

# State Term Schedule

## INVITATION FOR PROPOSALS (IFP)

**IFP NUMBER: STSJFS05002**

**DATE ISSUED: September 28, 2004**

The Ohio Department of Job and Family Services (ODJFS) is requesting proposals in order to assist the department in conducting a formal HIPAA Security gap and risk analysis grounded in recognized industry standards that address all the mandated HIPAA Security standards and implementation specifications.

**PROPOSAL DUE DATE AND TIME:** October 7, 2004, 11:00 A.M., EST

**SEND PROPOSALS TO:** ODJFS, Office of Contracts & Acquisitions  
30 East Broad Street, 31st Floor  
Columbus, Ohio 43215  
Attn: RFP/RLB Unit

**INQUIRY PERIOD BEGINS:** September 28, 2004

**INQUIRY PERIOD ENDS:** October 5, 8:00 a.m.

**ESTIMATED PROJECT START DATE:** October 18, 2004

## **PART ONE: PURPOSE, RESTRICTIONS, EVALUATION AND SCOPE OF WORK**

**Purpose.** The Ohio Department of Job and Family Services (ODJFS) is soliciting proposals from offerors with approved State Term Schedules (STS) that are authorized to provide IT/Project Management related services under their STS. The STS must be approved prior to the proposal due date and time.

This IFP is for services to assist the department in conducting a formal HIPAA Security gap and risk analysis grounded in recognized industry standards that address all the mandated HIPAA Security standards and implementation specifications.

The state may decide not to select an offeror for the work.

The contract will be valid from award until June 30, 2005.

**Background:** The Ohio Department of Job and Family Services is a large and complex organization, through Ohio Health Plans (OHP), it serves as the single state agency to administer the Medical Assistance (Medicaid) Program, Title XIX of the Social Security Act, the State Children's Health Insurance Program (SCHIP) and other publicly funded health coverage programs. Ohio's Medicaid program is the sixth largest public health care purchaser in the country providing health care coverage for an estimated 1.7 million consumers at a cost of nearly \$12 billion in SFY 2004. Ohio's program is an essential service covering 1:3 births, 1:4 children, 1:4 seniors over the age of 85 years, and 75% of all long term care, and constituting 33% of Ohio's budget expenditures and 76% of ODJFS's budget expenditures. In view of its size and complexity, the department is seeking the support of an experienced vendor in complying with the risk and gap analysis requirements contained within the HIPAA security rule.

**Offeror Restrictions.** ODJFS policy prohibits the agency from purchasing services from offerors which are:

- The Contractor selected through this IFP process will NOT be eligible to respond to procurements for development, installation and post implementation support work resulting from, or incorporating, deliverables required by this Contract.
- Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by the United States Department of Labor, the United States Department of Health and Human Services, or any other federal department or agency as set forth in 29 CFR Part 98, 45 CFR Part 76, or other applicable statutes or regulations;
- On the list established by the Ohio Secretary of State, pursuant to Section 121.23 of the Ohio Revised Code that identifies CONTRACTOR as having more than one unfair labor practice contempt of court finding; and
- Subject to a finding for recovery under Ohio Revised Code Section 9.24, which prohibits the State from awarding a Contract to any offeror(s) against whom the Auditor of State has issued a finding for recovery if the finding for recovery is "unresolved" at the time of award.

**HIPAA Requirements.** The Contractor will be required to not use any information, systems, or records made available to it for any purpose other than to fulfill the contractual duties specified herein. The Contractor will be required to be bound by the same standards of confidentiality that apply to the employees of ODJFS and the State of Ohio. The terms of this ARTICLE will be included in any subcontracts executed by the Contractor for work under this Contract. The Contractor will be required by ODJFS that any data made available to the Contractor by ODJFS shall be returned to ODJFS no later than ninety (90) days following the termination of this Contract, and the Contractor shall certify that it retains no copies of source data. The Contractor will be required to maintain current and ongoing compliance with 42 U.S.C. Sections 1320d through 1320d-8 and the implementing regulations found at

45 C.F.R. 164.502(e) and 164.504(e) regarding disclosure of protected health information under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”).

**Overview:** The selected offeror will be required to provide the analysis framework, survey instruments, and consulting support to conduct an accurate and thorough assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of electronic protected health information held by the department. The offeror solution must be grounded in industry standards (i.e., National Institute of Standards and Technology (NIST), Technology Administration, U.S. Department of Commerce) and address all the mandated security standards and implementation specifications contained within the HIPAA security rule.

**Scope of Work (High-level Description of Main Tasks of the Project).** OHP is seeking offerors who will provide a framework to assist the department in conducting a formal HIPAA security gap and risk analysis grounded in industry standards that address all the mandated HIPAA security standards and implementation specifications and provide the following deliverables. The Contractor must complete the following tasks and corresponding deliverables for the project:

TASKS & FUNCTIONS	DELIVERABLE(S)
A. Develop a project plan, survey instruments and tools.	<ol style="list-style-type: none"> <li>1. Develop a project plan for conducting the gap and risk analysis-milestones, timelines and resources.</li> <li>2. Have a survey instrument, that will be modified for the collection of data, that covers the administrative, technical and physical safeguards and related implementation specifications.</li> <li>3. Have a gap analysis tool that that will be modified to compare current state requirements to HIPAA requirements and industry standards.</li> <li>4. Develop risk analysis tools that are repeatable, and that provide the ability to identify, quantify and prioritize risks.</li> <li>5. Provide on-site project management support for the gap and risk analysis phases of the project.</li> </ol>
B. Support state staff in data collection	<ol style="list-style-type: none"> <li>1. Train up to ten (10) ODJFS staff to administer the survey.</li> <li>2. Provide consulting support to ODJFS security team in management of the survey.</li> </ol>
C. Conduct data analysis and provide support in risk analysis	<ol style="list-style-type: none"> <li>1. Complete the current state and gap analysis based on data ODJFS staff collected through the survey.</li> <li>2. Provide consulting support to ODJFS security team in completing the risk analysis that includes identifying, quantifying and prioritizing risks using the tool provided by the Contractor.</li> </ol>
D. Develop compliance strategies and training materials	<ol style="list-style-type: none"> <li>1. Propose compliance strategies and recommendations that conform with industry standards.</li> <li>2. Provide high level consulting support to the ODJFS security team in evaluating compliance strategies for selected critical elements identified in the risk analysis.</li> <li>3. Develop HIPPA security rule training curriculum.</li> </ol>

In addition, the selected offeror’s project manager may be required to carry a pager and/or cellular phone (at the offeror’s expense).

## Schedule Summary

Deliverable	Target Start Date	Target End Date
A., 1.	10/13/04	10/20/04
A., 2.	10/13/04	10/20/04
A., 3.	10/13/04	10/27/04
A., 4.	10/13/04	10/27/04
A., 5.	11/08/04	12/17/04
B., 1.	11/01/04	11/05/04
B., 2.	11/08/04	12/17/04
C., 1.	12/20/04	1/07/05
C., 2.	1/07/05	1/31/05
D., 1.	1/07/05	1/31/05
D., 2.	1/07/05	1/31/05
D., 3.	2/01/05	2/04/05

**Work Hours & Conditions.** The Contractor is required to work with ODJFS staff. ODJFS' normal working hours are 8:00 a.m. to 5:00 p.m. with a one-hour lunch period for a total of eight working hours per day. Contractor may have to work under unusual working conditions which may include operation of a computer terminal for long periods of time, working in excess of eight hours per day, working on Saturdays, Sundays and state holidays.

**Reimbursable Expenses.** None.

**Bill to Address.** The Contractor must submit invoices in quadruplicate (1 original and 3 copies) for completed services by the first business day of each month to the bill to address on the purchase order. The Contractor's federal tax identification number and purchase order number must appear on all statements and time sheets. One copy of the PRIOR APPROVED status reports must be submitted with the invoice. The provisions of Ohio Revised Code, Section 126.30 will also apply to any contract between the parties.

**The Contractor's Fee Structure.** The Contract award will be for a not to exceed fixed price. The Contractor will be paid upon acceptance of each deliverable.

## **PART TWO: IFP INQUIRIES, AMENDMENTS AND FORMAT**

**Inquiries and Amendments.** Offerors may make inquiries regarding this IFP any time during the inquiry period listed on the IFP cover sheet. The state may not respond to any improperly formatted inquiries. The state will try to respond to all inquiries within 48 hours, excluding weekends and holidays. The state will not respond to any inquiries received after 8:00 a.m. on the inquiry period end date. The state may extend the proposal due date through an amendment on the state Procurement Web site. Amendments may be provided one business day prior to the proposal opening date.

**Internet Inquiries** - Offerors may make inquiries regarding this IFP any time during the inquiry period listed on the IFP cover page. To make an inquiry, offerors must use the following process:

- Access the state Procurement web site at <http://www.ohio.gov/procure>;
- From the Navigation Bar on the left, select "Find it Fast";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the IFP Number found on Page 1 of the document;
- Click the "Find It Fast" button;
- On the document information page, click the "Submit Inquiry" button;
- On the document inquiry page, complete the required "Personal Information" section by providing:
  - First and last name of the prospective offeror's representative who is responsible for the inquiry,
  - Name of the prospective offeror,
  - Representative's business phone number, and
  - Representative's e-mail address;
  - Type the inquiry in the space provided including:
    - A reference to the relevant part of this IFP,
    - The heading for the provision under question, and
    - The page number of the IFP where the provision can be found; and
  - Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an email acknowledging receipt. Offerors will not receive a personalized email response to their question nor will they receive notification when the question has been answered.

Offerors may view questions and answers using the following process:

- Access the state Procurement web site at <http://www.ohio.gov/procure>;
- From the Navigation Bar on the left, select "Find it Fast";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the IFP Number found on Page 1 of the document;
- Click the "Find It Fast" button;
- On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

The state is not responsible for the accuracy of any information regarding this IFP that was gathered through a source different from the inquiry process described above.

**Proposal Format.** Each proposal must be organized in the same format (organized in 5 primary tabs) as described below. Any material deviation from the format outlined below may result in a rejection of the non-conforming proposal. Any other information thought to be relevant, but not applicable to a specific IFP section number/letter must be provided as an appendix to the proposal and so marked as an additional tab. The state reserves the right not to review submitted appendices which includes information or materials that was/were not required in the IFP. All pages shall be sequentially numbered.

Each proposal must contain an identifiable tab sheet preceding each section of the proposal. It is mandatory that offeror proposals be organized in the following order, and that, wherever appropriate, sections/portions of the offeror proposal make reference by section number/letter to those IFP requirements to which they correspond.

- Tab 1 Cover Letter**
- Tab 2 Offeror Profile**
- Tab 3 Candidate Information**
- Tab 4 Quote**
- Tab 5 Solution**

**The state will not be liable for any costs incurred by any offeror in responding to this IFP, even if the state does not select a offeror through this process. The state may decide not to select a offeror for the work. It may also cancel this IFP and procure the work through some other process or by issuing another IFP.**

**Cover Letter.** The cover letter must provide the following and be signed by an individual authorized to legally bind the offeror.

1. A statement regarding the offeror's legal structure (e.g., an Ohio corporation), Federal tax identification number, and principal place of business;
2. The name, phone number, and fax number of a contact person who has authority to answer questions regarding the proposal;
3. The offeror's valid State Term Schedule (STS) number, including inception date and expiration date; and
4. A statement that the offeror is not now, and will not become subject to an "unresolved" finding for recovery under Revised Code Section 9.24, prior to the award of a Contract arising out of this IFP, without notifying DAS of such finding.

**Location of Services.** As part of this Agreement, the Contractor shall disclose the following:

1. The location(s) where all services will be performed;
2. The location(s) where any state data applicable to the contract will be maintained or made available; and
3. The principal location of business for the contractor and all subcontractors.

The Contractor shall not, during the performance of this Contract, change the location(s) of the country where the services are performed or change the location(s) of the country where the data is maintained or made available without prior written approval of the State.

**Offeror Profile.** Each Proposal must include a profile of the offeror's relevant experience working on projects similar to this Work. The profile must also include the offeror's legal name, address, and telephone number; home office location; date established; ownership (such as public firm, partnership, or subsidiary); firm leadership (such as corporate officers or partners); number of employees; number of employees engaged in tasks directly related to the Work; and any other background information that will help the evaluation committee gauge the ability of the offeror to fulfill the obligations of the Contract.

The offeror must include three (3) project references where it has demonstrated successful completion of a project which is similar in size, scope, and nature to the Work described herein. The offeror shall provide the following information:

- Name of the organization;
- Project details; and
- Client's Contact/Project Manager including name, phone number and e-mail address.

Each reference must be willing to discuss the offeror's performance with the evaluation committee.

Offeror's Mandatory Experience Requirements:

Offerors must provide in their responses necessary and detailed information which demonstrates the following mandatory experience qualification(s) for this project. Offerors that can not demonstrate the following mandatory qualification(s) will be disqualified from further consideration for this project. The offeror must:

1. Provide detailed evidence, including features and functionality of a proven, documented tool set that has been used successfully in the conduct of a security gap and risk analysis; and
2. Provide at least one reference for which the offeror's documented tool set has been successfully utilized to conduct security gap and risk analysis on a project similar in size, scope, and nature to the Work herein.

Offeror responses should also demonstrate the following experience/desired experience:

Offeror's Experience Requirement:

- Successful completion of at least three (3) security assessments in the past five (5) years which involve multi-function, cross organization, multi-systems impacts and are similar in size, scope, and nature to the Work herein.

Desired Experience Requirement:

1. Experience in conducting security assessments for health plans.
2. A minimum of five (5) years experience in mainframe, network and client server IT architecture and environment which is similar in size and scope of this project.
3. The Project Leader/Manager can demonstrate a minimum of three (3) years experience in a mainframe, network and client server IT architecture and environment.
4. Demonstrable knowledge of industry standards as related to HIPAA security rule requirements.
5. A minimum of three (3) successfully completed projects that demonstrate experience with State Medicaid Systems.
6. A minimum of three (3) successfully completed projects that demonstrate experience with state and/or federal government entities.

**Candidate Information.** Offerors must provide resumes for candidates (i.e., Project Leader/Manager) that will work on the project and will be available for the project.

All candidates must pass a background check.

**Quote.** Offeror must provide its quote on company letterhead. Offeror must provide the total cost estimate for completing the scope of work and deliverables described in the IFP. Costs must include the part number, if applicable, position description, hourly rate, number of hours and page number according to the State Term Schedule being utilized and must not exceed the offeror's STS pricing for applicable services.

**Solution.** Offeror must provide its suggested solution and project schedule (including a work breakdown structure, dates, resources and cost), for performing the scope of work outlined in the deliverables in the order as the deliverables are specified in this section of the IFP. The offeror must:

1. Provide a detailed description of its plan and methodology to conduct the gap and risk analysis- milestones, timelines and resources.
2. Provide a detailed description of its methodology to complete the risk analysis.
3. Propose a survey instrument for the collection of data that covers the HIPPA mandated administrative, technical and physical safeguards and related implementation specifications.

4. Demonstrate in their solution plan:
  - a. The ability to provide on-site project management support for the gap and risk analysis phases of the project;
  - b. The ability to train up to 10 members of the ODJFS staff to administer the survey;
  - c. The ability to provide consulting support to ODJFS security team in management of the survey;
  - d. The ability to complete the current state and gap analysis based on data ODJFS collected through the survey;
  - e. The ability to provide consulting support to ODJFS security team in completing the risk analysis that includes identifying, quantifying and prioritizing risks using the tool provided by the offeror; and
  - f. The ability to provide high level consulting support to the ODJFS security team in evaluating compliance strategies for selected critical elements identified in the risk analysis.
5. Provide a detailed description of how it will assist ODJFS in data collection for its HIPAA security compliance analysis.
6. Provide a detailed description of how its gap analysis tool will be modified and used to complete the gap and risk analysis and compare current state requirements to HIPAA requirements and industry standards.
7. Provide a detailed description of how its repeatable risk analysis tools will be modified and used to identify, quantify and prioritize risks.
8. Provide a detailed description of its understanding of accepted industry standards related to HIPAA security requirements.
9. Provide a detailed description of its capability to assist in the development of effective and time efficient security training that is relevant to ODJFS' needs.
10. Provide a detailed description of how they will create a Project Repository for cataloging and archiving project documents.

**Evaluation.** In the proposal evaluation phase, the committee will rate the proposals submitted in response to this IFP based on the Offeror Profile, Candidate Information, Solution and Quote sections of the response.

**Basis for Selection:** The offeror that provides the best value to the state will be selected. Best value will be determined by reviewing the offeror's qualifications and demonstrated successful experience in similar engagements and experience of the Offeror's staff, the proposed plan and budget for completing the work, the Offeror's and proposed staff's previous work performance based on client references.

**Selection Process.** The selection process will consist of four phases. All qualifying proposals will go through these phases in sequential order. Qualifying offerors' proposal documents will be evaluated by a committee of ODJFS staff according to the process and criteria described below.

#### **Phase 1 – Review of valid State Term and Receipt**

Only those proposal responses submitted by offerors who demonstrate that they have an appropriate and current STS, and which are received at the specified ODJFS location, by the stated due date, time and which have no adverse findings against the offeror (see "Offeror Restrictions") qualify for consideration by ODJFS.

#### **Phase 2 - Review of Offeror Profile and Experience**

The review committee will review and evaluate the offeror's responses in regards to the profile, mandatory requirements, experience requirements and desired experience requirements as specified in this IFP. Offeror's which do not meet the mandatory experience requirements will be disqualified from further consideration for work on this project.

#### **Phase 3 - Review of Leader/Project Manager Experience and Solution Plan**

The review committee will review and evaluate the offeror's proposed Leader/Project Manager references and solution planas specified in this IFP.

**Phase 4 - Review of Proposal Cost.**

After the review committee has determined that the offeror is technically qualified to perform the work for this project as a result of the evaluation as specified in Phase I., II., and III. of the selection process, the offeror's quote shall then be considered.

If ODJFS determines that all technically qualifying offerors have quotes which exceed the funding available for this project, ODJFS may, at its sole discretion, negotiate with all technically qualifying offerors for a revised cost quote. Offerors may then submit one last and best offer, or may request that ODJFS view its original quote as its last and best offer, or may formally withdraw from further consideration, and shall formally indicate its choice according to directions provided by ODJFS at that time. Upon receipt of all last and best offers, and assuming that one or more have submitted a quote that is within project budget, ODJFS will then consider those offerors' revised proposals which are within the budget. ODJFS reserves the right to negotiate with offerors for adjustments to their proposals should ODJFS determine, for any reason, to adjust the scope of the project for which this IFP is released.

## **PART THREE: PROPOSAL SUBMITTAL**

**Proposal Submittal.** Each offeror must submit six (6) complete (one original and 5 copies), sealed, and signed copies of its proposal, and each proposal must be clearly marked "**HIPAA Security Gap & Risk Analysis Proposal from [Offeror's Name]**" on the outside of its envelope. Proposals must be sent to Office of Contracts and Acquisitions, Attn: RFP/RLB Unit.

Offerors are required to submit **one additional CD-ROM copy** of their entire proposal package in non-rewriteable CD format. The requested CD will be used by ODJFS for storage/archiving purposes only.

All proposals and other material submitted will become the property of the state and may be returned only at the state's option.

**Rejection of Proposals.** The state may reject any proposal that is not in the required format, does not address all the requirements of this IFP, or that the state believes is excessive in price or otherwise not in its interest to consider or to accept. In addition, the state may cancel this IFP, reject all the proposals, and seek to do the work through a new IFP or other means.

The state may reject late proposals regardless of the cause for the delay.

**The state may reject any proposal that takes exception to the terms and conditions and/or pricing of the State Term Schedule.**

**Protest Procedure.** Offerors may file protests related to this IFP under the following guidelines:

A. The protest shall be in writing and shall contain the following information:

1. The name, address, and telephone number of the protestor;
2. The name and number of the IFP being protested;
3. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
4. A request for a ruling by the state; and
5. Any other information the protestor believes to be essential to the determination of the factual and legal questions at issue in the written protest.

B. All protests must be filed at the following location:

Chief Legal Counsel  
Office of Legal Services Ohio Department of Job and Family Services  
30 East Broad Street, 31th Floor  
Columbus, Ohio 43215-3414

C. The Chief Legal Counsel, Office of Legal Services shall issue written decisions on all protests