

Respondent Clarifications

RFP Reference: I. Respondent Clarifications

The State is requesting responses to the following written clarification questions. These clarification questions must be answered in writing and submitted by no later than the due date listed on page 1. Written responses and updated attachments (if necessary) should be submitted via email to Teresa Deaton at tdeaton@idoa.in.gov.

We appreciate the opportunity to clarify our proposal response. Below are our written answers to the State's clarification questions.

1. Clarify if your bid is contingent on the State's acceptance of any of your proposed contract changes.

Our bid is not contingent on any of the proposed changes specifically but is contingent on the parties' negotiation of certain terms, as we have successfully done on several active contracts with the State of Indiana that are substantially similar to the sample contract provided in RFP Attachment B.

2. Clearly detail any publicly reported and non-publicly reported corrective actions, security breaches, and lawsuits your company has experienced under previous contracts in the last 10 years. For each lawsuit, include the court and the court issued case number

Deloitte Consulting LLP is routinely involved in complex consulting projects. Although we are justifiably proud of our record of client satisfaction, such projects do occasionally give rise to disagreements over contract requirements, and we are in rare cases involved in litigation or disputes or other project matters with clients pertaining to our consulting services. Given the size of the consulting practice and the many hundreds of projects that are performed, information is not centrally tracked and the information about our client projects is generally subject to confidentiality obligations. We also do not centrally track which matters have been publicly reported.

Deloitte Consulting LLP is consistently found to be a responsible bidder and is regarded highly in the industry and has demonstrated financial capacity to perform the subject services. There are no past or present matters that will affect Deloitte Consulting LLP's ability to provide the services proposed hereunder.

Corrective Actions

Deloitte Consulting LLP, like other major professional services firms, provides a broad array of services to its many clients. Occasionally there are disagreements over contract requirements, however, requests for formal corrective action are extremely rare, including for our state and local government projects. While infrequent, from time to time, issues arise on projects such as these, and sometimes are communicated via letters or project correspondence. When that rare occasion does arise, we take the client's concerns very seriously and use diligent efforts in all cases to resolve such issues quickly.

Professional standards and confidentiality obligations preclude us from discussing the specifics of matters relating to our clients without their permission. We do not believe that any prior corrective action will affect our ability to provide consulting services, or that it will affect our ability to serve the State in connection with this proposed engagement.

In our over 30 years of experience supporting eligibility systems projects for Indiana, we have worked collaboratively with the State to address issues or concerns when they have been identified. We have not been subject to any formal corrective action plan for these contracts in the last 10 years, to our knowledge having conducted reasonable diligence.

Security Breaches

Deloitte Consulting LLP understands the importance of safeguarding its clients' confidential data and personally identifiable information (collectively, "Data"), and has implemented physical, technical and procedural safeguards that are designed to (1) protect the security and confidentiality of Data, (2) protect against anticipated threats or hazards to the security or integrity of Data, and (3) protect against unauthorized access to or use of Data.

Notwithstanding such safeguards, Deloitte, like other professional services firms of similar size and sophistication, has experienced incidents on an infrequent basis in which Data has been subject to possible unauthorized access or disclosure. Upon becoming aware of any incident, Deloitte has promptly commenced an investigation and has responded appropriately.

The following table lists two such incidents that have been publicly reported, among the very small number of incidents we have experienced relative to the breadth of our practice. Information regarding our clients is generally confidential to them so we are not permitted to disclose non-public information about them.

Description	Response
A cyber incident first reported in the media on September 25, 2017	Additional information is available at https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-FactsSheetforGlobalWebsite-cyber-attack.pdf
A limited data access issue in early 2020. Deloitte was engaged by three separate state agencies, the Ohio Department of Job and Family Services, the Illinois Department of Employment Security ("IDES"), and the Colorado Department of Labor and Employment, to assist those agencies in administering their respective federal Pandemic Unemployment Assistance program (or "PUA" program) by creating and maintaining web-based portals through which applicants could apply for benefits.	Upon becoming aware of the issue, Deloitte immediately launched an investigation into all three of the PUA systems and, working with the States, remediated the issue within 1 hour of learning of it. This situation involved a small number of claimants – whose identities were known – who inadvertently gained access to a limited amount of information of a small number of other claimants. The scope of this incident was very small, and the risk of harm was negligible. Please see below for a description of related litigation.

Table 2-12. Security Breaches.

Deloitte takes data security and privacy very seriously and quickly engages its cyber, privacy, forensic, and other experienced personnel and resources to respond to any such issue.

Lawsuits

Deloitte Consulting LLP, as one of the leading providers of consulting services, is routinely involved in complex consulting projects, often involving large-scale systems implementations and multiple service providers. The rare matters of litigation with a client over our services contracts represent a very small portion of our consulting engagements, and there has been no determination made in any case that we defaulted on any of our obligations. We are confident in our track record of success and believe that there is no issue with any prior engagement that would affect our ability to provide consulting services, or that will affect our ability to serve you in connection with this proposed engagement. **Of note, the matters listed below do not pertain to the same or similar services to those being requested.** We are sharing them as a matter of fact to be compliant with the question, however, they are not the same as the IEDSS services and we have none pertaining to the same or similar services to report.

Description	Court and Court Issued Case Number
A dispute with the Illinois Municipal Retirement Fund in connection with a contract for the implementation of a pension administration system, filed in September 2016 in Illinois Circuit Court in DuPage County and dismissed in January 2017.	Circuit Court of the Eighteenth Judicial Circuit, DuPage County, Illinois. (Case No: 2016L000905)
A class action lawsuit in connection with the implementation of an unemployment insurance system for the State of Florida, filed in April 2020 in Florida Circuit Court in Leon County (Case No. 2020 CA-802) and dismissed without prejudice on September 30, 2020. Plaintiffs filed a Third Amended Complaint which was dismissed with prejudice on March 8, 2021. Deloitte Consulting LLP's involvement on that project ended in 2015.	Circuit Court of the Second Judicial Circuit, Leon County, Florida (Case No: 2020 CA 00802) Circuit Court of the Ninth Judicial Circuit, Orange County, Florida (Case No: 2022-CC-157-0)
Actions filed in 2020 in various federal district courts and now settled, relating to a unique circumstance that inadvertently enabled a small number of Pandemic Unemployment Assistance (PUA) claimants in three states to be able to access and view a restricted correspondence search page on their state's PUA website.	Court of Common Pleas, Cuyahoga County, Ohio. (Case No: CV 20 932778) United States District Court, for the Southern District of New York (Case No: 1:20-cv-03962, Case No: 1:20-

Description	Court and Court Issued Case Number
	cv-4077, Case No: 1:20-cv-04129, Case No: 1:20-cv-04362) United States District Court, for the Southern District of Illinois (Case No: 3:20-cv-542) U.S. District Court, for the Northern District of Illinois (Case No: 1:20-cv-04952) United States District Court, for the Northern District of Illinois, Eastern Division (Case No: 1:20-cv-05054) In the Common Pleas Court Licking County, Ohio (Case No: 21CV0149 – TMM)
A "Qui Tam" matter filed by a former employee of a software provider on behalf of the City of San Diego in connection with a contract for the implementation of an enterprise application software package.	Superior Court of the State of California, in and for the County of San Diego (Case No: 37-2017-00015366-CU-MC-CTL)
A dispute with Avnet, Inc. in connection with a contract for the implementation of an enterprise application software package, filed in January 2019 in Arizona Superior Court in Maricopa County, dismissed in April 2019, and re-filed in New York Supreme Court in New York County in May 2019. This matter settled and was dismissed in May 2021.	Superior Court of the State of Arizona, County of Maricopa (Case No: CV2019-000633) Supreme Court of the State of New York, County of New York (Case No: Index No. 653146/2019)
A dispute with Levi Strauss & Co. in connection with a contract for the implementation of an enterprise application software package, filed in April 2009 in California Superior Court in San Francisco and dismissed in August 2016.	Superior Court of the State of California, In and For the County of San Francisco (Case No: CGC-09-487219)
A dispute with the County of Marin, California in connection with a contract for the implementation of an enterprise application software package, filed in May 2010 in California Superior Court in Marin County and dismissed in January 2013.	Superior Court of the State of California, in and for the County of Marin (Case No: CIV1006574)
On May 31, 2016, Reporting Entity agreed to pay more than \$11 million to end False Claims Act allegations that it overcharged the government for services it performed under a General Services Administration contract. The settlement, entered into by Reporting Entity with the U.S. government, did not include the admission of any liability or wrongdoing by either party. There are no business restrictions or any other adverse impact to Reporting Entity's ability to perform services as a result of the settlement.	N/A
In 2017, Deloitte Consulting agreed to pay \$2.1 million in connection with the resolution of an inquiry by the Massachusetts Attorney General concerning a tax system software implementation, with no admission of liability or non-compliance with any regulation or requirement by Deloitte Consulting.	The Commonwealth of Massachusetts, Office of the Attorney General, Boston, MA (Civil Investigative Demand Number: 2014-IFS-027)

Table 2-13. Lawsuits including Court and Court Issued Case Number.

2a. Clearly detail any publicly reported and non-publicly reported corrective actions, security breaches, and lawsuits each of your subcontractors has experienced under previous contracts in the last 10 years. For each lawsuit, include the court and the court issued case number.

The following table provides the response for each subcontractor:

Subcontractor	Response
Vignesh Technological Solutions Inc. (VTSI)	Vignesh Technological Solutions Inc. (VTSI) has not had any publicly reported or non-publicly reported corrective actions, security breaches, or lawsuits experienced under previous contracts in the last 10 years.
The Consultants Consortium, Inc (TCC)	The Consultants Consortium, Inc (TCC) has not had any publicly reported or non-publicly reported corrective actions, security breaches, or lawsuits experienced under previous contracts in the last 10 years.
RCR Technology	In July of 2013, Governor Pence and Indiana FSSA directed RCR to put a corrective action plan in place that included additional design and code reviews as well as increased performance testing. This was in response to an issue where 16 clients had their full Social Security #s shared. Later, after speaking with FSSA, it was determined that no one's information was used in a negative way. This issue was clearly communicated through a press release from FSSA's communication director. RCR has not had any other publicly reported or non-publicly reported corrective actions, security breaches, or lawsuits experienced under previous contracts in the last 10 years.

Subcontractor	Response
Roeing Corporation	Roeing Corporation has not had any publicly reported or non-publicly reported corrective actions, security breaches, or lawsuits experienced under previous contracts in the last 10 years.
Dynamic Talent Solutions	Dynamic Talent Solutions has not had any publicly reported or non-publicly reported corrective actions, security breaches, or lawsuits experienced under previous contracts in the last 10 years.

3. Confirm that you accept the definition of routine changes that will be performed at no additional cost to the State, and that you agree with the examples of such routine changes as defined in RFP Attachment C Section 9.

Yes, we confirm and accept the definition of routine changes that will be performed at no additional cost to the State, and we agree with the examples of such routine changes as defined in RFP Attachment C Section 9.

To effectively manage the project, the majority of changes should be included in change control logging, including Routine Changes. When both parties agree, certain changes may require evaluation on the impact via change control and determine how such changes will be treated.

Please see 2.4 *Technical Proposal Attachment F, Section 9.b Understanding of the No Cost Impact Requirements* for more information.

4. Clarify your language in Appendix 7 that references “anticipated patches.” Do you agree to no-cost hardware/software patching throughout the term of the contract regardless of these patches being “anticipated?”

Yes, we agree to no-cost hardware/software patching throughout the term of the contract regardless of these patches being “anticipated.”

Appendix 7, Anticipated Upgrades and Patches was included for illustrative purposes only, specifically to demonstrate our knowledge of IEDSS, its underlying products, and the activities required to meet the RFP requirements. We acknowledge that actual hardware/software patch and upgrade needs will change over time.

We detail our approach to complying with RFP requirements in section 2.4 *Technical Proposal Attachment F, Section 6.C Software / Hardware Maintenance*.

5. Clarify the threshold for triggering the no-cost 2,000 enhancement hours per year. Would this be available only when the 60,000 hours enhancement pool is reached? If the State’s innovation goals change, would the no-cost 2,000 enhancements be available?

The no-cost 2,000 enhancement hours per year, which we have named “INnovation Acceleration” in our proposal, are available during each base contract year when the State commits to funding 60,000 hours or more of enhancement work. We would consider the State making this commitment upon approval of 60,000 hours or more (or the agile capacity equivalent) of enhancement work in a given contract year.

The intent of this program is to co-invest with the State on strategic innovation initiatives aligned with your business objectives. As such, these hours are still available even if the State’s innovation goals change. As noted in our proposal, these hours would be used to match the State’s investment towards strategic innovation initiatives, and we will work with the State to agree on how to allocate the hours.

6. Clarify the State and vendor’s role in regard to: “The State maintains full control of managing scope changes, as they can reprioritize work based on those changes.” How would you support the State in optimizing throughput of CRs and defect fixes?

The purpose of the statement was to illustrate the benefits of using a sprint-based capacity approach, particularly to provide the State with more flexibility to adapt and respond to change.

The State's role continues to include prioritization and approval of work. Deloitte continues to support the State in optimizing the throughput of CRs and defect fixes in the following ways:

- **Defect analysis and recommendation.** We log defects in response to incident analysis and system monitoring. Deloitte shares our defect analysis with the State including information about impact, effort, and dependencies. We make recommendations about implementation timeframes, including efficiencies of aligning with similar fixes.
- **CR backlog creation.** In addition to the State's identification of CRs, Deloitte also recommends CRs for consideration based on our analysis of system activity, our understanding of your priorities, and our experience supporting other similar State clients.
- **CR backlog refinement.** By collaborating with the State to maintain an ongoing prioritized backlog of CRs and defects, we can sequentially progress through your priorities to optimize your budget and maximize staff productivity.
- **Helping decompose functionality in smaller units.** This activity allows the most important functionality to be implemented more quickly (minimum viable product). For example, we may split a policy change in two parts: part 1 focusing on new applications and part 2 focused on redeterminations.
- **Collaborate with vendor partners.** This collaboration helps align development timelines for interface development and supports UAT team to successfully test enhancement and defects.
- **Reprioritization of work.** As your business priorities change, we identify already scheduled CRs or defects that can be swapped to accommodate a new higher priority item. For example, a newly prioritized enhancement can be introduced in sprint 2 of a release by descopeing a similar sized enhancement already scheduled.

7. Clarify how you propose to “carefully and selectively scale [your] team down to meet the new contract’s demands and anticipated scope of work.”

The RFP specifies a maximum of 60,000 hours of annual enhancements compared to approximately 120,000 hours of annual enhancements in our current contract. Since the new contract's demands and anticipated scope of work is lower than our current staffing levels, we will adhere to the following guiding principles to carefully and selectively scale our team down:

- Assessing the backlog of prioritized work to identify resource skillset needs
- Maintaining institutional knowledge and experience across the various specialized functional and technical areas of IEDSS
- Considering resource performance and individual goals as input to staffing decisions
- Performing knowledge transfer and transition by staff rolling off to their successor
- Honoring our commitment towards providing Vital staff
- Honoring our MBE and WBE commitments

We remain committed to being able to staff our team up and down according to the state's changing needs. As we scale our team down, we work closely with team members to redeploy them to other Deloitte projects such as on one of our other 25 E&E projects or our many other consulting projects. Our ability to provide this

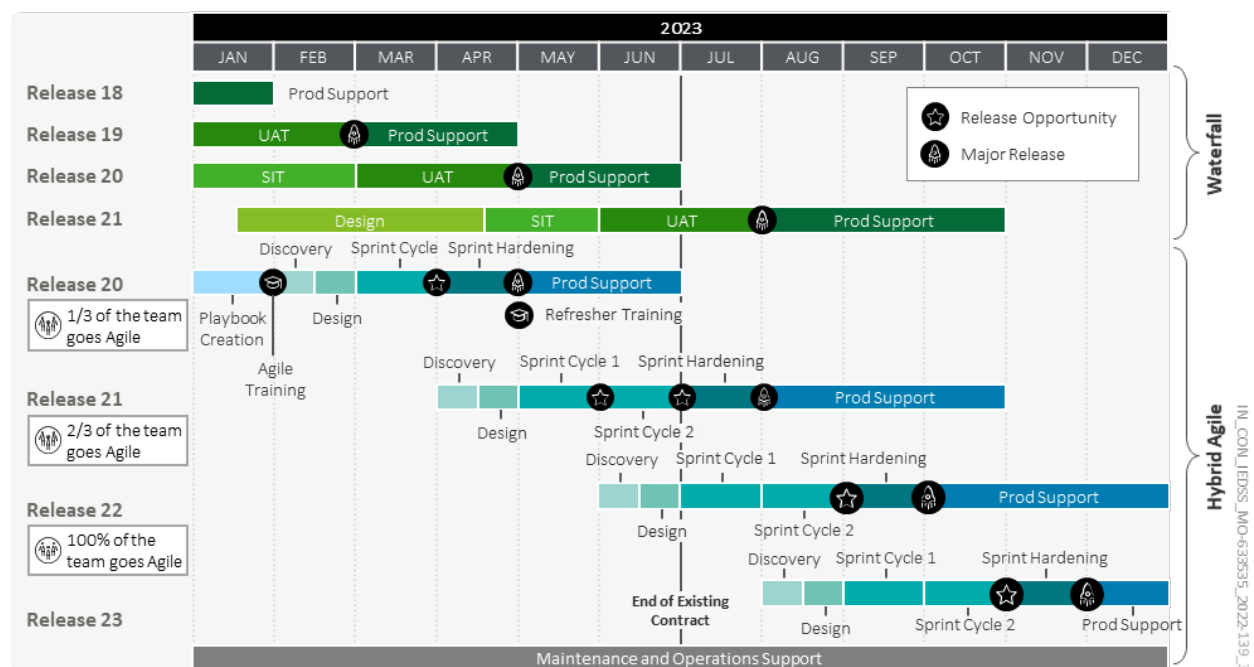
level of stability and flexibility to our staff remains a powerful staff retention incentive. For example, when the IEDSS team was reduced in early 2021, we quickly redeployed 25 Deloitte and 31 subcontractor resources to other projects within the Deloitte client portfolio. We've also been able to bring some of these same resources back to IEDSS.

8. Regarding open CRs and defects that are managed in the current contract and are passed on to you during Transition, please clarify if you are going to use your current SDLC process to complete the implementation or if you will transition to the new hybrid agile process.

Open CRs and defects will incrementally transition to the new Hybrid Agile SDLC across our proposed major releases 20, 21, and 22, as indicated in the table below:

Release	Governing Contract	Current SDLC	Hybrid Agile SDLC
20	Current	2/3 of scope	1/3 of scope
21	New	1/3 of scope	2/3 of scope
22	New	None	All scope

The following diagram documents our proposed plan to incrementally transition releases from the current SDLC to the hybrid agile SDLC:



9. Describe your proposed team's experience with streamlined modular certification (SMC) / Outcomes Based Certification (OBC).

Our proposed team has experience supporting streamlined modular certification (SMC) / Outcomes Based Certification (OBC), specifically with the State of Indiana. We supported the State's efforts for Operational Readiness Review and Certification Review, including reviewing the requirements, supporting appropriate system

design and development, evidence gathering, and participation in readiness and certification review meetings with CMS and MITRE in 2019 and 2021. Our team provided support for demo preparation and presentation of IEDSS functionality and security. The State received the official certification notice for the IEDSS solution in October 2021.

Many of our proposed team members were part of the IEDSS DDI contract and worked closely with the State to confirm alignment with requirements such as Conditions for Enhanced Funding, MARS-E compliance, and maintenance of Authority to Connect. Furthermore, our proposed team members have helped the State identify and mitigate risks in areas such as PHE impacts, Asset Verification compliance, and E-notice functionality compliance. We've worked with the State to identify, report, and monitor key performance indicators such as system uptime, response time, incident management, and batch/interface monitoring.

In addition to our team's Indiana experience, our proposed HHS Quality Assurance Reviewer recently supported the CMS Outcomes Based Certification for the State of Arkansas in March 2022. Our use of project advisors is one of many ways we promote sharing of experience and knowledge across our 26 State E&E projects.