

**AMENDMENT 2
FOR
RFP NUMBER 0A1071**

DATE AMENDMENT ISSUED: March 17, 2010

The State of Ohio, through the Department of Administrative Services, General Services Division, on behalf of Ohio Department of Veterans Services, is issuing this amendment for the Request for Proposals (RFP) entitled:

ODVS Veterans Bonus System

INQUIRY PERIOD BEGINS:	February 22, 2010
INQUIRY PERIOD ENDS:	March 17, 2010
OPENING DATE:	March 24, 2010
OPENING TIME:	1:00 P.M.
OPENING LOCATION:	Department of Administrative Services I.T. Procurement Services Bid Room 4200 Surface Road Columbus, Ohio 43228

The attached is an Amendment for the RFP listed above. Please use the replacement page(s) contained in the Amendment to replace the corresponding page(s) previously in the RFP.

Specifications and requirements that have been revised are surrounded by bolded double asterisks and, when applicable, strikethrough.



- Development of an implementation activities checklist;
- Deployment schedule; and
- Activities required to effectively operate and maintain the Veteran Bonus System.

Contractor Deployment Support Responsibilities. During Deployment and the performance period, the Contractor must respond to any issues within four hours of notification of a problem. Incident resolution must be within 24 hours of notification, unless otherwise agreed upon by ODVS. The Contractor must document and provide all incidents and resolutions to ODVS. The Contractor's staff is not expected to be on-site but is on call for issues regarding the implementation and may be brought back on-site at ODVS' request.

System Acceptance Certification. Upon completion and acceptance of the Implementation, and successful completion of the performance period, the Contractor must present the system to the State for acceptance. The system presented for final acceptance must account for all required functionality, features and performance requirements. The final certification document must also include all of the activities performed during the performance period including but not limited to, issues identified, issues resolved and issues outstanding; system tuning activities; and, any system modifications migrated to production during the system performance period.

Project Close Out. The Contractor must organize and turn over to the State all files, documents and other Project artifacts produced for use by the ODVS Bonus System Project after acceptance of the solution. The State is not requiring licenses for the development, modeling, testing, performance and monitoring tools.

Documentation Handoff. The Contractor must provide (in hardcopy or softcopy) product documentation for the following:

- User Documentation;
- Operations Documentation;
- System Administration Documentation;
- System Architecture Documentation; and
- Final Requirement Traceability Matrix.

If available, the Contractor must provide online links to support sites/forums.

Deployment Deliverables

1. Deployment Plan
2. System Acceptance Certification
3. Project Close Out
4. Documentation Handoff

Task 9 - ~~Warranty**~~, Enhancement, Production Support and Maintenance**

~~**In addition to the one year warranty,**~~ The Contractor must be responsible for Maintenance, Enhancements, and production (Level 2) Support during the first year of operation. After the first year, the State may choose not to renew this portion of the Contract. The Contractor is required to provide Level 2 support ****for one year after acceptance. However, the Costs**** associated with ****software**** warranty work ****as defined under Software Warranty on page 49)**** must ****be included in the proposed Total Not to Exceed Fixed Price for Tasks 1-8. The first year costs for Task 9 should include costs for Maintenance and Production (Level 2) Support. cost of this task during year 1**** This task describes the Contractor's responsibilities for the ****warranty**** enhancement, production support and maintenance of the Veterans Bonus System solution.

Ongoing corrections of the Veterans Bonus System solution will be characterized as maintenance, which is initiated after the one year warranty, and ongoing changes to the Veterans Bonus System solution for additional functionality will be characterized as an enhancement. Level 2 Support must be available

during the State's regular business hours, 8 am to 5 pm, Eastern Time, Monday through Friday. Adequate coverage is essential to maintain a stable production environment.

Contractor staff providing support must have been involved in the original implementation. No new Contractor staff members can be used for system support without ODVS approval.

Production Support. During this task, the Contractor must provide Level 2 support and assistance with maintaining operations of the Veterans Bonus System solution.

Level 1 Support: The State's Veterans Bonus System Help Desk and ODVS technical team will provide Level 1 Support. This support will include initial calls from applicants and processors. The ODVS technical team will also provide the first line of software and hardware support.

Level 2 Support: The Contractor must provide Level 2 Support for the State's Veterans Bonus System Help Desk and ODVS technical team. If the Veterans Bonus System Help Desk staff or the ODVS technical team cannot resolve a problem submitted to the Veterans Bonus System Help Desk, the Contractor must be responsible for resolving the issue.

Updates, Patches and Repairs. The Contractor must update, patch, and repair the system software components in the development and UAT environment prior to promotion to production. All updates, patches, and repairs must be fully and successfully tested before migration to production.

For implementation of updates, patches, and repairs of the Veterans Bonus System the Contractor must work with ODVS to coordinate releases with regularly scheduled maintenance releases.

Correction of System Defects. The Contractor must correct system defects, which are system malfunctions or functional deviations from ODVS approved system design. The Contractor must correct system defects in the development and UAT environment prior to promotion to production. No requirements or design changes are involved in the correction of system defects. The Contractor must take corrective action and ensure that the system performs as designed. All system defects must be fully and successfully tested before migration to production.

For system defects the Contractor must work with ODVS to coordinate releases with regularly scheduled maintenance releases.

The Contractor must use the following definitions of resolution priority for system defects discovered during production:

- Critical: issue/problem has caused, or has potential to cause, the entire system to go down or to become unavailable;
- High: issue/problem directly affects users and a large number are prevented from using the system. High-priority problems include those that render a site unable to function, make key functions of the system inoperable, significantly slow processing of data or severely corrupt data;
- Medium: Medium-priority problems include those errors that render minor and non-critical functions of the system inoperable or unstable, and other problems that prevent stakeholders or administrators from performing some of their tasks; and
- Low: all service requests and other problems that prevent a stakeholder from performing some tasks, but in situations where a workaround is available.

The Contractor must log all system defects in ODVS' defect tracking tool within two business hours of notification of the defect. The Contractor must review all critical and high-priority problems immediately. The Contractor must review all medium- and low-priority problems within four business hours of receipt of the problem report.

Problems and inquiries that cannot be resolved immediately upon receipt by the Contractor must be classified into the following categories of complexity:

- Low: the problem is a known issue, or an immediate solution is available;
- Medium: the problem appears to be a bug or data problem; and

- High: the problem is hard to trace and is likely to need extensive troubleshooting.

The Contractor must submit a written report of the analysis to the ODVS upon completion of the analysis and diagnosis that identifies the proposed resolution, if it can be identified at that time, and the anticipated completion date/time. Once the resolution is defined (if not defined with initial diagnosis), the Contractor must confer with ODVS to confirm approval of the resolution. The Contractor must correct system fatal errors and abnormal ends, and the software defects causing such problems. On-line fatal errors and abnormal ends must be corrected within 24 hours from the time that the problem occurs unless ODVS has approved additional time for corrective action. All other Veterans Bonus System issues and defects must be resolved within timeframes specified in the following table:

Issue Resolution Time Frames

Complexity	Resolution Priority		
	Low	Medium	High
Low	3 Business Days	1 Business Day	1 Business Day
Medium	7 Business Days	3 Business Days	1 Business Day
High	10 Business Days	4 Business Days	2 Business Days

Upon correction of the problem, the Contractor must notify ODVS that the problem is resolved. The Contractor must fix all system defects unless the Contractor is not authorized to fix the defect. All defect resolution will have to be approved by ODVS.

For all system-related problems, the Contractor must work with State staff to diagnose and develop a plan to resolve all such issues. Resolutions may require the Contractor to monitor and tune the Veterans Bonus System to maintain system performance or correct deficiencies or problems with the functionality of subsequent Veterans Bonus System enhancements.

Enhancements. The Contractor will be responsible for implementing approved enhancements to Veterans Bonus System as determined by ODVS. The need for enhancements may be caused by changes in State regulatory requirements or by requests from ODVS or its stakeholders. For the implementation of enhancements, the Contractor must work with ODVS to coordinate the release of the enhancements with regularly scheduled maintenance. Enhancements must be in accordance with the Changes provision in the Contract and the pricing will be determined using the Rate Card included in the Cost Summary.

Roles and Responsibilities. The following State personnel will be available as needed during the Project.

State Project Manager

The State Project Manager will provide State project management oversight of the Veterans Bonus System project ensuring implementation is completed as designed and in accordance with approved work plan. The State Project Manager will be the single point of contact for contractual and Project related matters.

Subject Matter Experts (SMEs)

State SMEs will participate in implementation related tasks (e.g., requirements review, designs, configuration, UAT, etc.).

The Contractor Project Manager and Team are critical to the success of the Project. At a minimum, the Contractor’s staffing plan must include the following:

Contractor Project Manager

Responsibilities:

- Provide project management oversight through acceptance of the Veterans Bonus System
- Create and manage the Project Plan and Schedule
- Manage the Contractor Project team members
- Liaison between State and Contractor resources
- Initiate Quality Assurance processes to monitor the Project
- Manage issues and risks
- Point of escalation for Project issues
- Manage the deliverable acceptance process
- May also fulfill Project Team activities

Contractor Project Team

Responsibilities:

- Perform Implementation tasks and activities, and produce Project Deliverables
- Provide solution subject matter expertise and knowledge
- Report Project progress
- Perform Quality Assurance processes to monitor and control the Project
- Perform Project support
- Execute corrective actions and resolutions for system and Project issues and risks
- Work cooperatively with State staff

Production Performance Testing. Attachment Four: Part Five Standards of Performance and Acceptance describes the procedure and criteria for testing the production system.

Work Hours and Conditions. The Contractor is required to work with ODVS staff. Normal working hours for ODVS staff 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. The 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; and working on Saturdays, Sundays, and State holidays.

PART TWO: SPECIAL PROVISIONS

Software Licenses. If applicable for the proposed system and technical solutions, the Contractor must provide or arrange for perpetual software licenses for all Commercial Software necessary to meet the requirements of this RFP. For Key Commercial Software, the Contractor must include a minimum of 20 end user licenses. For all other Commercial Software the Contractor must provide 5 administrative licenses (e.g. operating systems, call center software, imaging indexing software) that provide adequate usage rights to meet the State's current need, as identified elsewhere in this RFP and as disclosed in the offeror's Cost Summary.

Submittal of Deliverables. The Contractor must perform its tasks in a timely and professional manner that produces Deliverables that fully meet the Contract's requirements. The Contractor must complete its work in steps that will result in Deliverables associated with those steps, and the Contractor must provide the required Deliverables no later than the due dates proposed in the RFP or included in the Contractor's Project Plan as approved by the State. At the time of delivery of a written Deliverable, the Contractor must submit an original and one copy of each Deliverable, plus an electronic copy. The Contractor must provide the electronic copy in a file format acceptable to the State. Also, with each Deliverable, the Contractor must submit a Deliverable Submittal Form signed by the Project Manager. (See Attachment Six of the RFP.)

By submitting a Deliverable, the Contractor represents that, to the best of its knowledge, it has performed the associated tasks in a manner that meets the Contract's requirements.

The Contractor must provide all Deliverables to the Project Representative, who will review (or delegate review of) the materials or documents within a reasonable time after receipt, as specified in the Project Plan.

If the State determines that a Deliverable is not in compliance, the Project Representative will note the reason for non-compliance on the Deliverable Submittal Form and send the form to the Project Manager. At no expense to the State, the Contractor then must bring the Deliverable into conformance and re-submit it to the Project Representative within ten business days.

If the State agrees the Deliverable is compliant, the Project Representative will indicate that by signing the Deliverable Submittal Form and returning a copy of it to the Contractor. In addition, if the Project Representative or designee determines that the State should make a payment associated with the Deliverable, the Project Representative will indicate that the payment should be made on the Deliverable Submittal Form.

The State form authorizing payment (Attachment Six) and the payment itself do not indicate that the State has accepted the Deliverables associated with the payment. The State's acceptance of the Deliverables that are part of developing the Project is conditioned on a successful performance test upon completion of the Project.

Status reports are not subject to a review and approval process.

Special Maintenance Standards. If the State elects to acquire the hardware and related system software required for a complete turn-key solution, the Contractor must provide a 3 year warranty, support and maintenance as defined in Task 9. Additionally, the definitions for resolution priority, complexity and the resolution timeframes defined in Task 9 apply to any warranty, support or maintenance required for the hardware and related system software.

The Contractor's Fee Structure. The Contract award will be for a not-to-exceed fixed price, payable in accordance with the schedule below. The Contractor's Fee Structure is based on a payment milestone and the completion and acceptance of Deliverables associated with that payment milestone. For offerors that propose an implementation approach comprised of multiple iterations, the State will divide the Payment percentage by the number of agreed to iterations for that Payment Milestone/Deliverable. See the following example.

The Contractor may propose four iterations for the first payment milestone for Task 3 Design. The payment for the completion of the Deliverables will be calculated on a percentage of the not-to-exceed fixed price for implementation then divided by the number of iterations proposed by the Contractor for Task 3. The following example shows how the payment per iteration would be determined: (Payment percentage 15%; example total not-to-exceed fixed price for implementation = \$100,000; number of proposed iterations = 4; calculation: $\$100,000 \times 15\% = \$15,000$; $\$15,000/4 = \$3,750$. The payment per iteration would be \$3,750.)

Payment Milestone/Deliverable	Payment
Completion and Acceptance of all Task 1 - Project Management Deliverables	5%
Completion and Acceptance of all Task 2 – Requirements Deliverables	4%
Completion and Acceptance of all Task 3 Design Deliverables	15%
Completion and Acceptance of all Task 4 – Component Construction and Unit Test	20%
Completion and Acceptance of all Task 5 – User	12%

Payment Milestone/Deliverable	Payment
and Technical Training	
Completion and Acceptance of all Task 6 – System Integration and Performance Test	12%
Completion and Acceptance of all Task 7 – User Acceptance Test	12%
Completion and Acceptance of all Task 8 – Deployment	20%
Task 9 – Warranty , Enhancement Production Support and Maintenance	Paid Monthly (1/12 th of the annual cost)
Optional	Payment
Hardware and Related System Software	Upon Acceptance of Delivered Hardware and Related System Software
Enhancements	Payment
Utilizing the Rate Card	Upon Acceptance of Defined Deliverables or Time and Material Services

Upon receipt of a signed Deliverable Submittal Form (Attachment Six) indicating the State agrees that the Deliverable identified in the work breakdown structure is compliant or that the Contractor has met an applicable milestone and payment should be made, the Contractor may submit an invoice for that Deliverable or milestone, according to the payment schedule identified above.

Reimbursable Expenses. None

Bill to Address. Ohio Department of Veterans Services
3416 Columbus Ave.
Sandusky, Ohio 44870

Location of Data. The Contractor may require the use of State data for implementation work at an offsite location. ODVS restricts the use of its network for transmittal of data. However, data may be transferred using ODVS approved methods, with written approval from the ODVS. This approval will only be granted upon receipt of a letter certifying the following: the data will be maintained in a secure manner; the data will not be used for any purposes other than those required to fulfill the contract; and upon completion of the project the data will be destroyed. The letter must also disclose the location of the data while under the control of the Contractor. Data and work performed must remain within the boundaries of the continental United States for this Project.

Attachment Ten - Cost Summary

Tasks and Deliverables	
Total Not-to-Exceed Fixed Price for Tasks 1-8:	\$ -

Annual System Maintenance for First Five Years	
Task 9 – Warranty, Enhancement*, Production Support and Maintenance (Excluding Key and other Commercial Software Support)	
Total System Maintenance Costs	\$ -

Annual Support Fees for Key Commercial Software Products for First Five Years	
Total License Cost	\$ -
Total Support/Maintenance Cost	\$ -
Total Key Commercial Software Cost	\$ -

The Not to Exceed Fixed Price for Implementation is determined by summing the above tables.

Total Not to Exceed Fixed Price for Implementation	\$ -
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Optional Hardware and Related System Software	
Cost for all Optional Hardware and Related System Software	\$ -
Level 2 Support and Maintenance Cost for all Optional Hardware and Related System Software	\$ -
Optional Hardware and Related System Software Total (sum of the two rows above)	\$ -

Rate Card Total	\$ -
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Offerors are responsible for the accuracy of all formulas within the worksheet.

Attachment Ten A - Cost Summary

Cost By Task and Deliverables

Tasks and Deliverables	Cost
Task 1 - Project Management Deliverables	\$ -
Task 2 - Requirements Deliverables	\$ -
Task 3 - Design Deliverables	\$ -
Task 4 - Component Construction and Unit Test Deliverables	\$ -
Task 5 - User and Technical Training Deliverables	\$ -
Task 6 - System Integration and Performance Test Deliverables	\$ -
Task 7 - User Acceptance Test Deliverables	\$ -
Task 8 - Deployment Deliverables	\$ -
Total Not to Exceed Fixed Price for Tasks 1-8:	\$ -

Annual System Maintenance for First Five Years				
Task 9 – **Warranty** , Enhancement*, Production Support and Maintenance (Excluding Key and other Commercial Software Support)				
1st Year	2nd Year	3rd Year	4th Year	5th Year
\$ -	\$ -	\$ -	\$ -	\$ -

Offerors are responsible for the accuracy of all formulas within the worksheet.

* Enhancements must be in accordance with the Changes provision in the Contract and the pricing will be determined using the Rate Card included in this Cost Summary.