



"People
helping people
help
themselves"

Mitchell E. Daniels, Jr., Governor
State of Indiana

Indiana Family and Social Services Administration
402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083

Award Recommendation Letter

Date: August 17, 2012

To: Nicole Kenney, Deputy Commissioner, Indiana Department of Administration

From: Michael Gargano, Secretary, Indiana Family and Social Services Administration
Mark Hempel, Senior Account Manager, Indiana Department of Administration

Subject: Recommendation for Selection for RFP 12-113
Indiana Eligibility Determination Services System (IEDSS)

Estimated Amount of Contract: \$ 80,947,272.41

Based on the evaluation of our team, we recommend for selection Deloitte Consulting, LLP to begin contract negotiations to serve as the Design, Development, and Implementation (DDI) Contractor and the Maintenance and Operations (M&O) Contractor of the State's eligibility determination system. Terms of this recommendation are included in this letter.

Of the total contract value, Deloitte Consulting, LLP is committed to subcontract 6.25% to RCR Technology Corporation (a certified Minority Business), 2.77% to TCC Software Solutions (a certified Minority Business), 4.72% to Briljent, LLC (a certified Women's Business), and 4.44% to Indecon Solutions (a certified Women's Business). Terms of the State's recommendation are included in this letter.

The evaluation team received proposals from three (3) Respondents for RFP 12-113:

- Capgemini
- Deloitte Consulting, LLP
- Xerox State & Local Solutions, Inc.

The proposal was evaluated by an eight (8) member team and IDOA according to the following criteria established in the RFP:

- Adherence to Mandatory Requirements (Pass/Fail)
- Management Assessment/Quality (55 points)
- Cost Proposal (25 points)
- Minority Business Participation (10 points)
- Women-Owned Business Participation (10 points)

The proposals were evaluated according to the process outlined in the “Evaluation Criteria” section of the RFP.

A. Adherence to Mandatory Requirements

The proposals were reviewed for adherence to mandatory requirements and all three were deemed responsive.

The three (3) Respondents that were deemed responsive according to mandatory requirements were then evaluated based on their Business Proposals, Technical Proposals, and Cost Proposals.

B. Management Assessment/Quality

For the Business Proposal evaluation, the team considered each Respondent’s background, financial information, proven experience, references, and proposed subcontractors. These areas were reviewed to assess each Respondent’s ability to serve the State.

For the Technical Proposal evaluation, the team considered each Respondent’s background knowledge of Indiana human services, proposed conceptual design, project management methodology, and proposed approach to designing, developing, implementing, and maintaining an eligibility determination system.

Results of the Management Assessment/Quality evaluation are shown below:

Table 1: Management Assessment/Quality Scores¹

Respondent	Business Proposal (9 Max)	Technical Proposal (46 Max)	Total (55 Max)
Capgemini	1.88	1.38	3.25
Deloitte Consulting, LLP	6.88	39.31	46.19
Xerox State & Local Solutions, Inc.	4.50	19.63	24.13

During the Business Proposal and Technical Proposal evaluation, the evaluation team observed the following regarding each Respondent, which supports the evaluation team’s ultimate scoring of the Respondents’ proposals. This is not intended to be an exhaustive discussion of what the evaluation team considered, but attempts to highlight some of the primary considerations that led to the evaluation team’s scores.

Capgemini scored 3.25 points out of the possible 55 qualitative points. The evaluation team felt that the proposal did not demonstrate the company’s ability to successfully perform the activities required in the RFP. Although the team noted that Capgemini had DDI experience with large-scale projects for both domestic and international government agencies, it expressed concern that the proposal

¹ Note: numbers may not foot due to rounding

references were not reflective of the company's ability to successfully perform implementation and maintenance and operations work for integrated eligibility determination systems used to support Medicaid, TANF, and SNAP programs. The team noted that the proposal amounted to generic statements accepting RFP requirements and offering to work with the State. For instance, although the team felt favorably about the type of commercial-off-the-shelf software proposed as the solution, the team noted that the proposal did not clearly explain how the software would be scaled and configured to meet Indiana's program needs. Additionally, the evaluation team expressed serious concern about the proposed timeline that included a system build out duration for Indiana's Medicaid program that the team found to be too short given the complexity of the program. The team noted that the timeline and staffing plan underestimated the level of hours required to customize a solution capable of meeting the unique business needs of the State's human services programs, and was further not aligned with the timeframes necessitated by current federal requirements and the Patient Protection and Affordable Care Act (PPACA). In sum, Capgemini presented a proposal that did not demonstrate its overall ability to meet the State's needs.

Deloitte Consulting, LLP scored 46.19 points out of the possible 55 qualitative points. The evaluation team noted that the proposal demonstrated the company's experience implementing fully-integrated eligibility determination systems for numerous state governments, and specifically addressed RFP requirements by providing a detailed narrative of how project management, system implementation, and system maintenance activities would be executed. In terms of project management, the team felt the proposed methodology was clear and comprehensive, and noted that the proposed approach to executing the defined activities would be a good fit with the State's Project Management Office (PMO). The team noted the proposal's clarity in demonstrating how the commercial-off-the-shelf software, especially the proposed business rules engine, would be integrated into the recommended solution. The evaluation team had a favorable rating of Deloitte's knowledgeable proposed staff, noting they have a strong understanding of business processes specific to Indiana human services programs and recent experience implementing the proposed system architecture for Indiana in an integrated eligibility system solution for another state client. The team did express some concerns that were reflected in Deloitte's overall scoring. For instance, the team noted that organizational change management activities, such as client-provider education, were limited in detail. However, with a strong user interface demonstration and a clear proposal narrative describing the integration of software pieces for the recommended solution, the team felt that the overall proposal demonstrated Deloitte's strong ability to meet the needs of the State.

Xerox State & Local Solutions, Inc. received a score of 24.13 points out of the possible 55 qualitative points. The evaluation team felt that Xerox's proposal and references emphasized projects that were not reflective of the State's needs to develop an integrated eligibility determination system in support of Medicaid, TANF, SNAP, and other State human services programs. More specifically, the evaluation team was concerned about Xerox's experience implementing Medicaid-specific capabilities in a system solution, especially since the company's approach for Indiana involved transferring a system from another state that did not include Medicaid as a program component. This was especially apparent in the system demonstration provided during oral presentations, which profiled interfaces for human services programs similar to those in Indiana, but did not adequately address Medicaid-specific functionality. The evaluation team noted Xerox's proposal did not provide a system rollout approach that clearly defined how MAGI requirements would be met in the first stage of the phased implementation, which impacted the team's assessment of the company's ability to ensure compliance with federal regulations according to the timelines set by the PPACA. The team

felt that the proposal demonstrated Xerox’s understanding of Indiana human services and valuable experience with eligibility operations at a field level. However, the team felt the proposed staffing plan did not include the appropriate allocation of staff positions. In sum, Xerox offered a proposal that met the requirements of the RFP and demonstrated past experience with eligibility determination systems, but did not provide convincing evidence that the company could implement a fully-integrated system that met all of the needs of the State.

C. Cost Proposal

The Cost Proposal evaluation methodology was published in the RFP. The formulas for calculating Cost Scores is replicated below:

$$\text{Cost Score} = 25 \times \frac{\text{(Lowest Cost Proposal)}}{\text{(Total Cost of Respondent's Proposal)}}$$

Cost Scores for each Respondent are shown below:

Table 2: Cost Scores

Respondent	Cost Score (25 Max)
Capgemini	25.00
Deloitte Consulting, LLP	15.81
Xerox State & Local Solutions, Inc.	16.48

D. Short List

The cost scores were then combined with the Management Assessment and Quality Scores to generate the total scores for this step of the evaluation process as described in the RFP. The combined scores out of a maximum possible 80 points are tabulated in Table 3 below.

Table 3: Pre-Short List Scores²

Respondent	Management Assessment/ Quality Score (55 max)	Cost Score (25 max)	Total Score (80 max)
Capgemini	3.25	25.00	28.25
Deloitte Consulting, LLP	46.19	15.81	62.00
Xerox State & Local Solutions, Inc.	24.13	16.48	40.61

² Note: numbers may not foot due to rounding

The evaluation team noted that the results in Table 3 highlighted the significant gap between Capgemini and the two other Respondents, Deloitte Consulting, LLP and Xerox State & Local Solutions, Inc., on the ability to meet the State's requirements and in overall points scored. The team recommended that Deloitte Consulting, LLP and Xerox State & Local Solutions, Inc. be shortlisted and that the remaining Respondent Capgemini be eliminated from consideration at this stage. The short-listed Respondents were then asked to provide an oral presentation to the evaluation team. Before the final scores were tabulated, IDOA did a target pricing round with both short-listed Respondents to ensure both were providing their lowest price to the State. The final scores and MAQ scores, after oral presentations, are reflective in Table 4 below.

E. IDOA Scoring

IDOA scored the short-listed Respondent for Minority and Women-Owned Business Participation (10 points each) using the criteria outlined in the RFP. When necessary, IDOA clarified certain Minority and Women Business Participation information with the Respondent. Applying the final MWBE information received from the short-listed Respondent, the total score out of 100 possible points was as follows:

Table 4: Final Overall Evaluation Scores³

Respondent	Management Assessment/ Quality Score (55 max)	Cost Score (25 max)	MBE (10 max + 1 bonus)	WBE (10 max + 1 bonus)	Total Score (100 max)
Deloitte Consulting, LLP	46.19	18.47	10.00	10.00	84.66
Xerox State & Local Solutions, Inc.	24.13	25.00	11.00	11.00	71.13

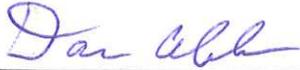
Award Summary

During the course of the evaluation, the State scrutinized each proposal to determine the viability of the proposed business solutions to meet the State's goals for the IEDSS Project. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

The State intends to sign two contracts. The agreement for DDI will be for a period of two (2) years and two (2) months and is expected to end on November 30, 2014. No renewals are expected for the DDI period. The agreement for M&O will be for a period of four (4) years from the date of DDI completion. At the sole discretion of the State, there may be two (2) one-year (1) renewals. In no event shall the term exceed a total of six (6) years.

³ Note: numbers may not foot due to rounding

Signed by:



Dan Able



Lindsay Marsh



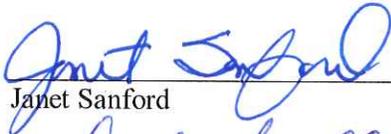
Joe Montgomery



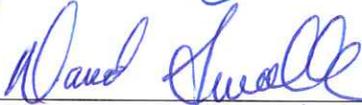
Marty Rector



Jim Rose



Janet Sanford



David Smalley

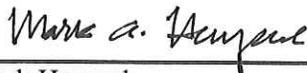


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RFP 12-113 Evaluation Team



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