

STATE OF CONNECTICUT
DEPARTMENT OF ADMINISTRATIVE SERVICES

PROCUREMENT DIVISION
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RFP NO.: 20PSX0027
Proposal Due Date: April 9, 2020
Date Addendum Issued: March 31, 2020

PLEASE NOTE:

This document has been marked as "Returnable". Electronic submittal of this document indicates that your company has read and accepted any modifications to the RFP that are contained in this Addendum.

RFP ADDENDUM # 4

DESCRIPTION:

Paid Family Medical Leave ("PFML") Collections System

FOR:

All Using State Agencies, Political Subdivisions, and Not-for-Profit Organizations

PROPOSERS NOTE:

Addendum #4 answers questions received during the pre-proposal conference, and questions received by proposers. Additionally see updates to section 1.3 of timeline below for the remaining Important Milestone dates.

1.3 Timeline

Important Milestone	Dates
Answer to collective questions posted	March 31, 2020
Deadline for submitting proposal	April 9, 2020 at 2:00pm Eastern Time
Stage 2 Live Presentations if invited	Week of April 13 th 2020
Contract Award	TBD

Part I: Questions and Answers from the pre-proposal meetings

QUESTION 1: What are the CEO's priorities for this project?

ANSWER:

- The system has to work: work well and work consistently.
- Excellent customer service throughout the build and after delivery
- The project must be completed on time; therefore, the vendor must work quickly, efficiently, and accurately within tight time frames.
- The solution must be adaptable to future changes and other related systems, without wholesale changes
- The solution must allow for connectivity and easy integration with the systems of the employers, payroll processors, etc.. Industry standard data files / data transaction sets should be used to support the systems and integration. The people who are processing the contributions should not need to have knowledge of a number of different systems in order for the procedures to work well.

QUESTION 2: What research/resources led to the conclusion about the number of employers who will contribute to the fund?

ANSWER: The actuarial report that was done in 2015 when the legislation was first being contemplated.

Additional information: The study examined other states that have implemented Paid Family Leave and provided planning ranges for modeling volume of family leaves that will need to be supported. For our planning purposes, we are estimating that approximately 105,000 employers will be eligible in Connecticut representing approximately 1.5 million employees where contributions could be collected.

QUESTION 3: Is there a plan to integrate the contribution solution with Business One Stop or are they separate? Would it be possible to get information about the Business One Stop time frames?

ANSWER: We do see the possibility of integration in the future as something that would be ideal but it is not necessary. The Business One Stop is a separate project and its deadlines do not alter the timeframes established by the Authority for this project.

Additional information: The Business One Stop project is in development. Their plans are to utilize a Mulesoft integration later to allow for integration with other state agencies. This is a future state capability and the timeline to implement it is still being determined.

QUESTION 4: What other state models have you looked at?

ANSWER: All of them. The model that we are looking at most closely is MA.

QUESTION 5: Are the deadlines for the paid family & medical leave insurance program set by statute?

ANSWER: Yes.

QUESTION 6: Will the State provide a pricing template?

ANSWER: We expect the responders to provide their proposed pricing options.

QUESTION 7: Where will the work on the project (development, etc.) take place?

ANSWER: TBD

Additional Information: For now, the administrative office for PFMLIA is 450 Columbus Blvd, Hartford. A future location may be selected later in 2020 /2021.

QUESTION 8: Could the selected responder do the work in its own offices?

ANSWER: If the responder has the capacity to do the work in its own office, that would be fine with the caveat that maintaining a high level of communication and connection is key.

Additional information: We will also need to work with the Department of Administrative Services to determine what type of remote connectivity will be needed as the selected vendor partner works to support us.

QUESTION 9: The RFP references leveraging existing state systems. What information can you provide about them?

ANSWER: TBD

Additional Information: We anticipate that some level of integration will need to occur with the platforms supporting the Department of Revenue Services, the State Treasury, and possibly the Department of Labor. These details and interactions will need to be developed within the scope of the project.

QUESTION 10: Given that there are new systems being implemented at DRS and DOL and given that there may be integrations between the PMFLIA system and their systems, what impact would those integration points have on the project?

ANSWER: TBD

Additional Information: We anticipate that some level of integration will need to occur with the platforms supporting the Department of Revenue Services, the State Treasury, and possibly the Department of Labor. These details and interactions will need to be developed within the scope of the project.

QUESTION 11: What roles, if any, will PFMLIA be able to play with regard to the project?

ANSWER: The CEO is currently trying to bring at least one person on board for oversight, contract management and technical issues.

Additional Information: The CEO has brought on a team member, Kris Floyd, who will work closely with the CEO for standup of the collection system initiative. Kris will serve as a focal point of contact for the project oversight, assisting the CEO in developing an internal IT team for PFMLIA, and addressing general technical issues for the initiative. By way of background, Kris Floyd is a strategic digital, IT, and marketing executive leader with over 20 years leading large scale programs, applications, and digital tools within health care and health insurance businesses. Most recently, Kris has worked with Health Care Service Corporation (parent company of Blue Cross/Blue Shield of IL, MT, NM, OK, and TX) and Aetna.

QUESTION 12: In the RFP, one of the evaluation factors is Total Cost of Operations. Can you provide more insight about what the Authority meant by that?

ANSWER: The RFP describes the evaluation factors. Generally speaking, consideration of cost includes both the development costs and the anticipated costs to actually run the system.

QUESTION 13: Is the PFMLIA program going to be self-funded through the contributions?

ANSWER: Yes

QUESTION 14: Did the actuarial analysis include counts for total number of contributing employees needed to sustain the program?

ANSWER: No.

QUESTION 15: Does the Authority approve the voluntary plans? Is that approval process part of the scope of this process?

ANSWER: The Authority, in consultation with the Department of Insurance, is responsible for reviewing/approving employer's proposed voluntary plans. The scope of this project does not include the workflow for approval of the voluntary plans.

QUESTION 16: Are the deadlines listed in the RFP hard and fast?

ANSWER: Yes

QUESTION 17: Is there an expectation that the selected responder will work with specific subcontractors?

ANSWER: No

QUESTION 18: What are you, CEO Barton Reeves, most excited about regarding this program?

ANSWER: Throughout my career, what I have done is try to help people have better lives. I think it is important that everyone realize the importance of paid family leave and the virtual guarantee that at some point in time everyone will need it. We do not ever want to be in a place when people have to make decisions about their livelihood versus their health or their family. Paid family & medical leave helps resolve that dilemma, especially for people who are on the lower end of the salary scale.

QUESTION 19: Do you have any desired program outcomes beyond ensuring access to constituents?

ANSWER: Yes: reliable access to income for people who are facing significant life changes and a system that engenders confidence in the PFMLA system in general. Additionally, there will be literally hundreds of thousands of people who will be accessing this system with varying levels of ability, time, etc. If the system does not work for the small employer, it won't work for the large employer.

QUESTION 20: Can you share any good things about the MA model?

ANSWER: From what we have seen about the MA website, it is very user friendly – for employees and employers. MA seems to have anticipated many of the questions that employees and employers have and have developed answers for them.

QUESTION 21: Who will be holding the cash itself?

ANSWER: The State Treasurer will administer the trust.

QUESTION 22: Who will do the disbursements?

ANSWER: At this time, we anticipate that it will be the State Comptroller.

QUESTION 23: Will this platform handle not just the contributions but also making determinations as to the eligibility of the employers?

ANSWER: The statutes defines what employers are subject to this law, we do not anticipate that the platform will need to make determinations as to the eligibility of employers.

Part II: The next round of questions have been received during the solicitation process

QUESTION 1: We are interested in doing work on this product. Are you open to companies doing hourly work for the desired product? Hourly work means we would put together an estimate for the job and charge hourly. This allows for better flexibility in creating a product you want rather than being stuck with features a company will put in its initial bid. We have found this to create a better relationship between ourselves and the clients we work with. We would build the custom software, and it would become yours to have. Let me know if this is something you are open to.

ANSWER: The State is open to receiving responses on your solution. Please refer to section 5. "How We Will Choose" this RFP.

QUESTION 2: In the Standard Terms and Conditions attached to the RFP the document states, "The successful Proposer shall be bound by the terms and conditions of the form contract that is attached to the RFP, as it may be modified by agreement of the parties." We did not see a form contract attached to the RFP. Can you please provide this form contract?

ANSWER: The form contract will be given to the highest scoring proposer for review.

QUESTION 3: Given the duration of one-week time between the stated Q&A answers from the state and the proposal due date, is it possible to provide the form of contract prior referenced in the Standard Terms and Conditions to the Q&A answer date of March 16th? A one week period will not provide the requisite time for contract review.

ANSWER: The form contract will be given to the highest scoring proposer for review.

QUESTION 4: Does PFMLIA want the vendor to provide training to all end-users or to a select group of people who can become trainers to train the rest of the staff and future onboarding?

ANSWER: In your proposal, please assume that a “train the trainer” approach will be needed. We anticipate that our internal administrative team will need training and we will also need to plan for employer training.

QUESTION 5: On Form DAS-14 Statement of Qualifications, what is meant by annual contract value? Most contracts have different cost structures and costs for project implementation, operations and maintenance and may vary significantly year over year.

ANSWER: If you are referring to the reference section on Form DAS-14 please explain contract value if you are unable to record contract annual value.

QUESTION 6: Will the State of Connecticut be providing answers to the questions raised but not answered in the in-person meeting on 3/3?

ANSWER: Yes

QUESTION 7: What is the name of the Treasury Fund Management Application?

ANSWER: We expect to have additional information in early April regarding the platform.

QUESTION 8: Does the state of Connecticut have an enterprise cloud integration tool?

ANSWER: The strategic direction for the state of Connecticut is to use Mulesoft as its integration platform for APIs and integrations. This is a new capability that will be ready late 3Q 2020.

QUESTION 9: Is the solution a responsive web (3 viewports) and a native application? If so, native iOS and native Android?

ANSWER: For the employer contribution platform supporting PFMLIA, it is not a requirement to have a native mobile application. Responsive web is acceptable.

QUESTION 10: Please confirm an interface is needed for PFMLIA, employers, and employees.

ANSWER: We will need the ability for employers to submit data to the PFMLIA electronically. The data will represent contribution funds and demographics about the employees of the employers. The details of the solution for interfaces will be determined within the scope of the project.

QUESTION 11: How is the state of Connecticut planning on Validating Business Owner/Employers records?

ANSWER: We will work with the Department of Labor and the Department of Revenue services to confirm employer data/records.

QUESTION 12: What are the compliance triggers for non-compliant employers?

ANSWER: Our intention is to collect employer contributions quarterly. We will need the ability to identify/flag/report employers that have not submitted a quarterly submission or have underreported a quarterly submission.

QUESTION 13: What would be the frequency for the Funds to be transferred to Treasury?

ANSWER: At this time, our plan is to process quarterly transfers with the ability to change the frequency as needed (potentially bi-monthly).

QUESTION 14: Can you provide the criteria for Employer exemptions? Is there an affidavit form established for this process?

ANSWER: Employers that are exempt are identified in the CT statute. The PFMLIA and the Department of Insurance will review and approve the employers that request exemption from the Authority trust fund. No affidavit is required.

QUESTION 15: Is the PFMLIA planning to self-administer the plan? Or would the management of the program be outsourced out to a BPO or TPA?

ANSWER: The goal is to self-administer the plan.

QUESTION 16: How many internal PFMLIA will need access to the system?

ANSWER: For this initial startup, we are planning for 10-15 administrative staff to access the system. We will continue to learn more as we talk to additional states that have implemented similar solutions.

QUESTION 17: What are the anticipated roles within the PFMLIA?

ANSWER: The preliminary structure of the PFMLIA will include staffed leads for the following functions: 1) Finance, 2) IT, 3) Benefits/Claims (including Claims Administration), 4) Marketing & Communications, 5) Legal and Legislative Affairs (including Audit, QA, Fraud, private plan review, compliance, appeals, and legislative affairs). There will also be a chief operating officer lead and an administrative lead. All of these roles will report into the CEO of the Authority.

QUESTION 18: What are the shared and nuanced responsibilities?

ANSWER: Please see Question 17.

QUESTION 19: Will this application be stand-alone or will it be accessed via a broader system?

ANSWER: The platform is intended to be standalone but with integration to required platforms (Treasury, Department of Labor, etc as required). We expect also to build a connection/link with Business One Stop as their platform gets developed over time.

QUESTION 20: Will the users need to navigate across different applications to complete a task?

ANSWER: Our expectation is that a user (administrators or employers) should not have to navigate across multiple platforms to do the work of PFMLIA.

QUESTION 21: What other tools do the users routinely use on a daily basis?

ANSWER: Business partners regularly use Department of Revenue Service, Department of Labor, and the BizNet websites on an as need basis.

QUESTION 22: Who are the recipients of the report?

ANSWER: The Authority would be the recipient of all reporting. Multiple reporting needs will be required: by contribution, by employer, by employee. We will need ability to generate reports to provide to employers at their request.

QUESTION 23: Are the reports produced on a routine schedule?

ANSWER: For the authority, we will need the ability to have weekly, biweekly, and monthly reporting.

QUESTION 24: How/When are reports disseminated?

ANSWER: This is a new effort. The process to distribute reports will be developed.

QUESTION 25: Can you provide a list of reports?

ANSWER: This is a new effort. No reporting exists and will need to be developed as part of this initiative.

QUESTION 26: Has the Board of Directors been identified and if so, how much access to and engagement with the Board will vendors have?

ANSWER: The PFMLIA has a defined Board of Directors. A sub-committee of the Board will participate in the vendor evaluation and the PMFLIA CEO and the committee will make final recommendations to the Board. It is not expected that the vendors will meet individually with the Board. The PFMLIA will identify project and implementation resources for this project as needed.

QUESTION 27: Have employers in the state been made aware of the existence of the PFMLIA? If so, what method of communication was used?

ANSWER: There is limited awareness about the PFMLIA program at this time. Our plan includes developing and launching a marketing and communication plan in 2020.

QUESTION 28: Is there an estimated number of employees needed to effectively operate the PFMLIA at Day 1? At Day 90? At 1 year?

ANSWER: At this time, we plan to build an operational team of approximately 30 resources.

QUESTION 29: What personnel does PFMLIA anticipate making available to support this initiative?

ANSWER: We expect to have 2 focal resources available to support this effort in addition to the CEO.

QUESTION 30: Will PFMLIA use any other state agencies or quasi government agencies for any of its services (e.g. Finance, HR, IT)?

ANSWER: We expect to build out our own support services for PFMLIA. To begin the project, we will leverage support from the Department of Administrative Services until our organization can become self-sustaining. Where appropriate, we will continue support with/from other state agencies.

QUESTION 31: Does the PFMLIA or its CEO have the authority to mandate electronic payments for the collection system?

ANSWER: Our operational principle for PFMLIA is a digital / electronic first mindset for all processes. Electronic collections, payments, and reconciliation processes are expected for the design of the system.

QUESTION 32: Does PMFLIA fall under any existing purchase / license agreements with the State of CT (e.g. NASPO)?

ANSWER: No; however, we can use existing purchase/license agreements already defined with the State of CT as needed.

QUESTION 33: Does the PMFLIA have data sharing agreements with any state agencies or quasi government agencies? Will it? If so, which ones, and by when?

ANSWER: Not at this time; however, these will be developed through the launch of this program. These agreements are not a prerequisite to the development of the PFMLIA platform.

QUESTION 34: Does PFMLIA anticipate utilizing Business One Stop for this initiative? If so, what is the current timeline for Business One Stop being ready to integrate with other state agencies?

ANSWER: We anticipate the likelihood of integration with Business One Stop in the future. The Business One Stop is a separate project and its deadlines do not alter the timeframes established by the Authority for this project.

QUESTION 35: Does PFMLIA anticipate using any existing government portals? If so, which ones (e.g. similar to the State of Massachusetts).

ANSWER: We anticipate having reciprocal links from the PFMLIA platform to the Department of Revenue and Department of Labor websites. Additional connections to other government portals are not assumed at this time.

QUESTION 36: To what existing platforms currently used by the State of CT will the PFMLIA have access (e.g. identity management, email, general ledger, payment processor, etc.)?

ANSWER: The PFMLIA will work with the Department of Administrative Services Architecture team to use standard/enterprise services and platforms that are available to agencies. We anticipate using the strategic platforms supporting identity management and email. For financial processes, we will be partnering with the Officer of the Treasurer and the Office of the Controller to implement the applicable processes.

QUESTION 37: Should the collection system be responsible for tracking businesses who elect to self-insure?

ANSWER: Yes, it would be ideal to have this capability for tracking all employers (contributing and self-insured).

QUESTION 38: Should the collection system be responsible for anything compliance or insurance regulation related?

ANSWER: The collection system should be able to track any compliance related data for the employers. Tracking insurance regulation is not required.

QUESTION 39: Is PFMLIA planning to keep the Payment Processing and Financial Accounting functions in-house, or planning to use another CT agency for these functions? If not in-house, which agency(ies) would be used?

ANSWER: We expect to partner with the State Comptroller, the State Treasurer, and the Department of Revenue Services to implement all financial functions. However, the Authority will need to lead the effort to define those processes.

QUESTION 40: Is PFMLIA planning to keep the Field Audit and Appeals functions in-house, or planning to use another CT agency for these functions? If not in-house, which agency(ies) would be used?

ANSWER: Under the Legal and Legislative Affairs function within PFMLIA, we will develop the audit and appeals function. It will not be conducted by other agencies.

QUESTION 41: Can the State clarify the training/change management requirements for PFMLIA internal business and technology staff? Including,

- a. Will the State be responsible for user training and change management?
- b. Is the State interested in a train-the-trainer option or vendor provided classroom training?
- c. What methods of training does the State require, such as videos, onsite classroom, computer aided, recording customized, marketing part of change management?

ANSWER: The PFMLIA will be responsible for user training and change management for its internal team. However, we ask that your proposal assume a “train the trainer” approach. The Authority will then work to lead training for the applicable audiences. With respect to the method of training delivery, we are open to creative and economical training methods that will allow us to reach applicable audiences (PFMLIA administrative staff, employers etc). Video and recorded options should be part of a solution too.

QUESTION 42:

Can the State provide details on the PFMLIA team expected to be available and support this effort, including their percent of dedication to the project?

- a. Will a full-time PM be assigned?
- b. What business staff have been identified to support the business process and solution design and testing?
- c. What Technology resources have been identified to support the implementation?
- d. What is the expected time commitment for each resource?

ANSWER: Initially, we expect to have 2 focal resources available to support this effort in addition to the CEO. The 2 resources will be dedicated for the effort. There will be a need for business process definition, solution design, and overall testing. In your proposal, feel free to propose options to support this need.

QUESTION 43:

What are the State’s requirements for training and change management for the employers?

- a. Will training be required for employers in the State?

b. Will the State be responsible for the employer training? If the vendor is responsible, what methods of training and documentation does the State require, such as videos, computer aided, recording customized, training guide, user guide?

c. What change management campaign, methods, and communications does the State require for the employers by the vendor?

ANSWER: We do expect that there will be employer training on how to engage with the PFMLIA and our administrative platform. The PFMLIA will be responsible for user training and change management for employers. However, we ask that your proposal assume a “train the trainer” approach. The Authority will then work to lead training for the applicable audiences. With respect to the method of training delivery, we are open to creative and economical training methods that will allow us to reach applicable audiences (PFMLIA administrative staff, employers, etc). Video and recorded options should be part of a solution too.