



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

July 11, 2013

TO: ALL OFFERORS

FROM: PETER KOROLYK
STATE CONTRACT PROCUREMENT SUPERVISOR

SUBJECT: **ADDENDUM TO REQUEST FOR PROPOSAL
CONTRACT NO. GSS13692-EPROCUREMENT
ePROCUREMENT SERVICES**

ADDENDUM #7

This addendum is provided in response to the vendor questions that have been received for the solicitation to Contract No. GSS13692-EPROCUREMENT.

Section number: D. Professional Services RFP Administrative Information, subsection B. RFP Submissions, Paragraph number: 14. Submission of awarded Consortium or Cooperative Solutions, Page number: 11

Text of passage being questioned: Vendors wishing to offer a Consortium or Cooperative award should note that they may elect to submit either that offering or an individual response to this RFP but not both or risk disqualification.

Q1. In what format should a Consortium or Cooperative award be submitted in response to this RFP? Do you want to see the awarded RFP response to the cooperative, a response to this RFP, or another format?

Answer (A). Vendors that submit a cooperative contract award in response to this bid solicitation shall review the Government Support Services' bid, fill in and provide all forms, and shall individually respond to all aspects as identified in the Scope of Work.

Vendors may supply a copy of their contract and/or cooperative contract award as an Annex to their response if they feel it provides greater clarity.

Q2. How many invoices are processed monthly for State of Delaware?

A. Volumes vary month to month. The State currently pays approximately 30,000 unique vendors on an annual for both goods and services.

Q3. State of DE is remarkably close to WSCA's contract. Why? And, does this show a pre-disposition towards the awarded vendor?

A. Before issuing a solicitation our contracting team will review available bids to 'pull' relevant items and possibly build on a pre-existing framework. This approach saves time and utilizes other agencies' collective expertise. The choice to utilize some language does not show a pre-disposition towards the awarded vendor. The GSS team has decided, by soliciting a bid independently, that it wants to review all offerings and determine what product and vendor serves the best interests of the State of Delaware.

Q4. RFP Document - C. Required Information – Page 4 - How should pricing/funding model be included in our proposals? Should it be submitted separately?

A. Vendors shall clearly identify all aspects associated with pricing for the eProcurement model offered. For, example, if offering a pre-packaged software solution, and it requires a lump sum upfront installment on the procurement of the package, please identify. Additional costs for modules would need to be identified. If each activity is charged at an hourly rate for programming, then define the estimated hours associated with development for any given feature, and provide the hourly rate. The State is allowing vendors flexibility in the submission of their pricing in response to this bid.

All prices submitted shall be saved as a supplemental document to be included with the bid proposal, and saved electronically to the media submitted.

Questions for Terms and Conditions (Attachment 12):

Q5. SOW 6 – Page 2 or 41 - *The State of Delaware will provide requirements to Service Provider for encryption of the data at rest.* - What are the encryption requirements?

A. If data is classified as confidential or higher it should be encrypted with AES-256 standards.

Q6. SOW 18 – Page 3 or 42 - *The Service Provider shall make available to the State all Customer Data in a state defined format based on vendor and state platforms including: Database, O/S and physical media, along with attachments in their native format.* - What are the state platforms including database and OS?

A. Desired integration will take place using a Secure FTP and structured text files (csv, xml, or something equivalent with appropriate headings/mappings).

Q7. SOW 20 – Page 3 or 42 - *The Master Contractor may deliver two copies of each software source code and software source code documentation to a State- approved escrow agent with the State's prior approval.* - Who are the State approved escrow agents?

A. A source code escrow does not apply to a SaaS solution.

Questions about Appendix B General:

Q8. Some of these may require a longer explanation than 1-2 sentences. Can we offer some answers outside of the excel workbook?

A. Vendors may provide answers sufficient to respond to the information requested. Vendors shall clearly define where their responses are provided. Vendors are encouraged to outline and summarize their answers initially and then go into more detail to provide support to ensure their responsiveness is not overlooked or muted as the user group reviews their responses.

Questions about Appendix B-1 Mandatory Required Functions:

Q9. #58 - *Supports PDA-based approval on Blackberry, iPhone and other smart phone devices* – Can the State please identify how it envisions the approval process on smart phones?

A. The State does not have a preconfigured solution in mind, but rather is looking for vendors to offer a responsive design/mobile friendly website. An iPhone or Droid application would be value added offering, but is not required.

Q10. #71 - *Integrate with a HR system (or other system) for approval hierarchies.* – Can the State please identify the current HR systems?

A. PeopleSoft ERP system is the current HR system in use.

Questions about Appendix B-2 Mandatory Scored Functions:

Q11. #22 - *Supports the approval or rejection of individual vendor registrations by states* – Can the State please explain this requirement a bit more.

A. This statement is corrected to read, "Supports the approval or rejection of individual vendor registrations by the State."

Q12. #25 - *All major Windows and Mac email clients and webmail applications are supported, e.g. MS Outlook, Apple Mail, Gmail, etc.* – What type of support is the State looking for? Add-in, plugin, etc.?

A. Vendors shall propose a solution based on the most efficient and cost effective option that they offer.

Questions about Appendix B-3 Desirable Scored

Q13. #12 - *The system should be able to extract defined metadata from legacy contracts loaded into the repository* – How much legacy metadata?

A. Ideally the system should be able to extract a minimum of three to five years of metadata.

Q14. #13 - *The system should support OCR conversion of existing documents* - What format and State are existing documents? How many existing documents will need to be imported?

A. There is no established state standard for OCR at this time. The State is open to offered solutions.

Q15. #149 - *Full Microsoft Word integration/text editor when working in the application, it should appear as if the user is working in Microsoft Word* - What version of Microsoft Word is the State using?

A. Primarily 2003, 2007 and 2010.

Q16. Will actual Microsoft Word integration be more preferable or does the State desire web base word "appearance" interface?

A. The State would prefer integration from Microsoft Word, but may accept other suggested integrations so long as demonstrated text corruption is negligible. The State seeks the ability to apply standard formatting options for all documents (i.e. Bold, italic, text, font, etc.)

Q17. #211 - *Able to integrate/interface with any third party AP system whether ERP, legacy, etc.* -Can the State please give some more guidance in its ERP/legacy systems?

A. Desired integration will take place using a Secure FTP and structured text files (csv, xml, or something equivalent with appropriate headings/mappings). The state uses a PeopleSoft solution for Accounting, Purchase Orders, Human Resources, and Enterprise Resource Planning. Salesforce is being implemented for some CRM functions. There are no solutions in place for Vendor/Supplier Relationship Management.

Q18. Who has the responsibility of performing the integration?

A. Vendor shall propose a solution based on the most efficient and cost effective option that they offer.

Q19. #230 - *Supports automated authorization, validation and entry of new vendors into system through access to relevant online data, e.g. D&B* - Would the cost of such validation need to be included in proposals?

A. All costs need to be identified.

Q20. Section B, Item 2, Page 2 "Work with the State of Delaware, OMB team and extended stakeholders to refine the business processes and requirements and document these processes and requirements in updated documentation". Could the state provide an expanded level of description of what is requested here?

A. The successful vendor must be willing to work with all stakeholders and appropriately document any and all modifications to business processes resulting from enablement of the selected solution(s).

Q21. Is this analysis of the processes of the procurement organization and assessment of potential business changes to the procurement processes?

A. The vendor proposals will not be an assessment of the procurement organization. But, the selected and awarded system may generate improvement to procurement through improved ordering, audit and reporting functions.

Q22. Has the state completed any formal business process reengineering projects or external reviews as it relates to the state procurement function in the last 5 years?

A. Yes.

Q23. Section D, Item 1.a., Page 15 “The term of the contract between successful bidder and the State shall be for three years with two extensions for a period of one year for each extension.” How would the State utilize a cooperative contract that has a 5 year term with 10 1 year renewals?

A. Government Support Services may execute a contract for three (3) years with two (2) one (1) year extensions, per the terms of the solicitation. Should a decision be made to utilize the cooperative contract, the State could sign a contract for the remainder of the five (5) year term with ten (10) one (1) year extensions, whichever is most advantageous to the State.

Q24. How should a vendor respond with a cooperative contract offering if exceptions exist to the State’s terms and conditions?

A. The responding vendor shall respond to the State of Delaware’s solicitation for eProcurement Services and follow the form and format of the bid provided. If the vendor is offering a cooperative contract as a solution, and exceptions are noted, the vendor shall clearly identify the exceptions on the form provided.

Q25. Section 2, Item 5, Page 17 “The Business Case Number is 20132202_01_01”. How can we obtain a copy of this document?

A. The amended Business Case Number is 20132201_01_02. It has been provided as a separate document and is referred to as Addendum #8.

The Business Case has been redacted to remove both names of individuals identified with the project review and all budget references. The estimated budget numbers have been removed to ensure vendors propose the best available and valued solution. The State will determine a final project budget based on the best value of vendors’ proposed solutions that most closely meet the State’s mandatory and desired deliverables in a cost effective manner.

Scope of Services, page 2. Improve the procurement costs of state government programs and services by achieving improved consolidation and leverage of spend for common purchases across state agencies, school districts, higher education institutions, political subdivisions and other authorized entities.

Q26. What is the approximate number of state agencies, school districts, higher education institutions, political subdivisions and other authorized entities involved?

A. This will be a mandatory use contract for executive agencies. All political subdivisions and other authorized users with the right to procure off state contracts are expected to have access to this solution. Please refer to the following lists for a preview of eligible participants at:

- [Departmental List of Agencies](#),
- [Incorporated Delaware Municipalities](#),
- [Delaware Public School Districts](#), and
- [Delaware Fire Companies](#).

Q27. Also, what is the approximate number of users?

A. Potentially the number of users could be 24,000 or more.

Q28. Approximately how much spend data exists in these agencies?

A. In FY12, the State expended approximately \$5.2B across all fund types excluding debt service, foreign vendor payments, and payroll. It is not anticipated that this solution will capture all spend. Vendors should familiarize themselves with the list of goods and services procurements on mymarketplace.delaware.gov in preparation of their proposal.

Q29. What systems do you currently have in place for procurement? (How is the data stored, reported, etc.?)

A. There are currently no automated procurement systems within the state. Vendor provided reports as well as analytics completed from the state financial system may be viewed on mymarketplace.delaware.gov.

Appendix B, page 1, refers to “Section 4” for background information. However, the RFP does not contain a Section 4 or a designated “background information” section in general.

Q30. Please clarify if there is an addendum with a Section 4 – Background Information that may be missing from the original RFP, and if not please provide background information.

A. This was an error in the original RFP, and all references in Appendix B, page 1 to Section 4 should be ignored.

Q31. Insurance: Can policy limits be provided by both primary and excess policies?

A. Please provide insurance as requested, or if offering an alternative proposal using primary and excess policies to meet the requirements, and note in the Exceptions form provided.

The Master Contractor may deliver two copies of each software source code and software source code documentation to a State-approved escrow agent with the State’s prior approval. The Master Contractor shall cause the escrow agent to place the software source code in the escrow agent’s vaulted location, in Delaware, and that is acceptable to the State. Two copies of the source code shall be stored on compact discs or other media designated by the State in a format acceptable to the State, and shall be easily readable and understandable by functional analysts and technical personnel with the skill set for that type of component, subcomponent, or software code.

Q32. Source code escrow: Since the proposed solution is likely going to involve SaaS, is there a requirement that the source code of the software be escrowed, or simply the data?

A. A source code escrow does not apply to a SaaS solution.

Q33. In regards to the Termination for Convenience: Would the State consider a minimum period (such as 1 year) before the right to terminate for convenience? Would the State consider a termination fee in the event of a termination for convenience?

A. No. The period of termination is non-negotiable.

Q34. Work product: Will the state agree to exclusions for Vendor's pre-existing intellectual property (and any modifications thereto) from the provisions of this paragraph?

A. The State will consider exclusions for pre-existing intellectual property. Any modifications to pre-existing intellectual property, developed and paid for by the State or its agencies shall become the property of the State.

Q35. SOW: Availability. Are 24x365 Availability requirements subject to reasonable outages for scheduled maintenance and outages outside Vendor's control?

A. Vendors seeking an exception to the 24/365 availability requirement shall identify their exception in the form provided. The State envisions a lack of availability for system-wide maintenance should be limited in scope, and not prevent personnel from access for more than several hours at a time as upgrades are performed.

Further, vendors should identify how frequently outages may be experienced for upgrades to the system or individual modules based on prior experience.

Vendors should be prepared to present solutions to resolve and prevent outages outside of the vendor's control due to loss of power, and demonstrate safeguards that prevent the loss of data integrity.

Q36. Would a Thumb Drive be acceptable instead of a CD for submittal?

A. Yes

Q37. Background: Please list State of Delaware's top 3 to 4 key business drivers and reasons for investigating an AP automation solution:

For example:

1. Get rid of the paper
2. "No touch" Invoices
3. Increased Visibility

A. Three key business drivers are efficiency, cost effectiveness, and the best utilization of state resources.

Q38. Background: Please state the primary goals of the AP automation project as they relate to each group within the organization:

(Are there different measures of success for each group?)

1. Executive/Management Team:
2. Purchasing Organization:
3. Accounts Payable Organization:
4. State of Delaware End-Users:
5. IT Staff:

A. See answer to Q37 above as it is relevant to all participating agencies.

Q39. Background: What features that don't exist in the current solution that State of Delaware would like to have moving forward?

A. One example would be on-line catalogs available through a state accessed portal that includes the ability to shop awarded vendor solutions across multiple contracts. The State seeks the ability to collect procurement data, at the point of transaction, and for this data to be available for analytical use on an as needed basis.

Q40. Background: What features does State of Delaware find most important in the existing solution?

A. There is no current existing solution. The State finds the ability to publish and analyze transaction level procurement data invaluable.

Q41. Background: What is the primary pain point State of Delaware faces within the AP process today?

A. On-going audit concerns between contract price and actual prices charged.

Q42. Background: How many ERP systems (1 or more?) is the state of Delaware currently using?

A. The State of Delaware has an ERP system (Peoplesoft) for active state employees and a separate system (also Peoplesoft) for pensioners. Approximately 10% of our procurement spend is from non-state agencies, who are not part of the state's ERP system.

Q43. Background: What are the three main pieces of functionality State of Delaware is looking to see/cover in a demonstration?

A. Catalog creation and maintenance, ease of use, and the ability to meet the state goals as it pertains to Executive Order (EO) 14, EO18 and EO20. Executive orders are available for review from the following site: <http://governor.delaware.gov/orders/index.shtml>

Q44. Background: How are invoices currently converted to electronic format today within any existing solution?

A. There is no existing solution.

Q45. Catalog Management: Does the state of Delaware currently have vendors that utilize punch out catalogs?

A. No. Vendors may have the capability but it is not currently used by the State of Delaware. Respondents should reference reported data available at mymarketplace.delaware.gov.

Q46. Are vendors willing to maintain their own catalogs on a State of Delaware portal?

A. Vendors are not expected to maintain catalogs within the new system, but to supply a catalog record that can be formatted into the required framework.

Q47. Workflow: Please describe how the State of Delaware would envision the drivers for Purchase Requisition (or non-po invoice) approval? (Ex Cost Center, User approval level etc)

A. Vendors should offer all available solutions for approval of PO's, orders and purchase cards.

Q48. Basware supports multiple methods of paper invoice handling. For invoice processing, is there a preference to keep paper handling in house or to outsource the paper handling process? Or is State of Delaware open to discuss all options?

A. The State is open to discuss different options and respondents should propose their most cost effective and efficient solutions.

Q49. Do you need line level extraction for line level matching of PO based invoices?

A. Yes.

Q50. What are the three main matching exceptions on PO invoices State of Delaware faces today? How are these exceptions resolved?

A. There is currently no automated system for line matching PO's. The three primary concerns are assurances prior to order fulfillment that agencies may identify the best contract solution to meet their needs, the price charged is the contracted rate, and analytics of all aggregated spend across all contracts are accessible for procurement decisions.

Q51. Where/what system do approved purchase orders currently reside in?

A. PeopleSoft.

Q52. How are invoices received today? Centrally or distributed out in field?

A. Invoices are received in the field and centrally, depending on the agency and the account set up.

Q53. Please provide the number of expected invoices on an annual basis.

A. Volumes vary month to month. The State currently pays approximately 30,000 unique vendors on an annual for both goods and services.

Q54. Please describe the ratio of PO to Non-PO based invoices?

A. Vendors should review to the following links for a summary of available information.

- [Delaware's Online Checkbook](#),
- Mymarketplace.delaware.gov, and
- [Delaware Online Credit Card Transactions](#) or Purchase Card (P-card) site.

Q55. If Non-PO invoices represent a small % of total volume, how important will it be to demonstrate Non-PO approval/coding functionality within the demo?

A. Vendors shall be prepared to demonstrate the extent of capabilities of the solution proposed.

Q56. As part of the market intelligence gathering process has the State assessed potential vendor solutions through review of vendor published white papers, product literature and demonstration of software and discussions with other State government procurement organizations. Can the State identify the vendors especially if a product demonstration has been conducted?

A. Market research has been conducted and product demonstrations, webinars, and vendor events have exposed the State to multiple vendor solutions. The State has reviewed the delivered functionality of multiple vendor platforms for public procurement agency use and determined the scope and expectations of the resulting RFP as a result of the desired functionality across all options.

Q57. The State could have implemented a solution that is available through a Cooperative Contract. Why has the State decided not to pursue the use of such contact vehicle?

A. The State of Delaware wishes to consider all available options, inclusive of those available under all eligible consortiums in order to find the best value for the State of Delaware. The State's solicitation is structured so that respondents may offer their best solution inclusive of those contracted through eligible consortiums.

Q58. What is Delaware's annual procurement-related expenditure?

A. Please refer to the response to Question #28.

Q59. Which State agencies have committed to using the new eProcurement solution?

A. The resulting eProcurement solution will be a mandatory use contract for executive agencies.

Q60. Has the State identified a target list of State agencies for the initial deployment in the envisioned phased rollout?

A. The State of Delaware currently centralizes all procurement and contract information on mymarketplace.delaware.gov. All state agencies, school districts and other elected procurements may access the awarded solution.

Q61. When does the State expect to go live with the first stage of the envisioned phased rollout?

A. Spring or Summer of 2014

Q62. What is the State's expected timeline to deploy the full eProcurement solution to all State agencies?

A. Not to exceed 18 months or as needed to fully implement. Vendor proposals should be realistic, but the ability to implement the awarded solution is a scored criteria as defined in the RFP.

Q63. What components of the eProcurement solution does the State plan to make available to political subdivisions and other entities within the State?

A. Political subdivisions and other authorized agencies with the right to procure off state contracts are expected to have access to this solution. Please refer to the provided Business Case shown as Addendum #8.

Q64. What is the expected user count by component of the envisioned eProcurement solution?

A. Potentially the number of users could be 24,000 or more.

Q65. How does the State define 'most advantageous' as it relates to the potential award of this Procurement if it is not based on total points awarded against the State's defined evaluation criteria?

A. Please refer to the DE Code [§ 6981](#) and § 6982. The referenced codes along with the rest of Title 29 Chapter 69 identify the State's obligation to negotiate subject to a satisfactory conclusion. There are numerous reasons the agency may elect to choose a vendor other than the highest scoring, and the agency has the right to select a vendor that serves the best interests of the State.

Q66. Please explain the difference between the 'Mandatory Required' and 'Mandatory Scored' sections of Appendix B.

A. The Mandatory Required and Mandatory Scored are all aspects of the eProcurement Services contract that the state expects to be answered by any submitting vendor. For purposes of scoring the proposals, on the Mandatory Scored will be reviewed.

Q67. The State indicates that they reserve the right to defer major upgrades or system changes if desired. How does the State expect to accomplish this in a SaaS environment where all customers are typically migrated to the latest release at the same time per the schedule defined by the Service Provider?

A. As a large autonomous user that has a citizenry to serve and protect, the State requires that a submitting vendor adhere to its schedule for upgrades.

Q68. Many SaaS solutions are architected such that data from multiple customers is commingled in a shared database in order to gain operational efficiencies. Does the State expect the Service Provider will create separate database backups for each customer in order to avoid commingling data from multiple customers in the individual backup files?

A. Backups should contain just State data to allow ease of restoring and transferring in case of termination.

Q69. Can the State provide more detail regarding the expected data format that the Service Provider will be expected to conform to when State's data is returned post termination?

A. Same as Q132. Desired integration will take place using a Secure FTP and structured text files (csv, xml, or something equivalent with appropriate headings/mappings).

Q70. When does the State expect to provide the requirements for encryption of data at rest?

A. For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are Social Security Number, Date of Birth, Driver's License number; passwords, financial data, and federal/state tax information. At a minimal, offered solutions should meet or exceed AES-256 standards.

Q71. Will these requirements be based on current State standards?

A. If data is classified as confidential or higher it should be encrypted with AES-256 standards.

This solicitation calls for a centrally managed Software-as-a-Service (SaaS) solution that recognizes the unique environment of the State from a procurement execution perspective but allows the state to fully enjoy the benefits of a centrally coordinated cooperative sourcing and contracting model.

Q72. Could the State clarify its vision of State's unique procurement process in combination with Cooperative contracting model?

A. The State is retaining all options for the award and integration of its new system. Since final determination of a vendor has not been completed, the best alternative or best interest to the State may be a combination model that takes pieces from a cooperatively procured and awarded model, and customizes the solution to best fit the State of Delaware's needs.

Q73. How much of the State's spend in dollars and % currently is through cooperative contacts?

A. Please refer to the Cooperative spend analysis as provided on mymarketplace.delaware.gov, Results Delaware tab for the most recent analysis.

Q74. Does the State expect the selected solution should host co-operative contracts it participates?

A. To some level of participation; yes. The State currently posts bid solicitations on its bid directory, and it has joined some cooperative awards. Further engagement in the future with a more pro-active role is possible.

Q75. Do the cooperatives allow hosting of contracts outside of their own solution?

A. This information is not fully known at this time, and the State's level of participation may be limited to the solutions used by any individual cooperative.

Q76. Will the State benefit from a solution that could easily integrate with solutions that host cooperative contracts?

A. This information is not fully known at this time. The level of benefit will depend on the cooperative and the system it utilizes.

Q77. This solicitation calls for a pricing and funding model that provides flexibility to utilize and pay for the solution's centralized services as needed but that avoids the "divide and conquer" revenue-maximizing approach taken by some providers to the pricing of multi-entity solutions. Can the State clarify this statement?

A. Under DE Code [§ 6908 \(b\)](#), administrative fees will not be charged, and expects a holistic approach as a solution.

Q78. Does this mean the pricing should include to all addressable spend by the State and the local entities i.e. no limits on number of users, vendors, or hosted catalogs?

A. All pricing associated with the development, integration, utilization and on-going performance should be disclosed to the best of the vendor's abilities.

Q79. If the pricing includes limits on number of buyers, vendors or hosted catalogs in addition to spend limit, will that be acceptable?

A. The State would prefer to seek solutions that provide unlimited access to the systems or users, vendors and catalogs. The State will consider proposals where the vendors may provide tiered pricing to make a better value offering.

Q80. If spend is the only criteria, could the State provide the expected spend through the solution?

A. Spend is not the only criteria for development and integration of the system.

Q81. Does this mean the State has no confirmed budget allocation for the project at this point in time?

A. The State does have a budgeted allowance for this project.

Q82. If the proposed solution is an Individual Response but includes a cooperative solution (in part or in full) that is currently available, will that be disqualified?

A. The State will consider combination proposals so long as the submitting vendor clearly identifies its ability (or lack of ability) to meet the various aspects of the contract terms and conditions.

Q83. How many hosted and punch-out and internal catalogs State expects to be supported?

A. It is unknown at this time.

Q84. Can the pricing be based on the number of catalogs enabled?

A. The submitting vendor may offer tiered pricing for the number of catalogs enabled, but must be clear in their description and identification of what it considers a catalog and the amount of data utilized.

Q85. If there is no data integration, what is the purpose of punch-in?

A. This project includes the possibility of integration and manual input, and vendors shall define their capabilities.

Q86. Are users expected to manually enter the item information in the ERP system?

A. No, but defined users should have the ability and the vendors offer all available solutions.

Q87. Is there a current cloud data center in use by the State of Delaware that meets the specified "Cloud & Offsite Hosting Policies" (dated 6/14/2011)?

A. This information is considered confidential.

Q88. How many expected business partners/suppliers will the State of Delaware be sending/receiving Purchase Order data to/from via EDI, XML, or other data exchange(s) and format(s)?

A. Volumes vary month to month. The State currently pays approximately 30,000 unique vendors on an annual for both goods and services. Respondents are encouraged to refer to mymarketplace.delaware.gov for more detail and analysis.

Q89. Which of the following Single Sign On (SSO) strategies does the State of Delaware anticipate deploying for the eProcurement solution?

A. This is a desired requirement of the solicitation. Vendors may wish to consult the DTI website for the most recent version of the Identity Access Management (IAM) options utilized by the State of Delaware.

Q90. In an effort to help all bidders with responding to the eProcurement integration/interfacing requirements can you please specify the names of the software systems that the State of Delaware currently utilizes for the following:

- Accounting
- Purchase Orders
- Human Resources
- Enterprise Resource Planning (ERP)
- Client/Customer Relationship Management (CRM)
- Vendor/Supplier Relationship Management (VRM)

A. Desired integration will take place using a Secure FTP and structured text files (csv, xml, or something equivalent with appropriate headings/mappings). The state uses a PeopleSoft solution for Accounting, Purchase Orders, Human Resources, and Enterprise Resource Planning. Salesforce is being implemented for some CRM functions. There are no current solutions in place for Vendor/Supplier Relationship Management.

Q91. Does the State of Delaware expect to replace any of the software systems specified above?

A. Nothing is planned at this time besides routine PeopleSoft maintenance and updates.

Appendix B-2 Mandatory Scored Functions:

Q92. Requirement Ref # 20: Are there different registration data/information capture and evaluation requirements for each commodity classification?

A. The State utilizes the UNSPSC commodity and services classification system.

Q93. Requirement Ref # 43: Please describe the "amendment process" as it pertains to vendors and Solicitation Management.

A. Item #43 as written does not define an "amendment process" as asked by the vendor.

Appendix B-3 Desirable Scored:

Q94. Requirement Ref # 5: Please clarify the intended meaning of the word “contract” in the phrase “when a contract is locked by a user” – does “contract” refer to the drafted contract document that is based on a pre-defined template, or does it mean the contract metadata record?

A. This requirement is reference to the contract document itself. All metadata records should also contain the appropriate audit controls.

Q95. Requirement Ref # 26: Please clarify the intended meaning of the word “hierarchy” as it pertains to filing and grouping of contracts, and please provide some examples of the anticipated hierarchy?

A. Vendor should identify how its solution groups and manages contract hierarchy. By commodities, services, age, agency users, approvers and other record custodians.

Q96. Requirement Ref # 28: Please clarify the use and intent of “file folders” as it pertains to “Contract Management – Maintain Organizational Hierarchy, and please provide some examples.

A. File folders will manage and maintain relevant contract information, and may be used to store critical or pertinent communications for future reference as such all appropriate audit controls shall be necessary.

Q97. Requirement Ref # 51: Please clarify the intended meaning of the word “hierarchy” as it pertains to “contract templates by category and type”, and please provide some examples of the anticipated hierarchy?

A. Vendor should identify how its solution groups and manages contract hierarchy. By commodities, services, age, agency users, approvers and other record custodians.

Q98. Requirement Ref # 158: Please clarify how this requirement relates to Microsoft Word Integration.

A. The State would prefer integration from Microsoft Word, but may accept other suggested integrations so long as demonstrated text corruption is negligible. The State seeks the ability to apply standard formatting options for all documents (i.e. Bold, italic, text, font, etc.)

Q99. Requirement Ref # 168: Please clarify the intended meaning of the word “line level”. – Please provide examples.

A. As stated, the State is looking for a solution that will clearly identify a line item that is no longer available even if the vendor remains an awarded vendor.

A100. Requirement Ref # 176: Please provide examples of some of the more challenging regulatory reporting requirements that the State of Delaware is facing.

A. Overall contract utilization remains a challenge, and the ability to retrieve reports by commodity, contract, vendor, agency, etc. are of interest. The vendor shall identify the scope of reporting and clearly note any deficiencies for evaluation by the user group.

Q101. Can the State provide details about the approximate yearly spend in terms of POs, contracts, solicitations?

A. Vendors should review the [Delaware Online Checkbook](#), mymarketplace.delaware.gov and the [Purchase Card](#) (P-card) site for a summary of available information.

Q102. Also how many agencies does the State envision to bring on board initially and if possible to project – in subsequent phases?

A. This will be a mandatory use contract for executive agencies. All political subdivisions and other authorized users with the right to procure off state contracts are expected to have access to this solution. Please refer to the following lists for a preview of eligible participants at:

- [Departmental List of Agencies](#),
- [Incorporated Delaware Municipalities](#),
- [Delaware Public School Districts](#), and
- [Delaware Fire Companies](#).

Q103. Can the State also provide the approximate number of users?

A. Potentially the number of users could be 24,000 or more.

Q104. Has a budget been established for this contract? If so, can the State share the numbers?

A. The State will determine a project budget based on the best value of vendors' proposed solutions that most closely meet the State's mandatory and desired deliverables in a cost effective manner.

Q105. Is the State expecting a response to each of the numbered topics? E.g.

- *Experience and Reputation*,
- *Expertise (for the particular project under consideration)*

A. Yes. The proposals will be evaluated based on these defined sets of criteria provided.

Q106. Is this the basic format that we should follow for the response to this RFP?

A. Vendors have been provided with an evaluation standard by which they will be scored. There are Appendices that identify requirements, wants and desires in the awarded system. Vendors shall provide a methodical breakdown of the offered solution but may do so in the format of their choosing.

Q107. Can the State let us know the ERP or financial system that will need interfaces?

A. PeopleSoft is the current financial system. This eProcurement solution will not interface with the state's financial system at this time, but should be capable of doing so in the future. Vendors should identify how the system would interface with PeopleSoft.

Q108. Are these systems capable of communication via industry standard web services technology?

A. Capability of the awarded system will depend on the selected vendor solution, and anticipates selecting the best available technology at the time of award.

Q109. Does Attachment 14 - -- Network Diagram need to be submitted as part of the RFP response?

A. Attachment 14 is a sample for vendors submitting in response to this proposal. Vendors can omit the RFP sample shown, BUT MUST provide their diagram of the network architecture proposed.

Section C, page 6. The document is available at www.sans.org/top20.htm for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.

Q110. Do you mean that we guarantee that we have implemented the 20 controls or do you mean that we guarantee that there are no vulnerabilities mentioned in the documentation addressing the 20 controls?

A. Vendors shall guarantee there are no vulnerabilities with their offered solution.

Q111. Is this project funded with Federal funds requiring compliance with section 508 of the federal Rehabilitation Act?

A. No Federal Funds are appropriated at this time, but the system must be compliant with Section 508.

Section C, page 6. The following State of Delaware technology standards and/or policies have been identified as being related to this solution:

b) State of Delaware Information Security Policy (DISP)
<http://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>

Q112. Which sections would apply to a multi-tenant SaaS solution?

A. All of the standards are referenced in the RFP.

Q113. If the IAM service must be used in connection with supplier use of the SaaS solution, what will be required of vendor to use this service?

A. This is only a desired requirement. If the vendor wanted to use the State's IAM it would need to allow authentication using a secured SOAP envelop exchange.

Section D, page 16. The State of Delaware's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements.

Q114. Would a multi-tenant SaaS solution provider's Master Services Agreement, which may provide substantial additional protection for the State, be an appropriate supplement in lieu of a software license?

A. Vendors may propose either agreement.

Section D, page 16 - 17. The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee.

Q115. Would a disclosed subcontractor that assists vendor (Prime) in preparing vendor's RFP response violate this statement since the subcontractor will only receive fees if vendor is selected?

A. A subcontractor may assist a prime contractor develop a proposal response. The subcontractor will be held to the same standards as the prime contractor who holds the complete responsibility of performance should they be the successful award holder.

Section D, page 18. "By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's its agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, whole or part, to the State, its employees or agents."

Q116. Should there be a comma after "vendor's," and after, "employees' performance?"

A. Yes.

Section D, page 18. "In the event of any claim, suit or action by any third party against the State of Delaware, the State of Delaware shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful."

Q117. Is this sentence only intended to apply to infringements of patents, copyrights, trade secrets, or other proprietary rights of third parties as described in the preceding sentence?

A. The DTI provided limits of liability are non-negotiable.

Q118. Will Delaware deduct points for vendor proposing alternative formulations of termination for cause?

A. No. Vendors will not be deducted points for suggesting alternatives, but exceptions must be noted on the appropriate form. The State will reserve the right to accept, reject or negotiate individual exceptions at its sole discretion.

Q119. Will Delaware deduct points for vendor proposing alternative formulations of termination for convenience?

A. No. Vendors will not be deducted points for suggesting alternatives, but exceptions must be noted on the appropriate form. The State will reserve the right to accept, reject or negotiate individual exceptions at its sole discretion.

Section D, page 21. No activity is to be executed in an off shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

Q120. Considering that the solution being provided to the State will incorporate numerous commercial software products as components, can the State clarify the definition of “activity” which should not take place outside of the United States and whether this applies only to implementation/support services or whether it also applies to any of the following activities involving commercial products as well:

1. All implementation services provided to the State, including configuration of the State’s solution.
2. Customer support provided to the State.
3. Customer support provided to the suppliers based in the US.
4. Customer support provided to suppliers based outside the US.
5. Activities related to development of commercial products associated with licensed components or the SaaS solution (e.g. software products provided by companies such as Microsoft and other vendors including the eProcurement software being offered in the State’s solution).

A. The State will not consider offshore solutions.

Section D, page 21: Work Product. All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the State. The vendor will seek written permission to use any product created under the contract.

Q121. As a vendor of commercial software products and a multi-tenant SaaS solution, may vendor retain ownership of development work with general applicability to other customers, as is customary for commercial software product licenses?

A. This section can be removed from the RFP.

Section D-E, page 23: Production Environment Requirements. The State of Delaware requires that all hardware, system software products, and application software products included in proposals be currently in use in a production environment by a least three other customers, have been in use for at least six months, and have been generally available from the manufacturers for a period of six months. Unreleased or beta test hardware, system software, or application software will not be acceptable.

Q122. Do you mean that new hardware models cannot be used without 6 months of prior use or do you mean that no new hardware can be used for Delaware without 6 months of prior use?

A. This section can be removed from the RFP.

Q123. New software features and components are customarily provided by commercial software product vendors and SaaS vendors on an ongoing basis to all their customers. If a

software component has not been used for the requisite time or by the requisite number of users, will Delaware consider issuing a waiver with respect to these requirements?

A. This section can be removed from the RFP.

Q124. Does this clause apply to multi-tenant SaaS solutions? Does it make a difference if the solution is virtualized?

A. This section can be removed from the RFP.

A Monthly Usage Report (Attachment 7) shall be furnished on the 15th (or next business day after the 15th day) of each month by the successful Vendor Electronically in Excel format detailing the purchasing of all items on this contract.

Q125. Will this report indicate solutions that are purchased from vendor or purchases that are made using vendor's procurement solution?

A. The Monthly Usage Report will detail purchases made from the vendor fulfilling the eProcurement contract.

Attach 12, page 40. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware. The Service Provider may not use any personal information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service.

Q126. Please confirm that this will not prevent suppliers, that may be registered in connection with the implementation of the solution for Delaware, from choosing to use the vendor to do or solicit business from other customers of vendor's multi-tenant SaaS solutions.

A. Confirmed; vendors will not be prevented from soliciting other business with a similar solution. Attachment 12, page 40 requirements will remain in effect.

Attach 12, page 40. When requested by the State of Delaware, the provider must destroy all requested data in all of its forms, disk, CD / DVD, tape, paper, for examples. Data shall be destroyed according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction must be provided to the State of Delaware.

Q127. Does this requirement apply to system disks used in a virtualized multi-tenant SaaS solution?

A. Yes, if there is State data on those system disks, this requirement applies. State data shall not linger on a provider system after contract termination.

Attach 12, page 41. The Service Provider must allow the State of Delaware access to system logs, latency statistics, etc. that affect its data and or processes.

Q128. To ensure compliance with applicable security certifications and protection of its overall infrastructure, may a Service Provider of a multi-tenant SaaS Solution require individuals to sign a nondisclosure agreement prior to granting access?

A. Yes, DTI has offered to sign non-disclosure agreements in the past.

Attach 12, page 41. Advance notice (to be determined at contract time) must be given to the State of Delaware of any major upgrades or system changes that the Service Provider will be performing. The State of Delaware reserves the right to defer these changes if desired. Most multi-tenant SaaS solution vendors are able to offer substantially lower costs to all customers by upgrading their software and infrastructure on an ongoing basis across all customers.

Q129. With respect to a multi-tenant SaaS Solution, will Delaware waive its right to defer changes?

A. The State may elect to waive its right to defer changes. To waive its rights, the vendor must be ready to identify a critical vulnerability that needs to be resolved, and receive State approval.

Attach 12, page 41. The State of Delaware will provide requirements to Service Provider for encryption of the data at rest.

Q130. Are there any requirements for data at rest for data that is encrypted in transit?

A. If data is classified as confidential or higher it should be encrypted with AES-256 standards. Data in transit should be encrypted using SSL 2048 encryption.

Attach 12, page 42. The Service Provider will provide evidence that their Business Continuity Program is certified and mapped to the international BS 259999 standard.

Q131. May certification be pending at the time of award?

A. Yes, certification may be pending at the time of the award, provided the vendor tells us when certification is expected. In the interim, a copy of the Vendor's business continuity and disaster recovery plan is requested. "In lieu of BS 259999, DTI requests a copy of Vendor's business continuity and disaster recovery plan."

Attach 12, page 42. The Service Provider shall ensure that State of Delaware backed-up data is not commingled with other cloud service customer data.

Q132. Please explain this requirement as it applies to multi-tenant SaaS solutions?

A. Backups should contain only State data.

Q133. May a single database solution be used provided that all Delaware data is distinguishable from other data and that Delaware data is not sent to other customers except as may be required by subpoena or similar court order?

A. A solution must meet all applicable DTI guidelines.

Q134. Suppliers utilizing eProcurement solutions prefer to work with multiple buying entities that may be available on a multi-tenant SaaS solution vendor's platform. Please confirm that Delaware's suppliers will be able to benefit from such capabilities as the supplier data backed

up by the system will include data provided by all their customers, in addition to the State of Delaware.

A. The intent of this procurement is identified in the RFP. Vendors must propose the most beneficial solution that meets the State's requirements.

Attach 12, page 40. The Master Contractor may deliver two copies of each software source code and software source code documentation to a State - approved escrow agent with the State's prior approval. The Master Contractor shall cause the escrow agent to place the software source code in the escrow agent's vaulted location, in Delaware, and that is acceptable to the State. Two copies of the source code shall be stored on compact discs or other media designated by the State in a format acceptable to the State, and shall be easily readable and understandable by functional analysts and technical personnel with the skill set for that type of component, subcomponent, or software code.

Q135. Is software escrow required for SaaS solutions?

A. A source code escrow does not apply to a SaaS solution.

Q136. Must the code be vaulted in Delaware if Delaware is named as a beneficiary under an existing nationally recognized escrow provider?

A. A source code escrow does not apply to a SaaS solution.

Appendix A, page 49. The functional requirements are listed separately as Appendix B.

Q137. We are assuming that the State is expecting a filled up Appendix B to be submitted in response to this RFP – is that correct?

A. Yes.

Appendix B-3. Item # 16 – “Search for contracts that were authored offline”

Q138. Can the State elaborate on this requirement?

A. The desired solution would allow for the search of all contracts listed on mymarketplace.delaware.gov regardless of source.

Appendix B-3. Item # 28 - “Specify access permissions to file folders”

Q139. Is the State referring to actual file system folders?

A. Yes.

All other terms and conditions remain the same.