



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

April 22, 2016

TO: ALL OFFERORS

FROM: DENNIS J SMITH
STATE CONTRACT PROCUREMENT OFFICER

SUBJECT: **ADDENDUM TO REQUEST FOR PROPOSAL
CONTRACT NO. GSS16771-800MHz_UPGRD
Consultant – 800MHz Public Safety Communications Systems Upgrade**

ADDENDUM #1

This Addendum is issued to answer vendor questions and provide greater contract detail regarding the referenced Request for Proposal.

- Q1. Section I, Overview, Page 1, Text: “Deadline for Receipt of Proposals, Date: May 5, 2016”**
Question: Given the importance of this project and the extent of the RFP requirements, we respectfully request a two-week extension of the due date, to May 19, for adequate time to prepare a thorough response.
- A1. The response date will not be extended.**
- Q2. Section III, A Minimum Requirements, Item 1, Page 2, Text: “Provide Delaware license(s) and/or certification(s) necessary to perform services as identified in the scope of work.”**
Question: Please specify the Delaware licenses or certifications that the State requires of the consultant.
- A2. At a minimum, Delaware Business License. If there are certification programs relative to this field, include those in your response showing staff capabilities/education.**
- Q3. Section IV, C RFP Evaluation Process, Item 2 Proposal Selection Criteria, Criteria Weight, page 12, Text: “Potential income projection, substantiated by prior project management of similar scope and content”**
Question: Please clarify specifically what information the State is requesting, specifically regarding “potential income projections,” in this item to be evaluated for a potential of 20 points.

- A3. **Item will be removed from RFP**
- Q4. Section IV, D Contract Terms and Conditions, Item 7 General Terms & Conditions, Section d Licenses & Permits, page 17, Text: "The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful vendor."
Question: We request the State removes the requirement for the consultant to bear the cost of permits. This should be a requirement of Motorola.
- A4. **There are not permitting costs for consulting.**
- Q5. Section IV, D Contract Terms and Conditions, Item 7 General Terms & Conditions, Section i Performance Bond, page 19, Text: "Contractors awarded contracts are required to furnish a 100% Performance Bond in accordance with Delaware Code Title 29, Section 6927, to the State of Delaware for the benefit of Government Support Services with surety in the amount of 100% of the specific award."
Question: We request the State waives the requirement for performance bond. Performance bond is not typically required in a professional services contract.
- A5. **Requirement under further review. Pending outcome, vendors who wish to bid may take exception and provide justification.**
- Q6. Section IV, D Contract Terms and Conditions, Item 7 General Terms & Conditions, Section j Warranty, page 20, Text: "The Vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system acceptance. The warranty shall require the Vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the State's requirements."
Question: We request the warranty language be removed from the Terms and Conditions, since we are providing professional services and not equipment or systems.
- A6. **Boiler plate language. Understand this solicitation is for a consultant.**
- Q7. Section IV, D Contract Terms and Conditions, Item 7 General Terms & Conditions, Section l Costs and Payment Schedules, page 20, Text: "The State of Delaware may require holdback of contract monies until acceptable performance is demonstrated (as much as 25%)"
Question: We request the State remove the requirement of holdback of contract monies or at least reduce it to 5% of the cost to be specified for each deliverable. We request the State clarify that delivery of each specified deliverable constitutes "acceptable performance."
- A7. **Vendors may elect to take minor exceptions to the specifications, terms and conditions of this RFP. Refer to section 22. Exceptions to the RFP. Acceptance of exceptions is not guaranteed.**
- Q8. Section IV, D Contract Terms and Conditions, Item 7 General Terms & Conditions, Section m Penalties, page 20, Text: "The State of Delaware may include in the final contract penalty provisions for non-performance, such as liquidated damages"
Question: We request the State remove the inclusion of liquidated damages in the final contract

- A8. **Vendors may elect to take minor exceptions to the specifications, terms and conditions of this RFP. Refer to section 22. Exceptions to the RFP. Acceptance of exceptions is not guaranteed.**
- Q9. Attachment 5, Business References, page 33, Text: "If you have held a State contract within the last 5 years, please provide a separate list of the contract(s)."
Question: Is the State of Delaware requesting a separate list of contracts held only with the State of Delaware, or with all States in the past five years?"
- A9. **Contracts held with the State of Delaware.**
- Q10. Attachment 9, Employing Delawareans Report, page 37
Question: Does the State provide additional evaluation points or preference to consultants employing Delawareans? How does the State utilize the information in this Report?
- A10. **The Employing Delawareans report is a requirement of Delaware House of Representatives Bill No. 410, dated June 26, 2012 as eligibility for bond issuance to entities of the State. Delaware based employment is not a consideration for awarding this contract.**
- Q11. Attachment 11, Performance Bond, page 39
Question: We request the State waives the requirement for performance bond and does not require the inclusion of Attachment 11 in our response.
- A11. **See answer to question #5**
- Q12. Appendix B, Section III Desired Skills, Knowledge and Abilities, Bullet O, page 43, Text: "The Computer Assisted Pre-coordination Resource and Database System ("CAPRAD") as relates to 700 and 800 MHz."
Question: Does the State anticipate the consultant's support in filing FCC forms and identifying/acquiring additional spectrum?
- A12. **The State does not anticipate the consultant's support in filing FCC forms.**
- Q13. Appendix B, Section VII Project Financial Issues, Item A, page 45, Text: "The hourly rate of each individual team member may vary based upon their knowledge, skills, and abilities as relevant to their assigned task(s) and include all travel and related expenses. ... There is no separate travel reimbursement budget in this RFP."
Question: Please clarify this statement. Should hourly rates be adjusted to include the travel expense overhead, or should anticipated travel and expenses be included only within the "not to exceed" budget for the 8-year project?
- A13. **Two (2) year. As stated hourly rate includes all travel and related expenses. There is no separate travel reimbursement budget in the RFP.**
- Q14. Appendix B, Section VIII Financial Stability of the Consulting Firm, page 46, Text: "It is important for respondents to demonstrate not only the professional knowledge, skills, and abilities previously notated in this RFP, but also demonstrate financial soundness over a multi-year period."

Question: How many years does the State wish to see financial statements to demonstrate financial soundness over multi years?

- A14. **The State normally requires the three (3) years prior to the award of the contract.**
- Q15. Appendix B, Section VIII Financial Stability of the Consulting Firm, Item C, page 47, Text: "To avoid portions of this financial challenge, when the RFP recipient is comprised of a team of sub-contractors, the State encourages strongly the acquisition of a subcontractor payment bond which is a project specific contractual agreement between a subcontractor and a surety by which the surety guarantees payment for the labor provided on the project."
Question: Will the State give preferential treatment to a prime consulting firm who requires subcontractor payment bond, or is this an option to be determined by the lead consultant?
- A15. **No preferences given. It is your business decision.**
- Q16. Appendix B, Section IX Scope of Work, Item AA, Paragraph 1, page 47, Text: Work with representatives of the Division of Communications to develop a comprehensive understanding of the State's present 800 MHz radio system. This includes developing a comprehensive understanding of the user base and the subscriber issues affecting the Division of Communications.
Question: Provide the following information about the existing system to assist in developing a not-to-exceed cost: number of microwave sites, number of portable radios, number of mobile radios, number of 911 calls received, number of calls dispatched. Are there any sites in the current system that are not included/outlined in the Motorola Scope of Work chart on pages 50-52?
- A16. **There are 42 Tower sites, 10,000 total radios, we do not track 911 calls or calls dispatched but can tell you that there are over 1.3 million PTT's each month.**
- Q17. Appendix B, Section IX Scope of Work, Item AA, Number 3, page 48, Text: "... a comprehensive baseline of 800 MHz radio coverage that documents the current performance of the Smartzone system on a statewide basis. This may also include documenting "in-building" performance as determined by the State
Question: Can the State quantify the approximate number of buildings that would require Motorola coverage testing to document in-building performance?
- A17. **300 buildings**
- Q18. Appendix B, Section IX Scope of Work, Item BB, Motorola Solutions Currently Proposed Statement of Work, Summary of Projects by Year, page 50, Text: "Expand existing microwave network."
Question: Can the State quantify, in the Motorola proposed design, the additional number of microwave sites and radio sites?
- A18. **There are no additional sites this is equipment improvement only at existing sites.**
- Q19. Appendix B, Section IX Scope of Work, Last bullet, page 52, Text: "Upon request and after the execution of a non-disclosure agreement ("NDA"), the State of Delaware will provide on

electronic media the entire Motorola proposal to interested proposers.”

Question: Does the State have an official Non-Disclosure Agreement document to be completed for receipt of the Motorola proposal? To whom should we submit our request and the NDA?

- A19. **The Division of Communications will be sending the NDA**
- Q20. Reference: Section 7 General Contract Terms, G.i. Performance Bond:
Will the State consider removing the requirement of a Performance Bond for a consulting services contract?
Please clarify the required term of the Performance Bond (i.g. the term of the contract (2 years) or the term plus renewals (8 years).
- A20. **See answer to Question #5**
- Q21. Reference: Mandatory Pre-bid Meeting:
Is pre-registration required for the mandatory pre-bid meeting?
- A21. **No. Pre-registration is not required.**
- Q22. Deadline for Receipt of Proposals Date: May 5, 2016 at 1:00 PM (Local Time). In order to provide as responsive of a proposal as possible, we respectfully requests an extension to the proposal submission date to be 30 days after the State has provided it responses to all vendor questions and has delivered the entirety of the proposal of Motorola Solutions to Vendors.
- A22. **See answer to question #1**
- Q23. Estimated Notification of Award Date: July 18, 2016. This provision conflicts with paragraph VI. A. on page 45 which states “The anticipated first year will be July 1, 2016 until June 30, 2017”. Please clarify the intended contract start date.
- A23. **The intent is that we will start in July of 2016. The budget year starts on July 1. We will award contract no earlier than July 1 and no later than July 18th.**
- Q24. The term of the contract between the successful bidder and the State shall be for two (2) years with six (6) optional extensions for a period of one (1) year for each extension. This provision conflicts with paragraph VI. A. on page 45 which states “ This RFP shall be awarded in one fiscal year increments; e.g. a base one-year award with the potential of seven one-year extensions.” Please clarify.
- A24. **The initial term of the contract will be for a period of two (2) years with six (6) optional extensions for a period of one (1) year each.**
- Q25. The State and its utilizing agencies are not the employer of temporary or contracted staff. However, the State is concerned that it could be determined to be a Common-law Employer as defined by the Affordable Care Act (“ACA”). Therefore, the State seeks to utilize the “Common-law Employer Safe Harbor Exception” under the ACA to transfer health benefit insurance requirements to the staffing company. The Common-law Employer Safe Harbor

Exception can be attained when the State and/or its agencies are charged and pay for an “Additional Fee” with respect to the employees electing to obtain health coverage from the Vendor.

The Common-law Employer Safe Harbor Exception under the ACA requires that an Additional Fee must be charged to those employees who obtain health coverage from the Vendor, but does not state the required amount of the fee. The State requires that all Vendors shall identify the Additional Fee to obtain health coverage from the Vendor and delineate the Additional Fee from all other charges and fees. The Vendor shall identify both the Additional Fee to be charged and the basis of how the fee is applied (i.e. per employee, per invoice, etc.). The State will consider the Additional Fee and prior to award reserves the right to negotiate any fees offered by the Vendor. Further, the Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award.

Can the State provide clarification of this “ACA Safe Harbor Additional Fee” and who it is actually charged to? The RFP text refers to charging the State and the Employee.

The fee is charged to the State.

Is this fee required to pay for insurance premiums or serve a different purpose?

Common Law Employer Safe Harbor Exception

Is there a minimum fee that would be acceptable to the State?

ACA does not identify the required amount of the fee.

Vendors (particularly in this context) is not a staffing company. Vendors would not likely be providing full-time staff augmentation as that is not what the State has requested in its RFP (Reference State RFP Appendix B, page 45, Paragraph V – Level of Service Required.). The consulting services requested are conceptually similar to requesting legal services from a law firm. In this context Vendors is a technology consulting firm providing technical consulting services on a part-time basis as requested by the State. Thus, can the State explain how this “ACA Safe Harbor Additional Fee” is relevant to this engagement?

A25. Because a consultant will be working on State property for a portion of the schedule, there is a potential the State could be viewed as a common law employer. Payment of the fee exempts the State from claim.

Q26. Performance Bond Contractors awarded contracts are required to furnish a 100% Performance Bond in accordance with Delaware Code Title 29, Section 6927, to the State of Delaware for the benefit of Government Support Services with surety in the amount of 100% of the specific award. Said bonds shall be conditioned upon the faithful performance of the contract. This guarantee shall be submitted in the form of good and sufficient bond drawn upon an Insurance or Bonding Company authorized to do business in the State of Delaware. If the Government Support Services bond form is not utilized, the substituted bond form must reflect the minimum conditions specified in Attachment 11.

Is it the State’s intent to for the vendor to obtain a bond for the consulting services? If so, does the State require annual bonds (renewed each contract-year) for the value of the annual

services? Since the value of the contract will be unknown at the time of proposal submission, how would the state propose the vendors factor the cost of the bond into their proposal?

A26. See answer to question #5

Q27. Respondents should provide a categorical schedule of proposed hourly rates based upon skill or managerial level of the team member for the first year of the project. No less than ninety ("90") calendar days before the commencement of a new fiscal year, the State's Division of Communications and the consulting team's lead representative will negotiate a future work plan for the upcoming fiscal year based upon the anticipated scope of work and develop an annual ("yearly") budget. Each annual fiscal year's budget may be amended as negotiated by the State and consulting team based upon the anticipated work activities of Motorola Solutions and other factors impacting the project. However, the consulting team will provide a "not to exceed" budget based upon the totality of the upgrade project which is eight ("8") fiscal years. If it is necessary for the State and consulting team to amend an annual fiscal plan for services, the consultant shall be aware that the State has no plans to change or increase the not to exceed total budget for the entire eight-year budget. The Consultant will be proposing a work effort with specific task assignments for each project year. The State intends to negotiate with the Consultant at the beginning of each project year to make changes to the Scope. The State requires the Consultant to maintain their original price proposal with no change orders. While it is understood that if the State de-scopes or reduces the original Scope of Work proposed in any project year the State would not be required to pay for services that were not rendered.

Can the Bidder assume that the State will not increase the Scope of Work in any subsequent negotiations in any project year and expect the Consultant to maintain their original price? In effect, Scope could be changed but the effort and price would be negotiated and would have to remain under the original annual quote?

A27. YES, The State will not change the Scope of Work without giving the Consultant notification and negotiate pricing.

Q28. Motorola has prepared a phased approach to expand the capacity State of the State's system. Is the State migrating to TDMA as part of the project with Motorola or will the new P25 system be limited to FDMA mode?

A28. FDMA

Q29. Upon request and after the execution of a non-disclosure agreement ("NDA"), the State of Delaware will provide on electronic media the entire Motorola proposal to interested proposers. As indicated at the bottom of page 52 of the State's RFP, Altairis requests the entirety of the proposal of Motorola Solutions. Altairis already has an active NDA in place with the State (attached). However, if the State desires to execute another NDA, please forward the necessary document.

A29. The Division of Communications will be sending the NDA

- Q30. Page 50-52. There appears to be missing bulleted information in the chart. Please clarify.
- A30. **The only missing info is on page 52 under contract year 7 the last bullet should read Coverage testing for New Castle Simulcast Sites.**
- Q31. General inquiry. What percentage of radios operating on the State system is not capable of P25 FDMA operation?
- A31. **45%**
- Q32. In the current project, when will the non-P25 capable radios be replaced?
- A32. **Evenly throughout the 8 year project**
- Q33. The replacement of subscribers is not mentioned in the RFP SOW. Is the consultant responsible for providing support for the replacement of these subscribers?
- A33. **No**
- Q34. If so, approximately how many subscribers must be replaced and in what Project Year?
- A34. **N/A**
- Q35. Has a Detailed Design Review been completed already or is this task proposed for the consultant's SOW?
If not, does the State anticipate one single DDR process in Project Year 1 or does the State anticipate multiple mini-DDRs at the beginning of each Project Year?
- A35. **The DDR has not been complete, the consultant will be asked to provide input. One DDR in year 1 with annual reviews for managing and planning for the upcoming year.**
- Q36. *"Criteria - Potential income projection, substantiated by prior project management of similar scope and content".*

Is the intent of the State to gain understanding of our expected corporate income from this project, based on our understanding of State needs and project scope?
- A36. **Criteria is stricken.**
- Q37. *"There is no separate travel reimbursement budget in this RFP. The consultant team shall also budget all expenses for a member to participate in one trip, not to exceed three business days, to the Motorola staging facility in Illinois..."*

We understand that the State wishes us to present our hourly rates "fully loaded" to include travel cost with no separate travel cost billing, and our proposal should be formatted accordingly. Is it appropriate for us to show travel costs as a separate line item for the trip to Illinois? If not, how should we present the travel costs for this trip?

A37. **This should be built into the hourly rate.**

Q38. *“Proposed adjustments in annual rates of compensation should be included in contract renewal negotiations so that the State is assured that funding will exist to perform all anticipated consultant duties and stay within the project’s total “not to exceed” budget.”*
We understand that the State has no plans to increase the total budget for the entire eight-year effort. We wish to ensure that we handle rate increases appropriately in our proposal while providing for our subcontractors and employees to receive appropriate annual wage increases over the course of a contract that has a potential length of eight years. Is it allowable for our proposal to show different rates for each year of effort, to provide for the expected annual and total project budgets?

A38. **YES**

Q39. *Work with representatives of the Division of Communications to develop a comprehensive understanding of the State’s present 800 MHz radio system. This includes developing a comprehensive understanding of the user base and the subscriber issues affecting the Division of Communications.*

Review of the proposed Motorola Solution’s Statement of Work. Based upon the developed understanding of the State’s current system, work with the Division of Communications and the personnel of Motorola to offer recommendations that generally improve the transition of communications components within the eight-year contractual cycle.

These tasks include efforts to gain an understanding of information that has been used to prepare this consulting solicitation for the State. If the State used outside support to work with Motorola in developing this approach, are those personnel allowed to respond to this solicitation? If so, is there more detailed information available to us that such personnel would have seen giving them an unfair advantage?

A39. **No consulting firm worked with Motorola to develop this approach. By requesting and signing an NDA any bidder can get a copy of the Motorola information.**

Q40. *“The State of Delaware Department of Government Support Services seeks professional for a qualified team of consultants”*

Are you seeking multiple consultants for different projects, or one consultant to oversee everything?

A40. **The State of Delaware prefers a consulting firm that have a team of consultants if required for the primary consultant to draw on if required.**

Q41. *“The State of Delaware’s Division of Communications has recently entered into an eight-year project with Motorola Solutions (“Motorola”) to migrate gradually the current LMR infrastructure to ASTRO25 P25 Phase I technology.”*

Question: How did the State enter into this agreement with Motorola Solutions?

A41. **This agreement / contract is an 8 year technology refresh.**

- Q42.** “There is a fixed “not to exceed” Agreement price for the eight year project and it is the responsibility of the entity with which the State contracts to adjust hourly rates paid to members of the team on an internal basis. Proposed adjustments in annual rates of compensation should be included in contract renewal negotiations so that the State is assured that funding will exist to perform all anticipated consultant duties and stay within the project’s total “not to exceed” budget.”
Question: How will the consultant RFP be funded?
- A42.** **Funding and procurement for the contract was authorized by Section 97 of Senate Bill 160 (Bond Bill) in 2015**
- Q43.** How will the system upgrade be funded?
- A43.** **Funding and procurement for the contract was authorized by Section 97 of Senate Bill 160 (Bond Bill) in 2015**
- Q44.** What is the current cost estimate/not to exceed amount of each project?
- A44.** **This is viewed as 1 8-year refresh valued at \$49M over 8 Years.**
- Q45.** “Work with representatives of the Division of Communications to develop a comprehensive understanding of the State’s present 800 MHz radio system.”
Question: Who is the lead representative for the Division of Communications on this project?
- A45.** **Division of Communications Director, Mark Grubb**
- Q46.** How are the bidders going to be notified of any changes? You mentioned the sign-in sheet, is that going to be the tool or is there going to be something online?
- A46.** **Notification and updates will be made on the My Market Place website.**
www.mymarketplace.delaware.gov
- Q47.** Has there been a formal contract signed my Motorola?
- A47.** **Yes, a formal contract with Motorola has been signed.**
- Q48.** Is a full blown DDR (Detailed Design Review) anticipated, and to what extent will the Consultant be responsible to support that?
- A48.** **Yes a DDR is anticipated and the Consultant will be involved in all aspects of the DDR from meetings to providing engineering opinions.**
- Q49.** Is there a MBE code for this project?
- A49.** **The State only uses MBE information for statistical purposes. MBE does not influence the outcome of any award decision.**

Q50 Will the performance bond still be required?

A50. See answer to question #5

Q51. Will we (bidders) be given the (Pre-Bid Meeting) attendance sheet, or will it be posted online?

A51. The pre-bid sign in sheet will be posted on-line at www.mymarketplace.delaware.gov

Q52 Is attachment #10 required as part of the proposal being submitted?

A52 Attachment #10 is optional and does not influence the outcome of any award decision.

Q53 Will the State accept any further questions?

A53 The State will accept questions until COB April 21, 2016.

All other terms and conditions remain the same.