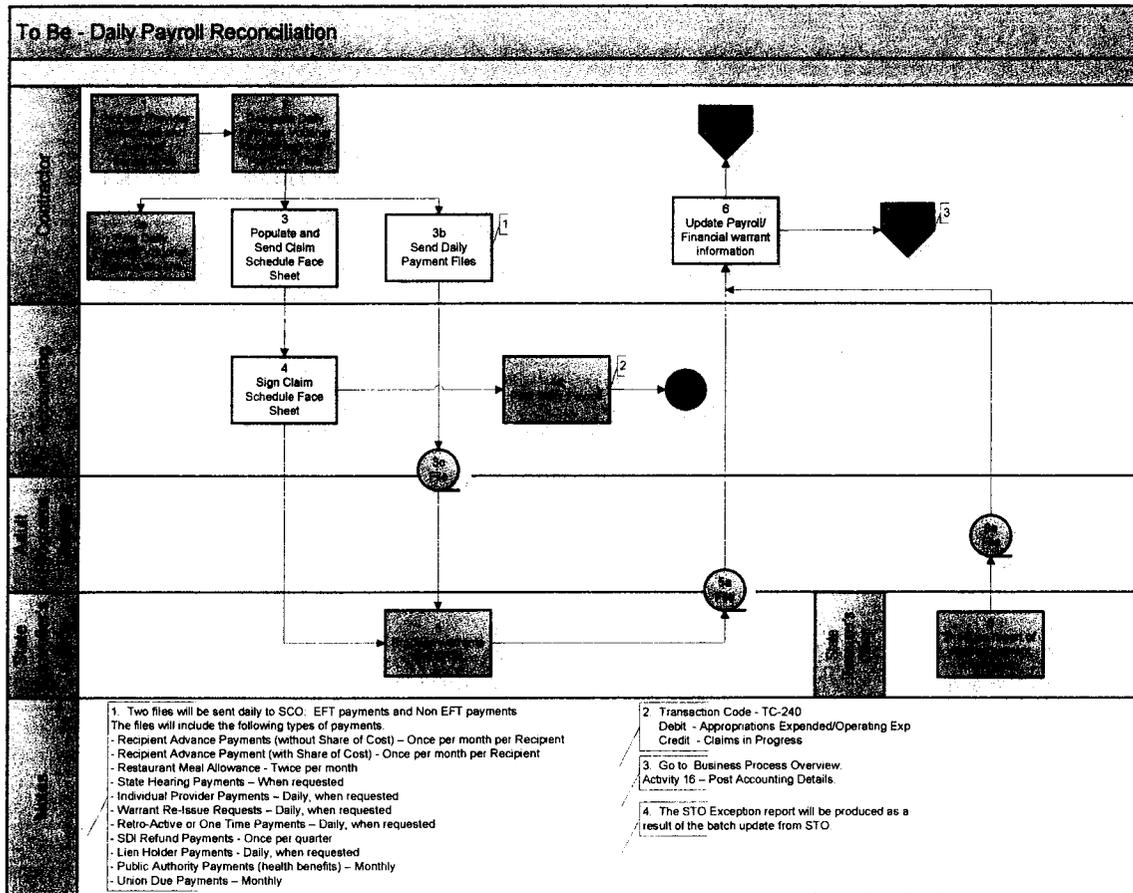
## 4 OVERVIEW OF BUSINESS AREA

<This section describes the overall business area and will list all the business processes (scenarios) to be covered in this document. This section includes an overall swim lane diagram to illustrate the business process and the impact to stakeholders.>

### 4.1 SCENARIO 1: DAILY PAYROLL RECONCILIATION

The system will process the provider timesheets in the nightly cycle. Resulting from the daily payroll run, the system will generate Daily Payment Voucher reports to be sent to the Accounting Department and to be posted to On-line reports. These reports will contain detail and summary totals for all programs. (Accounting will use the Daily Payment Voucher Report to generate the entry to be posted to the central system).

The system will produce the Daily Claim Schedule Transmittal Report. The Contractor will use the totals on this report to complete the Claim Schedule Face Sheet, which will be sent to Accounting. Accounting will sign the Claim Schedule Face Sheet and send to State Controller's Office (SCO). SCO will use the Claim Schedule Face Sheet together with the Daily Payment file sent to generate the provider and vendor warrants (both EFT and non EFT).



#### 4.1.1 Required Table Setup

<This section identifies any required table setup including the source of the data.>

Table	Field	Value	Source	Comments
73	System Date to Begin Processing	01/21/2010	Data Entry	Required. The system date that the client wants to display

#### 4.1.2 Required Transaction Processing

<This section describes the detailed transaction processing required for the business process.>

Transaction	Field	Value	Source	Comments

#### 4.1.3 Processing Steps

<This section describes the specific steps required to start and end the business process including supporting diagrams, screen shots, etc.>

Step	Role	Description

**5 DECISION AND RECOMMENDATIONS**

<This section describes any decisions and recommendations that need to be documented including the logic behind the decision.>

**6 SYSTEM IMPACTS**

<This section describes the specific system impacts to other applications, such as Financial or Case Management.>

**7 BUSINESS PROCESS CHANGE AND/OR IMPROVEMENT**

<This section identifies at a high level the business process changes or improvements identified during the business process analysis.>

**8 MODIFICATIONS**

<This section provides the traceability from the requirements to the business area and the details on how each requirement will be satisfied including any required modifications.>

Business Area	Req. #	GAP (Y/N)	Baseline Functionality or Modification

**9 REPORTS & FORMS**

<This section identifies the reports and forms identified during the business process analysis.>

**10 INTERFACE IMPACTS**

<This section identifies any interface impacts identified during the business process analysis.>

**11 CONVERSION IMPACTS**

<This section identifies any conversion considerations identified during the business process analysis.>

**12 OUTSTANDING ISSUES**

<This section identifies any outstanding issues identified during the business process analysis including existing requirements that may need to be revised or clarified for unambiguous interpretation, additional requirements identified during work sessions, and potential business process changes or improvements identified.>

Date	Status	Issue Description	Resolution / Comments

### EXHIBIT D3: EXCEPTIONS TO TERMS AND CONDITIONS

Describe any specific exceptions to the terms and conditions set forth in the Standard Implementation Services Agreement (Attachment G) or the Standard Licensing and Maintenance Agreement (Attachment H) included in the RFP. Identify the section where the applicable terms and/or conditions are located and provide proposed alternative language. The State's standard agreements will be used for the resulting contract from this RFP and objections to these terms will be evaluated and scored. Wholesale repudiation of the State's terms and conditions will result in an Offeror's proposal being deemed non-responsive under Section 1.11 Right of Rejection.

The Offeror has reviewed the terms and conditions contained in the Standard Implementation Services Agreement (Attachment G) and the Standard Licensing and Maintenance Agreement (Attachment H) included in the RFP and as requested in this Section D.3 is providing the following exceptions and proposed changes to language contained in these two Attachments for the State to consider. In addition to the comments below, the Offeror expects that any resultant contract would include a mutually agreed upon force majeure provision as well as standard non-waiver and integration clauses.

#### Attachment G – Standard Implementation Services Agreement

- **Article 5, Termination.** The Offeror requests that the provision in Section 5 be modified to distinguish between a termination for convenience and a default termination. In addition, the Offeror requests that any notice of termination for the convenience of the State be provided with a notice period not less than thirty (30) days. This notice affords the Contractor the opportunity to orderly conclude any work in progress, transition services to the State and to plan for staffing reassignments for those Contractor staff affected by the termination. Under a termination for default, the Offeror requests that this provision be made mutual and that the parties be afforded a reasonable opportunity to cure the breach so that the project may proceed as originally intended. The Offeror's specific changes to this section are as set forth below:

"The Project Director, by written notice provided at least thirty (30) days in advance, may terminate this contract Agreement, in whole or in part, for convenience when it is in the best interest of the State. If either party has materially failed to perform a fundamental obligation hereunder (a "Breach"), then the non breaching party shall provide written notice directed to the breaching party describing the alleged Breach in reasonable detail. If the breaching party does not, within thirty (30) days after receiving such written notice, either (i) cure the Breach or (ii) if the Breach is not one that can reasonably be cured within thirty (30) days, develop a plan to cure the Breach and diligently proceed according to the plan until the Breach has been cured, then the non breaching may terminate this Agreement in whole or in part for default by providing written notice to the breaching party. The State is liable only for payment in accordance with the payment provisions of this contract Agreement for services rendered before the effective date of termination. If the State terminates for convenience, the State will not be able to recover fees paid for professional services rendered."

- **Article 10, Ownership of Documents.** In order for us to best serve our clients, we routinely require joint ownership of the modifications made to deliverables associated with our proprietary ERP software. The benefit to our clients in sharing ownership is focused on our ability to incorporate certain modifications into our baseline product, thus eliminating or reducing the need for the client to enter into a custom maintenance agreement to maintain such modifications and enhancements. Our specific changes to this section are as set forth below:

~~"Excluding Licensed Software, all designs, drawings, specifications, notes, artwork, and other work developed in the performance of this Agreement are produced for hire and remain the sole property shall be jointly owned by Contractor and of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor without any obligation of accounting. The Contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The Contractor, for a period of three years after final payment under this contract Agreement, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the Contractor may retain copies of all the materials."~~

- **Article 1 of Appendix B, Indemnification.** In order to balance corporate risk within a pricing structure that is competitive for its clients, we routinely limit indemnification under client agreements to certain industry standard categories of claims. Specifically, we indemnify our clients for third party claims arising from personal injury, property damages and intellectual property infringement. Similarly, we require that such indemnification be subject to industry standard procedures related to notification, cooperation and control of the defense and settlement related to claims whereby we must indemnify its clients. Consequently, we are requesting the following changes and additional language for inclusion in a resultant contract:

~~"The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any third party claims of personal injury or damage to tangible personal property damage arising from, of, or liability for error, omission or a negligent act or omission of the Contractor under this aAgreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligence et error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work."~~

**New language to address Intellectual Property Indemnification:**

"If a third party brings an action against the State making allegations that, if true, would constitute a breach of the warranty in Section G.4 of Appendix C, then Contractor will, at its own expense and subject to the indemnification procedures set forth herein, defend, indemnify and hold the State harmless in such proceeding, and Contractor will pay all settlements, costs, damages and legal fees finally awarded. If such a proceeding is brought or appears to Contractor to be likely to be brought, Contractor may, at its sole option and expense, either obtain the right for the State to continue using the allegedly infringing item(s) or replace or modify the item(s) to resolve such proceeding. If Contractor finds that neither of these alternatives is available to it on commercially reasonable terms, Contractor may require the State to return the allegedly infringing item(s), in which case the State will receive a refund of the amounts paid by it for the returned item(s), less a reasonable adjustment for depreciation of the returned item(s). This Article 1 states Contractor's entire obligation to the State and the State's exclusive remedy with respect to any claim of infringement and is in lieu of any implied warranties of non-infringement or non-interference with use and enjoyment of information."

**New language to address Indemnification Procedures:**

"Contractor's indemnification obligations specified in this Agreement are conditioned upon the State promptly notifying Contractor in writing of the proceeding, providing Contractor a copy of all notices received by the State with respect to the proceeding, cooperating with Contractor in defending or settling the proceeding, and allowing Contractor to control the defense and settlement of the proceeding, including the selection of attorneys. The State may observe the proceeding and confer with Contractor at its own expense."

- **Section B of Appendix C, Definition of Terms**

**B.10. "Malfunction"** means a defect of the Licensed Software that degrades its use. ~~Three-Four~~ levels of Malfunction classifications (Type A, Type B, and ~~Type C and Type D~~) are defined as follows:

**Type A Malfunction** – A problem causing critical impact to the State's business operation, and no workaround is immediately available. Work begins upon notification and continues until resolved. This is an error, bug, or discrepancy that delays or inhibits the primary functionality of the Licensed Software or a Malfunction that has the potential to corrupt Licensed Software data.

**Type B Malfunction** – A problem causing significant impact to the State's business operation, and the workaround is unacceptable on a long-term basis. Work begins after Type A Malfunctions are resolved. This is a defect of the Licensed Software that degrades its use, including defects that cause the software to produce incorrect results.

**Type C Malfunction** – A problem that impairs some functionality, but a practical workaround exists. If resolution requires a software correction, fixed in next major release if reported prior to release cut-off date. This is a defect that causes only minor impact on the use of the Licensed Software. This includes all Malfunctions that are not considered Type A or Type B.

**Type D Malfunction** – A problem that does not affect any production functions of the Licensed Software. A software defect exists but does not impede any functionality. Fixed in a future release.

**B.11. "Material Malfunction"** means an error, bug, or discrepancy that delays or inhibits the primary functionality of the Licensed Software or a Malfunction that has the potential to corrupt software data; ~~Type A Malfunctions or also an accumulation of non-material Malfunctions that, considered together, satisfies the standard for materiality. Includes all Type A Malfunctions as defined in Appendix F to the separate Licensing and Maintenance Contract between the Contractor and the State.~~

**B.16. "Services Warranty Period"** means the twelve-month period following ~~during~~ which the Contractor is providing Stabilization Services (Deliverable 27) Software Final Acceptance provided that no Type A or B Malfunction has affected the operation of the software for the final 90 days of this period. If a Type A or B Malfunction occurs in the last 90 days, the warranty period is extended to achieve a 90-day warranty period free of material defects.

- **Section D of Appendix C, Staffing.** The Offeror requests that any State approvals of requested changes to key staff will not be unreasonably withheld. In addition, the Offeror respectfully requests that the State recognize that while contractors are not in a

position to "guarantee" their subcontractors performance, it is reasonable that the State request that Contractors be fully responsible for such performance as if the subcontracted services were being performed by the Contractor itself. The Offeror requests that the State remove the restriction on Contractor's including a surcharge on Subcontractor fees due to the administrative activities necessary to effectively manage the subcontractor's performance, processing their expenses and invoices etc. With respect to background checks and due to the extreme sensitivity associated with the results of a such checks, the Offeror suggests that the State alleviate itself of the liability associated with being privy to such highly confidential information and only require that the Contractor provide evidence of a pass/fail rating. Finally, the Offeror requests that with respect to rejection of staff for failure to meet standards, the Offeror requests that such standards be limited to those reasonably known to Contractor. Specific changes reflecting the positions discussed herein are set forth below:

**Key Consultant; Subcontracting:**

- Add the following sentence at the end of subsection D.a: "Consent to such requests will not be unreasonably withheld."
- Change D.c.(i) as follows: "Contractor guarantees is responsible for the subcontractor performance as if such Services were being performed by Contractor."
- Delete the last sentence of D.c "Contractor may not impose on State a surcharge for any Subcontractor fees."
- Modify the last sentence of subsection D.d as follows: "Contractor will only assign staff to the project that have passed such checks and The results "Passed" status of the background checks will be reported to the State project manager before staff begins work on the project."

**Right of State to Reject Employees or Subcontractors**

Modify this section as follows: "The State shall have the right to reject any of Contractor's employees or subcontractors whose qualifications or performance in the State's good faith and reasonable judgment do not meet the standards established by the State which are set forth herein or otherwise provided in writing in advance to Contractor and which are as necessary for the performance of the Services, provided that such rejection does not violate any applicable law or government regulation."

• **Section E of Appendix C to Attachment G. Contractor Deliverables**

**Performance of Services**

"Contractor shall use ~~its best~~commercially reasonable efforts to cooperate with State personnel and any other third parties that State hires to perform work related to the Services."

**Acceptance of Services**

Change the second bullet to read as follows:

"Address all components required by the Agreement and the requirements for that Deliverable, and any areas identified subsequently through meeting and planning sessions which are mutually agreed upon and documented by the parties in writing;"

**Notice of Deficiency.** Acceptance should not be delayed due to minor deficiencies which would otherwise hold up the State's progress in implementing a new ERP system. The Offeror believes that acceptance should only be delayed for material deficiencies which would keep the system or its individual parts from working in a production environment. Therefore, the Offeror has proposed the following changes to establish a reasonable definition for "deficiency" which keeps in mind the ultimate goal of the State – to implement a functioning ERP system. Minor deficiencies can be

handled post acceptance as part of the warranty program.

"The State project manager will provide written Acceptance for Deliverables within the time period specified below for each Deliverable, if they meet the Acceptance Criteria and have 1) no substantive deficiencies if the Deliverable is a written Deliverable or 2) in the case of a software Deliverable, no reproducible condition that prevents the software Deliverable from performing the functions described in its specifications such that the software Deliverable does not operate or cannot be used in a production environment (in both case, deficiencies as defined forth in herein shall be a "Deficiency"). However, if a ~~d~~Deficiency is found, the State shall give Contractor notice of its non-Acceptance, with such notice delineating such substantive Deficiencies found as the basis for the State's decision.

Upon notice of deliverable ~~d~~Deficiency, the Contractor shall within the time period specified below for each Deliverable: 1) correct the Deficiencies and resubmit the deliverable for Acceptance; 2) submit a written detailed explanation describing precisely how the Deliverable adheres to and satisfies all applicable requirements, and/or 3) submit a proposed corrective action plan to address the specific inadequacies in the Deliverable.

Rejection of a Deliverable by the State does not allow for slippage of the schedule regarding subsequent Deliverables or Services. After the Contractor has corrected such noted Deficiencies, the State shall determine whether the ~~Deliverable or Service~~ meets the Acceptance Criteria without deficiencies such Deficiencies have been corrected and shall either give its Acceptance or not accept it in writing following such review. The Contractor shall continue to correct the Deliverable until Acceptance occurs or the State terminates the Agreement."

**Effect of Acceptance.** To facilitate progress under the Contract, the State's acceptance of a Deliverable must be meaningful (i.e. confirming that the Deliverable meets its agreed upon Specifications and the applicable Acceptance Criteria). Neither party benefits from a cursory or high level review of those Deliverables on which future progress is built. It is in the interest of both parties that the State provides thorough review and consideration of submitted Deliverables to ensure that the project is proceeding as anticipated on a track to meeting the State's intended goals.

~~"Acceptance of a Deliverable by the State indicates only that the State has reviewed the Deliverable and detected no deficiencies at the time of that review confirmed that it meets its applicable - Acceptance Criteria of a Deliverable does not waive or lessen any Agreement requirements or the Contractor's obligation to meet all Agreement requirements and correct any later discovered deficiencies. Contractor shall not bill the State until this standard of performance is met."~~

**Deliverable 26** - The Offeror considers this Deliverable to be Post Implementation Support Services to support and confirm stabilization of the configured Licensed Software. Acceptance of this Deliverable should be based on achieving stabilization.

"The State will accept the Configured Licensed Software after the last installed component of the Licensed Software has undergone a production stability period of ~~in~~ Productive Use without a Type A or B Malfunction for a period of at least 90 consecutive calendar days. The parties agree that a subsequent production stability period of a mutually agreed upon duration may be required if: i) there is a Type A Malfunction which is either not corrected or not followed by a sustained period of stability prior to the end of the initial production stability period; ii) there is a series of

Malfunctions in the configured Licensed Software such that the cumulative effect of the Malfunctions defeats the essential purpose of the production stability period; or iii) the parties otherwise mutually agree that the configured Licensed Software needs to undergo further production stability.”

**Deliverable 27** - The Offeror considers this Deliverable to be Warranty Services to support and confirm stabilization of the configured Licensed Software. Acceptance of this Deliverable should be based on achieving stabilization.

~~“The State will accept the Stabilization Warranty Services after the mutually agreed-upon time period for services, given: if 1) the Licensed Software has been in Productive Use for 365 days without a Type A or B Malfunction for a period of at least 90 consecutive days; 2) Deliverable 26 has been accepted; and 3) if Contractor has provided support to correct Malfunctions in the Licensed Software during the 365 days the~~ If a Malfunction occurs during this time period, Stabilization Services shall continue until Licensed Software has been in Productive Use, without Malfunction for a period of at least 90 consecutive days.”

- **Section G of Appendix C to Attachment G, Warranty of Performance.** In order to adequately assess risk while managing the cost impact of warranty services to its clients, the Offeror routinely seeks to provide those warranty provisions which are most meaningful to its clients, namely that the services will be performed in a professional manner and that Deliverables will operate as intended. In order for the Deliverables to meet the State's expectations, the State needs to be very clear in its requirements and include in such requirements those performance capabilities, configurations, standards and functions which are necessary for the State to achieve its intended result. The Offeror also routinely seeks to make sure that all warranties are as set forth in the contract document itself, and has, therefore, proposed a disclaimer of all other express or implied warranties. Again, the Offeror takes this approach so as to clearly define warranty obligations thus lessening the financial impact to its clients associated with the risk of undefined warranties. the Offeror requests that the State consider the changes to the warranty section as set forth below:

“Contractor warrants that:

1 It will perform the Services in a professional and workmanlike manner, in accordance with the standards of performance generally accepted in the software industry.

2 It will strictly comply with the descriptions and representations as to the Services (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, function and requirements) which appear in this Agreement and in Contractor's response to State of Alaska's Request for Proposals for Statewide Administrative Systems Replacement Project (RFP 2010-02009388), dated August 2, 2010, and as amended during the Pre-award Phase discussions. Each Deliverable produced under this Agreement will continue to perform the functions described in its specifications without reproducible material deviations from such specifications.

3 The Services will not be in violation of any applicable law, rule or regulation, and Contractor will have obtained all permits required to comply with such law and regulations.

4 The Services will not violate or in any way infringe upon the rights of third parties, including property, contractual, employment, trade secrets, proprietary information and nondisclosure rights, or any trademarks, license, copyright or patent rights. If there has been a breach of this warranty, the State's sole and exclusive remedy

shall be the intellectual property indemnification set forth in Article 1 of Appendix B.

5 Entry into and performance of this Agreement is not limited in any way by any loan, security, financing, lien, claim, encumbrance, contractual or other agreement to which Contractor is a party.

6 ~~Errors or omissions committed by Contractor in the course of providing services shall be remedied timely by Contractor at its own expense. Any services necessary to meet the warranties set forth in 1. and 2. above will be performed by Contractor in a timely manner at Contractor's expense.~~

"Exclusions. Contractor is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the item in question by anyone other than Contractor and its subcontractors working at Contractor's direction; (ii) the combination, operation or use of the item with other items Contractor did not supply; (iii) the State's failure to use any new or corrected versions of the item made available by Contractor; or (iv) Contractor's adherence to the State's specifications or instructions.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEGRATION, PERFORMANCE AND ACCURACY AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE."

- **Section H of Appendix C to Attachment G, Limitation of Liability**

The Offeror requests that the State consider revising the limitation of liability to align with industry standard provisions which include both limiting the Contractor's liability to the value of the agreement and also including a disclaimer of consequential damages. Inclusion of provisions which align with Offeror's standard terms and risk tolerance are of paramount importance as the Offeror evaluates the overall risk and pricing for the engagement.

"Except for (a) the Contractor's indemnity obligations hereunder, (b) the Contractor's breach of its confidentiality obligations, or (c) damages arising out of the Contractor's intentional misrepresentation, gross negligence or willful misconduct, both parties agree that the Contractor's liability for any direct damages relating to this Agreement shall not exceed the greater of 1-75-times the fees payable to the Contractor as provided for herein, or (2) 1-75-times the actual amounts received by the Contractor during the term. In no event will Contractor be liable for any damages arising out of or related to the failure of the State to perform their responsibilities or any lost profits, loss of business, loss of data, loss of use, lost savings or other consequential, special, incidental, indirect, exemplary or punitive damages, even if Contractor has been advised of the possibility of such damages."

- **Section A of Appendix D to Attachment G, Payment Schedule**

While the Offeror agrees that its delays should not result in change orders allowing for more time or additional compensations, delays caused by the State should reasonably be cause for a change order allowing the Contractor additional time and/or compensation. In addition, the Offeror believes that all changes to the services to be performed should be as mutually agreed by the parties. The Offeror requests that the State add the following to the second paragraph under the

Payment/Milestone/Deliverable Table:

"If action or inaction by the State, or its suppliers' failure to perform their responsibilities in a timely manner, prevents Contractor from or delays Contractor in performing the Services, Contractor will be entitled to an equitable adjustment in the schedule for performance and the compensation otherwise payable to it hereunder. In such event,

the parties will mutually agree upon a change order documenting the adjustments"

Change the first two sentences 4<sup>th</sup> paragraph under the Payment/Milestone/Deliverable Table as follows:

"During the course of this ~~contract~~Agreement, the Contractor may be required to perform additional work as mutually agreed upon by the parties. That work will be within the general scope of the initial ~~contract~~Agreement."

Given the Fixed Price nature of this project, the Contractor should have the responsibility of managing the project and its costs; reporting of hours and on site vs. off site time should only apply when the State is paying for such services on an hourly basis. Please change the paragraph above Section B., Withholding of Payment as follows:

"Each invoice for Services or Expenses not associated with a Payment Milestone/Deliverable must detail the services provided. All invoices for services rendered will include, at a minimum, the type of service being performed as defined by the subcategory of the task from the Statement of Work, ~~a breakdown of on-site vs. off-site time~~, the total hours, the employee, and the period covered. This detail can either be included in the body of the invoice or through a detail supplement that will be provided in conjunction with the invoice, such as a report or spreadsheet."

- **Section B of Appendix D to Attachment G, Payment Schedule Withholding Payment**

In order for Contractor to appropriately assess and cost the effect of withholding and its impact to the overall risk profile of the project, Contractor needs to have certainty and control over the withholding release dates. the Offeror requests changes to this section as follows:

- 1 Upon Go-Live, the State will pay the Contractor one-half of the amount withheld to date.
- 2 ~~Six months after Upon Final Acceptance of Deliverable 26, if the licensed software has been in productive use without Type A or B Malfunctions for a period of at least 90 consecutive days, the State will pay the Contractor one-half of the remaining balance.~~
- 3 ~~Twelve months after Final Acceptance, if the software has been in productive use without Type A or B Malfunction for a period of at least 90 consecutive days, the State will pay the Contractor the remaining balance.~~

**Additional Terms to be Included in a Resultant Agreement.** the Offeror noted the absence of a mutual confidentiality clause in the proposed agreement and so provides the language below for the State's consideration:

**Confidentiality**

"Confidential Information" means information belonging to or in the possession of a party which is confidential or a trade secret and is furnished or disclosed to the other party under this Agreement (i) in tangible form and marked or designated in writing in a manner to indicate it is confidential or a trade secret; or (ii) in intangible form and that either is of a nature that a reasonable person would understand to be confidential or a trade secret or is identified as confidential or a trade secret in a writing provided to the receiving party within thirty (30) business days after disclosure. "Confidential Information" does not include any information that, as evidenced by written documentation: (i) is already known to the receiving party without restrictions at the time

of its disclosure by the furnishing party; (ii) after its disclosure by the furnishing party, is made known to the receiving party without restrictions by a third party having the right to do so; (iii) is or becomes publicly known without violation of this Agreement Documents; or (iv) is independently developed by the receiving party without reference to the furnishing party's Confidential Information. Confidential Information will remain the property of the furnishing party, and the receiving party will not be deemed by virtue of this Agreement or any access to the furnishing party's Confidential Information to have acquired any right, title or interest in or to the Confidential Information. The receiving party agrees to exercise commercially reasonable efforts to: (i) hold the furnishing party's Confidential Information in confidence; (ii) limit disclosure of the furnishing party's Confidential Information to personnel furnished by the receiving party to perform Services under a Statement of Work or otherwise having a need to know the information for the purposes of this Agreement; (iii) use the furnishing party's Confidential Information solely and exclusively in accordance with the terms of this Agreement in order to carry out its obligations and exercise its rights under this Agreement; and (iv) notify the furnishing party promptly of any unauthorized use or disclosure of the furnishing party's Confidential Information and cooperate with and reasonably assist the furnishing party to stop or minimize such unauthorized use or disclosure.

#### **Attachment H – Standard Licensing and Maintenance Agreement**

**Article 5, Termination.** The Offeror requests that the provision in Article 5 be modified to in the same manner that this provision was requested to be modified in Attachment G.

**Article 10, Ownership of Documents.** The Offeror requests that the provision in Article 10 be modified to in the same manner that this provision was requested to be modified in Attachment G.

**Article 1 of Appendix B, Indemnification.** The Offeror requests that the provision in Article 11 be modified to in the same manner that this provision was requested to be modified in Attachment G. In addition, the Offeror requests that the new language to address Intellectual Property Indemnification and Indemnification Procedures proposed for this section in Attachment G also be included here in Attachment H.

- **Section 1 of Appendix C to Attachment H, Definition of Terms**

Under the resultant Agreement, Contractor will be providing Confidential Information to the State; in particular, the Contractor will be providing its proprietary software. Consequently, the Offeror requests that the definition of Confidential Information be made mutual as follows:

**1.5 “Confidential Information”** means any data, files, software, information or materials belonging to either the State or the Contractor~~(whether prepared by State or its agents or advisors)~~, in oral, electronic, tangible or intangible form and however stored, compiled or memorialized, that is ~~classified, marked or otherwise designated as being confidential to the disclosing party as defined by State classification and categorization guidelines~~ and is: (i) provided by ~~State one party to Contractor or a Contractor agent~~ the other party or otherwise made available to the receiving party Contractor or a Contractor agent in connection with this Agreement, or (ii) acquired, obtained or learned by ~~Contractor~~ the receiving party or a Contractor agent in the performance of this Agreement. Examples of confidential information include, but are not limited to: the Licensed Software, technology, financial data, payroll data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc). The following information shall not be considered confidential information: information

previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.”

**1.16 “Malfunction”** “Malfunction” means a defect of the Licensed Software that degrades its use. Three levels of Malfunction classifications (Type A, Type B, and Type C and Type D) are defined in Appendix F the Services Agreement.

**1.17 “Material Malfunction”** “Material Malfunction” means an error, bug, or discrepancy that delays or inhibits the primary functionality of the Licensed Software or a Malfunction that has the potential to corrupt software data; also an accumulation of non-material Malfunctions that, considered together, satisfies the standard for materiality. Includes all Type A Malfunctions as defined in Appendix Fa Type A Malfunction.

**1.21 “Software Final Acceptance”** means the date upon which State certifies that the Licensed Software is functioning in Productive Use, for all intended users, without a Material Malfunction, after all acceptance testing, including final acceptance testing, is complete.

- **Section 2 of Appendix C to Attachment H, Licensed Software Terms and Conditions**

The Offeror has made certain changes in Section 2.2 in order to define the applicable warranty period or identify the sole and exclusive remedy for any breach of the associated warranty. Given that the Offeror’s ERP product is a proven and implemented product, the Offeror does not include in its pricing the cost of a non standard warranty of merchantability or fitness for purpose. In fact, in addition to certain industry standard exclusions to the application of warranty provisions, the Offeror has also included a standard disclaimer specifically disclaiming implied warranties.

**2.2.1. Malfunction Correction**

Contractor warrants that during the warranty period commencing upon Go Live and ending 365 days thereafter, it will correct Type A and Type B Malfunctions in the Licensed Software; provided that: (a) any such Malfunction...”

**2.2.3. Intellectual Property Rights**

Please add the following language at the end of this section:

“The State’s sole and exclusive remedy for any breach of this section 2.2.3 shall be the Intellectual Property Indemnification Set forth in Appendix B to this Agreement.”

**2.2.5. Technical Currency**

Contractor warrants that during the term of the Implementation Services Agreement, the Licensed Software will remain technically current and will not require State to use third-party database software, network technology, computing hardware, or operating systems that are not supported by their respective manufacturers or that require the payment of a maintenance premium for annual support.

**2.2.6. Merchantability and Fitness Warranties**

Contractor warrants that the licensed software and any part thereof is merchantable and fit for the purposes represented in Contractor’s response to RFP, demonstration materials, this agreement, and the separate agreement for implementation services.

"Exclusions. Contractor is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the item in question by anyone other than Contractor and its subcontractors working at Contractor's direction; (ii) the combination, operation or use of the item with other items Contractor did not supply; (iii) the State's failure to use any new or corrected versions of the item made available by Contractor; or (iv) Contractor's adherence to the State's specifications or instructions.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEGRATION, PERFORMANCE AND ACCURACY AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE."

- **Section 3 of Appendix C to Attachment H, Service Level Program Terms and Conditions.** The Offeror has a standard maintenance program in order to ensure we are providing a consistent level of support for all of our clients. Every client uses the same tools, terms, and processes. Using consistent terminology and processes will help the State during communications with the Offeror support members and with client community. We propose that the State enroll in our Standard Support and Maintenance program, which provides long term access to software updates and support from the submitting vendor's Customer Support Group (CSG). Therefore, the Offeror requests that section 3.1 through 3.4 be deleted in their entirety and replaced with the following:

1.1 "Implementation and "Go Live" Support. Before the State's production operations begin, CSG will work with the onsite Contractor implementation team and will assign to the State a CSG Account Manager to oversee the vendor's response to the State's reported software issues. During the State's production cutover period, CSG will provide the State with 24/7 support.

1.2 Ongoing Production Support and Maintenance. Following production cutover, the State will fully transition to the Contractor's Standard Support and Maintenance program. Service in the program include the following:

- Centralized reporting and management of all software issues, including third party software components licensed through the Contractor"
- Telephone, email, and web access to the CSG from 8 am EST to 9 pm EST Monday-Friday, including 24/7 Internet access to online support tools and documentation. After hours and weekend support may be pre-arranged for critical processing times, pre-arranged events including "Go Live" weekends or other critical processing times.
- An Account Manager to oversee the Contractor's response to the State's issues and the option to meet on a weekly basis to review the State's software issues.
- Issue research conducted over electronic application sharing sessions and teleconferences with CSG consultants.
- Access to new ERP Releases (18-24 months, including new features), Fix Packs (bundled patches and other updates, issued as needed) and critical Patches (for urgent issues where no workaround is possible).
- Support for the most recent ERP software Release plus two prior Releases.

- Issue response times based on "Priority Level" set jointly by the State and the Contractor as outlined below. Note that the Contractor cannot guarantee issue resolution times, but will make diligent effort to resolve issues.

<u>1 - Urgent</u>	<u>A problem causing critical impact to the client's business operation, and no workaround is immediately available. Work begins upon notification and continues until resolved. If resolution requires a software correction, it is delivered to reporting clients and available to all clients as soon as resolved.</u>	<u>15 minutes or less from the time the client notifies CSG. Team Leaders from product area specialties and Customer Care Manager are also notified. In general, the Offeror's initial response time to Urgent issues is less than 5 minutes; Urgent issues are given top organizational priority.</u>
<u>2 - High</u>	<u>A problem causing significant impact to the client's business operation, and the workaround is unacceptable on a long-term basis. Work begins after Priority 1 issues are resolved. If resolution requires a software correction, it is available to all clients as soon as resolved.</u>	<u>2 hours or less from the time client notifies the Offeror's Customer Support. In general, initial response time to High issues is less than 30 minutes.</u>
<u>3 - Normal</u>	<u>A problem that impairs some functionality, but a practical workaround exists. If resolution requires a software correction, fixed in next major release if reported prior to release cut-off date. Fixed in a future release.</u>	<u>2 hours or less from the time client notifies the Offeror's Customer Support. In general, initial response time to Normal issues is less than 1 hour.</u>
<u>4 - Low</u>	<u>A problem that does not affect any production functions of the software. A software defect exists but does not impede any functionality. Fixed in a future release.</u>	<u>2 hours or less from the time client notifies the Offeror's Customer Support. In general, initial response time to Low is less than 1 hour.</u>

- **Section 4 of Appendix C to Attachment H, General Terms and Conditions.** Given that both parties will be in receipt of confidential information under this agreement, the Offeror has proposed changes to make this section mutual.

**Subsection 4.3, Confidentiality.** ~~Contractor-~~The parties agrees that all Confidential Information shall be used only for purposes of ~~providing~~ using the Licensed Software and performing the services specified herein and shall not disseminate or allow dissemination of Confidential Information except as provided for in this section. ~~Contractor-~~Each party shall hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the Confidential Information of the other party. "Reasonable care" means compliance by ~~Contractor-~~with all applicable federal and State laws, including the Social Security Act (SSA) and the Health Insurance Portability and Protection Act (HIPPA). ~~Contractor-~~The receiving party must promptly (within 24 hours) notify the State ~~disclosing party in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or~~

use of the Confidential Information.

If Confidential Information is requested to be disclosed by Contractor ~~the receiving party~~ pursuant to a request received by a third party and such disclosure of the Confidential Information is required under applicable State or federal law, regulation, governmental or regulatory authority, ~~the receiving party~~ Contractor may disclose the Confidential Information after providing State ~~the disclosing party~~ with written notice of the requested disclosure (to the extent such notice to State is permitted by applicable law) and giving the State ~~disclosing party~~ the opportunity to review the request. If ~~the receiving party~~ Contractor receives no objection from the State ~~disclosing party~~, it may release the Confidential Information within 30 days. Notice of the requested disclosure of Confidential Information by ~~the receiving party~~ Contractor must be provided to the State ~~disclosing party~~ within 24 hours after ~~the receiving party's~~ Contractor's receipt of notice of the requested disclosure and, upon request of the State ~~disclosing party~~, Contractor ~~the receiving party~~ shall seek to obtain legal protection from the release of the Confidential Information.

**Subsection 4.4, Limitation of Liability.** The Offeror requests that the provision in this section be modified to in the same manner that this provision was requested to be modified in Attachment G.

**Appendix D, Annual Support and Maintenance Fees**

The Offeror proposes the following changes in order to more clearly establish both the start date for maintenance services as well as the date the associated payment is due: "Contractor will invoice State based on the payment schedule set out below. State will pay the invoices based on the terms of the Agreement. Year 1 maintenance services begin and payment will be due concurrent with delivery of Deliverable 7, upon installation of initial Configured Software Ready for Test. Succeeding payments will be due every 12 months thereafter for initial four-year term, and annually thereafter for subsequent renewals."

**EXHIBIT D4: IMPLEMENTATION ROLES AND RESPONSIBILITIES**

Complete the table below by estimating both the State's and Offeror's labor effort for each required deliverable described in Section 5.04 of the RFP. This information will clarify the expected roles, responsibilities and time required for implementing the proposed solution and help the State more accurately evaluate the Offeror's proposal.

Deliverable	Estimated State labor effort (hours)	Proposed Offeror labor effort (hours)
1. Baseline detailed project work plan	736	828
2. Project status reports	2,106	2,121
3. Weekly risk reports	1,352	1,840
4. Satisfaction surveys	312	312
5. System configuration reports	11,924	16,094
6. Business process modification recommendations	1,960	2,960
7. Configured software ready for test	17,220	32,845
8. Accepted workflows	11,730	9,530
9. Hardware specification (applicable to licensed solution)	2,415	2,614
10. Application architecture documentation	3,404	5,940
11. Installation certification document	1,500	2,760
12. Data conversion plan	1,630	2,140
13. Validated migrated data	1,620	3,120
14. Reports	4,820	9,030
15. Interface specifications	1,835	2,680
16. Tested interfaces	5,600	10,340
17. Test plan	2,420	3,420
18. Volume/stress testing report	1,680	2,300
19. Training plan	330	630
20. Training materials	2,910	4,770
21. Training	4,660	3,030
22. Knowledge transfer plan and activity	2,560	2,976
23. Go-live and stabilization plan	1,240	1,800
24. Technical operations manual	490	950
25. Business user manual	830	1670
26. Configured and licensed software in productive use	2,900	3,590
27. Stabilization services	7,135	11,127

97,319

141,417