

# eProcurement Solutions Request for Information RFI-TS-00004-10

## Modification #2

### Summary

The State of Colorado and the WSCA member States have made our best effort to answer the questions as posed by the vendor community. After reviewing the questions, we feel it is important to remind respondents that this is a request for information and so responses will not be evaluated or ranked. This is your opportunity to help educate us as we prepare to move forward with a request for proposal.

We are very interested in any information/recommendations on business change you may be able to provide in order to gain efficiencies based on what is available in the marketplace. It is also important to reiterate that any solution may be used by state agencies, institutions of higher education, political subdivisions or, in Colorado, certified non-profits. We hope that respondents can address the requirement that the solution be available to all procuring entities authorized to utilize both the WSCA and State specific agreements.

Lastly, let me thank all of you for your interest in assisting the State of Colorado and the WSCA member States as we move towards an eProcurement Solution.

### Questions/Answers:

#### Vendor 1

1. On Attachment C, Ref# 4.4 - 4.11 asks for information regarding our specific product, services, and company. Since the RFI states that it is not a solicitation for products and services and will not result in an award or contract, it seems contradictory to request this information. Could you clarify how this information will be used in the RFI process so that we can best provide you with the data you need?

**The questions in reference numbers 4.4 – 4.11 of Attachment C are an attempt to obtain responses on why a particular vendor believes their solution would appeal to specific stakeholders and those who would be utilizing the system. It is also intended to give those unfamiliar with State government a broader picture of those involved/affected by any resulting decision.**

#### Vendor 2

2. Is the State of Colorado looking for vendors to procure software and hardware?

**Per the RFI, the CSPO is soliciting information from commercial vendors, application service providers, associated integration service providers, and other interested parties capable of assisting the State of Colorado and WSCA in meeting its objectives for a more efficient delivery of state procurement services.**

3. Is the State looking for Software Programmers/Developers?

**No. We are looking to acquire information regarding available eProcurement Solutions and understand that there may be various vertical markets.**

#### **Vendor 3**

4. Are reverse auctions are part of what you are looking for, or is it a completely separate issue?

**Yes, we are interested in discovering information about the reverse auction capabilities of eProcurement solution providers, including those that may only provide reverse auction functionality.**

#### **Vendor 4**

5. Section 2.1: Is your solution supported through an ASP (Application Service Provider) hosted model? I want to be sure I fully understand what you are asking here. Can you define what you mean by ASP versus a Software as a Service (SaaS) provider or are you using those terms interchangeably?

**By ASP we are asking if you host the eProcurement system on your secure servers and that the only requirement for government users is to login to access the system. No software or data is stored on the government entity servers, except whatever data is transmitted through any possible integration that might occur between the eProcurement system and the government entity's financial system.**

6. Section 2.10: Does your solution provide for the submission of informal, unsealed electronic quotes from vendors across the internet? Can you briefly describe or provide an example of what you mean by an "informal, unsealed electronic quote"?

**An "informal" or "unsealed" electronic quote is one that allows the requesting agency to view the response at any time while still allowing other quotes to be submitted. The agency can decide to stop accepting quotes and make an award whenever they wish, and any deadline for submission of quotes is an informal deadline that can be extended, even after it has passed. The informal quote does not have the limitations that a sealed electronic bid or proposal would have.**

7. Section 2.28: Does your solution provide for an ADA compliant environment where qualified individuals with disabilities are provided equal access to programs, services, or activities and communications are effectively provided to persons with disabilities? As a SaaS provider we support the features that are built into operating systems to support the disabled. Is this what this question is asking or are there additional requirements we need to be aware of?

**Yes. The solution must be ADA compliant and include features that are built into the operating system to support the disabled. There are federal requirements for ADA compliance. One example would be if you could imagine a visually impaired worker who has to magnify the screen 200% to use it. A solution with the working elements clustered close together on the screen would reduce this person's need to be scrolling back and forth across the screen to gain information, input information, or accomplish functions on that screen.**

#### **Vendor 5**

8. Can you provide more details on what these requirements are trying to accomplish?
  - a. 2.27 - Is your solution capable of offering catalog enablement to a master contract with a manufacturer/supplier that offers its products/services through a network of resellers and distributors? Examples are the WSCA Computer and Tire contracts.

**In some instances, the WSCA cooperative establishes master price agreements with manufacturers that use dealers/distributors throughout the western region and the nation. The question is intended to find out if a master catalog can be**

established with the manufacturer allowing options for orders to be placed directly with the manufacturer or with an identified reseller in a specific state. Since there could be multiple states using a catalog, each state could have a different dealer/distributor that they work with.

- b. 2.31 - Does your solution offer aggregation tools for multiple entities to combine like requirements for solicitation?

This question is asking about the capabilities of your system to gather information from multiple government purchasing agencies relating to their requirements for specific purchases for the purpose of soliciting bids. If a solicitation is being prepared for widgets, the procurement office will want to distribute a request for other agencies to identify how many of the widgets they will need, to aggregate all requirements into one bidding opportunity and provide more value. We would expect this data to identify how many widgets would be required by each agency with ship to locations identified.

#### Vendor 6

9. **Reference:** Attachment C, Clause 2.28, Page No. 17

*“Does your solution provide for an ADA compliant environment where qualified individuals with disabilities are provided equal access to programs, services, or activities and communications are effectively provided to persons with disabilities?”*

**Clarification:** Please clarify the requirements expected to ensure compliance against ADA Environment.

**Refer to the response provided for question #7 above.**

10. **Reference:** Attachment C, Clause Reference 2.29, Page No. 17

*“Does your solution allow for both the punch-out and punch-in of data from vendor hosted sites?”*

**Clarification:** Please clarify the requirements expected against this requirement.

**It is our understanding that for certain enabled catalogs, end-users would be accessing the eProcurement Solution which would then “punch-out” or direct them to the awarded contract vendor site. When placing or building orders, we would like to know if end-users could then “punch-in” or bring that information back into the eProcurement Solution once the goods or services they would like to purchase have been identified. This would allow end-users to build requisitions, purchase orders etc. and also allow for extended reporting information to be captured by the eProcurement Solution.**

11. **Reference:** Attachment C, Clause Reference 2.19, Page No. 17

*“Does your solution allow for the use of a state purchasing card for the purchase of items on the electronic contract catalogs created through the solution?”*

**Clarification:** We are not familiar with concept of Procurement Card. We understand it is actively used by Vendors to the State Governments for low value transactions for better manageability. We request you to kindly provide us necessary information / documentation on Procurement Card for our understanding.

**Basically, does your solution allow for direct purchases from your electronic catalogs with payment by use of a state issued credit card (i.e Visa, Mastercard), as opposed to issuing a purchase order? Are there any limitations to the use of credit cards to make payment for purchases through your solution?**

12. **Reference:** Identified Challenges, Clause Reference 6, Page No. 4

*“States require a solution that can be made compatible with and able to readily interface or integrate with other information and networking systems including the leading ERP systems and legacy eProcurement and financial systems.”*

**Clarification:** Are the above mentioned networking systems including the ERP systems and legacy eProcurement and financial systems that need to be interfaced with the proposed eProcurement Solution common to all the Member States of WSCA or disparate?

**While there may be some common systems in place, the reality is that most of the systems are disparate with characteristics that are unique to the individual states.**

13. **Reference:** Identified Challenges, Clause Reference 20, Page No. 5

*“States need access to tools that meet their state’s data security standards for Encryption and login identifications and passwords.”*

How will Bid Security Criterion be evaluated, or when operational, monitored? If this aspect of security is overlooked without proper evaluation, then 'back doors' or Super User passwords can be used to access Bid Data submitted by Vendors before the due date and time. Furthermore, it is a known fact that the biggest challenge in tendering is collusion of Officers from the Buying Agency with selected Vendors. Therefore, 4-eye principle does not really work in government tendering for this reason. It is suggested that the security requirements for bid submission be set forth in the Tender from an anti-collusion point of view within a logical and legal framework. The benchmark to be considered by CSPO should be that there should be no human dependency (including the System Administrator of the Servers on which the eProcurement Solution has been hosted during instances of data backup and restoration process – his regular function as even mere viewing of the data is a fundamental compromise of the privacy) with respect to security of bids, thus eliminating collusion as a security risk.

**The criteria for the evaluation of the bidding security has not been established at this point as this is only a request for information. Please provide any additional information you feel is applicable or that we should consider in our RFP.**

14. We also have further points on which will need information to be able to suggest the best pricing options for consideration by CSPO as under. This information is required for the State of Colorado as well as the other Member States of WSCA.

- a. How many Requirements and Solicitations (Tender) are processed annually by all Departments and Agencies of the State of Colorado? Please provide the information classified into major value slabs.

**In Fiscal Year 2009, the State of Colorado issued 2,688 awards on it’s bidding system totaling over \$273 million. Statistical information for the State of Colorado can be found at the following link:**

<http://www.gssa.state.co.us/PStats>

**Bid posting statistics under WEBS Statistics for the state of Washington. can be found at the following link:**

<http://www.ga.wa.gov/Purchase/procurementreform.htm>

- b. What is the average number of Bids received per Solicitation (Tender)?

**Unknown.**

- c. How many Vendors are currently registered on the existing Portal on which the Solicitations are published?

**Approximately 9200 Colorado BIDS vendors.**

- d. How many Purchase Orders / Work Orders are released annually?

**22,000 Purchase Order were issued by the executive agencies of the State of Colorado. This does not include PO's issued by the Institution of Higher Education or political subdivisions which account for a majority of PO's issued.**

15. Will the Solution be mandated to be used by all Departments and Agencies of the State of Colorado? If yes, will it be a single go – live for all Departments and Agencies of the State of Colorado or a phased implementation? What will be the time line of phased implementation?

**The solution is anticipated to be mandated for delegated agencies of the state government with non-delegated agencies and institutions participating. We do not plan to have a single go-live date, a phase implementation is expected. At this time we do not have a time line in place except we would like to begin implementation in late fourth quarter 2010.**

16. Will the Solution be mandated to be used by all Departments and Agencies of the Member States of WSCA? If yes, what will be the implementation plan?

**No, the solution will be optional for WSCA member states.**

17. Is the eProcurement Solution mandated to be used for execution of all Requisitions / Solicitations or is limited to certain types?

**For Colorado, solicitations for all State Agencies and Institutions of Higher Education will be executed through the solution. It is anticipated that only delegated state agencies will be using the requisition solution for purchase requests that require the attention of the purchasing agents.**

#### **Vendor 7**

##### **Assumption:**

It appears that the subject RFI could be broken down into 3 major categories:

- BIDS Management (All processing prior to and including award of a contract)
- Contract Management (Management of awarded contracts )
- E-Procurement Process ( Electronic purchasing capability from awarded contracts with full functionality through and including audit capability prior to paying the vendor invoices and integration with any of the State's financial systems)

18. Assuming the above is an accurate; can you rank the three categories in terms of importance or priority?

**Number one priority is E-Procurement process, including catalog enablement, followed by Sourcing (BIDS management) and then Contract Management. All of the States may have capacities in one or more of these functions but are looking for a more integrated solution.**

19. What is the order of the implementation schedule by module envisioned by State? Modules being e-procurement, contract management, bids management.

**Refer to the response provided for question #18 above.**

20. Would the State consider utilizing the existing BIDS Management solution if it were coupled with a robust and secure Contracts Management & E-Procurement Process to reduce the costs of implementation; accelerate implementation; and begin maximizing savings almost immediately?

**The State of Colorado is willing to consider this option.**

21. In order to provide guidance to the State for Budgetary purposes for both the Contracts Management and E-Procurement Process:

- a. Is WSCA going to manage the 138 awarded contracts and then give participating States like Colorado access to those contracts?

**We are interested in software that offers flexibility in the administrative controls as each State may have unique variables to consider in the management of awarded contracts.**

- b. Of the 138 awarded contracts, how many would have to be included in Phase I of the implementation for the State of CO. only?

**This is unknown at this time however we would be open to any recommendations.**

- c. How many CSPO agreements are there in addition to 138 WSCA agreements? How many vendors support those CSPO agreements?

**The State of Colorado agreements can be found at the following link:**

<http://www.gssa.state.co.us/SPAgree>

- d. Do you envision have multiple vendors in the same category with the same products?
- e. How many entities within the State would require access and approximately how many users would that be?
- f. Of the \$ 6+ Billion in awarded annual spend, how much can be attributed to the State of CO.? Is it the 40% or, approximately \$ 2.4 Billion, mentioned in the RFI document?
- g. If so, does the State envision all that spend immediately being processed by the E-Procurement Process or will there be a phased in approach?
- h. Will the State guarantee a minimum amount of spend that will go through the new E-Procurement Process? If so, how much?
- i. Of the multi-Billion in non-awarded spend, how much can be attributed to the State of Co.?
- j. Does the State want to phase that in immediately also or defer it?

**Much of the information required to respond to letters d- j above is unknown at this time however we would be open to any recommendations on our approach and what information the vendor community may require in a request for proposal.**

22. Does the State ever envision making it mandatory for all approved vendors to provide electronic catalogs either in a hosted or punch-out format? Is there a preference using hosted or punch-out environment by suppliers? If so, when? How many is capable of doing it today?

**We are looking for any suggestion you may have related to the question above.**

23. What is the State's timeframe/expectation for implementation once the RFP has been approved?

**We hope to have the RFP released in July 2010 with an award by September and Implementation beginning late fourth quarter 2010.**

24. Assuming a successful implementation, what might be the timing for other WSCA States to participate?

**The timing for other WSCA states to participate would depend on the status of existing contracts for similar systems.**

25. When do you estimate that you will want a demonstration of possible software solutions?

**This is unknown at this time. The State reserves the right to contact vendors responding to this RFI to request demonstrations.**

26. Can you provide more detail on what social networking tools you would want to confirm transactions through?

**Considering today's communicative environment, we are simply looking for suggestions the vendor community may have when considering various communications through the procurement process.**

27. Could you give us a general idea of data security standards you would require for encryption and login identifications and passwords?

**An example would be the Washington State Security Policies and Standards. These policies and standards can be accessed using the following link:**

**<http://isb.wa.gov/policies/default.aspx>**

#### **Vendor 8**

28. What fees are currently charged to buyers and vendors by the State of Colorado, WSCA and other WSCA members? What are the fee structures, how much do they generate annually, and are there laws or rules governing their use?

**The State of Colorado currently charges an annual fee of \$40 for vendor registration. There are no charges applicable to those procuring entities authorized to utilize the State Price Agreements.**

29. Does the State of Colorado / WSCA currently require all contract vendors to submit periodic sales by entity reports electronically to provide visibility to actual state and local entities' spend on awarded contracts?

**Yes.**

30. Can you provide a breakdown of the annual \$6B spend by state and commodity/service?

**This information would be included in a resulting request for proposal.**

31. How many vendors are currently registered?

**For Colorado, there are approximately 9,200 vendors registered to be eligible to respond to solicitations.**

32. Is the vendor registration effort a re-registration effort or does the State of Colorado envision any conversion of existing vendor data?

**The State of Colorado prefers some conversion of existing vendor data.**

33. Will all States/Agencies have access to manage WSCA contracts or will this fall under a single contract management office with administrative rights to a contract system?

**We are interested in software that offers flexibility in the administrative controls as each State may have unique variables to consider in the management of awarded contracts. We are looking for you to provide recommendations based on industry experience.**

34. What is the maximum number of vendors on an awarded WSCA contract? Colorado Contract?

**There is no maximum.**

35. What is the maximum number of vendors in a 6-digit commodity code grouping?

**The State of Colorado is currently using the 5-digit NIGP code. There is no maximum.**

36. Is spend tracked via the same contract number across all the involved States? (ie – Microsoft 123456 for CO, AZ, etc)

**Overall spend is tracked via the master price agreement number for WSCA Agreements.**

37. Do current vendor contracts (both Colorado and WSCA contracts in general) have a provision where contract terms can be updated during the contract period? Or can terms only be updated after the initial agreement expires?

**As with any agreement, terms may be updated or amended under mutual agreement.**

38. Do all records, including transactional data, need to be stored 10 years?

**Records management requirements vary from state to state.**

39. Will specific States need access to other States' data (Purchase Orders, Invoices, etc)?

**This is a possibility. We are interested in software that offers flexibility in the administrative controls.**

40. Are there any commodity or services envisioned as being exempt from being procured in the system? (e.g., types of services that would not be procured via this procurement system and done "outside" this system)

**Every state likely has commodities that are not subject to procurement requirements and could be purchased outside of the system. Each state's requirements would be different regarding use of the system to make "exempt" purchases.**

41. Although there are no requirements for those utilizing WSCA contracts to utilize an eProcurement solution, will the State of Colorado have any requirements for usage?

**Colorado anticipates that delegated agencies will be required to access the eProcurement solution in order to place orders from the Colorado/WSCA contracts**

#### **Vendor 9**

42. The RFI contains the following statement: "The states are also very interested in tools that can be used to leverage the data from the purchasing activity into procurement planning actions that are more responsive to the product and service demands and the commodity and service conditions of the market." Please provide a brief real-life scenario that illustrates the above statement.

**If there was a contract dashboard where purchasers could see the purchasing activity occurring near live within a quarter, purchasers could plan acquisition schedules to help increase period volumes to qualify for bigger discounts or to take advantage of bundled delivery for orders heading in the same geographic direction.**

43. The quality and depth of a technical integration between an eProcurement solution and a financial management system will typically have a major impact on the success and satisfaction of a large scale implementation. Can details or expectations about the desired technical integration be made available?

**Typically order activity and payment activity are decoupled without data standards for information that could be used to link information from these activities. A solution provider with data standards and disciplines and technology to bridge this gap efficiently and effectively would be of interest.**

44. Can you provide a brief overview as to how cooperative purchasing activities are currently coordinated within the WSCA, given the wide range of procurement systems in use by the participating members?

**Individual States identify through spend analysis when there is a significant amount of spend in their state for a particular commodity or service. The WSCA organization would then be approached and such a requirement is vetted to determine if it is a potential candidate for a cooperative procurement. Please refer to the “WSCA Decision Tree – Definitions and Overview” for more information.**

#### **Vendor 10**

45. Are you expecting narrative answers to be confined to the space provided in the RFI document table, or may we take as much space as deemed necessary to adequately answer the questions?

**We encourage vendors to use as much space as they feel is necessary to provide an adequate response.**

#### **Vendor 11**

46. Will this eProcurement system be utilized by all states in the WSCA?

**While it is possible that all WSCA states could utilize the system, it is not likely.**

47. Is it expected that Colorado will be the first state to implement a solution as “lead state”?

**Yes, however, the WSCA group could implement early on as well.**

48. Can you provide information on current financial systems in place the eProcurement solution would need to integrate with?

**Refer to the response provided for question #12 above.**

**Example: South Dakota’s financial system is an Infor E: Series MARS/G (formerly GEAC) financial system.**