

Request for Proposal #20PSX0027

Paid Family Medical Leave (PFML) Collection System

Contract Specialist: Gregory Mooney

Date Issued: February 18, 2020

Proposals Due: March 23, 2020 at 2:00PM Eastern Standard Time

All questions for the purpose of clarifying this Request for Proposals must be directed to gregory.mooney@ct.gov.

**Department of Administrative Services
Procurement Division**



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1. WHAT WE ARE LOOKING FOR

1.1. BACKGROUND

In 2019, Governor Ned Lamont signed into law one of the most comprehensive and generous Paid Family PFML statutes in the country (P.A. 19-25, as amended by sections 232 – 235 of P.A. 19-117). The statute created the Paid Family and Medical Leave Insurance Authority (PFMLIA), a quasi-public agency tasked with creating and administering all functions related to funding PFML and administering claims. The enabling statute provides for, among other things, the collection of fund contributions from employers beginning in 2021 and the payment of PFML benefits beginning in 2022.

1.2. PARTNERSHIP GOALS

The goal of the Paid Family and Medical Leave Insurance Authority (PFMLIA or the Authority) is to contract with a partner with the demonstrated experience and subject matter knowledge to provide a solution for the fund collection system, to be completed, tested and ready to go live no later than January 1, 2021.

1.3. TIMELINE

The table below shows the preliminary RFP schedule. Dates are subject to change. Any changes will be posted as an addendum that can be found on the State Contracting Portal.

| Important Milestones | Date |
|---|--------------------------------------|
| RFP released | February 18, 2020 |
| Pre-proposal conference | March 3, 2020 |
| Intent to respond | March 6, 2020 |
| Deadline for questions or requests for clarifications | March 11, 2020 |
| Answers to collective questions posted | March 16, 2020 |
| Deadline for submitting proposal* | March 23, 2020 |
| Phase 2 live presentations, if invited | Week of April 6 th , 2020 |
| Contract award | April 17, 2020 |

***Proposals will not be public record until contract award.**

Confidential information submitted in your proposal must be clearly identified.

2. CONTEXT

The PFML statute requires that on January 1, 2021 all eligible employers in the State of Connecticut collect from their employees up to 0.5% of their wages and pay those funds directly to the PFMLIA to fund the paid leave benefits.

Eligible employers consist of all private sector employers (except nonpublic elementary or secondary schools) with at least one employee. The state, municipalities and local and regional boards of education are also eligible employers for their covered public employees, specifically, state employees who are not in a collective bargaining unit and state, municipal and local or regional board of education employees who are in a collective bargaining unit that negotiates inclusion in the program. In addition, if any municipal employer or board of education negotiates inclusion in the program for one of its bargaining units, all of the employees of a municipality or local or regional board of education who are not in a collective bargaining unit also become covered public employees. Sole proprietors and self-employed people who live in Connecticut are also eligible to enroll in the program.

It is estimated that there are approximately 105,000 eligible employers in Connecticut who will be collecting and conveying the contributions for approximately 1.5 million employees.

The PFML statute allows employers to apply to the PFMLIA for approval to establish private plans that provide the same rights, protections and benefits as the statute to their employees. Employers that are approved by the PFMLIA and the Department of Insurance to establish a private plan are not required to collect the PFML contributions from their employees.

The PFMLIA is authorized to establish the contribution rate necessary to ensure the solvency of the trust fund, subject to the 0.5% cap. Annually beginning November 1, 2022, the PFMLIA may announce a revision to the contribution rate; any new contribution rate would become effective on the following January 1st

The PFMLIA needs a solution that:

- 1) Enables the Authority to identify and track all eligible employers, non-compliant employers, voluntary plan employers, contributing employees, and the employee contributions;
- 2) Enables employers, payroll processors and third party administrators to provide the Authority with detailed information about the covered employees, including wage and contribution level data;
- 3) Enables employers, payroll processors and third party administrators to securely remit employee contributions to the Authority in compliance with all applicable standards;
- 4) Has the capacity/flexibility to easily integrate with the future claim administration, benefit payment and education and outreach solutions (all of which also need to be established and will be procured separately in the coming months).

3. REQUIREMENTS

1. Transparency:

- Vendor demonstrates capability to research the users' needs and problems, incorporates feedback from the customer, designs for the future, delivers functionalities rapidly and iterates to incorporate lessons and feedback.
- Proposed solution allows for the collection and sorting of detailed employer and employee contribution data to verify statutory compliance, facilitate certain reporting requirements defined by the statute and to allow PFMLIA to evaluate payment history and sufficiency.
- Proposed solution has the capacity to generate reports on all relevant data sets, allowing the PFMLIA to use the system to track contributions by employer and their employees, monitor employer contribution compliance, distinguish between approved employers with voluntary plans and non-compliance employers, flag errors or problems with contributions or third party vendors, and track trends in contributions by employer, sector, and other types to be further defined in the Scope of Work.

2. Efficiency of operations

- To the extent possible, proposed solution leverages data and systems in other Connecticut state agencies to shorten the implementation timeline and reduces replication of processes and systems that may exist in the state agency system.
- Vendor has the capacity to begin work immediately upon contract award and the capacity and expertise to meet all deliverables and the January 1, 2021 implementation date.
- Vendor delivers the initial solution with the ability to flexibly adapt to future changes via configuration rather than customization to limit future costs and risks and deliver most overall value.
- Proposed solution leverages cloud-based, enterprise—grade solutions, platforms and services that have widespread adoption, scale easily and are cost-effective to acquire, implement and maintain.

3. User Experience

- Proposed solution provides for ease of use for employers, payroll processors, third party administrators and staff at PFMLIA and other state agencies with whom PFMLIA will partner to facilitate fund contributions.
- Proposed solution provides for easy connectivity and integration with third party vendors, particularly larger payroll and benefit companies who may remit payment to the fund on behalf of larger employers.
- Vendor provides a strategy for effective end user training.

4. Quality of work

- Vendor provides a business overview that demonstrates number of years' experience in contribution and collection systems, solutions, strategies and implementation for states or large municipalities, for example tax, unemployment or disability insurance systems, solutions, etc.
- Vendor demonstrates that its background, qualifications and staff (and subcontractor's background, qualifications and staff, if applicable) have the knowledge, skills and experience to deliver its proposed solution within the aggressive timeframe.
- Vendor implementation plan includes adequate testing prior to go-live to identify and remediate bugs, security gaps, performance challenges and other potential impediments to a successful launch.
- Vendor provides a strategy or methodology to demonstrate a collaborative work style with customers and end users.
- Vendor demonstrates knowledge of Connecticut's PFML statute as it relates to the requirements of the systems build.

4. PRICING PROPOSAL

Please provide a pricing framework that addresses the following points:

1. Unit cost for all license types for all required software elements.
2. Unit cost for all services elements.
3. Total estimated costs, by State fiscal year, (assuming April 27, 2020 project kickoff) including detailed build up to the total (unit costs, number of units, software and services elements separate, ongoing maintenance or annual subscriptions, etc.)
4. Maximum allowable annual price increases for the duration of the contract term.
5. Submit all (if any) price assumptions, conditions, or exceptions.
6. Explanation to support the correlation between the proposed pricing and the proposed technical approach.

All price offerings must be valid for a period of 120 days from the proposal due date.

5. HOW WE WILL CHOOSE

A selection committee will review and score all Proposals; there will be a two phase selection approach to select partners. Highest scoring Phase 1 Proposers will be invited to participate in Phase 2, in accordance with Section 6.4 of this RFP document.

In evaluating the Proposals in Phase 1 and the proposed Solutions in Phase 2, as applicable, the selection committee will use the following criteria:

- Transparency. Proposer demonstrates ability to comply with the transparency requirements outlined in section 3.

- Cost. Proposal includes a pricing model that addresses the pricing framework outlines in section 4 and provide best overall value.
- Efficiency of operations. Proposer demonstrates ability to comply with the efficiency requirements outlined in section 3.
- User Experience. Proposer demonstrates ability to meet the user experience requirements outlined in section 3.
- Quality of work. Proposer demonstrates ability to comply with the quality of work requirements outlined in section 3.
- Accountability. Proposer provides references that demonstrates the vendor's relevant experience, compliance with relevant government regulations, including whether the vendor has been sued or is currently in litigation with any governmental entity, and a track record of successful delivery of similar solutions and provides financial statements that demonstrate its financial viability.
- Cost-benefit analysis documenting the direct and indirect costs of the contract, including the qualitative and quantitative benefits that will result from the implementation of the contract. Proposer demonstrates sound understanding of the PFMLIA's needs, a high-quality solution and an implementation strategy, methodology, and timeline to meet January 1, 2021 deliverable.

6. WHAT YOU WILL NEED TO DO

6.1. OPTIONAL PRE-PROPOSAL CONFERENCE

When: March 3, 2020 2:00 PM – 3:00 PM

Where: 450 Columbus Blvd, Hartford CT 06103, Plaza Level South Tower Meeting Room B.

After parking proceed to the elevators to the Plaza (P) level, and please have a photo ID ready for check-in with security.

Call In: Available call in option: 1-866-905-7802 Pass Code: 64292839

6.2. ASK QUESTIONS

When: Ongoing until March 11, 2020

How: Email Gregory Mooney at gregory.mooney@ct.gov

All questions must be received no later than March 11, 2020. For efficiency, the PFMLIA is encouraging vendors to submit questions as they arise, in lieu of waiting for the March 11, 2020 deadline. Available answers to questions submitted will be posted on a rolling basis via Addendum and all questions and answers posted collectively on March 16, 2020.

All answers to questions as available will be posted as an Addendum on the State Contracting Portal: https://biznet.ct.gov/SCP_Search/Default.aspx?AccLast=2

By-submitting a response to this RFP, Proposer-acknowledges that it is responsible for the review of all questions and answers as posted via Addenda on the State Contracting Portal.

6.3. SUBMIT YOUR PROPOSAL

When: March 23, 2020

How: Proposals must be submitted online by the RFP submittal date and time only. Proposers shall upload their proposals to the State Contracting Portal, via Biznet as described in Attachment a.

We encourage you to provide a well-crafted response in pdf format to include the following items:

- Executive summary
- Solution and implementation approach responsive to this RFP
- Detailed implementation schedule with strategy to work with and meet aggressive deliverable timelines and the January 1, 2021 implementation date
- Pricing proposal
- Vendor (and subcontractors if applicable) background and company qualifications
- Staffing and staffing qualifications
- References
- Prior 2 year's financial statements

We will evaluate the proposals and select one or more proposers to continue in the process. No additions or changes to any proposal will be allowed after the proposal submittal date unless such modification is specifically requested by the PMFLIA. The PFMLIA, at its option, may seek proposer retraction and/or clarification of any discrepancy or contradiction found during its review of proposals.

6.4. SHOW US YOUR SOLUTION

When: Week of April 6, 2020

Where: 450 Columbus Blvd, Hartford CT 06105

We will invite Phase 2 Proposers to meet with us in Hartford, CT to demonstrate a prototype that will help us visualize your proposed solution. During your demo, plan to step through configured workflow, elaborate on your design, user experience, agile development process, platforms and technologies you used to develop the prototype. We would also like to discuss your overall implementation strategy and anything else you feel will be important to determine best overall value.

The demonstration is a critically important opportunity to show understanding of the requirement, how your solution can meet these needs, and how the process used to develop the prototype correlates to your written proposal.

We anticipate the demonstration session to be approximately 3 hours, including time for questions. For evaluation purposes, we will require access to the prototypes beyond the demo session until the contract is awarded.

7. ATTACHMENTS

- a. Guide to Proposal Submission and Additional Information