

**State of North Carolina  
Department of Health and Human Services**

**REQUEST FOR PROPOSAL (RFP)  
Addendum #6**

**Date:** September 5, 2018

**RFP Number:** 30-180397

**RFP Description:** Independent Verification and Validation Services

**Purpose of Addendum #6:** Revisions to Original RFP

**RFP Submission Date/Time:** September 20, 2017 at 2:00 PM ET

**INSTRUCTIONS:**

1. Return one properly executed copy of this Addendum #6 with Proposal Response. Failure to sign and return this Addendum #6 may result in the rejection of Offeror's proposal.
2. Carefully read, review, and adhere to all revisions to the RFP in this Addendum #6.

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**Revisions to RFP:**

**1. Section II. Bidding Information, A. Procurement Schedule is deleted in its entirety and replaced with the following:**

**A. Procurement Schedule**

The Department will make every effort to adhere to the following schedule, but reserves the right to adjust the schedule as necessary:

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Issue of RFP	DHHS OPCG	7/10/18
Deadline to Submit Questions	Potential Vendors	7/30/18
Response to Written Questions	DHHS OPCG	<b>9/5/18</b>
Submission of Offer by 2:00 p.m. Eastern	Vendor(s)	<b>9/20/18</b>
Evaluation of Offerors	Evaluation Committee	<b>9/21/18 – 1/31/19</b>
Selection of Finalists	Evaluation Committee	<b>TBD</b>
Negotiations (optional)	Evaluation Committee designees and selected Vendor(s)	TBD
Best and Final Offers from Finalists (optional)	Vendors	TBD
Oral Presentation and/or Product Demonstrations by Finalists (optional)	Vendors	TBD
Contract Award	DHHS OPCG	<b>1/31/18</b>
Protest Deadline	Vendors	15 days after award

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2. **Section II. Bidding Information, C. General Conditions for Proposals, 3. Vendor Responsibility** is deleted in its entirety and replaced with the following:

3. **VENDOR RESPONSIBILITY**: The Vendor(s) will be responsible for recommending the most effective and efficient approach to IV&V services that complies with federal requirements. The Vendor(s) must provide a justification for its proposed approach along with costs thereof. The Vendor is encouraged to present explanations of benefits and merits of its proposal, together with any accompanying value-added services or other criteria identified herein. The Vendor acknowledges that, to the extent the awarded contract involves the creation, research, investigation or generation of a future RFP or other solicitation; the Vendor will be precluded from bidding on the subsequent RFP or other solicitation and from serving as a subcontractor to an awarded vendor. The State reserves the right to disqualify any Vendor if the State determines that the Vendor has used its position (whether as an incumbent Vendor, or as a subcontractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP or other solicitation.

3. **Section III. Technical Proposal** is renamed as follows:

### **III. Technical Scope, Specifications and Requirements**

4. **Section IV. Cost Proposal** is deleted in its entirety and replaced with the following:

### **IV. Cost Proposal**

1. **OFFER COSTS**: The Vendor must list all costs that will be charged to the State by completing the cost tables provided in Attachment C of the RFP. No changes should be made to the tables in Attachment C. Failure to complete Attachment C may result in rejection of Vendor's proposal.
2. **ALTERNATIVE COST RESPONSE**: In addition to completing Attachment C, Vendors may propose an alternate pricing approach as part of its cost proposal. Vendors submitting an alternate pricing approach must list and describe **ALL** costs that will be charged to the State. Any such alternate pricing must propose all-inclusive costs and be labeled as "Alternative Cost Response." The State, at its sole discretion, may consider any alternative pricing approach submitted and is under no obligation to accept or negotiate Vendor's "Alterative Cost Response."

5. **Section VI. Proposal Content and Organization** is deleted in its entirety and replaced with the following:

**VI. Proposal Content and Organization**

1. **OFFEROR'S PROPOSAL**: Offeror's proposal should contain all relevant and material information relating to the Vendor's organization, personnel, and experience that would substantiate its qualifications and capabilities to perform the Services and/or provide the goods described in this RFP. If any relevant and material information is not provided, the offer may be rejected from consideration and evaluation. Offers will be considered and evaluated based upon the Vendor's full completion and response to the following, and any additional requirements herein, or stated in a separate Exhibit.
2. **INFORMATION AND DESCRIPTIVE LITERATURE**: The Vendor must furnish all information requested; and if response spaces are provided in this document, the Vendor shall furnish said information in the spaces provided. Further, if required elsewhere in this RFP, each Vendor must submit with their offer sketches, descriptive literature and/or complete specifications covering the products offered. References to literature submitted with a previous offer will not satisfy this provision. proposal that do not comply with these requirements may be rejected.
3. **TECHNICAL PROPOSAL CONTENT**: Demonstrate substantial conformity to the RFP specifications.
  - a. Provide a detailed description of **Vendor's** firm that includes all the following information:
    1. Full name, address, and telephone number of the organization;
    2. Date established;
    3. Background of firm;
    4. Ownership (public company, partnership, subsidiary);
    5. If incorporated, state of incorporation must be included.
    6. Number of full-time employees on January 1st for the last three years or for the duration that the Vendor's firm has been in business, whichever is less.
  - b. Clearly state Vendor's understanding of the problem(s) presented by this RFP.
  - c. Describe Vendor's approach to performing IV&V engagements, including elements such as (but not limited to):
    1. What Vendor believes to be the appropriate role of IV&V;
    2. Any tools or methodologies that Vendor will use to guide and perform IV&V work;
    3. How Vendor applies standards as part of its IV&V work;
    4. How Vendor's IV&V approach varies or is tailored to specific client projects, solution types, and/or life cycle phases;
    5. What types of artifacts and work products Vendor produces during IV&V work; and

6. What factors Vendors believes are essential to effective IV&V.
- d. Describe how Vendor would apply its organization's IV&V approach to the tasks described in this RFP.
    1. Identify specific activities Vendor would perform;
    2. Identify the tools, methods, and/or standards Vendor would employ to perform these activities;
    3. Identify specific artifacts and work products that Vendor recommends for the MES Project IV&V effort;
    4. Describe how Vendor would approach IV&V over the full life of the MES Project and across the various planned procurements (e.g., technology-based vs. business process outsourcing);
    5. Explain how Vendor will perform the specified types of assessments required by CMS and DHHS;
    6. Provide a proposed schedule and work plan for performing the IV&V work and developing the artifacts and work products Vendor recommends;
    7. Explain any requirements for or expectations of support from DHHS personnel, from the PMO, and/or from other MES vendors over the project life;
    8. Explain how Vendor will maintain independence while still working proactively and cooperatively to help the State make the MES Project a success;
  - e. Describe how Vendor's approach will help North Carolina achieve a robust and effective MES solution that meets CMS certification requirements.
  - f. Describe how Vendor's services will go above and beyond the traditional IV&V model.
  - g. Describe how Vendor will provide a high level of engagement throughout the MES Project from start to finish.
  - h. Describe how Vendor will provide **proactive, not passive or reactive**, IV&V services that will improve MES Project outcomes and reduce design, development, or implementation problems or issues before they happen.
  - i. Describe how Vendor would inform project stakeholders about critical risks.
  - j. Describe how Vendor would ensure that these risks are promptly addressed.
  - k. Describe how Vendor's IV&V approach would enable the State to maximize the containment of risks for a project of this size and complexity.
  - l. Describe how Vendor's IV&V approach would help the State and the other MES vendors minimize issues related to duplication of efforts, integration and interfaces, implementation quality, etc.
  - m. Describe Vendor's approach to managing an IV&V project of the size and complexity of the NC MES Project. Include at a minimum:
    1. Project management methodologies, tools, or standards that Vendor uses to manage its engagements;

2. Schedule planning and management;
  3. Status reporting;
  4. Deliverable development and coordination;
  5. Resource management and coordination with other stakeholders (e.g., DHHS, the System Integrator Contractor, PMO Contractor, other vendors, external stakeholders such as CMS);
  6. Communications;
  7. Issue identification and resolution;
  8. Risk identification and management;
  9. Budget planning and management; and
  10. Staff performance management.
- n. Describe how Vendor will ensure availability of sufficient resources and staff to start IV&V operations within 15 calendar days of contract award and to be fully operational within 45 calendar days of award.
  - o. Explain what Vendor staff resources will be available through the life of this project.
  - p. Provide any other information required to respond to the requirements and specifications of this RFP, including Attachments A and B.
4. **ERRATA OR EXCEPTIONS**: Any errata or exceptions must be stated on a separate page, labeled "Errata and/or Exceptions" with references to the corresponding terms or provisions of the Solicitation. Offers condition upon acceptance of Vendor exceptions may be determined to be non-responsive by the State.
  5. **OFFER FORMAT**: Each page of the offer should be numbered. The offer should contain a table of contents, which cross-references the RFP requirement and the specific page of the response in the Vendor's offer. All offers should be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section.

6. **GENERAL INSTRUCTIONS:** Vendors are strongly encouraged to adhere to the following general instructions to bring clarity and order to the offer and subsequent evaluation process:
- a. Elaborate offers in the form of brochures or other presentations beyond that necessary to present a complete and effective offer are not desired.
  - b. The response should be complete and comprehensive with a corresponding emphasis on being concise and clear.
7. **RFP RESPONSE ORGANIZATION AND REQUIRED DOCUMENTS:** The offer should be organized and indexed in the following format and should contain, at a minimum, all listed items in the sequence indicated below. To the extent possible within each section of the offer, Vendors should address the items in the order in which they appear in this RFP and reference the appropriate section of the RFP. All discussions of proposal costs, rates, or expenses must be presented with the cost proposal.
- a. Completed and signed **Execution Page** (page 1), along with the entire body of this RFP and signed receipt pages of any addenda released in conjunction with this RFP.
  - b. **Letter of Transmittal:** Each offer must be accompanied by a letter of transmittal that provides the following information:
    1. Identify the submitting organization;
    2. Identify the name, title, telephone and fax number, along with an e-mail address of the person authorized by the organization to contractually obligate the organization;
    3. Identify the name, title, telephone and fax number, along with an e-mail address of the person authorized to negotiate the Agreement on behalf of the organization;
    4. Identify the names, titles, telephone and fax number, along with an e-mail address of the person to be contacted for clarification;
  - c. **Table of Contents**
  - d. **Technical Proposal** including the following:
    1. As required in *Section III. Technical Scope, Specifications and Requirements, 14, IV&V Services Requirements*, a statement acknowledging that Offeror has read, understands and agrees to perform/submit all tasks/Deliverables as described in RFP Attachments A and B, and will further describe in its proposal how it will complete with each requirement.
    2. Complete and comprehensive descriptions and responses to each item, requirement or question specified in *Section VI. Proposal and Content Organization, 3. Technical Proposal Content*.

3. Completed Points of Contracts table as follows:

Vendor Contractual Point of Contact	Vendor Technical Point of Contact
[NAME OF VENDOR] Street: [STREET ADDRESS] [CITY, STATE, ZIP] Email Address: Attn: Assigned Contract Manager	[NAME OF VENDOR] Street: [STREET ADDRESS] [CITY, STATE, ZIP] Email Address: Attn: Assigned Technical Lead

- e. **Cost Proposal:** Completed Attachment C
- f. **Alternative Cost Response:** Not required but may be provided at Offeror’s option.
- g. **References:** Offerors must provide three (3) business references for which it has provided services of comparable size and scope to that requested herein. The Offeror must complete the reference table below for each Reference provided. The Department may contact these clients to determine the services provided are substantially similar in scope to those proposed herein, and that the Offeror’s performance has been satisfactory.

Company Name & Address	Contact Person, Phone Number & Email	Summary of services provided that are relevant to the scope, specifications and requirements of this RFP

- h. **Offshoring:** As required by *Section V. Other Requirements and Special Terms, 1 Vendor Utilization of Workers Outside US*, provide the following for any offer or contract performance:
  1. The location of work performed under a state contract by the Vendor, any subcontractors, employees, or other persons performing the Agreement and whether any of this work will be performed outside the United States
  2. The corporate structure and location of corporate employees and activities of the Vendors, its affiliates or any other subcontractors
  3. Notice of the relocation of the Vendor, employees of the Vendor, subcontractors of the Vendor, or other persons performing Services under a state contract outside of the United States

4. Any Vendor or subcontractor providing call or contact center Services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center Services are being provided

Will any work under the Agreement be performed outside the United States?	Yes _____	No _____
If "yes", specify location:		

i. **Conflict of Interest:**

1. Provide a statement that no assistance in preparing the response was received from any current or former employee of the State of North Carolina whose duties relate(d) to this RFP, unless such assistance was provided by the state employee in his or her official public capacity and that neither such employee nor any member of his or her immediate family has any financial interest in the outcome of this RFP;
2. State if the Vendor or any employee of the Vendor is related by blood or marriage to an Agency employee or resides with an Agency employee. If there are such relationships, list the names and relationships of said parties. Include the position and responsibilities within the Vendor's organization of such Vendor employees; and
3. State the employing State Agency, individual's title at that State Agency, and termination date.

j. **Financial Information:** Provide financial statements and any other evidence demonstrating Offeror's financial stability as required in *Section V. Other Requirements and Special Terms, 3. Financial Statements*.

k. **Disclosure of Litigation:** Provide a disclosure statement as required in *Section V. Other Requirements and Special Terms, 4. Disclosure of Litigation*. If Offeror has not such disclosures at the time of its offer, it should submit a statement to that effect.

l. **Errata and Exceptions**, if any. Offers conditioned upon acceptance of Vendor Exceptions may be determined to be non-responsive by the State.

8. **ADHERENCE TO INSTRUCTIONS:** Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.

9. **ATTACHMENTS:** Vendors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

6. **Attachment A: IV&V Services Requirement (Statement of Work), Section 3. Verification Services, a. is deleted in its entirety and replaced with the following:**

- a. Independent verification of testing of all systems.

**7. Attachment A: IV&V Services Requirement (Statement of Work), Section 4. Validation Services, b. is deleted in its entirety and replaced with the following:**

b. Validation Services include:

1. Review of the current business environment, policies, processes, and procedures, including workflow and forms;
2. Development of a Validation Strategy to define and support the validation efforts;
3. Support for the development and execution of test artifacts;
4. Helping NC DHHS obtain CMS Certification of the new MES by gathering and consolidating the information required for the CMS Certification visit; and
5. Ancillary administrative activities and tasks.

**8. Attachment B: Schedule of Periodic Reviews is deleted in its entirety and replaced with the following First Revised Attachment B:**

**First Revised Attachment B: Schedule of Periodic Reviews <sup>1</sup>**

Review Areas	# of Review Items	Review Schedule												
			Month											
Management Oversight		Frequency	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Project Management	6	Alternate Months	x		x		x		x		x		x	
Risk Management	6	Alternate Months		x		x		x		x		x		x
Change Management	6	Alternate Months	x		x		x		x		x		x	
Configuration Management	6	Alternate Months		x		x		x		x		x		x
Project Estimating and Scheduling	6	Alternate Months		x		x		x		x		x		x
Quality Assurance	6	Alternate Months	x		x		x		x		x		x	
Requirements Management	6	Alternate Months		x		x		x		x		x		x
Security Requirements	6	Alternate Months	x		x		x		x		x		x	
Requirements Analysis	6	Alternate Months		x		x		x		x		x		x
Project Personnel and Organization	4	Quarterly			x			x			x			x
Subcontractors and External Staff	4	Quarterly			x			x			x			x
NC MES Program Office	1	Annually						x						

Interface Requirements	4	Quarterly		x			x			x			x	
Requirements Allocation and Specification	4	Quarterly		x			x			x			x	
Reverse Engineering	4	Quarterly	x			x			x			x		
Project Sponsorship	2	Bi-Annually		x						x				
Management Assessment	2	Bi-Annually			x						x			
Business Process Reengineering	2	Bi-Annually				x						x		
Communication Management	2	Bi-Annually					x						x	
Process Definition and Product Standards	2	Bi-Annually	x						x					
<b>Implementation Oversight <sup>2</sup></b>														
Unit Testing	6	Alternate Months	x		x		x		x		x		x	
System Integration Test	6	Alternate Months	x		x		x		x		x		x	
Pilot Test	6	Alternate Months		x		x		x		x		x		x
Interface Testing	6	Alternate Months	x		x		x		x		x		x	
Systems and Acceptance Test	6	Alternate Months	x		x		x		x		x		x	
Acceptance and Turnover	6	Alternate Months		x		x		x		x		x		x
Data Conversion	6	Alternate Months		x		x		x		x		x		x
Database Software/Design	6	Alternate Months	x		x		x		x		x		x	
User Training and Documentation	6	Alternate Months		x		x		x		x		x		x
<b>Operations Oversight</b>														
Operational Change Tracking	6	Alternate Months	x		x		x		x		x		x	
Operational Processes and Activity	6	Alternate Months	x		x		x		x		x		x	
Computer & User Operational Satisfaction	4	Quarterly		x			x			x			x	
Operational Goals	4	Quarterly	x			x			x			x		
Operational Documentation	2	Bi-Annually			x						x			

<sup>1</sup> This schedule may be modified upon written approval of the State Point of Contact listed on page 4 of the RFP.

<sup>2</sup> The Vendor shall perform Implementation Oversight Reviews once each month during each Project's Implementation and Rollout (including both Pilot rollout and Statewide rollout), notwithstanding the schedule shown herein.

**9. Attachment C: Cost Proposal is deleted in its entirety and replaced with the following First Revised Attachment C:**

**First Revised Attachment C: Cost Proposal**

**Instructions**

1. Use the following Cost Tables to complete the Cost Proposal.
2. Do not use any other tables or forms.
3. Do not modify the contents of any of the tinted cells in the Cost Tables.
4. The costs to the State quoted in the Cost Proposal must cover all Vendor's costs. No other payments will be made by the State for the services rendered.
5. All unit costs quoted in the Cost Proposal must be firm and fixed for the duration of the contract, which could last seven (7) years if the State exercises all its one-year options.
6. The State may ask for clarification during the evaluation period, but it is not required to do so. Cost Proposals that are incomplete or that contain significant inconsistencies may be rejected by the State without any request for clarification.

The cost proposal should be submitted using the MS Excel file and instructions provided above. Contact Melissa Pressley at [Melissa.Pressley@dhhs.nc.gov](mailto:Melissa.Pressley@dhhs.nc.gov) to request the Excel version of First Revised Attachment C: Cost Proposal.

**Cost Table 1  
Continuous Periodic Assessments (CPA)**

<b>Review Areas</b>	<b>Unit Costs</b>	<b>Multiplier</b>	<b>Extended Costs<sup>1</sup></b>
<b>Management Oversight</b>			
Project Management	\$	6	\$
Risk Management	\$	6	\$
Change Management	\$	6	\$
Configuration Management	\$	6	\$
Project Estimating and Scheduling	\$	6	\$
Quality Assurance	\$	6	\$
Requirements Management	\$	6	\$
Security Requirements	\$	6	\$
Requirements Analysis	\$	6	\$
Project Personnel and Organization	\$	4	\$
Subcontractors and External Staff	\$	4	\$
Program Office	\$	1	\$
Interface Requirements	\$	4	\$
Requirements Allocation and Specification	\$	4	\$
Reverse Engineering	\$	4	\$
Project Sponsorship	\$	2	\$

Management Assessment	\$	2	\$
Business Process Reengineering	\$	2	\$
Communication Management	\$	2	\$
Process Definition and Product Standards	\$	2	\$
<b>Implementation Oversight</b>			
Unit Testing	\$	6	\$
System Integration Test	\$	6	\$
Pilot Test	\$	6	\$
Interface Testing	\$	6	\$
Systems and Acceptance Test	\$	6	\$
Acceptance and Turnover	\$	6	\$
Data Conversion	\$	6	\$
Database Software	\$	6	\$
Database Design	\$	6	\$
User Training and Documentation	\$	6	\$
<b>Operations Oversight</b>			
Operational Change Tracking	\$	6	\$
Operational Processes and Activity	\$	6	\$
Computer & User Operational Satisfaction	\$	4	\$
Operational Goals	\$	4	\$
Operational Documentation	\$	2	\$
<b>CPA: Total Cost</b>			\$

<sup>1</sup> Extended Cost represent the anticipate annual cost for a particular review. Actual fees and reimbursement will be based on the CPA and schedule of periodic reviews approved by the Department.

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**Cost Table 2<sup>1</sup>**  
**Costs of Plans, Presentations, and Reports**

<b>Deliverable</b>	<b>Unit Cost</b>	<b>Multiplier</b>	<b>Extended Cost <sup>2</sup></b>
Management Plan (Annually)	\$	1	\$
Assessment Presentation (Quarterly)	\$	4	\$
Assessment Report (Monthly)	\$	12	\$
<b>Total Fixed Annual Cost of Periodic Assessments<sup>1</sup></b>			\$

<sup>1</sup> This Table does not include the costs of any Ad Hoc Reports that may be requested by the State.

<sup>2</sup> Extended Cost represents the anticipate annual cost for a particular deliverable. Actual fees and reimbursement will be based on the plans, presentations and reports approved by the Department.

**Cost Table 3**  
**Ad Hoc Tasks and Reports**

<b>Fixed Blended Hourly Rate for Ad Hoc Tasks and Reports</b>	\$
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**10. Attachment D: Information Technology Terms and Conditions, Section 1: General Terms and Conditions Applicable to All Purchases, Section 11) EQUAL EMPLOYMENT OPPORTUNITY shall be deleted in its entirety and replaced with the following:**

**11) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled and concerning the treatment of all employees without regard to discrimination by reason of race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual orientation, and gender identity or expression.

**11. Attachment D: Information Technology Terms and Conditions, Section 3: Terms and Conditions Applicable to Personnel and Personal Services, Section 3) PERSONNEL b) shall be deleted in its entirety and replaced with the following:**

b) Vendor personnel shall attend all meetings and perform all IV&V duties on the premises of the State during the State's regular work days and normal hours, except as may be specifically agreed otherwise, established in the specification, or statement of work. The State shall provide space for Vendor personnel.

**12. Attachment D: Information Technology Terms and Conditions, Section 3: Terms and Conditions Applicable to Personnel and Personal Services, Section 4) PERSONAL SERVICES a) shall be deleted in their entirety and replaced with the following:**

a) Vendor personnel shall attend all meetings and perform all IV&V duties on the premises of the State during the State's regular work days and normal hours, except as may be specifically agreed otherwise, established in the specification, or statement of work. The State shall provide space for Vendor personnel.

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**Execute Addendum 6:**

**Offeror:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Name and Title (Typed):** \_\_\_\_\_

**Date:** \_\_\_\_\_