



Colorado State Purchasing Office

Request for Proposal for eProcurement Services

RFP-TS-00003-11

**Issued on behalf of the State of Colorado, the
Western States Contracting Alliance (WSCA) and
other Authorized Entities**

October 15, 2010

State of Colorado



REQUEST FOR PROPOSAL COVER SHEET & SIGNATURE PAGE

Date:	Friday, October 15, 2010	RFP Number:	RFP-TS-00003-11
Submit Sealed Proposals to:	Department of Personnel & Administration State Purchasing Office 633 17 th Street, Suite 1520 Denver, CO 80202-3609	Purchasing Agent:	Tom Spiker
RFP Submission Deadline:	Tuesday, November 23, 2010 1:30 pm MDT (Mountain Daylight Time) Caution: Daily mail may not be received prior to 1:30 pm (MDT). Offerors are responsible to ensure timely receipt.	Number of Copies:	One (1) original hard copy and one (1) identical electronic copy on a USB flash drive are required.

All Proposals Shall be Quoted F.O.B. Destination unless Otherwise Specified

eProcurement Services

Per the attached specifications, terms and conditions

F.E.I.N.:					
Authorized Signature:					
Printed Name of Signatory:					
Title of Signatory:					
Company Name:					
Company Address:					
City:		State:		Zip:	
Main Phone Number:		Main Fax Number:			
Contact for Clarifications:					
Title of Contact:					
Contact Phone Number:		Contact Fax Number:			
E-mail Address:					

IMPORTANT: The following information must be on the outside of the Sealed Proposal:

Proposal Number - Opening Date and Time

Please be advised that telegraphic or electronic proposals (Fax, Western Union, Telex, e-mail, etc.) cannot be accepted in the Purchasing Office as a sealed proposal. Offerors are urged to read the solicitation document thoroughly before submitting a proposal.

[illegible]

THIS PAGE MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSAL RESPONSE

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DEFINITION OF ACRONYMS/TERMS

ACRONYM	DESCRIPTION
ASP	Application Service Provider
BIDS	Bid Information and Distribution System
C.R.S.	Colorado Revised Statutes
COFRS	Colorado Financial Reporting System
CSPO	Colorado State Purchasing Office
DAS	Department of Administrative Services
DS	Desired Scored
ERP	Enterprise Resource Planning
F.E.I.N.	Federal Employers Identification Number
FTE	Full Time Equivalent
IFB	Invitation for Bid
ISB	Information Services Board (specific to the State of Washington)
KPI	Key Performance Indicator
MDT	Mountain Daylight Time
MR	Mandatory Required
MS	Mandatory Scored
NASPO	National Association of State Procurement Officials
NIGP	National Institute of Government Purchasing
OFM	Office of Financial Management (specific to the State of Washington)
ORPIN	Oregon Procurement Information Network
OSP	Office of State Procurement (specific to the State of Washington)
P2P	Procure-to-Pay
PRT	Printer
RCW	Revised Code of Washington
RFP	Request for Proposal(s)
RFQ	Request for Quotation
SaaS	Software as a Service
SPO	State Procurement Office
S/W/M/DBE	Small, Woman-Owned, Minority or Disadvantaged Business Enterprise
USDA	United States Department of Agriculture
WEBS	Washington Electronic Business Solution System (specific to the State of Washington)
WSCA	Western States Contracting Alliance

SECTION 1 - ADMINISTRATIVE REQUIREMENTS

1.1 Official Means of Communication

During the solicitation process for this Request for Proposals (RFP), all official communication with offerors will be via notices on Colorado's BIDS system. Notices may include any modifications to administrative or performance requirements, answers to inquiries received, clarifications to requirements, and the announcement of the apparent winning offeror(s). *It is incumbent upon offerors to carefully and regularly monitor BIDS for any such notices.*

1.2 Bid Information and Distribution System (BIDS) and Registration

This solicitation is published using the Colorado Bid Information and Distribution System (BIDS). Offerors must be registered on BIDS in order to download solicitation documents and to be considered responsive at the time of the RFP submission deadline. Registration will be verified using the F.E.I.N. number entered on the *Request for Proposal Cover Sheet & Signature Page*. BIDS and its registration information may be linked through the Colorado State Purchasing Office link at <http://www.gssa.state.co.us>. The BIDS Help Desk can be reached at 303.866.6464 for further assistance.

1.3 Structure of this Request for Proposal

The [State of Colorado Solicitation Instructions/Terms and Conditions](#) linked through the BIDS Open Solicitations page govern except as modified or supplemented in these instructions.

1.4 RFP Cancellation

The State reserves the right to cancel this entire RFP or individual phases at any time, without penalty.

1.5 Scope of the RFP/Basis for Award

The purpose of this RFP is to solicit proposals to establish a contract with one or more offerors experienced in providing eProcurement Solutions and Services. An evaluation will be conducted, and award(s) will be made to the offeror(s) whose proposal(s) is(are) determined to be most advantageous to the State of Colorado and WSCA Participating States considering the evaluation factors set forth in Section 6.

1.6 Number of Awards

The State may award one or more contract(s) as a result of this RFP.

1.7 Term of the Contract

This RFP may result in one or more multiple year contracts. The initial contract(s) will be effective upon approval by the State of Colorado Controller for up to five (5) years with up to ten (10) cumulative years of potential renewals. Renewals will be at the sole discretion of the State of Colorado, contingent upon contractual requirements being satisfied and funds being appropriated, budgeted, and otherwise made available. The total contract period for any one contract is not to exceed fifteen (15) years. Other WSCA or NASPO states wishing to have access to the cooperative contract will do so through the use of a participating addendum.

1.8 Issuing Office

This RFP is issued by the Colorado Department of Personnel & Administration, Division of Finance and Procurement, State Purchasing Office. The agency and contact name given in Section 1.9 is the sole point of contact concerning this RFP. Offerors should not contact any other state, state office or individual regarding this RFP.

1.9 Inquiries

Offerors may submit email, written or fax inquiries and questions concerning this RFP to obtain clarification on specifications and requirements. All inquiries and questions are due no later than Friday November 5, 2010 at 3:00 pm (MDT) as indicated in Section 2, Schedule of Activities. The Colorado State Purchasing Office prefers that all inquiries and questions be sent via electronic mail with the RFP Title and RFP Number in the subject line. Inquiries and questions must be submitted by way of one of the following three methods though e-mail is preferred:

1. E-mail

Send to Tom Spiker at tom.spiker@state.co.us (Please put "RFP for eProcurement Services - RFP-TS-00003-11" in the subject line)

2. Written

State Purchasing Office
Attention: Tom Spiker
RFP for eProcurement Services - RFP-TS-00003-11
633 17th Street, Suite 1520
Denver, Colorado 80202-3609

3. Fax

Fax to: 303.866.6016
Attention: Tom Spiker
Subject: RFP for eProcurement Services - RFP-TS-00003-11

Note: Please be sure to submit written or faxed inquiries and questions to the attention of Tom Spiker with a reference to "RFP for eProcurement Services - RFP-TS-00003-11" to ensure proper delivery.

Response to offerors questions (if required) will be published as a modification on the BIDS system. The Colorado State Purchasing Office (CSPO) intends to post responses to inquiries no later than Friday November 12, 2010 at 5:00 pm (MDT). Offerors should not rely on any other statements, either written or oral, that alter any specification or other term or condition of the RFP during the open solicitation period. Offerors should not contact any other state, state office or individual regarding this RFP. Offerors are responsible for monitoring BIDS for the publication of any and all modifications to this solicitation.

1.10 Pre-Proposal Webinar (Voluntary)

The State of Colorado will be hosting a voluntary webinar on Wednesday, November 3, 2010 at 10:00 am (MDT). The purpose of this webinar is to give potential offerors a better understanding of the WSCA and NASPO organizations and to discuss the structure of the RFP.

The States will not respond to any questions specific to the scope of the RFP during this webinar. Please contact Tom Spiker at Tom.Spiker@state.co.us to request an invite to this voluntary webinar.

1.11 News Releases

News releases pertaining to this RFP shall not be made prior to execution of the contract(s) without prior written approval by the CSPO.

1.12 Proposal Submission/Copies

Detailed instructions on proposal preparation and submission are in Section 5. It is the responsibility of the offeror to ensure that the Colorado State Purchasing Office receives the sealed proposal on or before the RFP submission deadline, regardless of the delivery method used. Offerors are cautioned that daily mail may not be received prior to 1:30 pm (MDT). Offerors are responsible to ensure timely receipt. Telegraphic or electronic proposals (fax, Western Union, Telex, e-mail, etc.) will not be accepted as a substitute for sealed originals.

The State of Colorado *Request for Proposal Cover Sheet & Signature Page* must be signed in ink, preferably in blue ink, by the offeror or an officer of the offeror legally authorized to bind the offeror to the proposal. Proposals that are determined to be at a variance with this requirement may not be accepted.

1.13 Confidential/Proprietary Information

Any restrictions on the use or inspection of material contained within the proposal shall be clearly stated in the proposal itself. Written requests by the offeror for confidentiality shall be submitted at the time of RFP submission. The offeror must state specifically what elements of the proposal are to be considered confidential/proprietary and must state the statutory basis for the request under the Public (Open) Records Act (Section 24-72-201 et seq., C.R.S.).

Confidential/Proprietary information must be readily identified, marked and separated/packaged (both hard copy and electronically) from the rest of the proposal. Co-mingling of confidential/proprietary and other information is not acceptable. Neither a proposal, in its entirety, nor proposal price information will be considered confidential/proprietary. Any information that will be included in any resulting contract cannot be considered confidential/proprietary.

The Colorado State Purchasing Office will make a written determination as to the apparent validity of any written request for confidential/proprietary information. In the event the Colorado State Purchasing Office does not concur with the offerors request for confidentiality, the written determination will be sent to the offeror. (Section 24-72-201 et. seq., C.R.S., as amended, Public (Open) Records Act).

Offeror(s) acknowledge that they may come into contact with confidential information contained in the records or files of the State in connection with any resulting contract or in connection with the performance of its obligations under any resulting contract. The awarded offeror(s) shall keep such records and information confidential and shall comply with all laws and regulations concerning the confidentiality of such records to the same extent as such laws and regulations apply to the State.

The awarded offeror(s) shall notify its employees that they are subject to the confidentiality requirements as set forth above, and shall provide each employee with a written explanation of the confidentiality requirement before the employee is permitted access to confidential data. Awarded offeror(s) shall provide and maintain a secure environment that ensures confidentiality. The confidentiality of all information will be respected and no confidential information shall be distributed or sold to any third party nor used by awarded offeror(s) or its assignees and/or subcontractors in any way except as authorized by the resulting contract(s). Confidential information shall not be retained in any files or otherwise by awarded offeror(s). Disclosure of such information may be cause for legal action against the awarded offeror(s). Defense of any such action shall be the sole responsibility of the awarded offeror(s). Unless directed otherwise, awarded offeror(s) is required to keep all State information in a secure, confidential manner.

1.14 RFP Response Material Ownership

The State of Colorado has the right to retain the original proposal and other RFP response materials for its files. As such, the State of Colorado may retain or dispose of all copies as is lawfully deemed appropriate. Proposal materials may be reviewed by any person after the "Notice of Intent to Make An Award" letter(s) has/have been issued, subject to the terms of Section 24-72-201 et seq., C.R.S., as amended, Public (Open) Records. The State of Colorado has the right to use any or all information/material presented in response to the RFP, subject to limitations outlined in Section 1.13, Confidential/Proprietary Information. Offeror expressly agrees that the State may use the materials for all lawful State purposes, including the right to reproduce copies of the material submitted for purposes of evaluation, and to make the information available to the public in accordance with the provisions of the Public (Open) Records Act.

1.15 Acceptance of Proposal Content

The contents of the proposal and the terms of this Request for Proposals will become contractual obligations of the successful offeror(s).

1.16 Proposal Prices and Payment Schedule

Payments will be based on deliverables as outlined in the resulting contract. It is anticipated that payments may be made on a monthly basis after receipt and approval of awarded offeror's invoice. Receipts for travel will be required, if travel has been pre-approved. No payment shall be made until after the contract(s) have/have been negotiated and properly executed (signed by the Colorado State Controller or designee).

1.17 Selection of Successful Proposal and Notice of Intent to Make An Award

The State reserves the right to make an award on receipt of initial proposals, so offerors are encouraged to submit their most favorable proposal at the time established for receipt of proposals. Offerors not meeting the requirements identified in the RFP shall be ineligible for further consideration. The State may conduct discussions with offerors in the competitive range for the purpose of promoting understanding of the State of Colorado and WSCA Participating States requirements and the offeror's proposal, to clarify requirements, make adjustments in services to be performed, and in prices. Changes to proposals, if permitted, will be requested in writing from offerors.

Upon review and approval of the evaluation committee's recommendation for award, the Colorado State Purchasing Office will issue "Notice of Intent to Make an Award" letter(s) to all potentially awarded offerors. In addition, an "Intent to Award" will be posted on the BIDS system.

Section 6 provides additional information related to the evaluation and award of this solicitation.

1.18 Parent Company

If an offeror is owned or controlled by a parent company, the name, main office address and parent company's tax identification number shall be provided in the proposal. As indicated in Section 1.2, offerors must be registered on BIDS in order to be considered responsive at the time of the RFP submission deadline. Registration will be verified using the F.E.I.N. number entered on the *Request for Proposal Cover Sheet & Signature Page*.

1.19 Certification of Independent Price Determination

1.19.1 By submission of this proposal each offeror certifies, and in the case of a joint proposal each party, thereto, certifies as to its own organization, that in connection with this procurement:

- a)** The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor; and
- b)** Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to opening, directly or indirectly to any other offeror or to any competitor; and
- c)** No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

1.19.2 Each person signing the *Request for Proposal Cover Sheet & Signature Page* of this proposal certifies that:

- a)** He/She is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to 1.19.1(a) through 1.19.1(c) above; or
- b)** He/She is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he/she has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to 1.19.1(a) through 1.19.1(c) above, and as their agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to 1.19.1(a) through 1.19.1(c) above.

1.19.3 A proposal will not be considered for award where 1.19.1(a), 1.19.1(c), or 1.19.2 above has been deleted or modified where 1.19.1(b) above has been deleted or modified, the proposal will not be considered for award unless the offeror

furnishes, with the proposal, a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

1.20 Core State Model Contracts

Except as modified herein, the [State of Colorado Solicitation Instructions and Terms and Conditions](#), [State of Colorado Special Provisions](#), the Core States model contracts (**Exhibits A-1 through A-5**) and the WSCA Terms and Conditions (**Exhibit B**) in this RFP shall govern this procurement and are hereby incorporated by reference. Please note the Core States model contracts list the core states required legal provisions but does not include the specific scope of work and requirements for this RFP.

Offerors agreeing to abide by the requirements of the RFP are also agreeing to abide by the terms of the Core States model contracts. The offeror shall review the attached Core States model contracts and note exceptions. Unless the offeror notes exceptions in its proposal, the conditions of the Core States model contracts will govern. It may be possible to negotiate some of the wording in the final contract; however, there are many provisions which cannot be changed. Offerors are cautioned that the core states believe modifications to the standard provisions, terms and conditions, and special provisions constitute increased risk to the states and increased costs. Therefore, the scope of requested exceptions is considered in the evaluation of proposals.

1.21 Legislative Changes

The Core States reserve the right to amend the contract(s) in response to legislative changes that affect this initiative.

1.22 Order of Precedence

In the event of any conflict or inconsistency between terms of this request for proposal and the offer, such conflict or inconsistency shall be resolved first, by giving effect to the terms and conditions of the contract, second to the request for proposal, and third to the proposal. In the event there is a conflict between the terms and conditions of the Core States model contracts and the *WSCA Terms and Conditions*, the Core States model contracts will take precedence.

1.23 Venue

The parties agree that venue for any action related to performance of this contract shall be in the City and County of Denver, Colorado.

1.24 Audit

The successful offeror may be required to have a process audit conducted of the program at least once every three years. If the successful offeror has not had such an audit prior to awarding of this contract, one may be required to begin within six months of the award of this contract. A complete copy of the audit must be provided to the project manager as identified in the final contract within five working days of its completion. The State will negotiate directly with the offeror regarding any exceptions or findings from the audit.

1.25 Organizational Conflict of Interest - Requirements of this Solicitation and Any Subsequent Contract

Any business entity or person is prohibited from being awarded a contract if the business entity or person has an organizational conflict of interest with regard to this solicitation and the resulting contract(s).

No person or business entity who was engaged by the State to prepare the original RFP shall be eligible to participate (directly or indirectly) in the submission of a proposal for this solicitation **IF:**

1. Such person or entity had prior access to source selection information related to this procurement process, and
2. That prior access included, but was not limited to: requirements, statements of work, or evaluation criteria.

The State considers such engagement or access to be an organizational conflict of interest, which would cause such business entity or person to have an unfair competitive advantage.

If the State determines that an organizational conflict of interest exists, the State, at its discretion, may cancel the contract award. In the event the successful offeror was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to the procuring agency, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed by subcontractors in connection with the performance of the contract, with the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve the State's rights.

1.26 Submission

By submission of a proposal, offeror agrees as follows:

1. Except as replaced, modified, or supplemented by the Colorado State Purchasing Office for this solicitation, all items in the State of Colorado Solicitation Instructions/Terms and Conditions are considered part of and are incorporated by reference into this document.
2. Offeror testifies that bid prices were arrived at independently and there was no collusion involved.
3. The offeror guarantees to the State that it understands and agrees to the terms and conditions of this solicitation and that they will not default from performance by virtue of a mistake or misunderstanding. Offerors shall seek clarification from the Colorado State Purchasing Office on any specifications, terms and/or conditions that they determine to be unclear. The failure of an offeror to seek clarification may be deemed a waiver of any such clarification.
4. Pursuant to C.R.S. 24-30-202.4 (as amended), the State controller may withhold debts owed to State agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, C.R.S.; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the

State or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

5. Reciprocity is mandated by statute. C.R.S. 8-18-101 states, "When a contract for commodities or services is to be awarded to a bidder, a resident bidder...shall be allowed a preference against a nonresident bidder equal to the preference given or required by the state in which the nonresident bidder is a resident." The Colorado State Purchasing Office will apply this statute to the extent necessary for all solicitations posted on the BIDS.
6. The Colorado State Purchasing Office reserves the right to reject any and all proposals or parts thereof, and to waive informalities or irregularities.
7. Award(s) resulting from this solicitation shall be available for use by the State of Colorado and any WSCA and NASPO Participating States.

1.27 Protested Solicitations and Awards

Any actual or prospective offeror who is aggrieved in connection with the solicitation or award of a contract may protest to: Colorado State Purchasing Office, State of Colorado, 633 17th Street, Suite 1520, Denver, CO 80202. The protest shall be submitted in writing within seven (7) working days after such aggrieved person knows, or should have known, of the facts giving rise to the protest. (Reference: C.R.S. Title 24, Article 109.)

SECTION 2 – SCHEDULE OF ACTIVITIES

Activity	Activity Description	Date and Time
1.	RFP Posted to the State of Colorado Bid Information and Distribution System (BIDS) Website address: http://www.gssa.state.co.us/	October 15, 2010
2.	Pre-Proposal Webinar (Voluntary) Webinar: Please contact Tom Spiker at Tom.Spiker@state.co.us to be added to the list of invitees.	November 3, 2010 at 10:00 am (MDT)
3.	Responding Offerors Inquiry Deadline (No questions will be accepted after this date/time)	November 5, 2010 at 3:00 pm (MDT)
4.	Posting of Responses to Inquiries	November 12, 2010 by 5:00 pm (MDT)
5.	RFP Submission Deadline (Refer to Section 5.1 for General Submission Instructions)	November 23, 2010 at 1:30 pm (MDT)
6.	Oral Presentations (Estimated Time Period Shown)	December 13 – December 17, 2010
7.	Contract Award (Estimated Time Period Shown)	December 29-31, 2010
8.	Start of Work (Estimated Time Period Shown)	February 15-28, 2011

SECTION 3 – BACKGROUND INFORMATION

3.1 Purpose of RFP

This RFP is a multi-state cooperative solicitation being issued by the Colorado State Purchasing Office (CSPO) on behalf of those member states of the Western States Contracting Alliance (WSCA) and National Association of State Procurement Officials (NASPO) that have indicated their intent to participate in this solicitation process (hereinafter referred to as "the participating states"). The purpose of this RFP is to solicit proposals from providers of eProcurement solutions with the objective of establishing a multi-state cooperative contract for the provision of eProcurement and related services to the participating states.

The participating states as of the date of issuance of this RFP are listed in **Exhibit C, Participating States**. A comprehensive overview of WSCA including a description of its role and a full listing of all of its member states is provided in **Exhibit D, WSCA Overview**. In addition to participating in the solicitation process, all states listed in **Exhibit C** have also indicated their intention to utilize any contract for eProcurement services that results from this solicitation provided that the contract meets their state-specific needs. Responding vendors to this RFP (hereinafter referred to as "offerors") are also advised that any contract for eProcurement services resulting from this solicitation will also be made available for use by any state in the United States outside of WSCA through the agreement between WSCA and the National Association of State Procurement Officials (NASPO).

The origin of this solicitation is the June 2009 signing of Senate Bill 09-099 by the Governor of the State of Colorado calling for a "statewide centralized electronic procurement system to allow the utilization of technology to create a more efficient delivery of state procurement services." Because the intent of this bill was consistent with its own vision to transform state procurement, WSCA agreed to sponsor the State of Colorado as lead state for the evaluation and selection of an eProcurement system for its member states.

In its role of lead state for this cooperative solicitation, the State of Colorado will be responsible for the centralized award and administration of any established cooperative contract under the State of Colorado's procurement rules and requirements. Following award, any other WSCA or NASPO state wishing to have access to the cooperative contract will do so through the use of a participating addendum, a bilateral contract executed by the state in question and the offeror selected from the solicitation process. The participating addendum clarifies the operation of the centrally administered contract for the state concerned (e.g. ordering procedures specific to that State) and may also add other state-specific terms, conditions or other requirements (see **Exhibit D** for further details about the participating addendum process).

All offerors are encouraged to provide their most innovative and compelling proposals for helping the participating states successfully achieve the objectives of the statement of work described within this document. To facilitate achieving this goal, a significant depth of detail has been provided in this RFP regarding the current environment, future vision, and functional and other requirements of the participating states. The solicitation process has also been structured to provide offerors with considerable opportunities for interaction with representatives of the participating states for the purposes of clarifying requirements and, at the discretion of the RFP evaluation committee, for demonstrating the capabilities of their solutions and services. The

State of Colorado and the participating states would like to thank your organization for its investment of effort in this solicitation and we look forward to receiving your response.

3.2 Procurement Vision of Participating States

The overarching vision of the participating states as it relates to procurement is to realize the economy of scale benefits of multi-state purchasing while also addressing the unique requirements and constraints of each individual state. This vision is entirely consistent with that communicated by WSCA when it was formed in 1993. The primary stated purpose of WSCA was to establish the means by which participating states could join together in a cooperative contracting approach that achieved cost-effective and efficient acquisition of quality products and services for its members (see **Exhibit D** for an overview of WSCA's mission, objectives and a comprehensive description of its cooperative contracting model).

With regard to this solicitation there are a number of elements of the participating states' vision that offerors should consider as key success factors for a successful proposal:

- The participating states' vision is truly "end to end" in nature in that it encompasses the complete "source to pay" cycle from the earliest identification of cooperative contracting opportunities through to the execution and ongoing management of these opportunities.
- The vision as it relates to this solicitation calls for a centrally managed Software-as-a-Service (SaaS) solution that recognizes the unique environment of each individual state from a procurement execution perspective but that allows the states to fully enjoy the benefits of a centrally coordinated cooperative sourcing and contracting model.
- The vision also calls for a pricing and funding model that provides flexibility for individual states 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. Related to this element of the vision, and as a direct consequence of the decision to select a SaaS solution, the participating states will not enter into any contract involving traditional on-premise per-seat pricing, per transaction pricing or a model that is cost prohibitive for state contract vendor, including diversity and small business, participation.
- The vision assumes the implementation of a solution that will support a predominantly "center-led" strategy for procurement in which the benefits of leveraging are balanced with the needs of individual states and even individual agencies within states to maintain control of local contracting activities when appropriate.
- The vision assumes that the selected offeror's implementation strategy will recognize the historical and cultural differences between participating states in areas such as receptiveness to information technology initiatives based on past programs, attitudes towards the procurement function and expectations relative to impact on the vendor community, particularly the diversity vendor segment - S/W/M/DBE.
- The vision also assumes that the selected offeror's implementation strategy will address issues such as the need to adopt a phased approach that validates the proposed

solution model and that also generates compelling early benefits (This phased approach is discussed in the context of the Statement of Work in Section 4).

Site visits were conducted in Colorado, Nevada, Oregon and Washington from 08.04.2010-08.11.2010. The sourcing team conducted "to-be" visioning exercises with the procurement teams and stakeholders for each state. In these exercises the stakeholders were asked to generate a list of items that would be part of a "blue skies" vision for procurement in their state. These items could address any component of procurement, but with a particular focus on items that could be potentially addressed by an eProcurement solution and related services. The "blue skies" vision items resulting from these interviews are listed, in no particular order, in **Figure 1** below.

It is recognized that some of the items listed in Figure 1 may seem duplicative in nature to some of the functional requirements presented in the Statement of Work in Section 4. Offerors should nevertheless consider the items listed as "front of mind" opportunities that the procurement teams and stakeholders in the participating states felt could be addressed by an eProcurement solution. As such, it is recommended that offerors place particular weight on these items when developing their proposal response.

Figure 1

"Blue Skies" Vision Items from Stakeholder Interviews	
<ul style="list-style-type: none"> ▪ Improved access to accurate, consistent procurement data ▪ Transformation of procurement's focus from tactical to strategic activities ▪ Maximize potential spend under negotiated contracts/price agreements ▪ Standardized, user friendly formats for contracts/price agreements ▪ Increased participation of Higher Education and Political Subdivisions in State contracts ▪ Improved efficiencies through automation of procurement processes and workflow ▪ Minimal State resource requirements for system management /administration ▪ Improved contract management, both for basic administration and vendor performance and contract user compliance ▪ Maximized use of technology to free up the time of a procurement professional ▪ Procurement systems that can integrate and/or interface with any ERP or legacy financial systems 	<ul style="list-style-type: none"> ▪ Standardized, consistently applied solicitation procedures from vendor's perspective ▪ Enhancing recognition for state procurement offices as organizations that are easy for both vendors and government purchasers to do business with ▪ Matching of specific State requirements with SaaS eProcurement vendors having those capabilities ▪ Improved visibility of cross-state spend data to support multi-state sourcing and contracting ▪ Ability to instantly benchmark and compare prices for like items across multiple state contracts in one screen view ▪ Buying experience for users that both encouraged adoption and enforced compliance ▪ Ability to enable small vendors, including small vendors providing non-catalog suitable goods and services ▪ Ability to rapidly run spot cooperative sourcing events across multiple states' procurement environments ▪ Ability to track and report contract price compliance and related invoicing errors

3.3 Description of Current Core State Environments

This section provides key information about the procurement environments of the participating states that have had the most significant involvement in the solicitation process as of the date of issue of this RFP, these being the states of Colorado, Nevada, Oregon and Washington. During the period 08.04.2010 - 08.11.2010, members of the solicitation sourcing team visited each of these states to interview procurement team members and agency stakeholders with the objective of gathering information about the procurement environment of each state. A summary of the findings from each of the four state visits is provided in Sections 3.3.1 - 3.3.4 below.

In addition to the findings summarized in Sections 3.3.1 - 3.3.4, each of the four states mentioned completed an "As Is" Environment Data Sheet containing a summary of key information about each state's procurement organization, agency customers, purchasing volumes, agreements, technology systems, and other relevant facts about their procurement environments. These completed templates are provided as **Exhibits E1 - E4, "As Is" Environment Data Sheets**.

3.3.1 State of Colorado

The Colorado State Purchasing Office (CSPO) has a broad set of responsibilities that include among them the development and administration of state price agreements (described in more detail in "Contracting Environment" below). The CSPO is also responsible for the delivery of various services to state agencies such as solicitation support and training as well as the administration of the statewide vendor notification & solicitation system, p-card program and contract management system. Further information about the CSPO and its services can be found at the CSPO web site at:

<http://www.colorado.gov/cs/Satellite/DPA-DFP/DFP/1199264708367>

Contracting Environment

The State of Colorado's procurement environment is extremely decentralized with a significant amount of contracting responsibility delegated to the state agencies. The majority of this delegated spend in terms of dollars is represented by "agency-specific" spend categories such as construction services, healthcare services and employee benefits. The reasoning behind the decentralization strategy is that for these particular categories the agencies are best positioned in terms of market-specific knowledge and user requirements to make the contracting decisions. From the CSPO's point of view, this results in a large amount of the agency-specific spend being excluded from volume purchasing benefits.

From a contracting perspective, the decentralized strategy results in the primary responsibility of the CSPO being to focus on the sourcing of a broad range of goods and services that are common across agencies and other state entities such as office supplies, computers, small parcel and other commonly demanded generic categories. These sourcing activities result in what are referred to as State Price Agreements ("agreements"). The primary objective of these agreements is to achieve pooled discount cost savings as high as 40% through the consolidation of statewide spend for these common goods and services with one or more preferred vendors. These agreements, usually running for one year with renewal options, are issued as either mandatory or permissive depending upon the good or service in question. If a good or service falls into a mandatory agreement

category then any state agency or institution bound by the State of Colorado Procurement Code must use that mandatory agreement to execute the purchase. If it falls into a permissive agreement category then the user has the option to purchase from any other source if desired. As a general policy, the State of Colorado has been moving increasingly towards sourcing more goods and services as mandatory agreements. In addition to state agencies and institutions bound by the State of Colorado Procurement Code, all mandatory and permissive agreements may also be used by institutions of higher education, political subdivisions and certified non-profits.

State of Colorado Participation in Current WSCA Cooperative Contracts

A number of the agreements referred to above resulted from the State of Colorado deciding to participate in pre-existing WSCA cooperative contracts developed by other WSCA member states. In each of these cases the CSPO formally determined that it was in the best interest of the State of Colorado to participate in the WSCA cooperative contract in question as opposed to developing a new Colorado-specific agreement. The CSPO would then establish a State of Colorado specific agreement by executing a participating addendum with the vendor on the WSCA contract. As reported in **Exhibit E1** above, of the total \$322 million statewide spend on all agreements some \$134 million or 42% was on agreements that had been developed from pre-existing WSCA contracts.

Systems Environment

Purchasing systems are fragmented and decentralized across the various agencies and other entities in the State of Colorado with many different types of methods in place for managing requisitions and purchase orders including ERP systems, homegrown/legacy systems and manual processing utilizing basic PC productivity software such as MS Word and Excel. The main State of Colorado accounting system, COFRS - a legacy financial system, is used by many but not all state agencies.

The State of Colorado also utilizes a central procurement card ("P-card") system for all State agencies and higher education institutions. Each year approximately 14,000 cardholders statewide make over 780,000 transactions for a total P-card spend volume of approximately \$185 million.

For solicitation management, the State of Colorado is currently using a homegrown system, developed out of Lotus Notes, known as the Bid Information and Distribution System (BIDS). This system is used for the registration of vendors and the public posting and awarding of solicitations as required by State Statute. This system is also used for the public posting of all State Price Agreements currently awarded through the CSPO. BIDS is a web site designed to notify interested vendors of the State of Colorado's intent to purchase goods or services competitively. BIDS also supports the notification of Construction and Design notices. Since the State of Colorado has a decentralized procurement process, the purchasing agents at the various agencies and institutions post solicitations on BIDS so that the public may know of their intent. For vendors then, BIDS acts as a centralized clearing house of information on bidding opportunities for these agencies. Vendors must be registered with BIDS in order to respond to these bidding opportunities.

Opportunity Areas

It is believed that considerable opportunity exists to increase the total amount of spend on agreements through a combination of increasing compliance with existing agreements (considerable "maverick spend" takes place in many agencies for these common categories where a statewide CSPO-developed agreement is in place) and developing new statewide price agreements for other goods and services.

A spend analysis conducted for the State of Colorado fiscal year ending June 30, 2009 concluded that total annual external spend with vendors for all state agencies (not including any spend with higher education institutions or political sub-divisions) was approximately **\$4.5 billion**. Of this amount, approximately \$3.8B was a combination of healthcare services, construction, employee benefits, grants or otherwise non-addressable spend from a CSPO perspective. This leaves approximately **\$700 million** of addressable agency spend for potential price agreements, not including higher education institutions and political subdivisions. Since from the previous reported numbers it is known that only \$322 million of spend passed through agreements during the 12 months ending 08.03.2010 it is clear that considerable opportunity exists to extract additional cost savings by increasing spend on agreements for those commonly purchased, cross-agency goods and services.

3.3.2 State of Nevada

The Nevada State Purchasing Division is charged by the State of Nevada to perform all functions related to Service Procurement and the purchasing, renting, or leasing of supplies, materials and equipment needed by state agencies. Its purpose is to timely obtain supplies, equipment and services; to secure best value and to give all vendors an equal opportunity to do business with the State. The Purchasing Division maintains limited distribution centers in Reno and Las Vegas for the delivery of USDA food to all eligible recipients statewide, handles the reallocation and disposal of excess state property, maintains an inventory of state fixed assets and administers the Federal Surplus Property Program. Further information about the Nevada State Purchasing Division can be found at its web site: <http://purchasing.state.nv.us>.

Contracting Environment

The procurement environment in Nevada is predominantly centralized with the majority of statewide contracting activity taking place in the Purchasing Division. The exception is for commodity purchases below \$5,000 in value and services purchases below \$100,000 in value. Agencies are allowed to contract directly with suppliers for procurements falling into these dollar ranges.

State of Nevada Participation in Current WSCA Cooperative Contracts

The State of Nevada has been a major contributor to the development of WSCA contracts. Five of the current WSCA cooperative contracts were developed by the State of Nevada acting in a Lead State role; these being the contracts for Carpeting & Flooring, Copiers & Related Software, Fire Suppression Services, Industrial Supplies and Wireless Communication & Equipment.

Systems Environment

The State of Nevada utilizes AMS Advantage software for purchasing (requisitions and purchase orders only, not including sourcing or solicitation management), accounts payable, general ledger, HR and inventory. Sourcing, solicitation management and spend analysis are conducted primarily without the use of any enabling technology (other than basic PC productivity software like MS Word and Excel) although a homegrown system has been developed for vendor registration and basic solicitation work flow and vendor communication.

The State of Nevada also utilizes a central procurement card ("P-card") system. During the 12 months ending 07.03.2010 cardholders made 37,669 transactions for a total P-card spend volume of approximately \$8 million.

Opportunity Areas

It is believed that considerable opportunity exists in the State of Nevada to improve the effectiveness and efficiency of procurement processes. Opportunity areas highlighted by the Nevada State procurement team include increased utilization of technology to allow procurement professionals to focus more time on strategic activities and less time managing transactions, reducing contract leakage (which would result in more of the \$2.2B accounts payable spend being on contract than the current \$494 million), improving contract management and achieving improved visibility of item pricing across different states and contracts.

3.3.3 State of Oregon

The Oregon Department of Administrative Services (DAS), State Procurement Office (SPO) develops, establishes and administers contracts for goods and services on behalf of state agencies, state universities, select non-profit organizations and local governments. The SPO is the central procurement authority for the State of Oregon and developed the public contracting rules used by state agencies subject to DAS authority. The SPO is also responsible for the administration and coordination of the Oregon Cooperative Procurement Program which allows qualified agencies and organizations access to state contracts to purchase goods and services, procurement training opportunities and unlimited advertising on the Oregon Procurement Information Network (ORPIN). Additionally, a reciprocal interstate agreement allows access to designated State of Washington contracts. Participants pay an annual fee for services based on their organizations fiscal year budget. The State of Oregon Cooperative Procurement Program allows its members to utilize certain Oregon State Price Agreements for goods and services.

The Transactions Unit of the DAS State Procurement Office is responsible for soliciting and negotiating statewide price agreements for the State of Oregon. It also solicits for agency specific contracts. The Transactions Unit currently manages over 250 statewide price agreements and numerous agency specific contracts. The Transactions Unit also provides guidance to agencies and suppliers in procurement related questions. Further information about the Oregon State Purchasing Division can be found at its web site: <http://www.oregon.gov/DAS/SSD/SPO/index.page>.

Contracting Environment

The SPO operates in a hybrid centralized purchasing environment. The SPO maintains procurement authority for the majority of goods and services required by state agencies but there are also numerous "carve-outs" for individual agencies (e.g. for Higher Education, Lottery, Judicial, Legislative, Secretary of State, Dept. of Corrections, construction projects, and other smaller agencies and departments). In these carve-out situations the agencies are not subject to SPO's authority. For the remaining state agencies under SPO's authority, they have delegated authority to conduct their own procurements up to \$150,000. SPO is also conducting a pilot to allow agencies to request unlimited delegation based on staff training and certification criteria and agency capacity. SPO has also launched their Strategic Improvement Project with the goal of creating a proactive, flexible, accountable and agile Procurement System that serves the state's needs, includes suppliers and stakeholders and promotes continuous improvement. SPO's e-procurement system is a critical aspect of this effort.

State of Oregon Participation in Current WSCA Cooperative Contracts

The State of Oregon has been a significant contributor to the development and utilization of WSCA contracts. Three of the current WSCA cooperative contracts were developed by the State of Oregon acting in a Lead State role; these being the contracts for Office Supplies, Janitorial Supplies and Car Rental.

Systems Environment

The State of Oregon primarily utilizes a mixture of legacy and homegrown software applications for accounting and transactional purchasing activities. For vendor registration and electronic bid submission the state uses the Oregon Procurement Information Network (ORPIN) system. The ORPIN system has been successfully utilized to develop one of the largest state registered vendor bases. Over 44,000 vendors are currently registered in the ORPIN system to receive and respond to bids issued by the SPO. It is widely accepted that the ORPIN system, the functionality of which has been expanded considerably over the last few years, has reached its capacity and new options now need to be considered to further expand the capability and effectiveness of the state's solicitation processes.

Opportunity Areas

It is believed that considerable opportunity exists in the State of Oregon to expand the use of eProcurement and related technologies to improve the effectiveness and efficiency of procurement processes. Although ORPIN has been a tremendous success it was felt it had now reached its limit in terms of both capacity and functionality. Opportunity areas highlighted by the Oregon procurement team and stakeholder groups included a more user-friendly bidder registration process from the point of view of the vendors, an improved ability for procurement to capture timely and accurate statewide spend data by vendor/commodity/contract/department (currently spread across multiple systems and difficult to capture), and the ability to access improved and more current sourcing technology tools such as online collaborative RFP's and reverse auction. It was also believed that opportunities existed to both improve compliance on existing contracts and also to bring more spend onto contracts through the introduction of systems and processes that facilitated collaborative and flexible relationships with stakeholders and suppliers.

3.3.4 State of Washington

The Department of General Administration Office of State Procurement (OSP) of the State of Washington Department of Administration is responsible for insuring that overall state purchasing policy is implemented by state agencies, including educational institutions. The OSP provides leadership in government procurement, balancing the socio-economic requirements, statutory compliance and maximizing the best return for our customers. A mandated service provider for state agencies, by statute the OSP also serves institutions of higher education. Through RCW 39.34 the OSP also serves political subdivisions and non-profit organizations via the Washington Purchasing Cooperative, creating statewide value through the leveraging of cross-entity governmental purchasing.

OSP consolidates the purchasing power from over 950 state agencies, institutions of higher education, political subdivisions, nonprofit organizations, Indian nations and other states to achieve the best values in pricing, warranty and service delivery of goods and purchased services. OSP also provides personal services support as a partner in facilitating professional and technical service solutions and contracts. Base services include access to over 300 contracts that offer products and services from light bulbs to interpreter services and pharmaceuticals.

OSP maintains a portfolio of personal service contracts, which provide access to hundreds of professionals for personal and technology services solutions. Working closely with the Office of Financial Management (OFM), the Information Services Board (ISB) and the Printer (PRT), OSP provides support to agencies in sourcing, posting solicitations, vendor management and contract support.

OSP develops and administers contracts for goods and services with an estimated annual worth of approximately \$900 million, on behalf of its customers which include state agencies, higher education and political subdivisions. Under a delegated authority by OFM under RCW 39.29, OSP also creates and implements master contracts for personal services that are available to agencies statewide. Further information about the OSP can be found at its web site: <http://www.ga.wa.gov/Purchase/3about.htm>.

Spend Volumes

Information provided by OSP reported that State of Washington agencies, higher education institutions and political subdivisions spent approximately **\$900 million** awarded from a pool of 20,000 registered vendors on 258 contracts for the 12 month period ending 08.03.2010 (some contracts are multi-award).

Contracting Environment

The contracting environment in the State of Washington is decentralized in nature with significant decision-making responsibility statutorily vested in many different agencies for specific commodities or services. Four of these agencies are central service agencies that have authority to delegate their purchase authority to customer agencies: The Information Services Board, the Department of General Administration, the Office of Financial Management and the State Printer. Two of these agencies establish master contracts for other agencies to order against: the Department of General Administration and the Information Services Board. Large agencies (corrections, social health services, and

transportation) all have some form of a purchase order work flow custom built system and similar asset tracking systems.

State of Washington Participation in Current WSCA Cooperative Contracts

The State of Washington has been a major contributor to the development of WSCA contracts. Ten of the current WSCA cooperative contracts were developed by the State of Washington acting in a Lead State role; these being the contracts for Public Safety Radio Equipment, Lottery Merchandise, Fuel Cell Power Units and Components & Accessories, Vehicle Lifts and Related Garage Equipment, Electronic Monitoring Equipment & GPS Services, Breast Pumps, WIC Infant Formula, Procurement Analysis & Consulting Services, Quick Copies and Telephone Interpreter Services.

Systems Environment

The State of Washington primarily utilizes homegrown software applications for accounting and procurement activities. Requisitioning and purchase order placement is particularly fragmented with multiple systems being in place across different agencies and departments. Contract management is also supported by home grown applications.

For vendor registration and solicitation communications the state uses the Washington Electronic Business Solution (WEBS) system. The WEBS system has been successfully utilized to develop a registered bidder base of approximately 20,000 vendors. The execution of solicitations (RFQ's, RFP's, etc.), however, utilizes no enabling technology except standard office productivity and communication tools such as Word, Excel and Outlook. Spend analysis activities are similarly conducted with standard office software.

Opportunity Areas

OSP has been very proactive in identifying and working towards improving the effectiveness and efficiency of procurement processes. In 2006 the State of Washington Department of General Administration launched a Procurement Reform initiative consisting of eight strategies in three general categories of vendor engagement, standardized coding and procurement management. OSP has assumed the lead for Procurement Reform and currently has one FTE dedicated to the initiative. The details of the Procurement Reform work plan can be found at <http://www.ga.wa.gov/Purchase/procurementreform.htm>.

Three Procurement Reform strategies have already been launched and are poised for statewide implementation, pending available resources. The first two will be satisfied via the statewide implementation of the Washington's Electronic Business Solution (WEBS). The third will be satisfied via the statewide implementation of the licensed National Institute of Government Purchasing (NIGP) Commodity Code System as the new standard for new systems using commodity code data.

It is agreed by the OSP team and many stakeholder groups that there would be considerable benefit from many of the functionalities offered by eProcurement particularly in the areas of improved access to consistent, high quality procurement data and also the ability of the initiative to naturally support a consolidation and standardization of procurement processes across a fragmented user environment. The Office of State Procurement for the State of Washington reaches out to state purchasing staff and vendors

wanting to do business with the state through an annual vendor training event, annual government agency purchaser training and a customer service desk, staffed by a team of 3, trained to answer questions about using the WEBS System. The expectation is the electronic procurement solution will not require stateside resources beyond those that could be transitioned from WEBS System support.

3.4 Profile of Current WSCA Contracts

The 29 current WSCA contracts are profiled in **Figure 2** on the next page. The following information is provided for each contract:

- Name of the lead state, i.e. the state that led the solicitation that resulted in the creation of the contract in question
- Number of vendors on the contract (the majority of WSCA contracts are multi-award)
- Number of states that are currently using the contract
- WSCA opinion on suitability of the contract for an electronic catalog
- Total annual spend for all vendors on the contract

The main insight from the profile is that nearly \$7 billion is spent annually on 21 WSCA contracts that are suitable for electronic catalogs. These 21 contracts correspond to 111 contract vendors.

Figure 2

Profile of Current WSCA Contracts

#	WSCA Contract	Lead State	Number of Vendors on Contract	Number of States Currently Using Contract	Category Typically Suitable for Catalog?	Total Annual Spend for All Vendors on Contract
1	Mailing Equipment and Maintenance	Arizona	2	20	Yes	\$ 42,547,864
2	Auto Parts	California	4	1	Yes	Too New
3	Body Armor	Colorado	9	11	Yes	\$ 404,144
4	Cooperative Lab Equipment and Supplies	Idaho	2	30	Yes	\$ 3,007,773
5	Computer Equipment, Peripherals & Related Services	Minnesota	23	46	Yes	\$ 2,744,333,006
6	Copiers (multifunction) & Related Software	Nevada	7	12	Yes	\$ 6,267,117
7	Wireless Communication & Equipment	Nevada	4	45	Yes	\$ 3,112,929,825
8	Carpet, Carpet Tile and Flooring	Nevada	To be terminated			
9	Fire Suppression Services	Nevada	1	7	Yes	\$ 1,635,656
10	Industrial MRO Supplies	Nevada	1	28	Yes	\$ 437,986,104
11	Janitorial Supplies and Industrial Paper	Oregon	3	6	Yes	\$ 36,868,300
12	Office Supplies	Oregon	6	4	Yes	\$ 50,778,536
13	Data Communications Equipment	Utah	8	24	Yes	\$ 159,404,140
14	Tires, Tubes and Services	Utah	3	16	Yes	\$ 92,056,144
15	Satellite Phones	Utah	1	9	Yes	\$ 984,856
16	Public Safety Communication Equipment - Radios	Washington	22	23	Yes	\$ 40,722,576
17	Lottery Merchandise	Washington	4	1	Yes	\$ 568,601
18	Fuel Cell Power Units, Components and Accessories	Washington	4	9	Yes	\$ 75,000
19	Vehicle Lifts and Related Garage Equipment	Washington	3	27	Yes	\$ 5,674,836
20	Electronic Monitoring Equipment and GPS Services	Washington	2	16	Yes	\$ 7,241,768
21	Breast Pumps	Washington	1	17	Yes	\$ 5,263,083
22	WIC Infant Formula	Washington	1	25	Yes	\$ 227,720,461
23	Payment (Electronic) Acceptance Services - EPAY	California	1	1	No	
24	Purchase Card Services	California	1	5	No	
25	Nationwide Vehicle Rental	Oregon	2	14	No	
26	Small Package Delivery Service	Utah	1	21	No	\$ 37,616,904
27	Procurement Analysis and Consulting Services	Washington	13	1	No	\$ 2,098,821
28	Quick Copy Contract	Washington	5	5	No	\$ 1,618,400
29	Telephone Based Interpreter Services	Washington	3	1	No	\$ 1,000,000
Total Number of Vendors on Catalog-Suitable Contracts			111	Total Spend on All Catalog-Suitable Contracts		\$ 6,976,469,790

SECTION 4 - STATEMENT OF WORK

This section will describe a comprehensive statement of work in terms of the business objectives and requirements that the offeror's solution must meet. These objectives and requirements are presented in this section for the offeror's review and then addressed again in **Section 5, Response Format and Instructions**, from the point of view of providing instructions to the offeror for preparing a proposal response that addresses the objectives and requirements defined in this section.

4.1 Business Objectives

The ultimate goal of this solicitation process is to identify a provider (or providers) with the capabilities and qualifications to assist the participating states in achieving the following business objectives:

- Improve the procurement costs of state government programs and services by achieving improved consolidation and leverage of spend for common purchases across the participating states and their higher education institutions, political subdivisions and other authorized entities.
- Increase the efficiency and service levels of procurement services delivered to state government agencies by streamlining, automating and standardizing existing purchasing processes.
- Improve planning, decision making, reporting and general data transparency by centralizing, standardizing and improving the accuracy and quality of procurement information across disparate state agencies and other institutions.
- Achieve high quality relationships with suppliers of goods and services to state governments by developing a reputation for "being easy to do business with" and by supporting the development needs of small, diversity and disadvantaged businesses.
- Utilize the resources made available by WSCA to overcome the barriers typically faced by individual states attempting to deploy eProcurement solutions and related services.

4.2 Specification of Requirements

The desired solution is one that enables the participating states to achieve the business objectives described in Section 4.1 above. At a minimum, this will require the solution to provide the participating states with flexible and on-demand access to a suite of best of breed eProcurement-related services that could include but not necessarily be limited to electronic catalog management, automated procure-to-pay (P2P), e-sourcing (including reverse auction and other forms of online solicitation), analysis & reporting and contract management.

It is also important that offerors' proposals take into account significant differences that exist between the participating states in a number of areas. In many cases these differences will have a significant impact both on the overall implementation approach for the multi-state solution as well as the deployment strategy selected for an individual participating state. These differences between the participating states include:

- Contrasting organizational structures, roles, responsibilities and cultures (e.g. centralization, decentralization, procurement relationship with agencies, etc.)
- Different technology systems and impacts on required interfaces and integration points with the offeror's eProcurement solution (e.g. ERP, legacy, home grown, etc.)
- Varying levels of executive sponsorship and support for an eProcurement solution (often a function of how long an individual state has been considering an eProcurement solution, e.g. of the participating states the State of Colorado has been evaluating an eProcurement solution since 2008)
- State-specific funding approaches for the eProcurement solution, often impacted by state-specific laws and regulations (e.g. general fund appropriations, supplier fees, etc.)
- Fundamental differences in procurement issues, opportunities, requirements and constraints between states (e.g. one state may have a sense of urgency to increase spend through contracts, while another may be focused on reducing time spent by procurement staff on tactical transaction processing activities)

Offerors will need to demonstrate in their responses to this RFP the capability to design deployment strategies and implementation approaches that help the participating states achieve the synergies and scale efficiencies of a multi-state solution while still recognizing state-specific differences such as those described above. The participating states believe that to achieve this goal the offeror will need to demonstrate the ability to address the following key success factors:

1. An ability to meet a set of mandatory and desirable functional, technical, service and support requirements specified by the participating states. This will ensure that the selected offeror's solution has the full range of capabilities to meet the business objectives of the participating states.
2. An ability to deliver significant, early benefits to the largest possible number of participating states through the deployment of a limited sub-set of eProcurement functionality requiring minimal customization or integration. This will validate the business case for the eProcurement solution to all states with a minimal amount of disruption, effort and risk.
3. An ability to potentially deploy the solution's full range of functionality based upon the requirements and readiness of individual participating states. This will implement those elements of the eProcurement solution suite for those states furthest advanced in terms of definition of requirements and general organizational sponsorship and support.

Based on the key success factors above, the participating states have defined requirements into five categories: Functional Requirements, Service & Support Requirements, Technical Requirements, Implementation Requirements and Use Case Scenarios. These requirements areas are described in detail in Sections 4.2.1 - 4.2.5 below.

4.2.1 Functional Requirements

The participating states have classified the functional requirements of the desired solution into the following three categories:

Category 1 - MR (Mandatory, Required)

This defines a required functionality that will be evaluated on a simple yes/no basis. No attempt will be made to compare capabilities for this functionality across offerors.

Category 2 - MS (Mandatory, Scored)

This defines a mandatory, required functionality that will be assigned a score to allow comparison of capabilities for this functionality across offerors.

Category 3 - DS (Desirable, Scored)

This defines a desired functionality that will be assigned a score to allow comparison of capabilities for this functionality across offerors. Functionalities falling into Category 3 will be assigned lower weightings than the mandatory, required Category 2 functionalities in the evaluation & selection award process.

The classification of the functional requirements into the above three categories is shown in **Figure 3** on the next page together with descriptions of each functionality area. Detailed functionality for each area is provided in **Exhibit F, Functional Requirements**.

Figure 3

Functional Requirements

Category	Functionality	Mandatory Required Description
MR	Requisition Management	Functionality supporting the automated creation and management of requisitions from users/requestors
	Purchase Order Management	Functionality supporting the automated creation and management of purchase orders including transmission to suppliers
	Workflow Management	Functionality supporting the automated routing of purchasing documents according to pre-defined approval and other business rules

Category	Functionality	Mandatory Scored Description
MS	Catalog Management	Functionality supporting an online retail-type buying experience for users that creates high adoption rates as well as enforcing compliance to preferred contracts
	Vendor Registration and Communication	Functionality supporting the development and management of a State's database of registered vendors and associated processes for electronically communicating information about upcoming solicitations (for some offerors this functionality may be integrated with the Solicitation Management functionality)
	Tactical Sourcing ¹	Functionality supporting a rapid "3 bid and buy" type event where, for items falling below a certain dollar threshold, an end user can conduct a quick bid between a small number of pre-identified vendors with the objective of rapidly identifying the lowest cost source
	Solicitation Management	End to end, automated management of solicitation events including but not limited to Request for Proposals (RFP's), Requests for Quotes (RFQ's), Invitation for Bids (IFB's), reverse auctions, surplus property auctions
	Analysis and Reporting	Functionality supporting a potentially broad range of areas including standard purchasing reports and supporting graphics based on transactions through the system (e.g. requisition pipeline, open purchase order reports, spend by commodity, spend by vendor, spend by department, etc.) in addition to expanded functionality for analysis of data external to the system such as AP spend analysis and associated functionality for cleansing, classification, and OLAP-type multi-dimensional spend analytics and reporting.

Figure 3 (continued)

Functional Requirements

Category	Functionality	Desirable Scored Description
DS	Contract Management	Functionality supporting, as a minimum, basic contract administration activities such as tracking of contract spend, commitments, and expiration dates. More advanced functionality could include contract price compliance tracking in addition to contract authoring and execution workflow management
	Stores & Inventory Management	Functionality to support inventory planning and control activities for inventoried items in internal stores and other holding locations
	Vendor Management	Functionality supported the automated collection, tracking and reporting of vendor performance including quality, service , delivery, cost and other metrics
	Invoice Management & Reconciliation	Functionality supporting the automated management of invoices including matching of the invoice with one or more of the requisition, purchase order, and receiving documents
	Travel & Expense Management	Functionality supported the automated management of employee expenses associated with business travel and other business-related out of pocket expenses
	Grants Management	Automation of application, approval and payment processes for state grant funds

¹It is recognized that some providers of eProcurement and related services bundle basic tactical sourcing ("3 bids and a buy") functionality into their Procure-to-Pay solutions. If this is the case then the tactical sourcing functionality within the offeror's P2P solution will still be evaluated as a "Solicitation Management" functionality and scored as per the "MS" classification for Solicitation Management.

4.2.2 Service and Support Requirements

Service and Support requirements fall into the areas of Implementation Services, Training Services, and Customer Support. The Service and Support requirements described below are intended to represent a minimum, industry-standard set of general service and support requirements that would apply to any participating state. **Any provider(s) selected from this solicitation process will also be required to satisfy participating state-specific service and support requirements, including state-specific Service Level Agreement (SLA) metrics, that will be specified in each state's participating addendum.** In Section 5.2.5 (Format of Proposal Response - Technical Proposal), offerors will be requested to provide examples of service and support requirements and corresponding SLA metrics that they have utilized with other clients.

Implementation Services

Offerors must utilize a comprehensive implementation methodology that includes as a minimum:

- Solution deployment planning (e.g. development of phased roll-out strategy by functionality, entity, etc.) based on key success factors defined by customer (e.g. early benefits capture, validation of solution, etc).
- Resource planning that takes into account resource constraints of the participating states
- Utilization of a formal risk management plan that identifies key implementation risks and defines risk mitigation approaches
- Formal change management plan that clearly defines at a detailed level the required communications (including communication targets, content, vehicles/methods and timing) and stakeholder management strategies that will ensure highest possible levels of user adoption and ongoing compliance
- Program management plan that identifies governance structures, executive sponsors and issue resolution procedures
- Performance management plan that defines and tracks pre-agreed metrics across value, quality, cost, service, lead time, etc. (e.g. number of catalogs enabled by a certain date, spend through systems, etc.)

Training Services

Offerors must deliver the following training services as a minimum:

- Comprehensive training for all implemented functionality and all user roles (e.g. end users, procurement, administrators, etc.)
- Training to be available for any new software versions or upgrades
- Training to be available in classroom and online formats as needed
- Training to be available for suppliers as needed for all implemented functionality, e.g. vendor registration, e-Sourcing, catalog content updates, etc.

Customer Support Services

Offerors must provide the following customer support services as a minimum:

- Dedicated account manager
- Live Help Desk support provided by staff speaking English as a first language and with experience in resolving issues for all implemented functionality

- Live Help Desk support to be available, as a minimum, for the complete business work day of all participating states
- Intuitive, easy-to-use online help should be available for all implemented functionality, including online tutorials and online user manuals
- Offerors will be required, if selected through this solicitation process, to contractually commit to meet participating state-specific Service Level Agreements (SLA's) that define minimum levels of performance in areas that may include but not necessarily be limited to # customer issues handled, # customer issues resolved, average help desk response time, average issue resolution time, customer satisfaction score, etc.

4.2.3 Technical Requirements

Technical Requirements fall into the areas of Architecture, Security, Maintenance & Upgrades and Integration. The technical requirements described below are intended to represent a minimum, industry-standard set of general technical requirements that would apply to any participating state. **Any provider(s) selected from this solicitation process will also be required to satisfy participating state-specific technical requirements, including state-specific Service Level Agreement (SLA) metrics, that will be specified in each state's participating addendum.** In Section 5.2.5 (Format of Proposal Response - Technical Proposal), offerors will be requested to provide examples of technical requirements and corresponding SLA metrics that they have utilized with other clients.

Offerors must satisfy the following technical requirements as a minimum:

Architecture

Offerors will be required, if selected through this solicitation process, to contractually commit to meeting participating state-specific architecture requirements and SLA's in areas including but not necessarily limited to

- All solution functionalities selected by any participating state must be available in an Application Service Provider (ASP) model where all solution applications are hosted and maintained by the offeror
- Customers must be able to access any of the offeror's applications via any of the major commercially available web browsers (e.g. Explorer, Safari, Firefox, Mozilla, Chrome, etc.) on any basic configuration PC or Mac computer
- Offeror's ASP must have sufficient data storage capacity to meet the needs of the participating states in all areas relating to their implemented functionality including but not necessarily limited to vendor registration data, spend analysis data, purchasing transaction data, sourcing data, and contract data
- Offeror's solutions must be scalable in terms of performance, service and cost to meet the needs of the multi-state environment described in this RFP

- Offerors will be required, if selected through this solicitation process, to contractually commit to meet participating state-specific Service Level Agreements (SLA's) that define minimum levels of performance in areas that may include but not necessarily be limited to % uptime/availability of application , # concurrent users of application, record retrieval time, connectivity, data upload/download times, etc.

Security

Offerors will be required, if selected through this solicitation process, to contractually commit to meeting participating state-specific security requirements and SLA's in areas including but not necessarily limited to:

- Physical, electronic and biometric security that meets the standards of the participating states
- Formal, documented backup and redundancy measures to ensure continuity of service and preservation of customer data, e.g. redundant ISPs
- Automated infrastructure monitoring, support and alert capability on a 24/7 basis
- Measures to ensure that all data records are transported, stored and accessed in a secure manner
- Mechanisms for securing sensitive data that is protected by federal, state and local laws and is protected from unauthorized disclosure. Offeror must address specific encryption methods, strengths, network protocols
- Utilization of best practice authentication methods (e.g. PIN's, certificates, tokens, etc.) to prevent access from unauthorized individuals and entities within and outside the state
- Offeror must ensure all implemented applications utilize the highest level of internet security including regularly updated anti-virus and anti-spam protection

Maintenance and Upgrades

Offerors will be required, if selected through this solicitation process, to contractually commit to meeting participating state-specific maintenance and upgrade requirements and SLA's in areas including but not necessarily limited to

- Offerors must utilize a formal communicated plan for introducing product upgrades and communicating the reasons for, and impact of, the upgrades to the participating states
- All product upgrades should be available to the participating states at no additional cost
- There should be no operational impact and no deterioration of service, support or technical SLA performance during product upgrades

- There should be no significant resource requirement from the participating states during the implementation of a product upgrade

Integration

Offerors will be required, if selected through this solicitation process, to contractually commit to meeting participating state-specific integration requirements and SLA's in areas including but not necessarily limited to:

- Offeror's solution modules must be able to integrate or interface as required with any participating state's legacy, ERP or homegrown system
- Offeror's integration and interface approach for each implemented functionality must enable the transfer of all required data elements in the required volumes and at the required rates and frequency to meet the procurement process requirements of the participating states. Where real-time as opposed to batch transfer of data is required to meet process performance requirements, the offeror's integration and interface approach is able to meet this requirement
- Offeror utilizes a standard integration framework and methodology that will successfully identify and address the optimum, customized integration approach for each participating state including priority of systems to be integrated, type of integration required, etc.

4.2.4 Implementation Requirements

Three Implementation Requirements have been defined, which are described briefly below and in more detail in Sections 4.2.4.1 - 4.2.4.3. Each Implementation Requirement represents a distinct set of implementation tasks intended to accomplish a specific end result. It should be noted that the tasks in Implementation Requirement #1 (Set Up WSCA Contract Marketplace and Multi-State e-Sourcing for Colorado, Nevada, Oregon and Washington), and Implementation Requirement #2 (Deploy eProcurement for the State of Colorado), are intended to be executed concurrently, while the tasks in Implementation Requirement #3 (Deploy eProcurement for All Participating States) are intended to be executed in a phased fashion consistent with the readiness of the other participating states.

#	Implementation Requirement	Description	Timing of Tasks
1.	Set Up WSCA Contract Marketplace and Multi-State e-Sourcing Capability	Enable the current "catalog-suitable" WSCA contracts in a hosted electronic catalog environment and allow any participating state (WSCA or NASPO member) to browse, search, select and pay for catalog items using a p-card. Also set up a multi-state e-Sourcing capability for Colorado, Nevada, Oregon and Washington.	Tasks for Implementation Requirements #1 and #2 Executed Concurrently
2.	Deploy eProcurement for the State of Colorado ¹	Implement eProcurement and related functionalities for the State of Colorado that meets the original objective of Senate Bill 09-099 to utilize technology to create a more efficient delivery of state procurement services	
3.	Deploy eProcurement for All Participating States	Conduct a flexible, phased roll-out of eProcurement and related functionalities to all participating states (potentially all or many of the 50 states) based on state-specific requirements, constraints, organizational readiness and other factors.	Phased Fashion Consistent with Readiness of Other Participating States

¹The State of Colorado is in a more advanced state of readiness to define its requirements than the other participating states due to it's having been evaluating eProcurement since 2008.

4.2.4.1 Implementation Requirement #1: Set Up a WSCA Contract Marketplace for Access by Any Participating State and a Multi-State e-Sourcing Capability for Colorado, Nevada, Oregon and Washington

There are two objectives of Implementation Requirements #1, these being:

Implementation Requirement #1, Objective 1 - Set Up WSCA Contract Marketplace for Access by Any Participating State

The first objective of Implementation Requirement #1 is to enable all suppliers on all 21 electronic catalog-suitable WSCA contracts listed in Figure 2 on Page 26 (Profile of Current WSCA Contracts) so that each contract supplier's products are available in a web-hosted "shopping cart" style electronic catalog environment to all states currently buying off these contracts as well as, in addition, any other states not currently buying off these contracts who may wish to. The reasoning behind this objective is the creation of an immediate success story for the overall eProcurement initiative by rapidly (and with minimal effort and disruption) increasing compliance of existing WSCA agreements that are known to be capable of generating significant cost savings. The following requirements and constraints also exist for this Implementation Requirement:

- Any buying entity within any state must be able to access any of the web-hosted WSCA catalogs from their current systems environment without the need for

installation of any proprietary software or any integration or interface between the web-hosted catalog and their current systems

- Buying entities must be able to browse, search and select items in any of the WSCA catalogs and pay for these items using a p-card
- Buying entities must, where applicable, be able to "see" their entity-specific pricing and terms when accessing a WSCA catalog
- Buying entities must, where applicable, be blocked from seeing items that they are not authorized to purchase for any reason
- There must be a process in place to allow as-needed catalog updates to supplier pricing, item specifications or other contract content for all suppliers on each of the enabled WSCA contracts. This process must allow for pre-authorization of updates by the appropriate entity, e.g. the contract administrator for the WSCA contract in question
- There must be a spend database and associated analysis & reporting capability that enables generation of custom reports such as spend by item, NIGP code, supplier, WSCA contract, and buying entity as well as the ability to export item level transaction records containing all captured data fields. These reports should be available at multiple organizational levels as required, e.g. to the buying entity (for their purchases only), to the contract administrator for each WSCA contract (for all purchases through that contract), and to a cross-state WSCA contract administrator (for all purchases through all WSCA contracts)

Implementation Requirement #1, Objective 2 - Set Up Multi-State e-Sourcing Capability for Colorado, Nevada, Oregon and Washington

The second objective of Implementation Requirement #1 is to set up a multi-state e-Sourcing capability for the four participating states of Colorado, Nevada, Oregon and Washington. The objective of the multi-state e-Sourcing Solution is to identify and take advantage of spend consolidation opportunities for common categories across the four states by conducting collaborative cross-state sourcing events including but not limited to online RFP's, RFQ's, and reverse auctions. The desired multi-state e-Sourcing solution would provide enablement of the end to end sourcing process including requirements development, supplier analysis, sourcing event planning & execution, post-event analytics & decision support, and contract negotiation support. The desired deliverable of the multi-state e-Sourcing Solution would be negotiated pricing and terms for new multi-state cooperative contracts or improved pricing and terms for existing cooperative contracts.

If the 4-state multi-state e-Sourcing solution is successful then the ultimate objective is to extend the multi-state sourcing capability and its value proposition to additional participating states. The timeline for extending this capability and the potential number of states ultimately participating will be solely dependent upon the success of the initial 4-state initiative.

4.2.4.2 Implementation Requirement #2: Deploy eProcurement for the State of Colorado

The objective of Implementation Requirement #2 is to implement eProcurement, sourcing and other eProcurement-related functionalities for the State of Colorado that meets the original objective of Senate Bill 09-099, i.e. a “statewide centralized electronic procurement system to allow the utilization of technology to create a more efficient delivery of state procurement services.” Analysis of state-specific requirements and provider market capabilities conducted by CSPO prior to WSCA sponsoring this solicitation have resulted in the following eProcurement-related functionalities being identified as mandatory requirements for the State of Colorado:

eProcurement

- Requisition Management
- Purchase Order Management
- Workflow Management

Sourcing

- Tactical Sourcing ("3 bids and a buy")
- Vendor Registration & Communication
- Solicitation Management (RFP's, RFQ's, IFB's, reverse auctions, surplus property auctions, etc.)

Other

- Analysis & Reporting for all spend passing through the State of Colorado's eProcurement system (reports of spend by item, NIGP code, supplier and buying entity as well as the ability to export item level transaction records containing all captured data fields)

The following additional requirements and constraints also exist for Implementation Requirement 2 in the State of Colorado:

- eProcurement functionality will be deployed to serve somewhere in the range of 5,000-7,000 users across the State of Colorado's government agencies, higher education institutions and political subdivisions
- Integration will be required between the offeror's eProcurement system and the State of Colorado's legacy accounts payable and general ledger applications. Exact nature of interface (e.g. which data to transfer between systems, batch or real-time, etc.) to be determined during implementation planning

- The eProcurement system should be the method by which Colorado users access the web-hosted WSCA catalogs enabled in Implementation Requirement 1 above
- Vendor Registration & Communication functionality will replace the State of Colorado's current Bid Information and Distribution System (BIDS) for goods and services as well as Construction and Design Notices.
- Tactical sourcing must be interfaced with a vendor database to provide alternative sources for end users wishing to conduct quick quotes for purchases below certain dollar thresholds. In addition, in situations where users wish to conduct quick quotes between vendors on an existing WSCA contract (i.e. for multi-award contracts), there must also be an ability to interface or access the relevant WSCA contract regarding the current contract suppliers, items, contract prices, etc.
- Solicitation Management functionality must interface with the Analysis & Reporting functionality to support activities such as opportunity identification, requirements & baseline development, and negotiation support
- Solicitation Management functionality must interface with the Vendor Registration & Communication functionality for the purposes of bid list creation and supplier communications throughout the solicitation process

4.2.4.3 Implementation Requirement #3: Deploy eProcurement for All Participating States

The objective of Implementation Requirement #3 is to deploy eProcurement and related functionalities to additional participating states (potentially all or many of the 50 states) according to state-specific requirements, constraints, organizational readiness and other factors. Unlike the State of Colorado, which has been evaluating eProcurement since 2008, the other participating states are not as advanced in their readiness to define their exact requirements for the eProcurement solution. The States of Nevada, Oregon and Washington have, however, made preliminary assessments of potential functionality areas of interest and these are listed in Figure 4 below. The functionality areas in Table 4 correspond to the functional requirements categories listed in Figure 3 on page 30. In terms of timing, it is expected that deployment of eProcurement to a large number of participating states would occur in a phased fashion consistent with the readiness of the various participating states.

Figure 4

Functionality Areas of Interest for the Participating States of Colorado, Nevada, Oregon, and Washington				
Functionality	State			
	Colorado	Nevada	Oregon	Washington
Catalog Management (for State-Specific Supplier Catalogs Over and Above the WSCA Catalogs Enabled as Part of Implementation Requirement #1)	X	X	X	X
Vendor Registration and Communication	X	X	X	X
Tactical Sourcing (Quick Quote/3-Bid)	X	X	X	X
Solicitation Management (RFP, IFB, RFQ, Reverse Auction, etc.) ¹	X	X	X	X
Analysis and Reporting	X	X	X	X
Requisition Management	X	X	X	X
Purchase Order Management	X	X	X	X
Workflow Management	X	X	X	X
Contract Management	X			X
Stores and Inventory Management	X			
Vendor Management (Performance)	X	X		X
Invoice Management & Reconciliation	X			X
Travel & Expense Management				
Grants Management			X	X

¹The Solicitation Management functionality includes both state-specific requirements (e.g. to support development of new or improved statewide contracts for a single state) and multi-state requirements (e.g. to support development of new or improved cooperative contracts across multiple states)

4.2.5 Use Case Scenarios

In addition to the requirements defined in Sections 4.2.1 - 4.2.4 above, the participating states have also defined a number of "use case scenarios" that define representative "real life" situations where the offeror's solution will need to achieve the required business

performance objectives while simultaneously addressing a specified set of requirements and/or constraints presented by the customer environment. Each use case concludes with a question related to how specifically the offeror's proposed solution will achieve this objective.

As mentioned in the first paragraph of Section 4 on page 26 the requirements described in this section, including the questions relating to each use case below, are presented in this section for the offeror's review. Instructions for addressing the requirements presented in this section, including the provision of answers to the use case questions, as part of your proposal response will be provided in Section 5 - Response Format and Instructions.

Use Case #1

Setting Up the WSCA Contract Marketplace

Description

The objective of the WSCA Contract Marketplace is to rapidly set up all the existing catalog-suitable WSCA contracts in the provider's ASP catalog environment so that each contract supplier's products are available to any participating state buying entity. It will also be necessary to meet a number of specific functional requirements (described in detail in Section 4.2.4.1 above) such as the requirement that any buying entity access its entity-specific contract content and that payment can be made with a p-card. This objective must be met without requiring that any participating state implement proprietary software or that any integration or interface be required with the participating state's systems.

Question

How will your solution and implementation approach meet the objectives of the WSCA Contract Marketplace while also addressing the various requirements and constraints described in Section 4.2.4.1? Please describe the key elements of your approach that will allow a rapid realization of benefits from increased spend through the WSCA contracts with minimum effort and disruption for the participating states.

Use Case #2

Diversity Suppliers (S/W/M/DBE)

Description

Many state government contracts are with small local suppliers that are not tech-savvy and have no current web presence. Some of these are product suppliers (e.g. industrial supplies) and some are services suppliers (e.g. cleaning companies, landscaping companies). It is important that the offeror have a process for enabling these types of suppliers so that they can be accessed through the eProcurement system.

Question

How will your solution and implementation approach address the case of many small, non-tech savvy product and service suppliers needing to be enabled in the system?

Use Case #3

Different state entities each with unique cost recovery mark-up formulas

Description

WSCA contracts are accessed by multiple states with different business models. Ideally the electronic procurement solution would provide for one instance of a WSCA contract that is accessible by multiple participating WSCA states, each with a unique organizational profile to code their respective unique mark-up formulas for cost recovery

Question

How will your solution and implementation approach address the case of different participating states using different mark-up formulas for cost recovery, administrator and user access and state reporting?

Use Case #4

Flexible data standards and database tools to support configuration changes without requiring a total data conversion to preserve enterprise reporting from one configuration to another

Description

Electronic Procurement will be a new way of doing business for several states. Initial configurations of the electronic procurement system may need to be changed post implementation as states learn more about the configuration options for electronic procurement systems. While the state's desire the flexibility of electronic procurement systems configurations, the state is concerned about the impact to consistent reporting from these systems and hopes modern electronic procurement systems include tools to avoid expensive database conversions as a result of electronic procurement system configuration changes. For example, the initial configuration could ignore diversity profile information for vendors and a subsequent configuration could choose to enable vendor diversity profile data for reporting.

Question

How will your solution and implementation approach address the case of the participating states' desire to achieve consistent reporting standards while recognizing state to state variations in system configurations?

Use Case #5

Data portability standard to accommodate future integration with enterprise reporting systems

Description

Many states with legacy financial systems have future plans to migrate to modern enterprise reporting systems, some of which include electronic procurement modules that may duplicate part or all of the electronic procurement solution implemented as a result of this RFP. The states desire a level of data portability that would support spend reporting either by using data from an enterprise reporting system or by feeding data to an enterprise reporting system. Tell us how your organization or electronic procurement tools can effectively support the concept of data portability necessary to support this use case.

Question

How will your solution and implementation approach address the case of the participating states requiring data portability from legacy systems to modern ERP systems?

Use Case #6

Modular implementation of an electronic procurement solution in a systems environment where homegrown and legacy systems automate disparate parts of the source-to-pay procurement cycle

Description

Many of the participating states have invested in home grown and legacy systems to enable various procurement processes such as requisitioning, purchase order administration, vendor registration, solicitation notification, contract management, etc.

Question

How will your solution and implementation approach leverage its modular architecture to work with the participating states' various homegrown and legacy systems? In addition, describe your change management plan and stakeholder communication plans to keep stakeholders engaged and participating until the system benefits accrue for delivery.

Use Case #7

Performance up-time and disaster recovery

Description

For many states the procurement activity is a critical part of the state's disaster recovery plan.

Question

Describe your strategy for procure to pay system performance under normal and disaster circumstances (e.g. interruptions to transportation infrastructure, utility and power infrastructure and the burden such disasters place on local communications infrastructures).

Use Case #8

Legacy financial systems

Description

Many states with legacy financial systems utilize these systems to satisfy, amongst other things, their requirements in the areas of statewide financial reporting and procurement spend analysis.

Question

Describe your experience with this and a strategy for not simply duplicating what was there before but for leveraging the functionality of your system to reduce the interface requirements while still meeting minimum requirements to continue using legacy financial systems

Use Case #9

State Resource Constraints

Description

All participating states will be resource-constrained in terms of state employee support both during implementation and for ongoing system administration. It will not be possible to deploy large state teams so it is critical that the offeror's implementation and support methodology not be overly dependent on the deployment of significant numbers of state personnel.

Question

How will your solution and implementation approach address the resource constraints of the participating states while still achieving a rapid, effective and efficient realization of benefits?

Use Case #10

Diversity Reporting Requirements (S/W/M/DBE)

Description

Many participating states must capture data concerning business conducted with any certified firm under their diversity programs (S/W/M/DBE). Some states must also capture business conducted with non-resident vendors (defined as vendors not meeting state-specific residency definitions). This data must then be reported on an annual basis to the legislature. By way of context, the certification process is not self certification but is conducted by an agency within the state. As a result the certification data for suppliers must usually be transported via an interface.

Question

How will your solution address the requirements described above for certain participating states?

Use Case #11

Requirement for State Agencies to exclusively select diversity (S/W/M/DBE) and/or specific State Suppliers for Bidding on Certain Commodities in Certain Situations

Description

Many participating states must be able to select diversity (S/W/M/DBE) and/or in-State suppliers from a data base for bidding and exclude all other suppliers for certain commodities in certain situations.

Question

How will your solution address the requirements described above for certain participating states?

Use Case #12

Multi-State Sourcing

Description

As described in Implementation Requirement #1 Objective #2 in Section 4.2.4.1 above, the four participating states of Colorado, Nevada, Oregon and Washington would like to set up a multi-state sourcing capability. Specifically, the four states would like to accomplish the following:

- Identify and validate spend consolidation opportunities for common purchases by having access to historical item level spend data across the four states and by having the ability to analyze this data in a centralized manner and develop the consolidated sourcing strategy
- Plan and execute the appropriate sourcing event(s) for the identified category/categories, e.g. online RFPs, reverse auctions, etc. This planning and execution should include the required identification of supplier candidates and the invitation of these candidates to the sourcing process
- Conduct the required post-event evaluation and analysis leading to the award decision
- Organize the appropriate post-event information required to support the contract development and execution process, e.g. final pricing grids, service level agreements, key negotiated terms & conditions, etc.

Question

How will your solution address the multi-state sourcing requirements described above?

Use Case #13

State of Colorado Vendor Registration System

Description

As described in Implementation Requirement #2 in Section 4.2.4.2 above, the State of Colorado wishes to implement various eProcurement and related functionalities as part of the overall statement of work described in this RFP. One of the first deliverables expected for the State of Colorado will be the replacement of its vendor registration/notification and solicitation posting system BIDS (Bid Information & Distribution System). BIDS is the State of Colorado's system for self-registration of vendors and the communication of information to vendors regarding the status of new, existing and awarded solicitations. It is important that the replacement of BIDS with an offeror's best-of-breed system take place rapidly, effectively and with minimum disruption to the State of Colorado's ongoing solicitations.

Question

How will your solution and implementation approach address the State of Colorado's requirement to rapidly and effectively replace the BIDS system with minimum disruption to the State's ongoing solicitations?

Use Case #14

Rapid Bids ("Tactical Sourcing")

Description

Individual states or states in combination will have a requirement at certain times to conduct rapid bids in situations where either a contract does not exist or where a user wishes to conduct a bid between two or more contract vendors (e.g. between vendors on an existing multi-award contract). In some situations these bids may be conducted directly by users without the involvement of a State's Procurement Department. It may also be required in some cases to provide assistance to the user in identifying potential sources, particularly in cases where a contract does not exist for the required item(s). Such assistance might come from having access to a consolidated database of vendors such as a State's vendor registration system (or another State's vendor registration system) and being able to bring this information into the tactical sourcing tool.

Question

How will your solution address the requirement of the participating states to conduct rapid bids as described above?

Use Case #15

Basic Contract Management

Description

Some participating states require a basic contract management capability to perform tasks such as the following:

- Tracking and reporting of spend through supplier contracts and agreements
- The ability to report contract spend by agency/department, category, NIGP/UNSPSC code, item, or other required parameters
- The ability to monitor contract expiration dates and to set alerts that warn contract administrators of upcoming expirations

Question

How will your solution address the basic contract administration requirements of the participating states? Describe how much of this and other basic contract administration capabilities are available in your standard eProcurement solution and what capabilities would require the use of your best-of-breed standalone contract management tool (if your company offers such a tool).

Use Case #16

Roll-Out of eProcurement Functionality to Large Number of Participating States

Description

As described in Implementation Requirement #3 in Section 4.2.4.3, one of the ultimate objectives of this solicitation is to select a provider with a flexible enough implementation approach such that, in the future, any of the 50 states could utilize at least one component of the "end-to-end" solution functionality. Meeting this objective will present very different

challenges to those involved in setting up the WSCA Contract Marketplace and the Multi-State e-Sourcing capability or implementing eProcurement for Colorado. In these cases the requirements and current environments are well defined due whereas for many other of the 50 states this is not the case. It is also likely that rolling out eProcurement to a large number of additional participating states would need to be done in a phased fashion to meet the varying requirements of the different states and this will require considerable flexibility on the part of the provider in terms of its own resource planning.

As an example of the challenge faced by Implementation Requirement #3, some states (e.g. Virginia, North Carolina, Florida to name just three) have already implemented best-of-breed eProcurement and/or related functionalities in areas such as requisitioning, purchase order management, sourcing and other areas. For example a state that has already implemented a best-of-breed eProcurement system for the requisition through payment cycle may still have a need to access the WSCA Contract Marketplace, or may have a need for a reverse auction tool. It is critical that the provider selected from this solicitation be able to articulate a plan for addressing the varied requirements and current system environments (both in terms of existing best of breed systems and legacy systems) of the participating states.

Question

How will your solution and implementation approach address the requirement to flexibly - and over time - roll out eProcurement functionality to potentially a large number of additional participating states? Describe how you would work with the participating states to develop a roll-out plan for implementing the various functionalities and addressing the different requirements and procurement & system environments of the various states.

In your answer to this use case, also define how your organization would adopt a coordinated approach that ensured all participating states benefited from the "one provider" approach and that a "divide and conquer" strategy was not pursued where each state was regarded as a standalone entity. For example, it would be expected that any participating state would secure far more favorable pricing terms as part of this overall initiative than if it was purchasing the eProcurement functionality in question on its own. It is expected that this would be the case regardless of the quantity/scale of eProcurement solutions/services purchased by an individual state.

Use Case #17

Vendor Payment Module/Interface

Description

The United States Internal Revenue Service has placed withholding and reporting requirements on organizations making payments to vendors. The criteria for withholding and reporting of vendor payments vary from time to time. Failure to support IRS reporting and withholding requirements could potentially impair the use of an electronic procure-to-pay solution:

- Effective January 1, 2011 organizations making payments to vendors must withhold and remit to the IRS 3% of vendor payment amounts over \$10,000. Over time the IRS expects to incrementally lower the \$10,000 withholding threshold to expose more and more payments to the 3% withholding.

- Effective January 1, 2012 the IRS will require 1099 reporting for all goods and services.

Currently in effect the IRS requires 1099 reporting for payments over \$600 for services. This requirement varies from time to time by business type, sole proprietors, incorporations, corporations, etc.

Question

How will your solution support the United States Internal Revenue Service (IRS) withholding and reporting requirements for vendor payments states make through the use of a purchase card, state electronic payment, or state payments by warrant?

SECTION 5 - RESPONSE FORMAT AND INSTRUCTIONS

5.1 General Submission Instructions

Proposals must be received on or before the date and time indicated in Section 2, Schedule of Activities, or as modified on the BIDS system. It is the responsibility of the offeror to ensure that the Colorado State Purchasing Office receives the proposal on or before the proposal opening date and time, regardless of the delivery method used. Late proposals will not be accepted. Offerors are cautioned that daily mail may not be received prior to 1:30 pm; therefore, if the proposal is not hand delivered, the offeror should ensure proposal is received by mail or delivery service the prior day.

Submit one (1) original hard copy and one identical electronic copy on a USB flash drive in Microsoft Word and/or Excel or Adobe PDF. The proposal package shall be delivered or sent by mail to the contact listed below:

Department of Personnel and Administration
Division of Finance and Procurement
State Purchasing Office
Attn: Tom Spiker, C.P.M.
633 17th Street, Suite 1520
Denver, CO 80202
Phone: 303.866.6155
Email: tom.spiker@state.co.us

The proposal must be signed in ink by an officer of the offeror who is legally authorized to bind the offeror to the proposal. Proposals that are determined to be at a variance with this requirement may not be accepted. A *Request for Proposal Cover Sheet & Signature Page* has been provided.

Offerors must segregate the portion of the proposal responding to the pricing and funding proposal so the technical proposal can be evaluated without consideration of the price or funding model.

Proposals must be submitted and sealed in a package with an appropriate label affixed. The label must show the following information:

Offeror's Company Name
RFP Title: Request for Proposal for eProcurement Services
RFP No: RFP-TS-00003-11
Proposal Due Date and Time: As in Section 2, Schedule of Activities, or as modified on the BIDS system

Paper Type and Page Limits - The State desires and encourages that proposals be submitted on recycled paper, printed on both sides. While the appearance of proposals and professional presentation is important, the use of non-recyclable or non-recycled glossy paper is discouraged.

Proposals shall not exceed **150** single-sided or **75** double-sided pages in length, excluding attachments and exhibits. Font size for basic narrative descriptions must be no smaller than 12 point font. Indexes, tables of contents, lists of figures/tables, and glossary of terms will not be

counted toward the overall page count. Allowance will be made for tabular or graphical presentations and screen prints, whether incorporated in the text of the technical description or attached as separate exhibits. Textual explanations of screen prints or graphic materials, standard commercial brochures or descriptions, or other standard product documentation that are attached in appendices or exhibits will not be counted against page limitation. However, evaluators cannot be expected to comprehend all material in exhibits whose content and relevance to the proposal description are not clearly integrated into the technical discussion.

5.2 Format of Proposal Response

Proposals shall include the information set forth in Section 5.2 below.

5.2.1 Request for Proposal Cover Sheet & Signature Page

The *Request for Proposal Cover Sheet & Signature Page* must be completed, signed and returned with the vendor response. This page must include all requested information. This includes but is not limited to the F.E.I.N. of the offeror responding, the full legal name and business address of the bidder and the signature of a person authorized to contractually bind the offeror. Label the *Request for Proposal Cover Sheet & Signature Page* as "Tab 1 – *Request for Proposal Cover Sheet & Signature Page*."

5.2.2 Cover Letter

The cover letter must include the full legal name and business address of the supplier, as well as the signature of a person authorized to contractually bind the supplier. The cover letter should also state acceptance of the terms and conditions in **Exhibits A1 – A4 and Exhibit B**. Label the Cover Letter as "Tab 2 – Cover Letter."

5.2.3 Contact List and Organization Chart

The offeror must include a contact list and an organization chart showing the names, roles and contact information (phone numbers and email) of all individuals responsible for the preparation of the offeror's proposal response. Label the Contact List and Organization Chart as "Tab 3 – Contact List and Organization Chart."

5.2.4 Executive Summary

The purpose of the executive summary is to condense and highlight the contents of the proposal. The summary should provide the reader with an overall understanding of the proposal and offeror's approach. Label the Executive Summary as "Tab 4 – Executive Summary."

5.2.5 Technical Proposal

Prepare each of the five (5) elements of the Technical Proposal as set forth in Sections 5.2.4.1 - 5.2.4.5 below as they relate to the Statement of Work described in Section 4. In particular take care to show how each element of your Technical Proposal addresses the Functional/Service & Support/Technical Requirements in Sections 4.2.1 - 4.2.3, the Implementation Requirements #1, #2 and #3 described in Section 4.2.4 and the Use Case Scenarios provided in Section 4.2.5. Please also provide examples of service and support requirements and corresponding SLA metrics that you have utilized with other clients.

5.2.5.1 Approach and Methodology

Describe your approach and methodology for addressing the Statement of Work described in Section 4. Label the Technical Proposal as “Tab 5 – Technical Proposal” and identify the corresponding section number of each requirement. Be sure to address whether services provided will be on-site or remote. Indicate in detail the scope of services included in your proposal and identify any items requested by the State that are not included in your proposal.

5.2.5.2 Project Schedule

Present your project schedule for addressing the Statement of Work described in Section 4 including timeline, activities, deliverables and milestones. Label the Project Schedule as “Tab 6 – Project Schedule” and identify the corresponding section number of each requirement. Indicate in detail the scope of services included in your proposal and identify any items requested by the State that are not included in your proposal.

5.2.5.3 Project Organization and Management

Describe your project organization and project management methodology for executing the project schedule defined in your response to Section 5.2.5.2 above. Label the Project Organization and Management as “Tab 7 – Project Organization and Management” and identify the corresponding section number of each requirement and be sure to address whether services provided will be on-site or remote. Indicate in detail the scope of services included in your proposal and identify any items requested by the State that are not included in your proposal.

5.2.5.4 State Resource Commitment

People - Describe the necessary commitment of state personnel and resources for each phase. This must include the number of personnel, their levels or titles, the role or function of each in the project, and the number of hours required. Include, but identify separately, the individuals, by title or role, who will be trained and the number of hours of training to address the training deliverable. This table should be all-inclusive and Offeror should not anticipate any state employee involvement not reflected in the table. Label the State Resources Commitment as “Tab 8 – State Resource Commitment.”

Infrastructure - Describe any other state resources required to achieve the project objectives such as work space, connectivity, hardware, software, etc.

5.2.5.5 Functional Requirements

Offerors must complete **Exhibit F, Functional Requirements**. Label the Functional Requirements as “Tab 9 – Functional Requirements.”

5.2.5.6 Qualifications and Capabilities

Offerors must complete **Exhibit G, Company Fact Sheet**, and **Exhibit H, Company Experience and Demonstrated Capability Fact Sheet**. Offerors must also submit resumes of all key personnel who will be involved during implementation activities and in the ongoing management of the account. Label this information as “Tab 10 – Qualifications and Capabilities.”

5.2.5.7 Risk Assessment Plan

The participating states will utilize Risk Assessment Plan approach to assess the offeror's proposed approach for identifying the major risks involved in implementing the Statement of Work set forth in this RFP and for developing and executing plans for addressing these risks. The offeror must complete **Exhibit I, Risk Assessment Plan**. Label the Risk Assessment Plan as "Tab 11 – Risk Assessment Plan."

5.2.5.7 Reference Sheets

Offerors must complete **Exhibit J, Reference Sheets**. Label the Reference Sheets as "Tab 12 – Reference Sheets."

5.2.6 Cost Proposal

Offerors must complete each of the worksheet tabs in **Exhibit K, Cost Proposal** for each of the three Implementation Requirements described in Sections 4.2.4.1, 4.2.4.2 and 4.2.4.3

Instructions for Worksheet Tab "Implementation Requirements #1"

Based on the value of the variables in the "Assumptions for Costing" table, populate each of the cost fields for "One-Time Implementation Cost" (Cells C15-C19) and "SaaS Annual Cost (Subscription)" (Cells C23-C26, D23-D26, E23-E26, F23-F26 and G23-G26).

Instructions for Worksheet Tab "Implementation Requirements #2"

Based on the value of the variables in the "Assumptions for Costing" table, populate each of the cost fields for "One-Time Implementation Cost" (Cells C15-C21) and "SaaS Annual Cost (Subscription)" (Cells C25-C30, D25-D30, E25-E30, F25-F30 and G25-G30).

Instructions for Worksheet Tabs "Implementation Requirements #3 - NV", "Implementation Requirements #3 - OR" and "Implementation Requirements #3 - WA"

Based upon the information provided in this RFP about the "as is" environment and the requirements for the states of Nevada, Oregon and Washington presented in Sections 3 and 4 of this RFP please provide the best possible indication of the primary drivers of cost for each Functionality/Cost Category in column C (e.g. number of catalogs, number of sourcing events, etc.). In column D please provide actual estimated costs or ranges of costs for each Functionality/Cost Category corresponding as appropriate to assumed values or ranges of the stated cost drivers, inclusive of all implementation and ongoing recurring costs.

Use the blank comment area "General Comments About Primary Cost Drivers and Typical Ranges of Costs for Values of These Drivers" to provide any assumptions, explanations or other comments related to the information you have provided about cost drivers and cost ranges above.

Instructions for Worksheet Tab "Implementation Requirements #3 - Others"

Explain in the blank comment area provided how you would develop cost estimates for the participating states listed in Exhibit B that have indicated an intent to utilize the contract resulting from this solicitation but that have yet to provide details about their "as is" environment or their specific requirements for eProcurement-related solutions and services.

Despite the fact that "as is" data or requirements information is not yet available for these states, please be as specific as you can about the primary drivers of cost for these states and the typical cost ranges that could be expected for assumed values or ranges of these cost drivers.

Offerors are reminded that one of the elements of the participating states' procurement vision discussed in Section 3 was a single, centralized pricing and funding model that provides flexibility for individual states 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. Offerors are also reminded, as stated previously in Section 3.2, that as a direct consequence of the decision to select a SaaS solution, the participating states will not enter into any contract involving traditional on-premise per-seat pricing.

Although funds have been identified for this project the participating states are very interested in approaches that could wholly or partially offset the cost of the solution. For this reason offerors are asked to propose potential revenue generation approaches based upon the offeror's previous experience with similar public sector projects. Offerors should make use of all available information made available in this RFP regarding system spend and transactions to estimate the magnitude of any potential revenue generation mechanisms.

SECTION 6 - EVALUATION AND AWARD SELECTION PROCESS

This section supplements paragraph 1.5, "Scope of RFP/Basis of Award" in the Colorado Solicitation Instructions/Terms and Conditions that are available through the link on the BIDS solicitation page.

6.1 Evaluation Factors

The evaluation factors are:

- The technical proposal, including
 - Soundness of offeror's approach to the Statement of Work defined in Section 4
 - How well the proposed approach reflects an understanding of and compatibility with Colorado's decentralized administrative and statewide procurement structure, and
 - Required commitment of state personnel, including reasonableness to accomplish objectives, secondary impact to existing programs
- Price and funding model
- Projected hard dollar savings, also including the time period over which the savings will accrue and how realistic the projections appear to be.
- The offeror's experience, qualifications, and key personnel, and the extent to which the qualifications, experience, and past performance are likely to foster successful, on-time performance.
- The extent to which Offeror agrees to Colorado's basic contract terms and required Special Provisions without seeking exceptions

6.2 Award Methodology

An Evaluation Committee will evaluate the merits of proposals received in accordance with the evaluation factors stated in Section 6.1 of this RFP and identify the proposal that is most advantageous to the state. While numeric evaluations may be used in some aspects of the process to identify strengths and weaknesses of proposals, and to establish a ranking, the final decision will be a business decision by the State and will not be based on a numerical score. A Decision Memorandum will document the basis for the award decision.

Failure of the Offeror to provide any information requested in this RFP may result in disqualification of the proposal. This responsibility belongs to the Offeror.

Offerors should not assume that they will have an opportunity for oral presentations or revisions of proposals, so they should submit their most favorable proposals as their initial proposal. If award is not made on receipt of initial proposals, Offerors in the competitive range (those most responsive to the requirements and reasonably susceptible of being selected for award) may be provided an opportunity to make an oral presentation. The oral presentation may be held for the



purpose of clarification and to ensure full understanding of and responsiveness to solicitation requirements.

If proposal revisions are permitted after oral presentations and discussions, a date will be established in writing by the State for submission of best and final offers. Offerors will not be provided an opportunity for comprehensive proposal revisions.

The apparently successful Offeror may be required to submit for the most current reported period and a reasonable number of previous years (in order of preference) an audited financial statement, a financial statement reviewed by a certified public accountant, a third-party prepared financial statement if an audited or reviewed statement is not available, or another financial statement prepared in the routine course of the Offeror's business, in order to assist the State in making its determination of Offeror responsibility in accordance with C.R.S. 24-103-401.