

Written Determinations

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
FAX Number 465-2194

TO: File

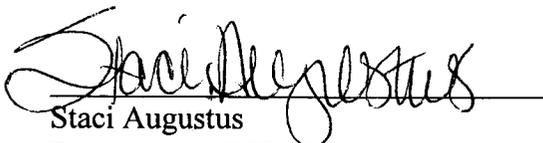
DATE: October 4, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

We have received an additional clarification question from a potential Offeror that requires a response. As a result, I believe it to be in the best interest of the State to issue Amendment #9 which will answer the question.

It is in the State's best interest to issue the amendment because it will result in the submission of proposals that are based on a more complete understanding of the State's intent.


Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

**Phone Number: 465-5656
FAX Number 465-2194**

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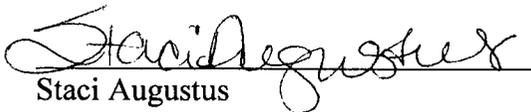
DATE: October 1, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

We have found an error on the Online Public Notice website relating to the RFP attachments. Two of the attachments were old versions and not the correct versions that Offerors must use in submitting a proposal. As a result, I believe it to be in the best interest of the State to issue Amendment #8 which will publish the corrected attachments.

It is in the State's best interest to issue the amendment because it will result in the submission of proposals that are based on a more complete understanding of the State's intent.


Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
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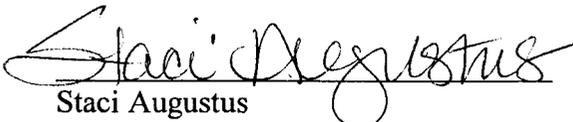
DATE: September 24, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

We have received additional questions that require a written answer. As a result, I believe it to be in the best interest of the State to issue Amendment #7 which will answer the questions that we've received.

It is in the State's best interest to issue the amendment to answer the questions because it will result in the submission of proposals that are based on a more complete understanding of the State's intent.


Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

**Phone Number: 465-5656
FAX Number 465-2194**

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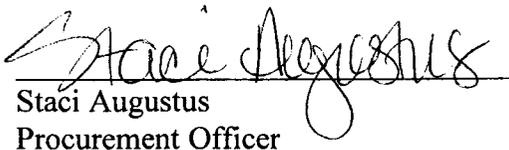
DATE: September 15, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

The State has received additional questions and requests for clarification relating to RFP 2010-0200-9388. The questions and clarifications requiring answers and some answers will result in improvements being made to the RFP. As a result, I believe it to be in the best interest of the State to issue Amendment #6 which will provide the answers and clarifications being sought by potential Offerors. In addition, several Offerors have requested that we extend the deadline for receipt of proposals by two weeks. We believe this will allow the Offerors to submit more thoughtful proposals which will benefit the State.

It is in the State's best interest to issue the amendment because the changes made in Amendment #6 will strengthen the RFP and result in the State receiving strong proposals that meet the State's needs.


Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
FAX Number 465-2194

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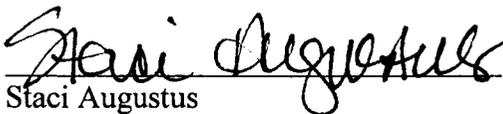
DATE: September 13, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

The State has received additional questions and requests for clarification relating to RFP 2010-0200-9388. The questions and clarifications requiring answers and some answers will result in improvements being made to the RFP. As a result, I believe it to be in the best interest of the State to issue Amendment #5 which will provide the answers and clarifications being sought by potential Offerors.

It is in the State's best interest to issue the amendment because the changes made in Amendment #5 will strengthen the RFP and result in the State receiving strong proposals that meet the State's needs.



Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
FAX Number 465-2194

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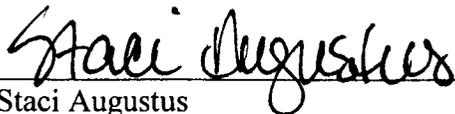
DATE: September 10, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

The State has received numerous questions and requests for clarification relating to RFP 2010-0200-9388. The questions and clarifications requiring answers and some answers will result in improvements being made to the RFP. As a result, I believe it to be in the best interest of the State to issue Amendment #4 which will provide the answers and clarifications being sought by potential offerors.

It is in the State's best interest to issue the amendment because the changes made in Amendment #4 will strengthen the RFP and result in the State receiving strong proposals that meet the State's needs.



Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

**Phone Number: 465-5656
FAX Number 465-2194**

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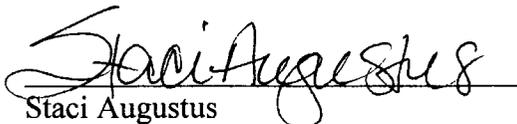
DATE: August 26, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

The State has received numerous questions and requests for clarification relating to RFP 2010-0200-9388. The questions and clarifications requiring answers and some answers will result in improvements being made to the RFP. As a result, I believe it to be in the best interest of the State to issue Amendment #3 which will provide the answers and clarifications being sought by potential offerors.

It is in the State's best interest to issue the amendment because the changes made in Amendment #3 will strengthen the RFP and result in the State receiving strong proposals that meet the State's needs.


Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
FAX Number 465-2194

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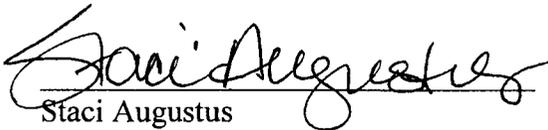
DATE: August 9, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

The State, with its procurement consultants, PTI and ASU, has decided to not proceed with a normalization of costs step in the evaluation process as described in the RFP. As a result, I believe it to be in the best interest of the State to issue Amendment #2 which will remove references to cost normalization in the RFP.

It is in the State's best interest to issue the amendment because the changes made in Amendment #2 have a material impact on potential offerors' proposals.



Staci Augustus
Procurement Officer

MEMORANDUM

*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

Phone Number: 465-5656
FAX Number 465-2194

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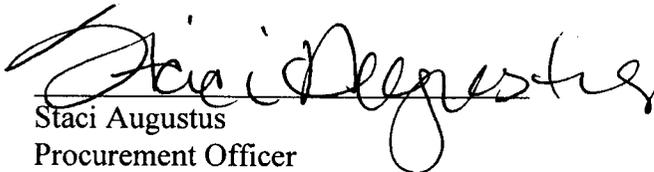
DATE: August 5, 2010

FROM: Staci Augustus
Procurement Specialist
Division of Administrative Services
Department of Administration

SUBJECT: Written Determination to Amend
Solicitation #2010-0200-9388

I discovered a mistake in the RFP, specifically Section 1.02. The published schedule contains an error-it shows the Pre-Proposal Conference as being held on Wednesday, August 17, however, August 17 is a Tuesday. Additionally, we received one question that requires a written answer. As a result, I believe it to be in the best interest of the State to issue Amendment #1 which will correct the mistake and answer the question that we've received.

It is in the State's best interest to issue the amendment because the changes made in Amendment #1 have an impact on potential offerors' proposals. .


Staci Augustus
Procurement Officer

MEMORANDUM

Department of Administration
Division of General Services

STATE OF ALASKA

Phone Number: 465-2250
FAX Number: 465-2189
TDD Number: 465-2205

TO: Vern Jones
Chief Procurement Officer
Department of Administration
Division of General Services

DATE: April 23, 2010

FROM: Jewelee Bell 
Contracting Officer
Department of Administration
Division of General Services

SUBJECT: Request for Reduction to
the Minimum Weight
given to Cost

Please find the attached memorandum from Staci Augustus, Procurement Specialist, at the Department of Administration, Division of Administrative Services (DOA). In this memorandum, DOA is requesting permission to reduce the percentage allocated to cost in an RFP solicitation from 40% to 25%. This RFP will be used to establish a contract with a firm qualified to implement a fully integrated statewide administrative solution for the State of Alaska.

The DOA will be using the Performance Information Procurement System (PIPS) developed by Arizona State University to solicit for and evaluate proposals to award a contract to the firm offering the best value for the state.

This request to reduce the weight given to cost to 25% is based on the belief that allocating 40% of the points to cost alone will not allow the critical level of evaluation required for this project. In order for the built-in filters of the best value process to work progressively towards determining the most advantageous offer, other evaluation factors such as past performance, risk assessment plan, interviews and demonstrations must be considered.

The PIPS model includes "cost reasonableness" language that provides an additional safeguard when reducing the weight of cost to 25%.

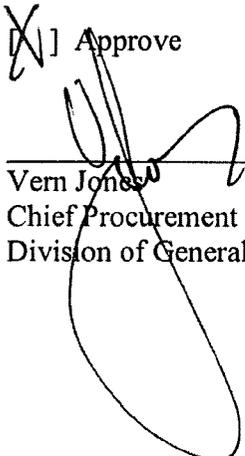
In accordance with AAM 81.470(3), the weight for cost is 40% of the evaluation criteria, placing an emphasis on cost for RFP's while still allowing for the evaluation of other factors. However, DOA would like to lower the weight of cost in their evaluation criteria to 25% to allow award of a contract to the offeror that not only understands the mission and goals of the project, but also offers the best overall value to the state.

If an offeror submits a proposal that does not meet the minimum requirements as listed in the RFP developed by the DOA, the proposals will be considered non-responsive to the RFP.

In this case, a weight of 25% for cost and 10% for the Alaska Offeror's Preference will leave 65% of the total points available to evaluate the technical aspects of each proposal. With the combination of 35% of the weighted criteria allocated to cost and preferences, and the remaining 65% allocated to other evaluation factors, the state should be able to award the contract to a firm that meets or exceeds the level of experience and qualifications as described in the RFP and offers the best overall value to the state.

Based on the above information, I recommend approval of reducing the weight of cost to 25%. By marking the approve box below, the DOA will be permitted to use a weight of 25% for cost.

Approve Disapprove



Vern Jones
Chief Procurement Officer
Division of General Services

4/23/10

Date

MEMORANDUM

Department of Administration
Division of General Services

STATE OF ALASKA

Phone Number: 465-5681
FAX Number 465-2189
TDD Number: 465-2205

To: Vern Jones
Chief Procurement Officer
Department of Administration
Division of General Services

Date: April 27, 2010

From: Jewelee Bell
Contracting Officer 
Department of Administration
Division of General Services

Subject: Foreign Outsourcing Waiver Request

The Department of Administration (DOA) is in the process of developing a formal competitive solicitation, Request For Proposal (RFP) 2010-0200-9388, for the purpose of establishing a contract with a qualified firm to implement a fully integrated statewide administrative solution.

In accordance with AAM 81.015, DOA is requesting a waiver to issue this solicitation with modified language that will allow interested Canadian firms to submit a proposal in response to the state's RFP.

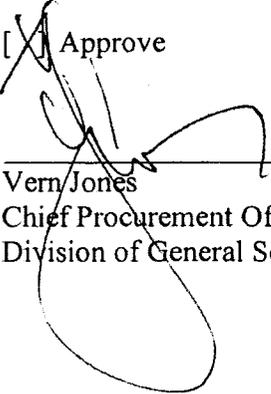
DOA believes that it is in the state's best interest to allow Canadian-based firms to submit a proposal for several reasons. A previous solicitation for the data warehouse project resulted in only one responsive and responsive offer, from a Canadian firm, at least one Canadian firm has expressed interest in this project, and the state is hoping to promote as much competition as possible for this project.

Based on the above information, I recommend approval of this foreign outsourcing waiver request to allow proposals from Canadian firms as well as firms who propose Canadian firms as subcontractors.

By marking the approve box below, DOA will be permitted to modify the language in the RFP to allow Canadian-based firms, as well as firms who offer Canadian firms as subcontractors, to submit a proposal in response to the RFP that is scheduled to be issued in late June, 2010.

Approve

Disapprove



Vern Jones
Chief Procurement Officer
Division of General Services

4/28/10
Date

MEMORANDUM

STATE OF ALASKA

*Department of Administration
Division of Administrative Services*

To: Vern Jones
Chief Procurement Officer
Division of General Services

Date: April 2, 2010

From: Staci Augustus *Staci Augustus*
Procurement Specialist V
Division of Administrative Services

Phone: 465-5656

Subject: Request to Use 25% Cost Evaluation Factor for ERP RFP

In accordance with AAM 81.470 (3), the Department of Administration requests approval to waive the 40% minimum weight for cost and reduce the weight to 25%. The 40% minimum is not in the State's best interest for the following reasons.

The State plans to solicit for a fully integrated statewide administrative solution that automates many of the State's business processes with a best-practice approach; minimizes total cost of ownership for the State; and facilitates provision of essential services to the citizens of Alaska. This is the very mission of the Department of Administration—"The Mission of the Department of Administration is to provide consistent and efficient support services to State agencies so that they may better serve Alaskans."

The State is proceeding with the procurement through a procurement process developed by the Arizona State University (ASU). ASU's performance based procurement model is based on filters that separate lower performing vendors from the more desirable higher performing vendors. Through use of the filters, the best-value vendor is identified based on evaluation factors including costs. The model's primary purpose is to quickly identify the highest performing vendor and award on value (which includes the cost) rather than the traditional model of price and other criteria.

In addition to consulting with ASU to provide guidance through the best-value process, the State has contracted with Pacific Technologies, Inc. (PTI) to provide technical assistance during the procurement process. PTI has an indepth knowledge of the administrative systems industry and will be assisting in all technical matters during the procurement.

In order for the model to work as it is designed, both PTI and ASU staff recommends an evaluation weight of 25% for cost. Reducing the cost by 15% will allow the State to use higher weights in the other key components of the ASU process, such as the Risk Assessment and Value Added (RAVA) plan, work plan, demonstration, and interviews. The RAVA plan will ask offerors to identify potential risks that they do not control as well as provides the opportunity for vendors to differentiate themselves from their competitors. According to ASU, these areas are vital components to the whole ASU model. The ASU model has found that the majority of the highest performing vendors are also the low bidder, further reducing

the monetary risk of lowering the cost to 25%. As a built in mechanism to achieve a best value situation, the ASU model requires the cost of the highest "value" vendor to be within five percent of the next ranked offeror's cost.

One of the biggest risks of the project is engaging a system integrator that is not able to implement the selected product to the State's requirements. The use of the ASU model will greatly diminish the potential of selecting a vendor who cannot successfully implement the selected product. To achieve the same successes of the other entities using the ASU model, we should follow it as advised in order to achieve optimal results. Potential outcomes of not reducing the weight could include failure of the project that would jeopardize the Department of Administration's mission of providing consistent and efficient support services to State agencies.

With the use of the ASU model and the built in best value mechanism that requires costs to be within a competitive range, it is in the State's best interest to reduce the cost percentage to 25%.

I appreciate your consideration of this request.

Augustus, Staci A (DOA)

From: Dan Borgen [DBorgen@pti-consulting.com]
Sent: Friday, April 02, 2010 8:01 AM
To: Arehart, Scot A (DOA)
Cc: Augustus, Staci A (DOA); Garnero, Kim J (DOA); Shakespeare, Cheryl A (DOA); Bell, Jewelee M (DOA); Simpkinson, Nicole (DOA sponsored); Bottorff, Michael (PTI-DOF Sponsored); Silverman, Mike (DOA sponsored)
Subject: Canadian waiver/cost weighting

Per your request, this brief email provides PTI's perspective on two topics discussed at yesterday's session:

- Canadian vendor waiver
- 25% cost weighting

Canadian vendor waiver

Aligned with the spirit of a "best value" procurement for the State of Alaska, a waiver for Canadian vendors would open up the pool of potential candidates -- enabling potentially viable, competitive companies to participate in this process.

25% cost weighting

Clearly, cost is a key evaluation component for this procurement. But, it also important to recognize that cost represents only one of many factors critical for a successful best-value procurement. Other significant aspects of this evaluation include vendor experience, prior performance, project team, approach, and strategic fit with the State of Alaska's business needs, organization, and culture. With the above in mind, PTI believes that a weight of 25% regarding cost is sufficient for this procurement.

It is also worth noting that the RFP will include "cost reasonableness" language indicating that if the highest ranked vendor's total proposed costs are greater than 5% of the second highest ranked vendor's total proposed costs, the State reserves the right to eliminate the highest ranked vendor's bid. This provides an additional safeguard related to the 25% cost weighting.



Dan Borgen, Co-CEO
Pacific Technologies, Inc.
Tel: 425.881.3991; Fax: 425.881.4244
www.pti-consulting.com

Bell, Jewelee M (DOA)

From: John Savicky [john.savicky@asu.edu]
Sent: Monday, April 05, 2010 8:34 AM
To: Arehart, Scot A (DOA); Augustus, Staci A (DOA)
Cc: Jones, Vern O (DOA); Mayer, Thomas J (DOA); Garnero, Kim J (DOA); Sullivan, Kenneth (ASU-DOF Sponsored); Smithwick, Jake (DOA sponsored); Silverman, Mike (DOA sponsored); Simpkinson, Nicole (DOA sponsored); Borgen, Dan (PTI-DOF Sponsored); Bell, Jewelee M (DOA)
Subject: Price and Performance Weight Scheme

Scot/Staci,

In order to break away from the traditional price-based mentality, we strongly recommend weighting the project: 25% Price and 75% Performance. This will allow us to use the weights on appropriate performance criteria. The following clients have all implemented best-value procurement and have used the following weights:

1. State of Idaho (Student Healthcare Insurance - \$36M) : 20% Price and 80% Performance
2. Arizona State University (Dining Services - \$1.4B) : 20% Price and 80% Performance
3. University of Idaho (Dining Services - \$30M) : 20% Price and 80% Performance
4. State of Idaho (Department of Corrections Inmate Services - \$69M) : 20% Price and 80% Performance
5. Arizona State University (Student Recreation Facilities) : 25% Price and 75% Performance

To prevent the State from being at risk of having to select a very expensive option, the Best-Value RFP includes language on "Cost Reasonableness". This language states that if the highest ranked vendor is greater than 5% higher in fee than the next highest ranked vendor, the State reserves the right to proceed with the cheaper of the two options. The State also has the option to not consider any proposals that are 15% higher or lower than the average proposal cost. This language forces all vendors to be cost competitive, and minimizes the risk to the State. Therefore, the 25% weight on price will not place the State at risk.

If you have any questions, please don't hesitate to ask.

John

John A. Savicky M.S.
Lecturer, Researcher Sr.
Performance Based Studies Research Group (PBSRG)
School of Sustainable Engineering
Del E. Webb School of Construction
Arizona State University
480-965-4273 (Main), 480-965-4371 (Fax), 480-965-3033 (Direct)
john.savicky@asu.edu
www.pbsrq.com