



Request for Proposal (RFP)

For a

**Hosted Pension and Loans Administration Solution (COTS or SaaS)**

**Puerto Rico Government Employees and Judiciary Retirement  
Systems Administration**

Mailing Address:

P.O. Box 42003

San Juan, PR 00940-2203

Physical Address:

437 Avenida Ponce de Leon

Pda. 32 ½ in Hato Rey, PR 00917-3711

Release Date: January 31, 2012

Deadline for Receipt of Proposals: March 16, 2012 @ 4:00 P.M. (Atlantic  
Standard Time)

For additional information please contact:

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787-772-7618

## TABLE OF CONTENTS

<b>PART A</b>	<b>PROCUREMENT INFORMATION .....</b>	<b>6</b>
<b>A.1</b>	<b>GENERAL INFORMATION .....</b>	<b>7</b>
A.1.1	Introduction .....	7
A.1.2	Purpose of this Procurement.....	7
A.1.3	Procurement Schedule and Milestones .....	8
A.1.4	RFP Organization .....	9
A.1.5	Procurement Point of Contact .....	10
A.1.6	Single Source of Support .....	11
A.1.7	Offeror Questions about RFP and Procurement.....	11
A.1.8	Presentations and Product Demonstrations.....	12
A.1.9	Requests for Clarification.....	12
A.1.10	Best and Final Offers.....	12
A.1.11	Clarification of Terminology .....	13
A.1.12	Performance Bond .....	13
<b>A.2</b>	<b>PROJECT SCOPE AND BACKGROUND .....</b>	<b>14</b>
A.2.1	Project Objectives and Scope .....	14
A.2.2	Facilities to be Provided by PRRS.....	16
<b>A.3</b>	<b>PROJECT TIMETABLE – MAJOR DELIVERABLES .....</b>	<b>17</b>
<b>A.4</b>	<b>CURRENT PRRS ENVIRONMENT .....</b>	<b>23</b>
A.4.1	Overview of Organization and Functions .....	23
A.4.2	Vision .....	25
A.4.3	Organization and Staff.....	25
A.4.4	Technical Environment .....	26
A.4.4.1	Network Infrastructure .....	26
A.4.4.2	Server Hardware .....	27
A.4.4.3	Standard Desktop Hardware and Software .....	28
A.4.5	Current Business Systems and Applications .....	28
A.4.5.1	General Pension Administration (SABI and SIP) .....	29
A.4.5.2	Employer Reporting Sub-System (ERS).....	30
A.4.5.3	Loans Administration Sub-System (AIP) .....	30
A.4.5.4	Financial Management Sub-System .....	30
A.4.5.5	Enterprise Content Management (ECM) Sub-System.....	30
A.4.5.6	Telephony Sub-System.....	31
<b>PART B</b>	<b>PROJECT SCOPE .....</b>	<b>32</b>
<b>B.1</b>	<b>FUNCTIONAL REQUIREMENTS – INTRODUCTION .....</b>	<b>33</b>
B.1.1	Specific information about this portion of the RFP.....	33
B.1.2	Desired “To Be” Major Business Functionality .....	34
B.1.2.1	Accounting .....	35
B.1.2.2	Activity Tracking / Call Center .....	35
B.1.2.3	Annual Statement.....	36
B.1.2.4	Beneficiary Maintenance / Power of Attorney .....	37
B.1.2.5	Benefit Estimates.....	38
B.1.2.6	Benefit Processing and Calculations.....	39
B.1.2.7	Deceased Processing.....	40
B.1.2.8	Defined Contribution System (System 2000) .....	40
B.1.2.9	Disability.....	41
B.1.2.10	Employer Reporting .....	42
B.1.2.11	Enrollment (and Re-Enrollment and Return to Work).....	43
B.1.2.12	Loans .....	44
B.1.2.13	Participant / Pensioner / Maintenance.....	45
B.1.2.14	Payroll and Other Payments (including transmission to Hacienda) .....	46



B.1.2.15	Purchase of Service .....	46
B.1.2.16	Domestic Relations Orders (DRO) and Court Orders .....	47
B.1.2.17	Refunds.....	48
B.1.2.18	Tax Reporting .....	48
B.1.3	<i>Desired “To Be” Supporting Functionality and Technology</i> .....	48
B.1.3.1	General .....	49
B.1.3.2	Business Process Management (BPM).....	50
B.1.3.3	Content Management (integration with document images and output).....	51
B.1.3.4	Audit and Security.....	51
B.1.3.5	Reporting .....	52
<b>B.2</b>	<b>TECHNICAL REQUIREMENTS .....</b>	<b>54</b>
B.2.1	<i>Multiple Application and Database Environments</i> .....	54
B.2.2	<i>Browser-Based Solution</i> .....	54
B.2.2.1	User Interface Standards.....	54
B.2.2.2	Workflow Sub-System .....	55
B.2.3	<i>Hosting the Solution</i> .....	55
B.2.3.1	Hardware.....	57
B.2.3.2	Software.....	57
B.2.4	<i>Relational Database Management Software (RDBMS)</i> .....	57
B.2.5	<i>Security and Controls</i> .....	58
B.2.6	<i>Operational Requirements</i> .....	59
B.2.6.1	System Sizing.....	60
B.2.6.2	Performance Requirements .....	60
B.2.6.3	Scalability Requirements .....	60
B.2.6.4	Disaster Recovery Planning.....	60
B.2.6.5	Recoverability Requirements .....	62
B.2.6.6	Network Vulnerability Assessment .....	62
B.2.6.7	Integration with Other Internal Applications.....	62
B.2.6.8	Integration with External Entities .....	63
<b>B.3</b>	<b>PROJECT MANAGEMENT-RELATED REQUIRED SERVICES AND DELIVERABLES (INTRO).....</b>	<b>64</b>
B.3.1	<i>Project Management</i> .....	64
B.3.1.1	Relationship.....	64
B.3.1.2	Project Oversight.....	65
B.3.1.3	Three Party Relationship .....	65
B.3.1.4	Offeror Responsibility for Detailed Requirements Definition .....	66
B.3.1.5	Project Management and Control Methodology .....	66
B.3.1.6	System Development Life Cycle (SDLC) .....	67
B.3.1.7	Phasing the Project.....	68
B.3.2	<i>Project Staffing</i> .....	69
B.3.3	<i>Assisting PRRS Staff and Users</i> .....	70
B.3.4	<i>Standard Project Management Deliverables (Intro)</i> .....	71
B.3.4.1	Requirements Traceability Matrix.....	71
B.3.4.2	Statements of Work .....	76
B.3.4.3	Weekly Status Reports and Project Status Meetings.....	76
B.3.4.4	Executive Level Reporting .....	77
B.3.4.5	Monthly Steering Committee Meeting.....	77
B.3.4.6	Requirements Analysis.....	77
B.3.4.7	Change Orders, Change Control, and Reporting.....	78
B.3.4.8	Problem Incident Reports.....	79
B.3.4.9	Risk Management .....	81
B.3.4.10	Deliverable Repository .....	82
B.3.5	<i>Data</i> .....	82
B.3.6	<i>Documentation</i> .....	84
B.3.7	<i>User Training</i> .....	84
B.3.8	<i>Testing</i> .....	86
B.3.9	<i>Criteria for Final Cutover</i> .....	87
B.3.10	<i>Offeror Transition Support During Cutover</i> .....	88

<b>B.4</b>	<b>OTHER REQUIRED SERVICES AND DELIVERABLES (INTRO)</b> .....	<b>89</b>
B.4.1	Warranty and Support.....	89
B.4.1.1	LOB Application Warranty.....	89
B.4.1.2	Hardware / Software Support.....	89
B.4.1.3	Post Implementation Support / Subscription Services / Licensing .....	90
B.4.2	Spanish Language Requirements - Forms and External Web Portals.....	92
<b>B.5</b>	<b>OPTIONS - MANDATORY BID REQUIRED</b> .....	<b>93</b>
B.5.1	Option 1 Data Cleansing.....	93
B.5.2	Option 2 - Adding the Puerto Rico Teachers Retirement System to the Solution and Database .....	95
<b>B.6</b>	<b>OPTIONS – BID OPTIONAL</b> .....	<b>97</b>
B.6.1	Option 3 - Offsite Business Continuity Program (hoteling).....	97
B.6.2	Option 4 - Co-Sourcing Business Staff.....	97
<b>PART C</b>	<b>OFFERORS PROPOSALS</b> .....	<b>98</b>
<b>C.1</b>	<b>FORMAT OF OFFEROR PROPOSALS</b> .....	<b>99</b>
C.1.1	Technical Proposal Format.....	100
C.1.2	Cost Proposal Format.....	113
<b>C.2</b>	<b>PROPOSAL EVALUATION</b> .....	<b>132</b>
C.2.1	Evaluation Criteria .....	132
C.2.2	Evaluation Methodology Summary.....	132
C.2.2.1	Evaluation Committee .....	133
C.2.2.2	Initial Activities.....	133
C.2.2.3	Presentations and Product Demonstrations.....	133
C.2.2.4	Best and Final Offers.....	133
C.2.2.5	Negotiations.....	133
<b>PART D</b>	<b>GENERAL TERMS AND CONDITIONS</b> .....	<b>134</b>
<b>D.1</b>	<b>GENERAL TERMS AND CONDITIONS</b> .....	<b>135</b>
D.1.1	RFP Amendments.....	135
D.1.2	Proposal Modification or Withdrawal .....	135
D.1.3	Cost for Preparing Proposals.....	135
D.1.4	Contract.....	135
D.1.5	Order of Precedence .....	136
D.1.6	Payment Schedule and payments.....	136
D.1.7	Conflict of Interest .....	137
D.1.8	Governing Law.....	137
D.1.9	Confidentiality Requirements .....	138
D.1.10	Insurance .....	139
D.1.11	Adherence to PRRS Workplace Policies .....	140
D.1.12	Indemnification and Liability Restrictions .....	140
D.1.13	Negotiations with Subcontractor .....	140
D.1.14	Project Termination.....	140
D.1.15	Legal Basis.....	141
D.1.16	Notices.....	141
D.1.17	Amendments in Writing .....	141

## Table of Figures

Figure 1 PRRS Organizational Chart.....	26
Figure 2 WAN Diagram .....	27



## Table of Tables

Table 1 Project Schedule .....	8
Table 2 Format for Submission of Offeror Questions.....	11
Table 3 Delivery Due Dates for Major Deliverables .....	17
Table 4 Membership Statistics.....	23
Table 5 Standard Desktop Software .....	28
Table 6 Current Folder-Level Member Record Index Structure .....	31
Table 7 Proposal Evaluation Criteria .....	132



## **PART A PROCUREMENT INFORMATION**

## **A.1 GENERAL INFORMATION**

This section includes general information about the Puerto Rico Government Employees and Judiciary Retirement Systems Administration (referred to as “PRRS” for this RFP) and the procurement of a new pension and loan administration solution.

### **A.1.1 INTRODUCTION**

The Puerto Rico Government Employees and Judiciary Retirement Systems Administration (PRRS) is issuing this Request for Proposal (RFP) to replace its existing legacy pension administration system, loan processing, and payment processing systems. In responding, qualified vendors are urged to read this RFP carefully, adhere to the schedule presented, and comply with all details. PRRS’ ability to review all proposals received in an expeditious and equitable manner is to be greatly enhanced by compliance with all aspects of this RFP. PRRS wishes to establish a long-term and mutually advantageous relationship with the successful offeror. In this respect, the offeror’s assistance in expediting the review process is greatly appreciated.

### **A.1.2 PURPOSE OF THIS PROCUREMENT**

PRRS is soliciting proposals from firms with recent experience providing pension administration solutions either as a Software as a Service (SaaS), also known as third party administrative (TPA) recordkeeping services or a Customizable off the Shelf (COTS) solution in a hosted environment. Specifically, PRRS seeks to contract with a vendor for the following services:

- Provision of a solution to provide core line-of-business (LOB) functions, including the applications that permit the agency to perform all of its operations, e.g., perform wage and contribution reporting; generate benefit estimates; issue refunds; calculate the cost of purchased service; retirement processing; payroll processing; tax processing; 480 PR Form processing; production of member annual statements and member loan services (including origination and servicing)
- Hosting of the solution by the vendor, at a secure location, requiring little if any hardware (aside from than desktops and peripherals) at PRRS
- All operation and support of the solution
- Support for the execution of all processes required in accordance with applicable legislation, Board policies, and the like, in effect on the day of contract execution
- Recommendation of changes to PRRS’ current business processes, as necessary, to increase processing efficiency and take best advantage of the SaaS or hosted COTS LOB solution
- Browser-based access to the solution for members, users, employers, and managers
- Internet-based, self-service functionality to improve access to PRRS by members, retirees, and other appropriate stakeholders (i.e., employers)
- Conversion and porting of PRRS data and images to the new solution
- Provision of a training system specifically intended for users of the new system (including employers), and administrators (but not members or retirees) – instructing them not only in application navigation and the use of screens and windows, but also to include in-depth training in the use of the new solution to ensure their ability to perform all job functions, processes, and sub-processes in the new environment
- Provision of complete, as-built and configured, documentation of the new solution including PRRS-specific manuals and documentation for users (including employers) and administrators



- Provision of on-going support for the SaaS or hosted COTS solution for a period of at least ten years
- Provision for Documentation and training
- Optional services including data cleansings, adding the Puerto Rico Teachers Retirement System, offsite business continuity, and co-sourcing services
- Provision of project management services during the implementation effort as provided herein.

This RFP articulates all of PRRS' functional, technical, and other requirements for its new integrated pension, loan and payment administration solution. Further, this RFP specifies the common format required for offeror responses, as well as the time during which PRRS will compare offeror submissions and select the winning candidate.

### A.1.3 PROCUREMENT SCHEDULE AND MILESTONES

The dates provided in Table 1 below are approximate and are for the period up to the project start date following contract award.

PRRS reserves the right to change the calendar of events or issue Addenda to the RFP at any time. PRRS also reserves the right to cancel or reissue the RFP. Offerors should check the PRRS Website from time to time as any amendments or other RFP related materials will be posted there.

**Table 1 Project Schedule**

Date	Activity
1/31/2012	RFP issued
2/14/2012	Questions about the RFP due
2/28/2012	Responses to offeror questions are posted
3/16/2012	Deadline for receipt of proposals
4/17/2012	Notification of short-list offerors; script for demonstrations sent
5/8/2012	Hold scripted product demonstrations / presentations
5/31/2012	PRRS evaluation complete
6/4/2012	Notify Winner and Contract negotiations
6/11/2012	PRRS selection approved and contract executed
7/1/2012	Project starts

## **A.1.4 RFP ORGANIZATION**

This RFP is organized as described below.

### **PART A – PROCUREMENT INFORMATION**

This part of the RFP sets forth the procedures for conducting the procurement, the nature of the solution being sought, the project timetable, and the description of PRRS' existing environment.

### **PART B – PROJECT SCOPE**

This part of the RFP defines in detail the scope of the effort. It addresses the business requirements to be satisfied, the project's technical requirements (including standards to be observed, LOB services to be provided, and interfaces to be accommodated), and other required services and deliverables, including, but not limited to, project management services, data-related services, staffing, training, testing, disaster recovery planning, and support requirements. Options to be proposed are also identified.

### **PART C – OFFEROR PROPOSALS**

This part of the RFP provides detailed instructions for the preparation and format of vendor proposals, both technical and cost.

### **PART D – PRRS TERMS AND CONDITIONS**

This part of the RFP sets forth the standard PRRS terms and conditions that the offeror must abide by in the preparing its response to this RFP and/or in conduction the effort after the award.

### **PART E – ATTACHMENTS**

The following attachments are not physically incorporated into the body of the RFP itself, but some may be referenced. These attachments are to be considered to be part of the requirements to be met. These attachments are available by downloading the material from the procurement website:

Part E includes the following information:

- E-1 User Guide for Web Remesa (Employer Web Remittance)
- E-2 System Documentation for Credit Union Interface
- E-3 Loan Laws and Regulations
- E-4 System Use and Security Standards
- E-5 Retirement Laws and Regulations
- E-6 Samples Forms and Applications
- E-7 Contribution Statement Template
- E-8 Technical Standards
- E-9 Employer Reporting File Format
- E-10 Report from Actuary
- E-11 PRTRS Laws and Regulations (Option 2)
- E-12 PRRS Cost Proposal Template



### **A.1.5 PROCUREMENT POINT OF CONTACT**

From the issue date of this RFP until a successful offeror is selected and the selection is announced, offerors are not allowed to communicate, for any reason, with any PRRS staff, management, or Board members regarding this **particular procurement**, except through the Contracting Officer named herein. For violation of this provision, PRRS shall reserve the right to reject the proposal of the offending offeror.

The point of contact for questions and all other contractual matters relating to this RFP is:

Name: Roberto L. Pena Carrion  
Title: Administrador Auxiliar Finanzas y Tecnologia  
Address: P.O. Box 42003  
San Juan, PR 00940-2203

Telephone: 787-772-7618  
FAX: 787-281-5043  
E-Mail: [rpcarrion@retiro.pr.gov](mailto:rpcarrion@retiro.pr.gov)

Offeror's proposals, due on March 16, 2012 by 4:00 PM Atlantic Standard Time (AST), are to be delivered to the PRRS office, marked to the attention of:

Name: Roberto L. Pena Carrion  
Title: Administrador Auxiliar Finanzas y Tecnologia  
Address: 437 Avenida Ponce de Leon  
Pda. 32 ½ in Hato Rey, PR 00917-3711

Telephone: 787-772-7618  
FAX: 787-281-5043  
E-Mail: [rpcarrion@retiro.pr.gov](mailto:rpcarrion@retiro.pr.gov)

**By submitting a proposal, the offeror acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements.**



### A.1.6 SINGLE SOURCE OF SUPPORT

Joint ventures shall not be acceptable for the performance of this contract.

A single prime contractor will be responsible for the successful delivery of all contracted deliverables and services, including subcontractors' efforts. Multiple (alternate) proposals from a single offeror will not be accepted. Companies being proposed as subcontractors by multiple offerors will also not be allowed.

PRRS is seeking a single source for all activities relating to the new pension administration solution implementation. The offeror (prime contractor) shall be granted the right to subcontract a portion of the work but shall retain sole responsibility for the successful delivery of all contracted deliverables. The offeror (prime contractor) must be designated in the proposal, and any use of subcontractors must be clearly explained. All references in this RFP to the contractor, vendor, offeror, bidder, or successful offeror, vendor, bidder, etc. shall be construed to encompass both the offeror (prime contractor) and all subcontractors and infer the single source of support as the offeror (prime contractor).

If the use of subcontractors is planned, the proposal must specifically identify the tasks that each subcontractor is to perform. All subcontractor staff in key positions must meet the same qualifications for experience specified for the prime contractor. Resumes must be included for these key subcontractor staff. The proposal must also include sample copies of any agreements to be executed between the prime contractor and any subcontractors in the event of contract award. All subcontracting agreements must be signed at the time of contract award, and executed copies provided to PRRS for review prior to the execution of a contract with the prime contractor. Proprietary or confidential information may be redacted in the copies provided to PRRS. Prior to contract execution, PRRS reserves the right to reject any subcontractor or the specific agreement between contractor and subcontractor.

All offerors must list in their proposals the complete names and addresses of all subcontractors and the type and percentage of work they will be providing. Proposals must include a signed, written statement from any proposed subcontractors verifying their commitment to perform the services indicated to be completed by them. Failure to identify subcontractors may be grounds to find the prime contractor in breach of contract.

Substitution of any proposed subcontractor is allowed only after prior written permission is received from the PRRS Project Manager.

### A.1.7 OFFEROR QUESTIONS ABOUT RFP AND PROCUREMENT

Offeror questions relating to this RFP and/or procurement may be submitted to the Point of Contact named in Section A-1.5. Questions are to be submitted as a Word document using the format specified in Table 2 below. The closing date for questions is February 14, 2012.

**Table 2 Format for Submission of Offeror Questions**

No.	RFP Section	RFP Page	Question
Q1			
A1			
Q2			
A2			

Email is the preferred method of communications. All written questions must include the name of the firm and the person submitting the questions. A compilation of all questions and answers, along with any RFP addenda, will be posted to the PRRS website at [www.asr.gobierno.pr](http://www.asr.gobierno.pr) no later than February 28, 2012.

### **A.1.8 PRESENTATIONS AND PRODUCT DEMONSTRATIONS**

At PRRS' discretion, offerors who receive high scores after the initial review of proposals may be required to provide presentations and/or product demonstrations at PRRS' offices. If presentations and/or demonstrations are required, offerors will be offered alternative dates from which to select. Offerors will also be provided with scripted product demonstration scenarios on which to base their product demonstrations in order to assure an objective comparison among offerors' proposed solutions. PRRS may require offerors to use actual PRRS data in order to assure an objective comparison among offerors' proposed solutions.

PRRS states a strong preference to see the Project Manager and other key assigned project staff conduct the demonstrations. PRRS' objective is to discern the offeror's proposed project staffs' familiarity with the solution and their ability to explain, communicate, converse, and interact with PRRS staff. While respecting the role of sales and marketing staff in the sales process, PRRS is most interested in interacting with key project members.

In addition, visits to existing offeror customer sites that are running the proposed solution in production may be conducted by PRRS staff.

PRRS reserves the right not to conduct offeror presentations, product demonstrations, and/or customer site visits.

### **A.1.9 REQUESTS FOR CLARIFICATION**

Upon review of proposals submitted by offerors, PRRS may, at its discretion, submit to offerors written questions and requests for clarification relating to their technical and/or cost proposals. Offerors will be provided a reasonable period of time in which to submit written responses to PRRS' questions and requests for clarification. Such question-and answer exchanges may be repeated until PRRS is satisfied that all offeror information necessary to enable a complete evaluation of proposals has been obtained.

All such written exchanges between PRRS and the successful offeror will be incorporated by reference into the contract to be executed by the two parties.

### **A.1.10 BEST AND FINAL OFFERS**

At PRRS' discretion, Best and Final Offers (BAFO) may be solicited from offerors whose scores are ranked highest after the initial review of proposals and product demonstrations and site visits (if demonstrations and site visits are conducted).

BAFOs may address cost, scope changes, staffing changes, changes to approach – both those solicited by PRRS and those offered by offeror.

These offerors' best and final offers must be received at the address identified in Section A-1.5 at the time specified in the request for a BAFO. If a Best and Final Offer is not submitted, the previous submittal will be construed as the Best and Final Offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1). After Best and Final Offers are received, final evaluations will be conducted for an award.

PRRS reserves the right not to solicit Best and Final Offers.



### **A.1.11 CLARIFICATION OF TERMINOLOGY**

For ease of reference within this RFP only, the Puerto Rico Government Employees and Judiciary Retirement Systems Administration is referred to as PRRS. In the Spanish language these systems are known as “El Retiro de Gobierno de Puerto Rico” or “La Administracion de Los Sistemas de Retiro de Los Empleados del Gobierno Y La Judicatura (ASR)”.

All references in this RFP to features, functions, or deliverables that “should”, “must”, “will”, “has ability to”, etc. be provided by the offeror are to be construed as mandatory. Similarly, all references in this RFP to information that “should”, “must”, “will”, “has ability to”, etc. be provided in the offeror’s proposal are to be construed as mandatory.

Bidders may be referred to alternatively as “bidders”, “offerors”, “successful offerors”, “successful bidders”, “vendors”, etc. All such references (except for those explicitly defined otherwise) are to the primary contractor who submits the proposal in response to this RFP and, if successful, who will be responsible for the successful completion of all required deliverables.

In reviewing offerors’ technical proposals, PRRS will assume that all features and functionality described therein will be delivered for the quoted not-to-exceed cost presented in the offerors’ cost proposals. Statements such as “... [functionality n] can be provided ...” or “ ... [functionality n] may be provided ...” or other similar sentence constructions will be interpreted to mean that functionality n will be provided at no additional cost. If offerors wish to discuss functionality that is feasible but not included in their cost bid, they must explicitly state as much in every applicable case.

References to days are to calendar days unless otherwise explicitly stated.

Reference is made throughout the RFP to project phases. Except as otherwise explicitly defined, the term “phase” refers to the major functional rollouts (e.g., membership, benefits, loans, and payroll) of the new pension solution implementation. Reference is also made to preliminary project implementation phases – e.g., completion of detailed work plan, implementation of project infrastructure.

Throughout the RFP the pension and loans administration solution being requested maybe referred to as the “Line of Business (LOB)”, the “hosted solution”, the “new solution” or “the offeror’s solution”.

Actively employed, non-retired persons are referred to as “members” or “participants”. Retirees are referred to as “pensioners” or “retirees”.

Throughout this RFP, PRRS refers to awarding of the contract as if that award were a given. In fact, PRRS reserves to itself the right to reject all proposals and to make no award whatsoever.

### **A.1.12 PERFORMANCE BOND**

A performance bond in the amount of eighty percent (80%) of the total cost of the proposal (including all selected options) will be required for the contract awarded. The performance bond shall be delivered at the same time the contract is awarded. The required bond will be in a form acceptable to PRRS; it will be underwritten by a firm acceptable to PRRS. Offerors are to include in their proposals a letter of intent from the bond underwriter.

## **A.2 PROJECT SCOPE AND BACKGROUND**

### **A.2.1 PROJECT OBJECTIVES AND SCOPE**

PRRS is set to embark on a major initiative with the intention of procuring the services of a vendor capable of providing pension administration solutions in either Software as a Service (SaaS) or a hosted Customizable off the Shelf Solution COTS environment. The anticipated lifetime of this solution is ten years or greater. The objective of this RFP is to solicit proposals from vendors with this type of experience. Specifically, offerors are to propose a SaaS or Hosted COTS solution that will meet the stipulated, mandatory requirements laid out by PRRS in this RFP. The contract to be awarded, as the outcome of this solicitation, will be for the following solution components: line-of-business (LOB) application software; documentation; testing; implementation; integration; training; warranty; and support services.

PRRS will award this contract to the offeror best able to meet PRRS' needs, as defined in this RFP. The new pension administration solution will support PRRS activities in performing its duties as the administrator of benefits for the government employees of Puerto Rico. The high level functionality required by the new solution includes the following:

- Core line-of-business (LOB) functions, including the applications that permit the agency to perform all of its operations:
  - Annual Statement
  - Beneficiary Maintenance
  - Benefit Estimates
  - Benefit Processing and Calculations
  - Activity Tracking / Call Center
  - Death
  - Defined Contributions (SYSTEM 2000)
  - Disability
  - Employer Reporting
  - Enrollment (Applicable to SYSTEM 2000 only, there are no new enrollments in Defined Benefit Plan)
  - Accounting
  - Loans
  - Member / Pensioner / Employer Maintenance
  - Member Web Portal Member / Employer Education
  - Payroll and Other Payments (Calculate all Payments)
  - Power of Attorney
  - Purchase of Service
  - Domestic Relations Orders (DRO) and Court Orders
  - Refunds
  - Puerto Rico Tax Reporting

- Supporting functionality to include:
  - Business Process Management
  - Audit and Security
  - Content Management
  - Reporting
- Hosting the solution on vendor hardware at vendor premises (or via sub-contract) and redundant Internet access to the PRRS facility (i.e., dual path, automatic switchover)
- All operation and support of the solution
- Support for the execution of all processes required in accordance with applicable legislation, Board policies, and the like, that are in effect on the day of contract execution
- Changes to PRRS' current business processes, as necessary to increase processing efficiency and take best advantage of the SaaS or hosted COTS LOB solution
- Browser-based access to the solution for PRRS members, users, employers, and managers
- Internet-based, self-service functionality to improve access to PRRS by its members, retirees, and other appropriate stakeholders (i.e., employers) with external screens in the Spanish language
- Integration of imaging, to be performed either by integrating with the current FileNet solution, or replacing it with a vendor-provided solution
- Conversion and porting of PRRS data and images to the new solution
- Enablement of all required interfaces with other entities and/or systems (i.e., the Commonwealth HR System [RHUM])
- Ad hoc reporting capabilities
- Thorough test and quality assurance of the entire solution
- All PRRS authorized options

Additionally, the solution provider will be also responsible for:

- Provision of PRRS-specific manuals and documentation for system users (including employers), administrators, and developers; in addition to all baseline functionality, all such documentation must reflect the customized, as-built, status of the solution; it must be noted that standard documentation reflecting only the vendor's un-customized base solution will not be accepted
- Provision of a training system specifically intended for users of the new system including administrators, and developers (but not members or retirees) – instructing them not only in application navigation and the use of screens and windows, but also to include in-depth training in the use of the new solution to ensure their ability to perform all job functions, processes, and sub-processes in the new environment
- Provision of configuration and customization, as necessary, for the pension administration software
- Provision of any necessary software customizations to meet business and functionality requirements
- Provision of full implementation of the new solution

- Provision of on-going support for the SaaS or hosted COTS solution for a period of at least 10 years
- Optionally, PRRS may contract with the offeror to provide data cleansing services, the addition of the Puerto Rico Teachers' Retirement System, offsite business continuity, and for co-sourcing services.
- Providing project management services for the implementation effort as provided herein.

This RFP articulates all of PRRS' functional, technical, and other requirements for its new integrated pension, loan and payment administration solution. Further, this RFP specifies the common format required for offeror responses, as well as the time during which PRRS will compare offeror submissions and select the winning candidate.

### **A.2.2 FACILITIES TO BE PROVIDED BY PRRS**

PRRS will provide office space and desks with phones for offeror staff members. Offerors should state in their proposals their requirements in this regard, i.e., how many offeror staff will be on site at one time. Access to PRRS' current processing environment and copying facilities will also be provided. Offerors should state in their proposals their requirements for number of desks/phones, as well as meeting, conference room, and training facilities. In addition to the PRRS Project Manager, PRRS will provide ready access to subject matter experts as necessary.

Offerors must provide their own workstations or laptops. PRRS will provide appropriate connectivity to its network. Offerors must agree to abide by all PRRS security and other policies and procedures. Offeror should confirm that any breach of security caused by the offeror's connectivity to the PRRS network is the responsibility of the offeror, and the offeror will be responsible for all costs related to correcting the problem. Furthermore, should it be determined that any fault in the network (virus, worm, etc.) can be traced to an action taken (or not taken) by the offeror, the offeror will be fully responsible for all actions taken and all expenses incurred to correct the fault.

## A.3 PROJECT TIMETABLE – MAJOR DELIVERABLES

Offerors must provide a detailed listing of deliverables that will be produced for the project with estimated completion dates. This section consists of a list of the minimum set of high-level deliverables required for the project. The due dates for the minimum set of deliverables fall into two categories: those with delivery dates contingent on the contract start date or the start date of the phase or work unit and those with delivery dates dependent on the proposed structure of the project plan.

Table 3 below lists those deliverables with delivery dates predicated on the contract start date or start of a phase or work unit. These deliverables as well as all the others listed in this section must all appear in the offeror’s Detailed Project Work Plan, some of them (e.g., 22 –Completion of Vendor Acceptance Test per Phase) multiple times since they are Implementation Phase-related.

**Table 3 Delivery Due Dates for Major Deliverables**

Nbr	Deliverable	Days Post Contract Start	Days Prior to Start of Phase or Work Unit
1	Detailed Phase I (Sixty-Day) Work Plan	0	
2	Detailed Project Work Plan	60	
3	Statements of Work		30
4	Risk Management Reporting Methodology	90	
5	PRRS’ Original Requirements Traceability Matrix (RTM)	60	
6	Update of RTM	90	
12	Change Control Plan	90	
13	Problem Incident Reporting Methodology	90	
14	System Security Plan	120	
15	Training Plan	180	

The following section further identifies the minimum set of high-level deliverables required of the project. The list includes deliverables identified above (i.e., those with dates predicated on project start date or task or work unit start date) as well as deliverables due on a schedule dictated by the project plan developed by the bidder:

### 1. DETAILED PHASE I (SIXTY-DAY) WORK PLAN

The vendor must provide a complete, detailed plan covering all activities to be undertaken during the first sixty days of the project (Phase I) at the time of contract signing. This plan forms the basis for the next deliverable, the Detailed Project Work Plan, but also provides PRRS with information about what is happening during the first two months of the project (Phase 1 – see Section B-3.17) when personnel will have to be available for consultation, for document review, etc. The plan must include all deliverables due before or at the end of Phase 1, complete with start dates, completion dates,

hours to complete, dependencies, vendor and PRRS resources assigned and project milestones. The work plan will be reviewed at weekly meetings between PRRS and the vendor.

## **2. DETAILED PROJECT WORK PLAN**

The vendor must provide a complete, detailed plan of all activities required to meet all of the project requirements including: system design; development (to meet custom requirements); user, administrator and developer training; testing; conversion; and post-installation warranty. Building on the initial Sixty-Day Work Plan, the plan must include all project deliverables, all detailed tasks with start dates, completion dates, hours to complete, dependencies, vendor and PRRS resources assigned and project milestones. The work plan must reflect the phasing of the project as described in Section B-3.1.7. This plan must be established and maintained by the vendor throughout the life of the project using Microsoft Project. It will be reviewed at weekly meetings between PRRS and the vendor. The detailed plan must be presented to PRRS within the time period indicated in Table 3; it is to be updated whenever any changes are made to the plan but no less frequently than quarterly.

## **3. STATEMENTS OF WORK (SOWs)**

All work to be done under the contract to be awarded will be covered by written Statements of Work (SOW) authorized by PRRS, which define reasonably sized components of work. Refer to Section B-3.4.2 for additional requirements relating to SOWs. As indicated in Table 3, a SOW must be submitted prior to the start of the tasks or activities identified in the SOW. Offeror acknowledges and agrees that in no way shall SOWs diminish responses to the requirements as articulated in their RFP submission.

## **4. RISK MANAGEMENT REPORTING METHODOLOGY**

Within the time period indicated in Table 3, the bidder must deliver a detailed Risk Management Reporting Methodology for use throughout the project in reporting risks identified during the course of the project. See Section B-3.4.9 for details.

## **5. PRRS' ORIGINAL REQUIREMENTS TRACEABILITY MATRIX (RTM)**

PRRS will develop and provide to the vendor the Requirements Traceability Matrix within the time period indicated in Table 3

## **6. UPDATE OF REQUIREMENTS TRACEABILITY MATRIX**

The vendor must update and return it to PRRS also within the time period indicated in Table 3. Refer to Section B-3.4.1 on the Requirements Traceability Matrix for additional information.

## **7. DETAILED REQUIREMENTS DEFINITION**

For the components of each Work Unit, a detailed requirements definition document will be submitted to PRRS for review and approval. This document will describe, for each phase, the requirements to be met by the particular phase.

## **8. COMPLETION OF DETAILED SYSTEM DESIGN SPECIFICATION**

The Detailed System Design Specification must include all components of the system. It should include use cases, use case models, site map(s), data element dictionary, logical data models, physical data model, deployment diagrams, activity diagrams, integration build plans, design packages, design models, interface design models, process flowcharts where appropriate, and supplementary specification documents. The method of implementing security in each application element must also be defined in this specification. The offeror must conduct walkthroughs of the



Detailed System Design with appropriate members of PRRS' project team and provide demonstrations to enhance PRRS' understanding and to facilitate review and approval by PRRS.

### **9. INSTALLATION OF AND CONFIGURATION OF LINE-OF-BUSINESS APPLICATION (PER PHASE)**

Whenever the development of a Work Unit or phase is completed, the vendor shall make that Work Unit available to PRRS for familiarization and testing, prior to a production release. When all Work Units are completed, the Vendor shall formally deliver the complete Line of Business application to PRRS for fully integrated acceptance testing.

### **10. COMPLETION OF DATA CONVERSION AND MIGRATION PLAN(S)**

A Data Conversion and Migration Plan must be provided for the project. The plan will include a detailed description of the conversion methodology and process, a description of the process for keeping new and old systems synchronized, a description of any parallel processing supported, a description of cleansing efforts associated with conversion, and a description of the quality assurance process to assure that all records have been converted correctly and fully. PRRS anticipates the need for multiple Data Conversion and Migration Plans, corresponding to the project phases.

### **11. COMPLETION OF TEST PLANS**

The offeror will be responsible for the development of all test plans for the entire system to be implemented at PRRS, not just for the customizations implemented specifically for PRRS. This includes all unit tests, system tests, and User Acceptance Tests. The offeror will design and develop test scenarios, test variants, test cases, test data, and expected test results for each phase of the rollout. Test plans and related activities will be repeated for all phases.

### **12. COMPLETION OF CHANGE CONTROL METHODOLOGY**

Within the time period indicated in Table 3, the offeror must deliver a detailed Change Control Methodology for use throughout the project. See Section B-3.4.7 for details.

### **13. COMPLETION OF PROBLEM INCIDENT REPORTING METHODOLOGY**

Within the time period indicated in Table 3, the offeror must deliver a detailed Problem Incident Reporting Methodology for use throughout the project in reporting production problems as well as problems identified during testing activities. See Section B-3.4.8 for details.

### **14. COMPLETION OF SYSTEM SECURITY PLAN**

Within the time period indicated in Table 3, the offeror must deliver a completed System Security Plan that provides an overview of **all** of the security requirements associated with the pension application throughout its life cycle. The plan must describe the processes and controls that are necessary to protect the application from loss, misuse, or unauthorized access to or modification of information as well as the protection of data, etc., during the life of the project. Furthermore, as this system will be housed at a hosting facility the plan should describe the efforts used to secure the data at that site and to ensure data is secured as it is transmitted from PRRS offices over the Internet and back.

### **15. COMPLETION OF TRAINING PLAN AND TRAINING MATERIALS**

A detailed training plan for each rollout phase must be delivered, specifying who will be trained, what subjects will be covered, and a schedule for all training sessions. Included in the training plan must be training for PRRS staff in the use of the Change Control Methodology and the Problem Incident



Reporting Methodology. In addition, training materials must be developed and delivered to PRRS for review prior to the start of actual training activities. This deliverable must include, not only training in the use of screens and windows, pull-down menus, radio buttons, data entry, and the like, but also training in all of the functions, processes, and sub-processes that users will use to accomplish their role-specific work duties. Training must address PRRS users and technical staff; in addition, within PRRS, training must be aimed at two different cohorts – users involved in UAT and the general user population.

## **16. COMPLETION OF MODIFICATIONS TO LINE-OF-BUSINESS (LOB) APPLICATION**

Modifications to the LOB application software to satisfy the specific functional requirements of PRRS must be implemented.

## **17. INTEGRATION WITH EXISTING FINANCIAL CAPABILITIES**

The application must be seamlessly integrated with PRRS' existing PeopleSoft financial system. For additional information on this existing financial system capabilities refer to Section A.4.5.4.

## **18. INTEGRATION WITH EXISTING IMAGING CAPABILITIES OR REPLACEMENT BY THE VENDOR**

The application must be seamlessly integrated with PRRS' existing imaging capabilities or the vendor can propose an alternative solutions (See Section B.1.3.3). For additional information on this existing imaging capabilities refer to Section A.4.5.5.

## **19. DELIVERY OF SEPARATE SYSTEM ENVIRONMENTS**

The vendor must implement sufficiently separate processing environments for PRRS use during and after the project to perform testing and training purposes. The offeror will be responsible for replicating the LOB application and database in this second environment, including any additional configuration activities that may be necessary. Refer to Section B.2.1 for details.

## **20. COMPLETION OF TRAINING**

The vendor must provide phased training for managers, users, administrators and development personnel based on the training plan and training materials delivered earlier in the project (see #15 above). This training may be a combination of standard courses and customized, implementation-specific training.

## **21. DELIVERY OF DOCUMENTATION**

The vendor must deliver a complete set of systems and user documentation, which must be specific to and approved by PRRS. All documentation delivered must be of the 'as-built' version of the system. User documentation must address not only the use of screens and windows, pull-down menus, radio buttons, data entry, and the like, but also all of the functions, processes, and sub-processes that users will use to accomplish their role-specific work duties, i.e., the Work Process Manual and on-line help facility discussed in Section B.3.6.

## **22. COMPLETION OF VENDOR ACCEPTANCE TEST PER PHASE**

The Vendor Acceptance Test will demonstrate the successful testing and operation of the system by the vendor, ensuring that the new solution is functioning and processing data correctly and ready for PRRS User Acceptance Testing. Tests to be performed by the vendor herein include end-to-end application testing, stress tests, volume tests, and performance tests to assure that the solution will meet performance requirements under expected user loads, backup and recovery testing and installation testing. Vendor Acceptance Testing (VAT) must be performed for each functional cutover



phase of the project. As part of VAT, the vendor will provide a written statement, signed by both the vendor's project manager and the vendor's test director (an individual separate and apart from the development staff charged with only test and quality assurance responsibility) that all tests have been completed satisfactorily (at a minimum 95%) and that the system is ready for User Acceptance Testing. The final output of VAT will be both hardcopy and electronic test materials including, but not limited to: test plans, test scripts, expected test results, and tangible proof that test results were produced and compared to expected test results. UAT will not begin until one week after **all** VAT material has been provided to PRRS. Refer to Section B.3.8 for details.

### **23. COMMENCEMENT OF USER ACCEPTANCE TEST (UAT) PER PHASE**

User Acceptance Test will commence after the vendor has certified the completion of vendor acceptance testing and readiness for UAT (including having 95% percent of major processes perform without major errors). Users will perform the testing utilizing test scripts developed and provided by the vendor. All issues will be documented according to a formalized issue tracking process. UAT will not be deemed complete until 95% percent of major processes within PRRS can be performed without errors or issues.

### **24. ACCEPTANCE OF THE SYSTEM BY USERS**

After successful completion of the UAT, the system will be turned over to the users for production use.

### **25. COMPLETION OF THE CONVERSION PROCESS**

Completion and verification of the conversion of all retirement system data in accordance with the Data Conversion Plan referenced in #10 above.

### **26. SOURCE CODE**

The vendor must place the line-of-business (LOB) application source code, as customized to meet PRRS-specific functional requirements, into escrow upon the delivery of the system for use. The terms of the escrow must include that if the vendor goes out of business or is found in default, PRRS is a named recipient of the source.

### **27. WEEKLY STATUS REPORTS AND MEETINGS**

The offeror must deliver weekly written project status reports and facilitate weekly status meetings throughout the life of the project.

### **28. MONTHLY STEERING COMMITTEE MEETINGS**

The offeror must attend monthly Steering Committee meetings throughout the life of the project.

### **29. LOB APPLICATION SOFTWARE LICENSE**

The vendor will be required to deliver to PRRS a license for the use of the line-of-business (LOB) application software and all requisite support, development, third party, and additional software necessary to use and maintain the LOB application.

### **30. WARRANTY AND SUPPORT**

The vendor must provide a warranty for the LOB application effective from the time of the first rollout through 12 months after final acceptance by PRRS of the last rollout. At the conclusion of the warranty, support should be continued for application issues.



### **31. SYSTEM LIFETIME**

PRRS is expecting the solution delivered in response to this RFP to have a lifetime of at least ten years. The vendor should demonstrate to PRRS its commitment to ensuring that PRRS its solution will have this lifetime.

Depending on the options selected and authorized by PRRS, additional deliverables will be required. Offerors are encouraged to identify additional project deliverables, as applicable, beyond the minimum set above.

## A.4 CURRENT PRRS ENVIRONMENT

The sections that follow detail PRRS' current pension administration capabilities, current organization, and the supporting technical environment.

### A.4.1 OVERVIEW OF ORGANIZATION AND FUNCTIONS

The Administrator administers benefits for the government employees and Judges (two separate plans). Government participants include employees of the Commonwealth, Municipal employees, police and fire employees, and employees of public corporations. Participation in the Judiciary plan is limited exclusively to judges. While the Judiciary plan is a single defined benefit plan, the Government plan includes both a defined benefit plan (Act 447 and Act 1), and defined contribution plan (System 2000). Both defined benefit plans provide:

- Retirement
- Disability
- Vested withdrawal
- Death
- Non-vested withdrawal (return of contributions)
- Loan availability against account balances
- Annual bonus and other stipends

The Government employees defined benefit plan is closed to new enrollments, but the Judiciary defined benefit plan continues to enroll new judges.

Beginning in the year 2000, the Government Employees System 2000 (Act 305) replaced the defined benefit plan for all new hires that would have previously been eligible for the defined benefit plan. System 2000 is a contributory plan with mandatory contributions made by members of 8.275% of compensation. Members may also contribute up to an additional 1.725% if they so elect. The employers make a corresponding contribution, but this contribution is made to the general fund of the defined benefit plan, not the member's account.

While a defined contribution plan, there are additional special benefits available to System 2000 members in high risk positions, including disability and death benefits.

Table 4, below, summarizes participant and pensioner numbers for both systems

**Table 4 Membership Statistics<sup>1</sup>**

Statistic	Government Employees	Judicial	Totals
Actively Employed Defined Benefit Participants	85,363	362	85,725
Actively Employed System 2000 Participants	55,279		55,279

<sup>1</sup> The membership statistics were based on the plan actuarial studies ending June 30, 2010 (The Administrator will provide June 30, 2011 Actuarial Report once available)

Terminated Participants (Vested)		45	45
Retirees, Disability Recipients, and Beneficiaries	106,538	394	106,932
<b>Totals</b>	<b>247,180</b>	<b>801</b>	<b>247,981</b>

The Government Employees Retirement System is a multi-employer system comprised of approximately 239 employers. Employers are required to submit a wage and contribution file at least once each month. Eighty-one of the 239 employers are agencies of the central government and, as such, their data is consolidated into a single wage and contribution payroll report. An additional 15 agencies of the central government report separately, as do an additional 78 municipalities, and 65 public corporations.

The administration staff is comprised of just over 400 employees, the majority of whom are based at the central office in San Juan. In addition to the central office, there are six regional service centers (Mayagüez, Humacao, Carolina, Arecibo, Caguas, and Ponce). Presently, the majority of all participant and pensioner requests for applications or account changes are done in-person--thus, the offices respond to hundreds of walk-ins each day.

Until the Fall of 2011, Loans accounted for the majority of all participant requests made at the retirement offices. In prior years the September-November was the busiest time for loans seeing upwards of 8,000 to 10,000 applications in a single month. Recent legislation changes and agreements with local credit unions have decreased this by nearly 90% in September, October, and November of 2011. In those three months combined, the Administrator processed 2,765 loans (compared to 19,844 for the same months in 2010). Both plans originate and hold personal loans, cultural loans and mortgages. Participants are allowed to renew personal loans on an annual basis. Loan payments are made and tracked via either employer payroll or retirement check deductions.

Retirees are paid twice each month. Approximately 500 retirement applications are received on a monthly basis. Approximately 100 contribution refund applications are received per month from former defined benefit participants and nearly 200 from former defined contribution participants.



### **A.4.2 VISION**

Through implementation of the new pension administration system, PRRS seeks to modernize its technology and improve its methods of serving its customers. The outcome of this project, then, must be a system that provides all of the following:

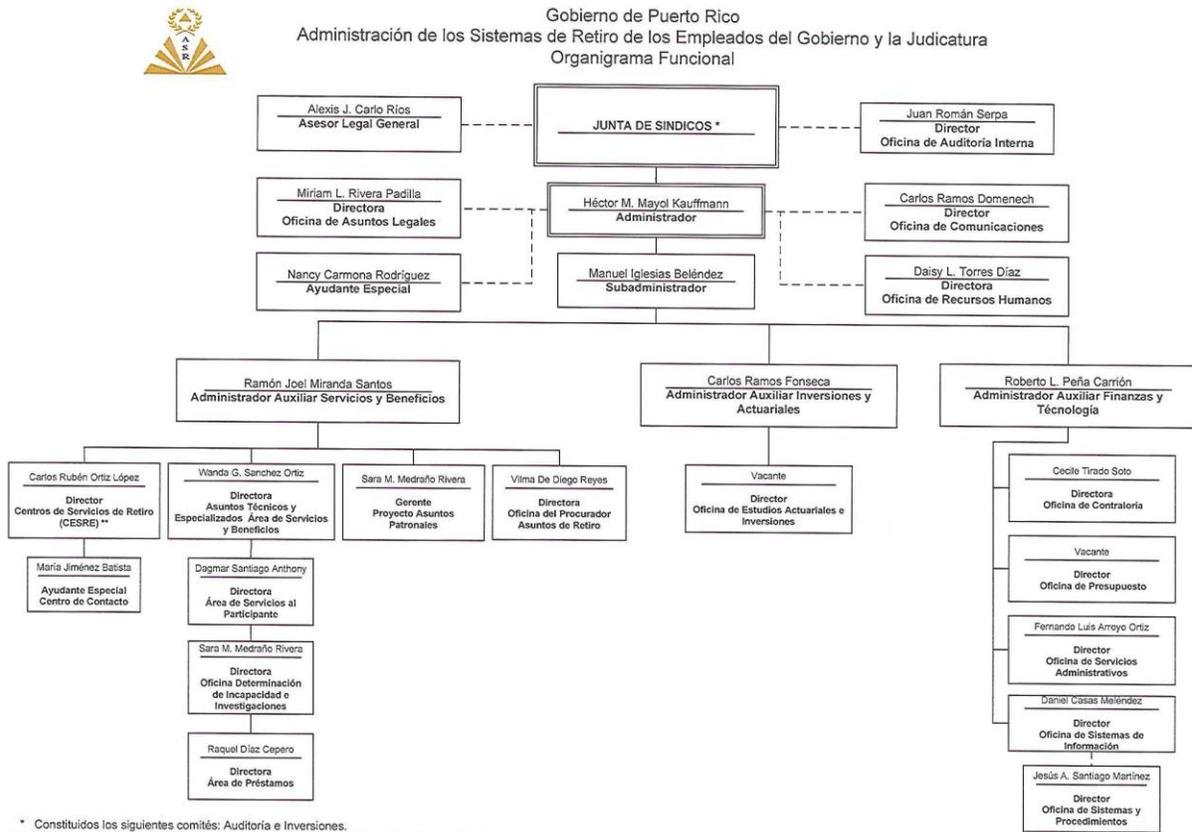
- Improved customer service
- Administration of multiple plans, multiple benefits, under one system with minimal programming required
- Single point of access to all member history for both employment history, loans history, and pension history
- Tracking of customer interactions, satisfaction, and quality of service
- Bi-directional reporting mechanisms for both members and employers.

### **A.4.3 ORGANIZATION AND STAFF**

PRRS is the agency charged with responsibility for administering the funds of the Employees Retirement System of the Government (as set forth in Act 447, as amended) and its instrumentalities, as well as the funds of the Retirement System of the Judiciary (as set forth in Act 12, as amended). Both systems are considered trusts intended to provide participating members, dependents and beneficiaries, such benefits as: pension credit; age and years of service; disability pensions; death benefits; loans, including mortgage, travel and cultural. On September 24, 1999, Law 305, otherwise known as System 2000, was enacted to create a benefit structure based on member contributions. This program resulted in the establishment of a savings account for each participant who joins the system. Participants in this program enjoy the benefits of personal loans, mortgages, and cultural tour opportunities.

PRRS is governed by a Board of Trustees. The PRRS Administrator, appointed by the Governor, oversees the day-to-day operations of the system. The organizational structure is included as Figure 1.

**Figure 1 PRRS Organizational Chart**



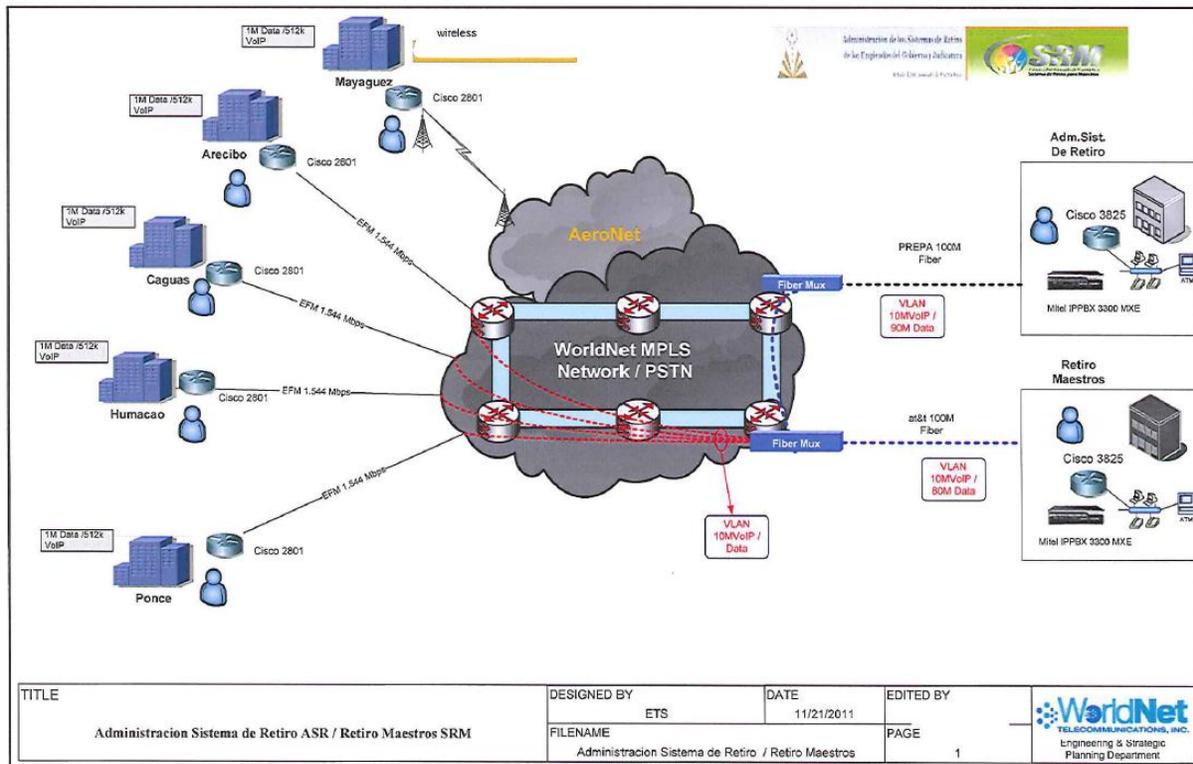
## A.4.4 TECHNICAL ENVIRONMENT

PRRS has twelve staff assigned to the Information Technology Department, three of which focus on business analysis for the primary line of business systems. The sections that follow describe the technical infrastructure in place at PRRS.

### A.4.4.1 Network Infrastructure

The PRRS has a wide area network with all central processing performed at the central office in San Juan. The network was recently upgraded including upgrades to the network backbone, installation of fibre, and new switches. WorldNet Telecommunications is the Internet Service Provider, and in January 2012 the connection will be a 100M fiber circuit. Each of the five regional offices has a direct connection to the San Juan office via a 1.54m line. As backup, each of the regional offices has a 512k microwave connection. A schematic of the Internet connectivity between offices (voice and data) is included in Figure 2.

**Figure 2 WAN Diagram**



#### A.4.4.2 Server Hardware

At present, all hardware and software utilized for the primary business systems described in this section are located at the PRRS offices in San Juan. The second floor houses the server room which has recently been upgraded. The upgrade included improvements to the Network backbone, installation of fibre and new switches. Part of the upgrade was a consolidation of servers with the installation of IBM Power 750 servers. VMWARE is used for server virtualization.

### A.4.4.3 Standard Desktop Hardware and Software

PRRS utilizes Windows based desktops containing the following standard desktop software.

**Table 5 Standard Desktop Software**

Software Name	Purpose
Windows XP SP3	Operating System
Microsoft Office Suite 2003 and 2007	Office Productivity Tools
FileNet Release 8	Imaging System
IBM e-forms	Electronic Forms Tool
SABI / SIP / AIP (Oracle Forms based)	Participant, Pension, and Loans processing systems
PeopleSoft Financials 8.4	Financial Accounting Application
E3 (Harland Financial Solutions)	Mortgage Loans
Microsoft Exchange	OUTLOOK Mail
ORACLE Tools 10G	Tools (Forms, Report)
ORACLE DATABASE 10G	Data Base
Banco Popular Mortgage Application	Mortgage Loans
Attachmate	For 3270 emulation at Banco Popular
Java Client 6.0	For ORACLE and RICOH Applications

### A.4.5 CURRENT BUSINESS SYSTEMS AND APPLICATIONS

The material presented in the sections below subdivides PRRS' current environment into the several component subsystems that comprise the current legacy environment. (Note that it is PRRS' intent that the new pension administration solution will be a single, integrated solution.) The sections that follow include descriptions of the hardware and both system and application (where appropriate) software for:

- General Benefits Administration
  - Participant Maintenance system
  - Pensioner Maintenance system
  - Loans Administration System
- Employer Reporting Sub-System
- Financial Management Sub-System
- Enterprise Content Management (ECM) Sub-System
- Telephony Sub-System
- Other Sub-Systems.

PRRS will assume responsibility for all operational and programming support of its legacy systems. The offeror will have no responsibilities in this regard. Also, PRRS will assume responsibility for all

activities relating to the shutdown / decommissioning of legacy systems after cutover to the new solution.

The PRRS IT department is composed of 9 full time employees along with 3 business analysts. Additionally, consulting and programming support is utilized to maintain the Participant, Pension, and Loans systems.

#### **A.4.5.1 General Pension Administration (SABI and SIP)**

Two custom built systems are used to perform the benefits administration functions - called SABI and SIP. SABI is used to process all participant data (actively employed participants) while SIP is the system used to administer the pension payments, once the participant has elected to retire.

Both systems are client-server applications, built with Oracle Forms with data residing in Oracle databases (version 10g). SABI has wage and contribution details for most members (by month or pay period) since 1996. For periods prior to 1996, annual totals for service and contributions are recorded for participants in SABI. Currently, participant wage and contribution data from the Central Government is transmitted via file on a pay period basis, 1st and 15th of the month. This is inclusive both members in the Defined Benefit plan and the Defined Contribution plan (System 2000). The municipal employers and public corporations do not submit data as frequently and there is no standard schedule, but the objective is at least monthly. When a new record (i.e. new member) is included on a wage and contribution file a new member record is added, which may be limited to a name and social security number.

One of the key problems encountered during processing activities, such as a pension application, is the lack of participant history. At times, participants request an application and may find that entire years of employment are missing; resulting in a lot of manual entry by PRRS staff, once the supporting detail is provided – which is a time consuming activity. To help facilitate this effort, SABI has a passive workflow/checklist that keeps track of the status of the application process and identifies who completed each step. The data entry of missing service information goes through a validation step where a supervisor reviews the file and validates it was entered correctly into SABI. As an example: the technician retrieves the member's paper folder and all information requested from the benefits coordinator and updates SABI. The entry step is updated as complete and the next step is a Validation step. The paper folder is moved onto a supervisor who then reviews the folder and the data entered into SABI.

Once retired, participant data is transferred to SIP where tax and deduction data are maintained. All pensioner benefit information is maintained in SIP however the payment issuing process is currently done by the Commonwealth Treasury Department (Departamento de Hacienda), from their system. Demographic information is updated manually by PRRS staff in the Treasury's System. Updates to payroll deductions are transferred from SIP to the RHUM Treasury System. The payroll system at Treasury (Departamento de Hacienda) makes direct deposits and advices plus submits checks to pensioners that do not have a checking or savings account.

#### **A.4.5.2 Employer Reporting Sub-System (ERS)**

As described in Section A.4.5.1, SIP provides a utility for the upload of wage and contribution reports, submitted by the employers. Additionally, not all employers provide reports on paper therefore there is a utility that allows PRRS to enter data manually.

Over the course of the past few years, however, PRRS has embarked upon a project that will provide web based self service reporting tools to employers. The project is called Web Remesa (Web Reporting). This system has been piloted to a few employers, but has never been fully rolled out. A user guide for Web Remesa is included as Attachment E - 1. With the implementation of fully integrated solution, PRRS would expect similar functionality to be implemented.

#### **A.4.5.3 Loans Administration Sub-System (AIP)**

PRRS utilizes a custom solution called AIP. Like SABI and SIP, this is an Oracle Forms application with much the same look and feel of both of those systems. AIP is used for personal and cultural loans. ERS provides mortgages, but these are originated through a third party system called E3 (from Harland Financial - <http://www.harlandfinancialsolutions.com/>). E3 is federally compliant, allowing these mortgages to be originated, then underwritten, and then sold.

AIP retrieves participant data from SABI. Often times the member's data is not up to date in SABI, and the member is required to provide paperwork to show additional salary and contributions. The typical processing duration for a loan is 3-5 days. Each loan application, once it is through the initial process, is posted to a Quality Assurance queue where a second analyst validates the details of the loan. After validation the case is forwarded to the comptroller's office (interface with PeopleSoft) for payment which is typically in the form of a direct deposit into the participant's bank account. Out of country payments are sent via checks, which are printed in-house.

Loan payments are made via active employee payroll, withheld and reported by the employer, or via pension withholding for those who are Pensioners.

Members have access to loan application information and payment data via an integrated voice recognition (IVR) telephone system.

Recently, PRRS has entered into an agreement with credit unions in Puerto Rico, whereby the credit unions issue and administer loans guaranteed by the participant's contribution balance. With this new agreement the volume of loans originated by PRRS has decreased by nearly 90%. Access to the SABI and AIP system has been issued to credit unions to allow them to review a participant's contribution balance and to notate an issued loan. The procedures and description of the interface for this are included as Attachment E – 2.

#### **A.4.5.4 Financial Management Sub-System**

PRRS utilizes PeopleSoft version 8.4 for Accounting. The system is also used to process contribution refund payments and to issue the payment to the member for loans that are issued. Currently file transfers occur from the SABI and SIP solutions to the PeopleSoft solution for both payments noted above and to update the general ledger with activity that occurs in these sub-systems (ledgers).

#### **A.4.5.5 Enterprise Content Management (ECM) Sub-System**

PRRS currently utilizes IBM's FileNet version 8 for document imaging. This system is very lightly used, primarily to archive the pension application. No more than 6 to 7 image files are included in a pensioners FileNet file. All other member files are kept in paper either in the PRRS offices or in an offsite storage facility.



There are three Fujitsu (models M4097D) duplex scanners in place along with multi-function Ricoh printers capable of scanning and copying. Capture software is used to perform the indexing process. The images are archived as PDF and TIFF.

The FileNet solution has been implemented to accommodate pensioner and participant files, but PRRS only currently uses it for Pensioner files. The primary index for each file is the member Social Security Number. This key also provides a link between the SABI/SIP systems to FileNet for direct access to a participant or pensioner's images. Every document in the Member Record class has been indexed using the indexing structure shown below:

**Table 6 Current Folder-Level Member Record Index Structure**

List of Member Document Indices
Social Security Number
First Name
Last Name
Document Name / Type
Document Effective Date

There are currently 9 document types/names used which are the following:

- Pension request
- Change report
- Birth certificate
- Last service sheet
- Individual statement (OP80)
- Contributions certification to ASR
- Account statement
- Payroll enrollment sheet
- Worksheet

All of the members at PRRS have one or more image files. The total image database is composed of 290,962 images, both TIFF and PDF.

#### **A.4.5.6 Telephony Sub-System**

PRRS recently implemented a new Telephone system which is Voice Over IP (VOIP). The system is a MITEL 3300 VOIP. The Teachers retirement has the identical system and serves as the backup to PRRS. The system was installed because of inadequacy of the former system which resulted in numerous dropped calls and the inability to track call activity.

PRRS currently receives in excess of 5,000 telephone calls per week. The call center is staffed by 20 employees.

## **PART B PROJECT SCOPE**

## **B.1 FUNCTIONAL REQUIREMENTS – INTRODUCTION**

The following sections provide detailed information on the business and technical functional requirements that **MUST** be satisfied by the new solution. There are a number of principles upon which the requirements in subsequent sections are based. At a very high level, those principles include:

- The public interface of PRRS will be a combination of PRRS staff (assisted with tools and access to knowledge far beyond that available to them today) and a customizable self-service interface that provides tools to allow the customer to answer their own questions and initiate their own processing.
- Business processes should be repeatable and the necessity and actions to perform a particular business process be it initiated by the receipt of an incoming document, web self-service, a phone call, an email, etc., should be ensured and should be as consistent in its execution as possible.
- There should be no dual or double entry of data in one or more subsystems. The new solution should interface with the necessary third-party to issue payments. There should only be one “person record” per participant/pensioner in the system that is used by all modules and subsystems being proposed.
- As much data entry as is possible should be done by those outside of PRRS, e.g., Participants will be encouraged to use the web-portal that will be delivered by the offeror as much as possible, and employers (assisted by tools provided within the new solution) will be held responsible for ensuring their periodic reports are complete and correct before they are posted.
- All security within the system will be managed on a role-based model. Thus all references to user and authorized staff are meant to refer to those members of the PRRS community who are authorized to perform the indicated function.

### **B.1.1 SPECIFIC INFORMATION ABOUT THIS PORTION OF THE RFP**

The Requirements for the new pension and loans administration solution are divided into three categories:

- **Major Business Functionality:** This category of requirements covers those functional areas that are specific to the retirement process and loans; e.g., benefit calculations, employer reporting, refunds, loan origination and repayment, etc.
- **Supporting Business Functionality:** This category of requirements cover those functional areas, although not specifically related to the retirement process, support PRRS’ ability to perform the retirement process; e.g., Audit and Security, Reporting and Querying, etc.
- **Technical Functionality:** This category of requirements covers those functional areas that involve “technology” based to support the retirement process

Within each category, the requirements are divided into functional areas which define specific Business/Supporting/Technical areas that, to the extent possible, describe an area that maps to a “job” within the PRRS organization. Sometimes these divisions are not uniquely defined and requirements may overlap.

## **B.1.2 DESIRED “TO BE” MAJOR BUSINESS FUNCTIONALITY**

The specific business functional requirements in this section are broken down into the following functional areas corresponding to the RFP sub-sections which follow:

- Accounting
- Activity Tracking / Call Center
- Annual Statement
- Beneficiary Maintenance / Power of Attorney
- Benefit Estimates
- Benefit Processing and Calculations
- Deceased Processing
- Defined Contributions (System 2000)
- Disability
- Employer Reporting
- Enrollment (and Re-enrollment and return to work)
- Loans
- Participant / Pensioner / Maintenance
- Payroll and Other Payments (including transmission to Hacienda)
- Purchase of Service
- Domestic Relations Orders (DRO) and Court Orders
- Refunds
- Tax Reporting

In response to each one of these functional areas, the offeror shall provide a narrative description of the functionality provided. The **narrative descriptive shall not exceed three pages per functional area (section below)** plus any samples provided, if requested. Offerors must clearly state if they can or cannot meet the requirements listed in each section or the applicable attachments to each section. If all requirements are met, vendors are advised to open the section with a broad statement stating such. For those requirements described by PRRS that the offeror cannot meet, the offeror should specifically cite those requirements. PRRS expects that any features or functions described by the offeror in their proposal are included in the solution being offered as part of the PRRS solution and as such are included in the cost proposal from the offeror.

In addition to the requirements in the sub sections that follow, Offerors are responsible for implementing the rules defined in Attachments E-3 and E-5 which are representative of the laws governing the loan and retirement benefits available to PRRS participants and pensioners.

### **B.1.2.1 Accounting**

PRRS currently maintains its accounting system through its PeopleSoft financial accounting application and expects to continue to in the same manner. Thus, the procured solution must act as a sub-ledger to the PeopleSoft solution and be capable of capturing certain accounting information and successfully interfacing with the PeopleSoft solution. While the proposed solution must contain the various records of detail at the plan, employer, participant or pensioner levels, the new solution must also meet following minimum requirements:

- Provide the appropriate export file to interface with the PRRS People Soft accounting system and support that file with corresponding reports. The frequency of the export process should be user determined and the process should ensure that transactions that have been sent to the General Ledger are flagged as such to prevent duplication and to ensure the systems stay reconciled
- Provide the ability to re-execute a previously created general ledger file
- Provide a transaction maintenance screen to map pension and loan related transactions created in the new solution to General Ledger accounts maintained in PeopleSoft
- Capture cash receipts – from both participants (lump sum purchase of service, repayment of overpaid benefits) and employers (employer contributions, member contributions withheld by the employer, purchase of service payments withheld, loan payments withheld) and post these to the appropriate General Ledger accounts. The cash receipt from Direct Payments, Corporations and Municipalities is in the “Detalle de Ingresos” Module in the SABI System
- Capture cash disbursements – pensioner payroll, loan amounts, and refunds - and post these to the appropriate General Ledger accounts
- Capture accounts receivable for both employers and participants, and post these to the appropriate General Ledger accounts
- Provide the appropriate subsidiary ledger entries to manage participant loans
- Provide the appropriate subsidiary ledger entries to manage purchase of service contracts
- Capture GL transactions related to Special Laws Contributions

Offeror should provide detailed information regarding its Accounting functionality, specifically in terms of how the interface with PeopleSoft will function, how accounts will be mapped, and how the systems will be reconciled. This information should specifically address the functionality detailed in the above bullet points. Offeror should also indicate any special or unique accounting functionality it can provide that PRRS can consider of “added value.”

### **B.1.2.2 Activity Tracking / Call Center**

Activity tracking involves the activities necessary to maintain the various contacts associated with participants, retirees and other entities with which the PRRS system maintains a relationship. PRRS desires that the screens associated with its customer relationship management functions be designed in such a way to provide as much summary information as possible for any given functional area (death, refunds, payroll, loans, etc.) with the ability to drill down for more detailed information. The goal is to be able to scroll through an account to view all pertinent information at a glance rather than needing to search through multiple screens in a piece-meal fashion. In addition, the system must be able to perform the following functions:

- Capture a form request and process that form automatically while making a record of all pertinent information, including: the form requested, date of the request, date mailed, requestor name, and recipient



- Capture user-id, name, date and time stamped, as well as all contacts and inquiries including comments, status, routing, requestor, caller, and relationship. The nature of the contact should also be recorded (for example, correspondence, telephone calls, counseling sessions, web-site interaction or personal contact).
- Capture the preferred means of contact with the member, retiree, retirement affairs coordinator, or employer (for example, whether to contact by mail, telephone or e-mail).
- Assign a level of importance to each encounter and to have ability for items of high importance to be highlighted so they are immediately visible upon opening of the contact's record.
- Tie documents, images, spreadsheets, and similar or related items to any activity tracking log
- Provide multiple means of accessing a contact's record, such as by SSN, name, date of birth, phone number or some other identified field.
- Link calendar activities to contact records, such as call back dates or scheduled appointments. .
- Update the database for certain life events, including but not limited to: beneficiary designation; request for retirement benefit estimates; retirement applications; disability application; refund requests; and death.
- Record and display comments /notes attached to the member's account. Notes should be displayed in date sequence and should indicate the name of the person making the entry.
- Scroll through activity logs chronologically (i.e., most recent first).
- Initiate a workflow process based on a contact's request to enable tracking the status of that workflow through the system.
- Produce a variety of reports capable of being sorted by functional area as well as date and user name.

Offeror should provide information about its activity tracking and call center functionality, specifically addressing the above bullet points. Offeror should also indicate any special or unique functionality it can provide that PRRS can consider of "added value."

### **B.1.2.3 Annual Statement**

It is PRRS' expectation that the production of an annual statement or statement of account will be made available to participants through the self service web portal or to internal PRRS staff through an annual process. The member should have the ability to execute and print a statement at any time from the self service web-portal. PRRS recognizes that in some cases the information shown on the statement may be inaccurate because of incomplete data contained within its system. The hope, however, is that the presentation of this information may foster an exchange with the active participant to update and correct the missing information. Thus, there should be a feedback mechanism built in. In addition the proposed system must have the ability to, among others:

- Display and print duplicate statements by the member or staff
- Retain the original statement as well any subsequent changes
- Display online and print historic membership statements identical in both content and format to the original
- Include indication of any Power of Attorney, Beneficiary, Guardianship, Trust designations, Alternate Payees, or outstanding court orders
- Print messages on a membership statement based upon specified parameters being fulfilled, i.e., age, job category, employer



- Include standard text and disclaimers that can be modified at the system level
- Print beneficiary information on membership statement
- Provide a consolidated statement to participants in more than one plan (i.e. a judge who was previously in the government plan)

The offeror should provide information about its annual statement functionality specifically addressing the bullet points above. Offerors should also indicate any special functionality that it provides and that PRRS can consider as “added value”.

#### **B.1.2.4 Beneficiary Maintenance / Power of Attorney**

PRRS provides different benefits to its Members. For each of these benefits, the Member can name one, or more, primary beneficiaries, and zero, or more, secondary beneficiaries. Each named beneficiary can be allocated a percentage of the benefit, with the sum of all beneficiaries for a particular benefit, primary or secondary, equal to 100%. From time-to-time, the Member can change these beneficiary designations.

PRRS requires that the new Pension solution to:

- Allow for multiple beneficiaries.
- Allow for assignment of different beneficiaries to different benefits in the event the member is entitled to more than one type of benefit (e.g. a death benefit amount or a retirement account balance)
- Ensure that the sum of allocations for each set of beneficiaries is equal 100%.
- Track all kind of dates (effective and end dates) date for all benefits paid to beneficiaries.
- Link beneficiaries to the Member so that the user can easily navigate from the Member’s record to any beneficiary
- Allow beneficiary information, including changes, to be printed on the member’s annual statement.
- Have the ability to determine automatically whether the retiree is permitted to change beneficiaries, based upon the retirement option chosen or restrictions placed on the account (such as through a court order).
- Be able to accommodate a member who is also a beneficiary of another member (or a beneficiary of multiple members), and be able to consolidate accounts once in pay status.

Offeror should provide information about its beneficiary maintenance functionality specifically addressing the requirements outlined in the above bullet points. Offeror should include screen shots where appropriate. Offeror should specify which business rules are in place to ensure that only correct beneficiary information enters into the system. Offeror should also indicate any special functionality that it provides as part of its beneficiary maintenance functionality that PRRS would consider of “added value.”

On occasion, a PRRS Member’s interests may be assigned to a third-party (Guardianship). This assignment may take the form of a power of attorney, or guardianship. PRRS requires that the proposed solution to:

- Capture assignments, and based on the detailed nature of the assignment, permit or deny access to the system
- Accommodate multiple attorney in fact designations

- Require that PRRS legal counsel audit any such assignment, and only upon legal counsel approval, allow the assignment to be entered into the system
- Ensure that assignments be clearly displayed on the Member's record, with the details of the assignment clearly linked to the Member's record
- Capture and track the status of the assignment, as well as its specific time duration
- Generate appropriate correspondence associated with the assignment, including letters of approval, disapproval, or notifications that requested transactions cannot be processed pending legal review, and request for status updates on a scheduled basis

Offeror should provide detailed information about its Power of Attorney or Guardianship functionality. In addition to specifically addressing the PRRS requirements as discussed in the above bullet points this information should contain any other applicable features of the system in regard to the function of assigning Member's rights. Offeror should also indicate any special functionality that it provides as part of its Power of Attorney or Guardianship functionality that PRRS would consider of "added value."

### **B.1.2.5 Benefit Estimates**

The ability to generate benefit estimates is a key component in helping PRRS to achieve one of its primary objectives in procuring a new solution -- that is, the ability to enable its participants to become more self-sufficient and less reliant on PRRS staff.

As such, PRRS requires that the selected solution:

- Provide the ability to generate benefit estimates to PRRS staff and PRRS participants.
- Provide the ability to project future service and wage increases
- Ensure that these estimates be based on all data existing within the system for the participant on whose behalf the estimate is being generated and that the estimates conform to all governing rules, regulations and applicable laws.
- Provide the participant the option of adding service (that a participant could elect to purchase) to the service being projected, and then modifying the default salary projections.
- Store all estimates generated by a participant with an indication of the time it was generated, as well as the identity of the participant who generated it
- Ensure that whoever generates the estimate is able to view or print the estimate.
- Save copies of all estimates to the participant's file and post estimates to the participant's self-service web portal
- Allow the members the ability to generate their own estimate, via a secure self-service web portal, using actual member data.

Offeror should provide information about its benefit estimate functionality. This information should specifically address the requirements outlined in the above bullet points. Offeror should include screen shots and samples of various benefit estimates. Offeror should also indicate any special functionality that it provides as part of its benefit estimate functionality that PRRS would consider of "added value."

### **B.1.2.6 Benefit Processing and Calculations**

PRRS administers pension plans for employees of the Puerto Rico government and the Judiciary. One of PRRS' key administrative functions is enabling a participant to retire. This process requires the performance of a calculation to determine the of a participant's benefit at the time of retirement.

To meet this requirement, the proposed solution must be able to, among others:

- Pre-fill participant information on forms used during the calculation process either internally, by PRRS staff, or by the access by the member over the web portal
- Perform benefit calculations using all pertinent data resident in the system.
- Follow all the business rules contained in the PRRS pension handbooks, the laws and regulations of the Commonwealth of Puerto Rico pertaining to pension plans, and administrative rules and practices used by PRRS
- Ensure all other open activities for a participant are either closed or reflected as reductions in the benefit (i.e. when a participant is terminated, purchases of service or loan repayments are complete)
- Ensure that all benefit calculations are audited and approved prior to finalization
- Save and link all details used in the benefit computation, including but not limited to data used, and formulas applied (calculation workbook)
- Provide notification as to any irregularities identified during the calculation and cease processing the calculation until such irregularities are corrected
- Provide a record of all accounting transactions associated with a retirement, including but not limited to, the transfer of employee and employer accounts to the retirement reserve account and, based on the details of the calculation (in the case of multiple employers) the transference of liabilities from employer to employer
- Generate appropriate correspondence to request missing information, explain reasons for rejections of retirement applications, provide notification to applicants of any options that may be available, and to advise new pensioners of their initial benefit, among others
- Recalculate benefits based on a number of circumstances, including: receipt of trailing wages; death; overpayment; re-computation of final average salary; or changes in personal data. This statement does not be understood as presented
- In the event of an overpayment (as a result of recalculation, among others) automate the recovery of those amounts either in lump sum or through a temporary reduction in benefits
- Issue a supplemental "catch-up" payment in the case of underpayments or retroactive payments when a participant's pension isn't finalized until after the first available pay date following retirement/termination
- Allow the member to initiate the retirement application process via login and request on the member self-service web portal.

Offeror should provide information about its benefit processing and calculation functionality. This information should specifically address the requirements outlined in the above bullet points. Offeror should include screen shots and samples of various benefit calculations and workbooks. Offeror should also indicate any special functionality that it provides as part of its benefit processing and calculation functionality that PRRS would consider of "added value."



### **B.1.2.7 Deceased Processing**

When a member dies, PRRS expects to be able to complete the death benefit and beneficiary payment process as quickly as possible. To do this, the system must provide the ability to track member balances and payments, receipt of member-related death information, as well as the appropriate contact information. Thus, the proposed system must be able to:

- Administer death benefits for actively employed participants in the form of a pre-retirement death (Contributions plus 1 year of salary) or occupational related death as well as the death of a pensioner resulting in a survivor benefit and distribution of any remaining contributions and interest.
- Receive and record death notifications from a variety of sources and, in cases where the date of death precedes the payment date, be able to stop monthly benefit payments. Additionally, the system must be able to continue to track the workflow of supporting documentation until payment has been issued to each beneficiary.
- Freeze all activity on accounts involving a contested death benefit.
- Update beneficiary information after the participant or pensioner's death – moving the record into a payment status
- Generate appropriate correspondence related to the receipt of appropriate documents, when overpayments have occurred, or when estimates are needed. Calculate the death benefit for all payment types and store a record of the death benefit, and its associated calculations, for future reference.
- Create a survivor annuitant payroll record, based upon the above calculation, when a pensioner who is receiving a benefit dies.
- Identify situations involving multiple payees and process these separately, tying them back to the record of the deceased, ensuring that the total sum paid out to all beneficiaries is equivalent to the total calculated death benefit (less any member overpayments or amounts due).
- Re-calculate a death benefit or reverse a death that was erroneously entered into the system.

The offeror should provide information about its death benefit processing functionality, specifically addressing the above bullet points. Where appropriate, sample screen shots should also be provided. Offerors should also indicate also any special functionality that it provides and that PRRS can consider as “value added.”

### **B.1.2.8 Defined Contribution System (System 2000)**

As stated in Section A.4.1 of the RFP all new participants participate in the Defined Contribution (DC) Plan, known as System 2000. With regard to administration of the DC component, the proposed system must have, at a minimum, the ability to perform the following functions:

- Record defined contributions when reported by employers
- Flag members (i.e. high risk members such as police and fire) that are eligible for additional benefits in the event of death or disability and administer those benefits in accordance with plan rules more consistent with the defined benefit components
- Track both mandatory and optional contributions
- Create a detailed contributions file for third party administrators
- Generate electronic payments or funds transfers to the third party administrators



- Maintain detailed transaction records of employee and employer contributions, and note whether these are pre-tax or post-tax
- Track in which investment option a member has elected to participate (note: currently, members have three investment options from which to choose)
- Create an appropriate transaction file to interface with the System's general ledger
- Provide the ability to distribute a lump sum account balance, typically in the form of an account rollover, at the time of retirement
- Provide the ability to annuitize the account balance at the time of retirement and issue a regular periodic distribution (NOTE: This is not currently being done, but is likely to be in place when the new solution is online).
- Provide the ability to provide a statement, by member that represents account balance, and if applicable provide an annuitized amount based on default or modifiable parameters.

Offeror should provide detailed information about its Defined Contributions functionality. This information should specifically address the functionality detailed in the above bullet points. Offeror should also indicate any special functionality that it provides as part of its Defined Contributions functionality that PRRS would consider of "added value."

PRRS is also interested in the most recent public sector projects where (client name and implementation date) defined contribution functionality was delivered.

### **B.1.2.9 Disability**

PRRS must maintain a system capable of tracking and administering both disability applications and on-going disability-related retirements. The system must be able to accept applications, calculate benefits based upon existing rules, track the status of applications, and administer the results of the application process. Additionally, the system must be able to accommodate an appeals process. Although not an exhaustive list, other specific requirements for disability-related transactions include:

- Record the receipt of an application for disability retirement, physician's medical report, earnings statement, marital status form, student status form, appeals updates, and other disability-related documents
- Capture data from external entities (e.g., Workers' Compensation and SSA) that affect the process, determination, and the benefit calculation
- Track the status of a disability application and generate appropriate follow-up actions based upon the system's business rules and/or statutory time frames
- Generate follow-up correspondence regarding non-receipt of disability forms and other required information
- Generate appropriate correspondence for responding to requests such as: annual earnings statement requests; explanation of "catch-up" payments; notices to employers regarding disposition of the disability application
- Allow for the suspension of benefits based on specific circumstances, as well as accommodating a resumption of benefits where applicable
- Handle scheduling of re-examinations, provide alerts to appropriate personnel when follow up is necessary in order to process a case

Offeror should provide detailed information about its Disability functionality, addressing the functionality outlined in the above bullet points. Offeror should also indicate any special or unique

functionality it provides as part of its Disability functionality that PRRS would consider of “added value.”

### **B.1.2.10 Employer Reporting**

This is a broad area that includes the set up of new employers, the assignment of employers to applicable plans, the tracking of employer demographic updates, and the receipt of the wage and contribution information necessary to credit members, over time, with the appropriate service and salary information upon which a retirement payment benefit will ultimately be calculated. To insure accuracy, this process involves not only the receipt of funds and reports but, also, requires the reconciliation of individual employer and member contributions and the auditing of transactions.

PRRS requires that the Employer Reporting process be accommodated through a secure self-service portal, accessible via the Internet. The new solution should provide extensive opportunity for user interaction with respect to employer personnel involved in the reporting process and the information they are able to provide and process online. The proposed solution must be able to capture, store and retrieve, from participating employers, all member service and salary information. The site must allow processing (validation process and error repair utilities) of employer wage and contribution reports along with the ability to run and print related validation and error reports. The portal should provide employers access to reporting history and enrollment history, as well as designated reports from the system, including such reports as a listing of all member and PRRS established contribution rates. In addition, the system must be able to:

- Maintain detailed data on all PRRS employers, including (but not limited to) demographics, plan parameters, payroll information, contribution rates, contact information
- Accommodate up to 350 unique reporting employers, with a number of different pay frequencies, each with multiple users and security parameters that limit their ability to report and review data to only the members they employ
- Accommodate a secure file transfer capability that allows employers to upload wage and contribution reports validated according to PRRS defined business rules
- Identify errors according to their degree of severity (with posting of data permitted for less severe conditions, but suspended for critical errors), and to the define message content provided to the end user to aid in repair
- Accommodate a data entry screen (for those PRRS employers lacking the capability to provide a file from their payroll system) which allows for entering wage and contribution data directly into the system following similar validation rules as are in place for the file transfer process
- Allow PRRS staff to process an employer’s wage and contribution reports provided in hard copy form, for employers without Internet access. Allow for the processing of adjustments to previous reports using the same methods as used for the regularly received reports, and also provide a full audit trail of such adjustments
- Provide validation reports to employers indicating data that is invalid, requiring their attention, along with other reporting exceptions or warnings. The report should also indicate the addition or subtraction of participants from one payroll to the next.
- Generation of a remittance report, by employer, indicating the amounts due for contributions and loan payments
- Capture, track, and report member personnel status codes (Hire Date, Re-Hire, Leave without Pay, Terminate, and Suspension) from employer reports (as well as from “manual” user input). Note: this function must include capture and tracking of status code start/end dates

- Accommodate multiple employment status codes (full-time salary, full-time hourly, part-time salary, part-time hourly, part-time per diem, etc.) for a member who is employed by either one employer or multiple employers
- Recognize when a newly-reported employee already has a member account with PRRS (even when for an earlier period of time, or a different reporting employer), and update the account with the new employment record and consolidate the member's service record
- Allow the reporting of additional withholdings amounts, such as payment for a purchase of service credit or loan repayment
- Use a single interface and file format account for contributions to both the defined benefit plans and the defined contribution plan
- Automatically calculate amounts due from the employers and create appropriate general ledger transactions for an employer, based on employer reports and related transactions
- Generation of monthly reconciliation reports, by employer, indicating the total number of participants reported, current balances and balances past due,

Offerors should be aware that one of the challenges currently faced by PRRS at the time of retirement is recognition that the entire employment history for a member is not available. As such a utility should be provided for employers to add in historical data for missing periods. Should the employer not be able to accommodate the request a similar utility should exist allowing PRRS the ability to enter in the missing periods once the supporting documentation is provided. In a lot of cases, the contributions were paid in full for the missing periods, and as such may not result in additional costs to the member or the employer.

The offeror should provide information about its employer reporting functionality specifically addressing the above bullet points. Offerors should indicate also any special functionality that it provides that PRRS can consider as "added value."

### **B.1.2.11 Enrollment (and Re-Enrollment and Return to Work)**

The defined benefit plan for Government Employees (PRRS) has been closed to new participants since 1999. Any PRRS participant previously eligible for participation in the defined benefit plan who leaves government employment and subsequently returns has the ability to enroll in System 2000 – the defined contribution plan – but cannot re-enroll in the defined benefit plan. PRRS affects enrollment of new members via a notification from the employer regarding their eligibility.

The Judicial Retirement System continues to operate as a defined benefit program and continues to accept new enrollments. Thus, the defined benefit program for the Judicial Retirement System must also accommodate an enrollment process for new members.

PRRS requires that the proposed solution, among others:

- Allow enrollment to be accomplished either by receipt of a form submitted by the employer, or directly by the employer via an employer reporting interface.
- Automatically send the member an enrollment letter and information upon receipt and confirmation of the enrollment record.
- If the member is a returning employee, the system must link the new account to the participant's existing account.
- Automatically identify, and flag for further attention, the return to work of a participant who had previously been reported as retired or is drawing a pension payment.

The offeror should provide detailed information about its enrollment functionality and should indicate any special functionality that it provides as part of its enrollment process that PRRS would consider of “added value.”

### **B.1.2.12 Loans**

PRRS provides loans for both participants and retirees. Loans are for personal use, cultural enrichment, and mortgages. For retirees who do not own a home, loans are available to assist with a down payment on the purchase of the home.

Recent legislation has changed the program for loans (See 196-2011 Act). Personal loans up to \$5,000 continue to be processed by PRRS. Personal loans between \$5000 and \$25000 are processed by outside credit unions. Thus, those entities require access to certain participant and retiree information during the processing of the applications while the payroll application will require the ability to handle withholding and deposits for their repayment.

Loans carry with them varying requirements as to the maximum percentage of a participant's contribution balance or a pensioner's net pay.

Desired features for the selected solution's loan processing capabilities include but are not limited to:

- The loans module must interface with the pension module of the system whereby validating the status of the participant's (active and retirees) pension account and contribution balance
- The ability to change loan parameters such as loan percentage amounts and fees, maximum amount allowed (currently \$5,000 for personal), debt to contribution balance ratio (currently 90%), refinancing frequency (currently 2 year), loan payment to salary ratio (currently 33%), and loan term maximum (currently 60 months) as legislation permits
- Creation of the appropriate amortization schedules and updating of the loan balances when payments are received either from employer payroll deduction (reported within the employer reporting wage and contribution file) or pension payroll deduction
- Ability to calculate a loan payoff amount for outstanding credit union loans that must be paid off.
- Allowing customers to access their service records for status and filing of loans through the Web portal. Member's should have the ability to apply for a loan via the self-service web portal.
- Providing automatic approval or disapproval for loan applications based upon the System's criteria
- Allowing for file exchanges between the System and various financial institutions for both the processing of applications and the repayment of loans
- Generating various reports on the total obligations outstanding, loan balances by participant or retiree
- Generating appropriate correspondence for applicants, participants and retirees
- Generation of a loan payment file for direct deposit into participant bank accounts once a loan is approved
- Access, via a secure web portal, by members, to loan status and payment information via interactive voice recognition system
- Integration with pension payroll to create a loan payment deduction record
- The ability to accept loan payments from the employers via participant payroll deduction

- The ability to provide to employers (the Commonwealth, Public Corporations and Municipalities), via a report or through a file transfer process via the employer web portal the loan payment amount to deduct from a participant's check.
- Provide a monthly report, by employer, indicating missed loan payments. A similar report should be available that ages the missed payments
- The ability to write-off bad loans, adjusting both the participant's record, and appropriately affecting the general ledger
- The ability to produce a certificate of debt for a member
- Access, via a secure web portal, by authorized credit unions, to member account balances and loan balances by credit unions who will be administering loans. The portal should allow the credit unions to notate the members account with loan information. (See Attachment E-2 for the current web portal used by credit unions that the offeror would replace. This is currently used by 16 credit unions and could possibly grow to near 200)

It should be noted that mortgages are not administered in the custom system developed by PRRS that is used for personal and cultural loans. These are currently administered in a third-party system. This is done to ensure compliance with federal lending regulations that allow the mortgages to be sold.

### **B.1.2.13 Participant / Pensioner / Maintenance**

Subsequent to enrollment, maintenance of the participant's demographic information and related data is the shared responsibility of the employer (through submission of updated information via the wage and contribution reporting process), PRRS, and the participant him/herself through the applicable web portals. Thus, there must be only a single participant database that is shared by all sub-systems. The existence of separate "person" databases for tracking of active participants, pensioners, and/or loans is not acceptable.

PRRS requires that the selected solution:

- Maintain data on each participant or pensioner, including (but not limited to) demographic data (including foreign addresses), employer data, pension plan data, relationship data, contribution account data, etc.
- All data items should be effective dated
- Any changes to participant or employer data should be covered by the system's audit trail including information regarding the data that was element changed, the date the change was made, who the change was made by, and the values of the data element before and after the change.
- Ensure that the display of this data is in logically consistent screens and that navigation among the screens is intuitive
- Based on PRRS defined rules, allow participants and pensioners the ability to update certain demographic data via the self service web portal.

Offeror should provide information about its Participant and Pensioner maintenance functionality specifically addressing the above bullet points. Offeror should also indicate any special functionality that it provides and that PRRS can consider of "added value."

### **B.1.2.14 Payroll and Other Payments (including transmission to Hacienda)**

The requirements categorized as payments relate to retirement payrolls that are processed on the 1st and 15<sup>th</sup> of every month as well as other types of payments that PRRS may make. Currently, PRRS prepares the data for each payroll and then transmits it to the Commonwealth Treasury Department, where the payments and advices are processed as direct deposits (in most cases). The Commonwealth Treasury Department then provides PRRS with an electronic file from which pay stubs can be produced. Each month, the file is then used by a third party firm to combine both payrolls into a single pay stub

PRRS envisions that the current arrangement, whereby checks are printed through the Commonwealth Treasury Department, will continue. However, the system is open to a discussion regarding the possibility of a new arrangement for the storing and production of pay stub information. Furthermore, PRRS would like to have the ability to flag an account to indicate that a participant has elected to forgo a paper check stub. In such cases, the check stub is to be posted to the member's secure web portal account. In addition, the proposed solution must be capable of the following:

- Create twice monthly payroll files, for submission to the Treasury's system, containing all necessary information including: whether payment is by check or direct deposit; the amount paid; tax withholding amounts; information on other deductions, (loans, health insurance premiums, etc.)
- Generate various payroll control reports including but not limited to the check register, the deduction register, direct deposit register, new retiree detail report, payment register report, retiree reinstatement or suspension reports
- Create an off cycle payroll file, independent of the twice monthly payroll that provides the same information and control reports as the twice monthly payroll
- Process COLA adjustments based upon each plan's unique requirements
- Process any necessary retroactive COLA adjustments
- Prohibit generation of checks with either a zero or negative amount; instead, produce an exception report from which the appropriate accounts receivable is established
- Create payroll reports displaying basic information on all new pensioner, beneficiaries and active participants
- Administer and pay special annual payments, as an adjustment to normal payroll, that include a Christmas Bonus, Summer Bonus, and Medication Bonus
- Post payroll information to the pensioner's self service web portal
- Allow printing and reprinting of a check advice.

Offeror should provide information about its Payroll production functionality specifically addressing the above bullet points. Offeror should also indicate any special functionality that it provides as part of its Payroll production functionality that PGERS can consider of "added value."

### **B.1.2.15 Purchase of Service**

Based on certain rules and conditions, PRRS participants in both the now-closed PRRS Defined Benefit program and the Judicial Retirement system have the ability to purchase service credit. . The proposed solution should accommodate all purchase types and provide a purchase calculator for eligible participants to use through via web portal. PRRS is interested in a description of the vendor's experience with such tools, as well as recommendations as to how best implement them.

The proposed solution should have the ability to:



- Accept service purchase applications processed by participants whether via the web portal, or through their employer
- Generate correspondence to request additional information relating to an incomplete purchase of service request
- Create a purchase of service agreement / cost sheet / invoice for the member that includes the following information: cost of the purchase; choice of payment plans; terms and conditions for each payment plan; a comparison of the participant's future retirement benefit with and without the purchase
- Accommodate cancellations of purchase either because the payment is overdue, or because the participant has made a request to rescind reverse all purchases that have been posted.
- Maintain a history of individual purchase records, for each purchase made, at the participant level
- Allow participants the ability to estimate then initiate a purchase of service request via the member self-service web portal.

Offeror should provide information about its Purchase of Service functionality. This information should specifically address the functionality detailed in the above bullet points. Offeror should also indicate any special functionality that it provides as part of its Purchase of Service functionality that PRRS can consider of "added value."

#### **B.1.2.16 Domestic Relations Orders (DRO) and Court Orders**

Occasionally a pensioner's participant's future benefit is affected by a court order. This court order may be in the form of, but not limited to, a Domestic Relations Order (DRO), stemming from dissolution of marriage; a child support order, etc. At a given time, a member may have multiple court orders affecting his/her benefit. Such a court order may also have an expiration date. Court Orders are quantified as either a percentage of the participant's benefit, based on the benefit attributable to the marital period, or as a fixed dollar amount.

PRRS requires that the proposed solution should have, among other:

- Record various court orders, including, but not limited to: the type of court order; the amount of the court order (whether as a percentage or as a fixed amount); name of the benefit recipient as specified by the court order etc.
- Apply the court order as appropriate, according to its terms and conditions, and create the alternate payee record.
- Pay the party who is to receive the benefit as specified by the court order, when and as appropriate.
- Allow notes to be added to the recorded court order
- Cease payments upon the expiration or withdrawal of the court order.

Offeror should provide detailed information about its DRO and Court Order functionality. This information should specifically address the functionality detailed in the above bullet points. Offeror should also indicate any special functionality that it provides as part of its DRO and Court Order functionality that PRRS can consider of "added value."

### **B.1.2.17 Refunds**

Prior to a participant's retirement, and in accord with PRRS requirements, the proposed solution must be able to accommodate the refund of a participant's contributions and interest from either the defined benefit or the defined contribution plan. The system should conform with the following actions:

- Provide workflow tools that aid in the processing of the refund
- Produce a rollover payment to a qualified retirement plan or IRA
- Split the refund between a rollover and a cash disbursement, and apply the respective rules for each disbursement type
- In the event a member is not eligible for retirement, and elects not to roll the monies over, the appropriate taxes and penalties must be automatically calculated and withheld

Offeror should provide information about their refund functionality. This information should specifically address the functionality detailed in the above bullet points. Offeror should also indicate any special functionality that it provides as part of its refund functionality that PRRS can consider of "added value."

### **B.1.2.18 Tax Reporting**

PRRS provides various payments to various parties (Retirees, beneficiaries, etc.) By law, PRRS is required to provide each payment recipient a Form 480 for each calendar year within which any payment is made. The actual production and distribution of the Form 480 is performed by the Finance Department (480 6A, 480 6B, and 4807C). This 480 are for the Professional Services and Participants who retire their Contributions. The 480 for the Retirees, Beneficiaries and employees are filled by the Retire Department and Human Resources office respectively.

To meet this requirement, the provided solution must:

- Access the necessary data and correctly calculate the amounts to be included in Form 480.
- Create a monthly tax withholding file for Department of Treasury
- Provide a file to Department of Treasury with the necessary information for printing the 480 Tax Form. Provide the ability to reprint a Form 480
- Process adjustments made to prior tax years and issue a corrected Form 480, as appropriate
- Allow retirees to access their Form 480 via the Web and to print copies remotely
- Produce the Puerto Rico annual tax file.

The offeror should provide detailed information about its Tax Reporting functionality. This information should specifically address how this functionality will help PRRS meet its tax reporting responsibility. The offeror should also indicate any special functionality that it provides as part of its tax reporting functionality that PRRS can consider of "added value."

## **B.1.3 DESIRED "TO BE" SUPPORTING FUNCTIONALITY AND TECHNOLOGY**

The specific functional requirements in this section are general in nature, being applicable across the entire solution. The requirements for the supporting functionality are divided into categories corresponding to the RFP sub-sections which follow. They are:

- General
- Audit and Security



- Business Process Management
- Content Management (Integration with Imaging)
- Reporting

In response to each one of these functional areas, the offeror shall provide a narrative description of the functionality provided. . The **narrative descriptive shall not exceed three pages** per section below, plus any samples provided, if requested. Offerors must clearly state if they can or cannot meet the requirements listed in each section or the applicable attachments to each section. For those requirements described by PRRS that the offeror cannot meet, the offeror should specifically site those requirements. PRRS expects that any features or functions described by the offeror in their proposal are included in the solution being offered as part of the PRRS solution and as such are included in the cost proposal from the offeror.

### **B.1.3.1 General**

The following sections provide detailed information on the business and technical functional requirements that **MUST** be satisfied by the new pension & loan administration system.

There are a number of principles upon which the requirements in subsequent sections are based. At a very high level these principles include:

- The ability to track all necessary demographic information of a participant including name, participant ID, participant SSN, contact address, telephone, marital status, account status, etc.
- The ability to look a member up by name, partial name, wild-card searches, and last four of SSN
- The public interface of PRRS will be a combination of PRRS staff (assisted by tools and access to knowledge far beyond that available to them today) and a customizable self-service interface that will provide tools to allow the participants to answer their own questions and initiate their own processing requests.
- Business processes should be repeatable and the actions necessary to perform a particular business process, whether initiated by receipt of an incoming document, web self-service, phone call, email, etc., should be as consistent in execution as possible.
- As much data entry as possible should be done by non-PRRS staff in that Participants and/or Pensioners will be encouraged to use the web-portal as much as possible, and employers (assisted by tools provided within the new solution) will be held responsible for ensuring their periodic reports are complete and correct before they are posted.
- Third parties such as credit unions-- who currently interface with PRRS on an ad hoc basis and whose requests are most often handled manually -- will be provided with access to the system through the portal in a manner similar to the interface used by PRRS employers.
- All security within the system will be managed on a role-based model. Thus, all references to user and authorized staff refer to those individuals of the PRRS community who are authorized to perform the indicated function.

In addition to the broad principles above, the following general requirements need to be addressed:

- The ability to enforce edits on addresses, based on postal regulations, and then have those edits prompt users to follow the standard prior to successful update, and to be able to validate addresses through a real time web service

- The ability to track the distribution, turn-around, and processing of each document used during in any process. The system should incorporate the generation of standard letters within each process
- The ability to use wizards to guide users through the completion of a screen or business process
- The ability to provide a mass data update capability that will permit users to execute a large number of like transactions in a short cut fashion such as when applying a COLA or zip code change

Offeror should provide detailed information about its general functionality to address the items detailed in the above bullet points. Offeror should also indicate any special functionality that it provides as part of its Disability functionality that PRRS would consider of “added value.”

### **B.1.3.2 Business Process Management (BPM)**

PRRS believes that business process management (BPM) is a powerful enabling tool to assist in the automation and management of our work processes. However, PRRS also feels that BPM is the kind of tool that works most effectively when subordinate to and integrated with the actual processing of work.

PRRS requires that the solution provide a BPM tool that:

- Leads the PRRS staff through the steps of a work process
- Provides guidance, at each step, in what that processing should be
- Routes the completed work correctly – all without intruding in the actual processing. For example, requiring that the user navigate away from the screen containing work in progress in order to indicate work status or obtain information on what action to take subsequently, only to subsequently navigate back to the screen containing the work in progress is **absolutely unacceptable**
- Allows the work process to be initiated and/or advance by the scanning and indexing of a document
- Allows third-parties the ability to determine the status of a process, by member (i.e. where in the process is an application for retirement)
- Timestamps the beginning and end of a process so that benchmarks can be established to determine if a process exceeds the benchmark. Daily alerts should be possible, where a process has exceeded the benchmark

In its proposal, the offeror is to describe how the BPM function manages automated document processing, as well as other content, and integrates it throughout the solution. In addition to specifically addressing the PRRS requirements as discussed in the bullet points above, proposal should also address:

- To what extent PRRS has the capability to add a work process or modify an existing work process.
- To what extent can PRRS define roles and responsibilities within the BPM tool?
- What statistics and reports are available to PRRS from the BPM tool?
- Offeror should address how many PRRS customized work processes are included in the initially delivered solution.

Offeror should also indicate any special functionality that it provides as part of its BPM functionality that PRRS would consider of “added value”.



### **B.1.3.3 Content Management (integration with document images and output)**

PRRS requires that the new solution integrate incoming and outgoing correspondences and documents with each participant or pensioner's record within the offeror's solution. The solution and implementation of the solution should account for a process whereby PRRS has the ability to scan the entire set of participant (paper) files for a participant when his/her files are brought from storage for processing. As discussed in Section A.4.5.5, only a subset of member files are currently electronic (i.e., imaged).

PRRS envisions the vendor's pension and loan solution as being the gateway to all member data. The end user should be able to access a participant's document folder from within the vendor's solution. The solution should then seamlessly provide a listing of all documents within a member's Imaging folder. These documents should be listed, opened, and viewed without exiting the vendor's solution. In addition the new solution must tightly couple with any workflow components provided whereby incoming images trigger appropriate workflows. As part of the implementation, the offerors are required to identify and configure all required document types associated with the business processes being implemented at PRRS.

Offerors have two alternatives for addressing the ECM requirement: integrating with the current FileNet application as described in Section A-4.5.5 or by replacing FileNet with the offeror's recommended solution.

PRRS understands that integrating with FileNet may provide challenges for both PRRS and the offeror. The FileNet solution resides (and will reside if kept) at the offices in San Juan, along with the image data and files. This may offer challenges in integrating with pension data in the offeror's solution. Should the vendor choose to stay with the current FileNet solution these risks should be discussed in the offeror's proposal. PRRS is also interested in the vendors experience integrating with FileNet.

Should the offeror elect to replace FileNet, a full description of the solution should be included along with the vendors experience implementing the solution. PRRS is interested in how the new solution stores the image files and meta-data associated with the image files. The proposal must outline the vendor's experience integrating with the proposed ECM application for image archival and retrieval. If the vendor intends to utilize the services of a sub-contractor, it should be noted accordingly in the proposal.

Should FileNet be replaced the offer must include the cost of the software, licenses, and hardware in their cost proposal. This should include all scanners, scanner controllers, and capture software should those utilized as part of the current solution not be reusable. In addition, if a replacement solution is proposed it must provide for the conversion of all existing images and be able to store images as a PDF or TIFF. The current image inventory is discussed in A.4.5.5. This conversion cost should be included in the vendor's cost proposal.

### **B.1.3.4 Audit and Security**

The term "audit" can mean multiple things. Within the general functional requirements being required of the new system additions, changes and modifications must be traceable by username, date, etc.

An "audit," in an additional context, refers to the process whereby PRRS staff reviews a participant's account (e.g., wage, service, and contribution history) and makes adjustments (particularly to converted data) to pay period dates, compensation, service, and contributions so that the LOB



application can correctly calculate service credit, refunds, transfers, and Final Average Compensation (FAC).

Alternatively, an “audit” can also mean checking or auditing another PRRS staff member’s work for accuracy and completeness. The objective of employing an audit indicator is to avoid any redundant audit activities on the part of PRRS staff. Offerors should understand and be able to differentiate these functional requirements.

Security relates to the protection of data within the LOB through encryption or controls related to access. Thus, for purposes of audit and security, the system at a minimum must provide for the following, and have the ability to:

- Audit
  - ▣ Forward a transaction to a reviewer for an audit based upon either a defined process or on an ad hoc basis.
  - ▣ Audit participant accounts randomly without a triggering event and flag and record the fact that the account was audited, the date it was audited, the time period and transactions audited, and the name of the auditor. Display on the screen the date ranges for which audits have already been conducted, as well as when and by whom the audit function is invoked on a specific account.
  - ▣ Unset an audited (verified) account flag if data within the audited period changes.
  - ▣ Maintain audit trails sufficient to allow tracing of all transactions from original source of entry into the system, through all system processing, to the results produced by the system, and back to the original source of entry into the system.
  - ▣ Maintain an audit trail of any changes made and by whom.
- Security
  - ▣ The application will comply with the Data Protection ACT of 1998 for protection of individual’s information.
  - ▣ Encrypt any information PRRS deems appropriate (including system security and role-related information).
  - ▣ PRRS staff is not only end users of the new solution, but also participants. Therefore, the security controls should prohibit PRRS staff from updating their own record.
  - ▣ Provide role-based access to data for the purposes of data entry, review and retrieval.
  - ▣ Log all activity by associating a User ID, name, application/module/process, and date/time with each log entry.
  - ▣ Adhere to PRRS standards with regard to User Id and password administration, frequency of changing passwords, etc.

The offeror should provide information about its audit and security functionality by specifically addressing the above bullet points. Offerors should also indicate any special functionality that it provides as part of its audit and security functionality that PRRS can consider as “added value.”

### **B.1.3.5 Reporting**

As an important component of fully meeting its fiduciary responsibility to its participants and employers, PRRS must have the ability to provide various reports that relate to all aspects of the services it provides.



Many of these reports are produced periodically, with some being produced as a result of the completion of a process. There is, however, always the need to produce reports on an *ad hoc* basis. Offerors should note that PRRS currently utilizes SAP's Business Objects to prepare various reports. As it owns the necessary licenses for this SAP application, the System desires to continue its use and encourages offerors to consider this when preparing their response. If it will not be possible to use SAP Business Objects, vendors should describe the proposed reporting writing tool and price it.

PRRS requires that the selected solution:

- Provide a set of pre-defined reports that cover PRRS' anticipated need to provide reports for its own use, as well as reports that PRRS may be required to provide for other entities. The proposed solution must include reports that contain the content included in these sample reports. These pre-defined reports must include (but are not limited to) statistical reports, such as: 1) number of participants eligible to retire; 2) number of retired participants who have returned to work; 3) retired participant statistics; 4) active participant statistics; 5) number of deaths; 6) number of terminations; 7) retirement statistics (average age, average benefit, average final average earnings, service)
- Provide the capabilities to produce reports for the actuaries on a monthly, annual, or Adhoc basis, and work with the PRRS staff to design, develop, and implement those reports
- Provide a robust *ad hoc* report generation capability. This *ad hoc* capability must be easily usable by a non-IT user (an end user within the business unit) and should not require knowledge of the system database structure nor any programming language. The proposed solution should also allow the user to perform queries against the data base in an easy, intuitive manner
- Have the capability for any report generated by the system to be downloadable into Microsoft Excel
- Archive and allow retrieval of all reports generated by the system
- Allow users to perform basic queries without being required to know the system "table structure." If the user is required to know such information, the vendor must develop processes/temporary tables from which users can easily identify the data they wish to query.

Offeror should provide detailed information about its Reporting and Querying functionality. In addition to specifically addressing the PRRS requirements as discussed in the above bullet points, this information should list, and provide samples, of all reports that are part of the base system. Offeror should also indicate how many reports it will customize for PRRS as part of the system implementation effort. Offeror should address the various methods by which reports can be triggered. A full explanation of the *ad hoc* reporting functionality with examples of user screens and sample outputs should be included.

Offeror should also indicate any special functionality that it provides as part of its Reporting and Querying functionality that PRRS can consider of "added value."

## **B.2 TECHNICAL REQUIREMENTS**

The subsections that follow include the technical specifications and requirements that the offeror must follow.

### **B.2.1 MULTIPLE APPLICATION AND DATABASE ENVIRONMENTS**

During the implementation period and over the lifetime of PRRS' use of the pension solution, there will be times when business rules may change or system problems may be encountered. As enhancement and/or fixes are made to the pension solution, it is understood that those enhancements/fixes would be tested before being placed into a production environment. As such, the solution must have, at minimum, a testing and a production environment. It could be expected that the offeror may have other environments also, examples could include: a development environment, a staging environment, a query environment, etc.

The offeror should enumerate all environments that would be used in supporting PRRS. Also specify whether any particular environment is physically distinct from other environments. Identify which environments are available to PRRS.

### **B.2.2 BROWSER-BASED SOLUTION**

PRRS desires a pension and loan administration solution that resides in an SaaS or hosted **environment. The solution must be browser-based, with a zero footprint client.** PRRS believes such a solution provides a number of advantages, including: little or no need for PRRS technical support; readiness for remote accessibility (from PRRS offices) when enabled with the appropriate security – while still enabling a rich user interface, as well as providing the option/alternative for telecommuting. However, PRRS recognizes that some scanner controllers are not yet web-enabled (and because of the limited numbers involved, may not need to be so enabled). Also, the offeror may propose as part of the solution other special-purpose client interfaces that are still thick-client interfaces.

PRRS uses Internet Explorer as their standard browser for internal employees, but because PRRS has no control over the browser platform that members and retirees select for use on their own computers, it is essential that the portion of the solution exposed to PRRS external stakeholders (i.e., members, retirees, employers, etc.) via the web support the current release, and at least the two immediately prior versions of each of the following: Microsoft Internet Explorer, Mozilla Firefox, Safari, and Google Chrome.

PRRS is also interested in the ability for members to access the member web portal via a mobile device. Offerors should explain how this will be accomplished and tested. PRRS' current PBX can accommodate xhtml applications that are necessary for such integration.

Offeror should confirm an understanding of this requirement and a commitment to meet this requirement.

#### **B.2.2.1 User Interface Standards**

The offeror should provide a discussion as to how its solution meets the following guidelines:

- The application shall have an intuitive look and feel and allow for easy navigation.
- Screens should be presented in a way that limits the need to scroll. In cases where scrolling **is** necessary, page headers must remain intact (member, employer, or other record identification information) as well as identifying column or section headers on transaction grids. Each instance



of horizontal scrolling must be explicitly noted in the design documents, the reason for it explained, and its use signed off on by the PRRS Project Manager.

- The application shall have a consistent style such that users encountering an operation for the first time should feel that the screen is “familiar” with common options and capabilities available in the same geographic location on each screen. Specifically, the system must incorporate the following elements:
  - ▣ Learnability (e.g., intuitive navigation) for all users; solutions which allow flexible, long-term, cost-effective customization of screens to promote the use of familiar, internal PRRS “language” as opposed to solutions which “force” users to learn a new “language.”
  - ▣ Efficiency of use (e.g., speed of navigation through the system, minimal “drill down” to get to the information that is needed, appropriate density of information on a screen to reduce number of screens to navigate, etc.).
  - ▣ Memorability, particularly for casual users of the system.
- All functionality exposed to members / retirees through the PRRS web-site shall have a consistent look and feel.
- All interfaces must be ADA compliant.

Examples / samples demonstrating adherence to these standards should be included in the offeror’s proposal.

### **B.2.2.2 Workflow Sub-System**

PRRS expects the new system to include workflow tools to aid in the flow of work at PRRS. The workflow sub-system should interface with both the pension and loan applications, as well as integrate with document imaging.

The offeror should provide a discussion as to how its workflow sub-system conforms to the interface specifications of the Workflow Management Coalition (WfMC) and how it makes use of Business Process Execution Language (BPEL) to describe the orchestration of services within the business processes.

An example or sample demonstrating adherence to these standards should be included in the offeror’s proposal.

Note: PRRS uses today the IBM FileNet 8 solution for document imaging, but not workflow.

### **B.2.3 HOSTING THE SOLUTION**

The offeror is required to host the pension and loan administration system and all associated data. As stated previously, PRRS has the imaging equipment needed to scan images, conduct associated quality assurance, and integrate images into the Pension and Loan Administration application. The offeror is required to provide a description of its approach for application hosting services and the facilities it intends to use. The offeror should also include a diagram depicting PRRS communications with the hosting site.

Offerors are advised that they themselves may provide the required hosting services through facilities they maintain or, alternatively, they may elect to provide such a service through a hosting provider under a subcontract agreement. Regardless of the approach proposed, the offeror is and will be considered the prime contractor for all services procured under this RFP. While we understand that, if you deem your solution to be a SaaS solution, you may include hosting services

as part of the normal subscription process, the details described in this section should, in any case, be discussed in your proposal.

In the event the subcontracted hosting service provider ceases to provide such hosting services, the offeror shall be responsible for the continuity of such services either by providing such services itself or by subcontracting the services to another hosting provider. Any such change in the provision of these services is subject to the review and approval by PRRS. In the event such an occasion arises, PRRS will not bear any cost for the migration, installation, configuration of any software components, the conversion of underlying data, or testing for the success of the migration itself. All such costs will be borne solely by the offeror.

PRRS maintains the option of electing to inspect the hosting facility at any time without any notification in advance.

In proposing the hosting services and formulating the proposed suite of tools and products for hosting the application, the vendor should refer to the performance requirements and capacities and database growth rates outlined in Sections B.2.6.1-B.2.6.3. PRRS reserves the right to use a third-party testing service to measure and validate response times.

Specifically, the proposed hosting services must accommodate the following minimum list of requirements:

- The hosting services must house all hardware and applicable operating software for the proposed application to operate within the performance requirements outlined in Section B.2.6.1 “System Sizing and Performance Requirements.”
- The service must allow for access or connectivity by the software vendor in order that the vendor may upload patches, enhancements, etc. to the LOB solution software, as necessary, within the production and other environments but will follow the appropriate change control standards.
- The hosting services must provide for multiple environments: i.e., production, testing, ad hoc query, as identified in Section B.2.1, “Multiple Application and Database Environments” in the Mandatory Requirements section of this RFP.
- The hosting services must include back-up and restoration processing that complete within the time window identified in Section B.2.6.5, “Recoverability Requirements” of the Mandatory Requirements.
- The hosting services must include provision of a hot-site
- Any scheduled down-time associated with periodic maintenance must occur within the hours defined within Section B.2.6, “Operational Requirements” and must be made known to PRRS fourteen (14) days prior to occurrence.
- The data center used to provide the hosting services must, at a minimum, conform to Tier 4 data center standards.
- The hosted applications will be subjected to a network vulnerability assessment, conducted by a third party identified by PRRS, on one or more occasions. Refer to Section B.2.6.6, “Network Vulnerability Assessment,” for additional information.
- The hosting service must provide a Service Level Agreement (SLA) that guarantees 99.9% up time. Measurements should be provided by the offeror as part of their proposal. The measurement must include the variables in the calculation to arrive at the uptime history.

The hosting service provider will function as “guardian” of the production application. The hosting provider will make available the necessary interface between all other entities, such as the developers, users and operations staff that run the various environments. This production control will implement procedures necessary to ensure successful migration of updates to the production



environment and will approve all production changes. The operations staff of the hosting service will be responsible for the day-to-day support operations of the production environment and other environments hosted by the firm. In addition, the hosting service will be responsible for all system and database back-ups.

### **B.2.3.1 Hardware**

The pension and loan administration solution will be hosted by the vendor. Although PRRS has a vested interest in knowing the details of this hardware, its primary interests lie in its ability to satisfy the performance expectations specified in Section B.2.6.2, below. The offeror is required to list all hardware being used and to explain the extent to which the hardware of the proposed solution meets, or exceeds, PRRS' expectations. A diagram depicting the solution's hardware architecture should be included. Whenever possible, the offeror is asked to provide evidence that supports the offeror's self-assessment. For example: "The proposed solution is fully operational 99.97% of the time.

Although the solution will be hosted, in the event any special hardware would be required at PRRS offices, the offeror should note and describe it in this section of its proposal.

A desktop platform standard must be specified for PRRS end users as part of the offeror's proposal. As such, upon project start a review of current PRRS work stations will be conducted by the offeror to certify compliance with the new solution.

### **B.2.3.2 Software**

The offeror should provide a detailed list of all software being used in its pension administration application (i.e., operating systems, compilers, utilities, applications, etc.) and explain the extent to which the hardware of the proposed solution meets, or exceeds, PRRS' expectations. The offeror should also identify the programming language(s) that is (are) being used by the pension and loans administration application. The offeror should also confirm that all "proprietary" software is fully owned by the offeror. All source code and executables will be put in custody of a third party. If for any reason the offeror goes into bankruptcy or ceases operations PRRS will have access to the source and executable codes to continued operations.

With a hosted solution, PRRS anticipates minimal need for special software to be installed on user desktops. Should installation of any special software be required that is not listed in Section A.4.4.3 as already resident on the PRRS end user desktops, it should be listed by the offeror. PRRS recognizes that the offeror may also elect to propose a replacement for the current FileNet ECM solution. In that event, offeror must convert current images to the new software solution for imaging and describe all required software that will be installed at PRRS offices, including any image capture software being installed. The vendor is responsible for procuring and installing all required software.

## **B.2.4 RELATIONAL DATABASE MANAGEMENT SOFTWARE (RDBMS)**

PRRS requires that a fully-scalable RDBMS be proposed. Although PRRS is interested in the details of this DBMS, its primary interests lie in its ability to satisfy the expectations specified in Section B.2.6, below. The offeror is asked to identify which RDBMS is being used and to explain the extent to which the RDBMS of the proposed solution meets, or exceeds, PRRS' expectations.

While the offeror will be converting PRRS data from multiple RDMS systems (i.e. Pension System, Retiree Payroll System, and Loans System), PRRS expects a single participant file will exist that will be related to the various benefit records available for each PRRS participant. In this instance, regardless which screen or module of the participant's record is accessed, all updates will be made to a single master member file.



## **B.2.5 SECURITY AND CONTROLS**

The pension administration solution provided by the offeror will house all PRRS member data, all of which will be stored at a vendor designated site or hosting facility. As such, the security of that information will be a critical component in the selection of the solution. The offeror is asked to specify how this data is secured, with what frequency, and by whom, and also to specify how this security is tested and/or audited. PRRS reserves the right to conduct its own security testing or to engage a third party to do such testing. The offeror is asked to explicitly agree to this right.

In addition to data security, PRRS is interested in how the pension and loan administration solution provides user controls. What audit trails does the solution provide? What ability will PRRS have to access and generate reports from that audit trail?

One of the evaluation criteria used in selecting the solution will be the features of the solution. The offeror should be informed that the security features of the solution will weigh heavily within this evaluation criterion. Additional security requirements must be discussed in the offeror's proposal:

- Any member data transmitted over unsecured connections must be encrypted.
- Any security tables, the breaching of which would endanger the integrity of the system, must be encrypted.
- Any passwords stored under the control of the LOB application must be encrypted.

Finally, because security control impacts the entire enterprise, its implementation must be easy to administer, verify and sustain.

Prior to authorization of the new system, the following controls must be in place:

- Security Accreditation and Certification must be complete.
- Relevant risks in Risk Assessment must have been mitigated.
- Rules of behavior must be established.
- Contingency plans must be developed and tested.
- Security Plan must be developed, updated and reviewed.
- System must meet all applicable laws, policies, guidelines and standards.
- Offeror solution must comply with COBIT 4.1 and ISO Data Protection 27001 Standards.

The system must be designed to control and limit access via logins and/or other security mechanisms. Access control and integrated security in general, must be managed by role rather than by authorizing a specific individual.

The principle of least privilege must be in effect. Critical functions must be divided among different roles so that no one individual has all of the necessary authority or information access that could result in fraudulent activity.

The LOB solution must provide the capability for the system administrator to generate a status report detailing the values of all configurable security parameters.

The system must not allow simultaneous logins with the same user name and password. Should a user try to log in more than once, the system should ask him/her if he/she wishes to terminate the active session. If the answer is yes, then the system must terminate the active session and establish a new session. If the response is no, the login will not be allowed.

The user will either logoff the system or will be automatically logged out of the system after an administrator-defined period of idle time (the maximum idle time value must be a parameter modifiable by the system administrator). The system must provide a notification one minute prior to a time out. Whether the user logs off or the system logs the user off after the idle time threshold has been exceeded, the system must then ensure that all objects created for the user at the back-end are destroyed and that the system exits cleanly.

After multiple unsuccessful login attempts, the system must:

- Disable the user account for a period of time previously defined by the security administrator
- Record the event for audit
- Inform the user of contact information to unlock the account – or provide another means of authenticating the user password.

PRRS Username and password standards must be implemented:

Passwords must be a minimum of eight (8) characters in length, must include both letters and numbers. First character must be a capital letter. Passwords must not be displayed in the application at any time. When changing a password, the user must enter the old password once and the new password twice. If the password change fails, the user must be informed that the request to change the password has failed and must receive an explanation of the reason for the failure, in plain English. Finally, the user should be advised to make another log-on attempt, by exiting the system and logging back in. Passwords must be stored in an encrypted manner so they cannot be obtained by PRRS systems maintenance personnel or any unauthorized intruder who might gain access to the system.

If the user forgets his password, the system should supply a password Q&A to assist in remembering – in the event the password Q & A is unsuccessful, the system administrator must be able to reset the password to a temporary value. The system must disable any account with a temporary password that is more than 8 days old.

The system must provide tools for the system administrator to manage user accounts. This will include such tasks as resetting a password and activating, suspending, or deleting a user account. These administrative functions must be limited to only the system administrator and/or other well-defined privileged users.

## **B.2.6 OPERATIONAL REQUIREMENTS**

Given PRRS' expectations of member self-service via Web-browsers and the like, PRRS believes that the application architecture must support member Web-based access virtually 24 hours a day, 7 days a week, except during those times specifically scheduled (by PRRS or the offeror) for system maintenance, backup and downtime.

PRRS requires a system that is available for use virtually full-time. Although it is understood that periodically, preventive maintenance, backups, and system change migration is performed, it would be expected that these could be performed without the system being taken off-line. Vendor should provide statistics as to the actual uptime of the system in a monthly basis. Vendor should specify how these numbers were measured. On those rare occasions when the system must be taken down, Offeror should note whether there is any indicator (aside from non-response) given the user to indicate the system is off-line, and to inform as to its expected return to operability.

In the event there are any pre-determined circumstances in which the system is to be taken down, the nature of those circumstances should be itemized. Also, for each of these expected circumstances, how long will the system be down? Is the vendor taking any steps to mitigate these planned downtimes?



### **B.2.6.1 System Sizing**

PRRS is concerned that the proposed solution has the processing and communications capacity to accommodate all potential users and uses of the system, including during peak usage times. Section A.4 contains information as to the numbers of PRRS employees, number of employers, and numbers of members (actives, payees, and terminated vested). Although not all of these users will be accessing the system at any one time, there will be times when many of them are doing so simultaneously. The vendor should state how many concurrent users could be using the system at the same time without a noticeable drop in system response time.

### **B.2.6.2 Performance Requirements**

Whereby the performance of the system can be affected by the number of concurrent users, the largest effect on performance is the execution of process-intensive activities. What follows is a list of process-intensive activities performed by PRRS staff in the normal course of their work. For each process listed, the offeror should indicate the number of units of the activities (in parentheses) the solution can perform, per hour, without affecting the user experience. For example: How many transactions can the solution process per hour?

- Payroll Processing (Checks and ACH) (payees)
- Wage and contribution edits (members):
- Wage and contribution posting (members)
- Interest posting (members)
- Benefit Statement generation (members)

In all cases of individual transactions, the system must respond to the User within three seconds or less.

**For the purpose of ensuring that this response time is maintained, response time will be measured on a PC permanently connected in the closest possible proximity to the location where the PRRS environment meets the outside environment – in an effort to eliminate any issues that could be attributed to PRRS’ internal LAN traffic, or other software that may be running on users’ workstations over the LAN, or any similar such factors.**

### **B.2.6.3 Scalability Requirements**

The solution must be able to meet a projected growth in processing volume of at least five to eight percent per year, for at least the ten-year expected lifetime of the solution without additional cost to PRRS. Offeror should discuss the process by which the system is originally sized, as well as the ongoing process used to ensure the system meets the future needs of PRRS.

### **B.2.6.4 Disaster Recovery Planning**

The offeror will be required to produce a detailed, comprehensive Disaster Recovery Plan (DRP) that coincides with the Business Continuity Plan already developed by PRRS. It is understood that standard procedures are likely in place at the hosting facility, and these should be discussed by the vendor. However PRRS needs to have a thorough understanding of its role in terms of the implementation of these procedures. The offeror is to provide all disaster recovery planning as related to data and applications replication at the hosting facilities and how those systems would be brought back up along with the interfaces to applications residing in San Juan and maintained by PRRS IT (i.e. FileNet Imaging and PeopleSoft Accounting). The DRP plan should also discuss any



actions that would be implemented should the San Juan offices be unavailable and it became necessary for PRRS staff to access the system from a remote site. The remote sites could be one of the PRRS Regional Offices at Arecibo, Mayaguez, Ponce, Caguas, or Humacao.

The purpose of the DRP is to:

- Avert an interruption of service wherever possible
- In the event a disaster does occur, identify how the system will be brought up at a different facility
- Assist PRRS in accomplishing a speedy, orderly return to normal production mode
- Ensure that one of PRRS' primary goals, "getting the checks out on-time", is fully supported.

The DRP will address all aspects of the new solution, including but not necessarily limited to:

- Applications software
- Data
- Replication
- Backup and restore procedures
- Off-site, cyclical media storage
- Workflow
- Imaging integration
- Procedures (both end-user and computer-related).

The DRP will outline both the actions to be taken to resolve the emergency situation and restore normal operations, and the alternative procedures that will be observed by system users to continue day-to-day business transactions (albeit in a degraded mode) while the resolution effort is in progress. Disaster recovery team members will be identified and their roles will be defined.

Additional requirements relating to the DRP include:

1. The DRP must support the phased implementation required by PRRS and proposed by the offeror. The DRP must be in place prior to cutover of each phase of the new solution. A draft will be submitted to PRRS for review at least one (1) month prior to scheduled system cutover for each phase.
2. The offeror will be expected to evaluate various disaster scenarios and recommend the level of backup capability justified by the criticality of various client functions.
3. The DRP must include written procedures to be followed in each case. It must also include a training plan aimed at:
  - Familiarizing disaster recovery team members with how to handle a crisis using the DRP
  - Cross training team members appropriately so that recovery procedures are not reliant on the presence of any single team member
  - Providing to system users and technical support staff an understanding of when and how to notify disaster recovery team members of a crisis.
4. The DRP must include a section describing the testing procedures and frequency. Periodic reporting from the vendor is required by PRRS to ensure testing has occurred.
5. Offerors must specifically address in their DRP how they will ensure that the generation of retiree check files will not be interrupted – this is among the most critical of the PRRS processes.



6. Offerors are to include in their proposals an outline of the DRP document.
7. This document will be compatible with the Business Continuity Plan.

### **B.2.6.5 Recoverability Requirements**

Inasmuch as systems do on occasion fail, PRRS is interested in how the proposed solution recovers from such failures. PRRS could typically expect the system would be fully recovered and operational in the shortest period of time. PRRS expect a configuration failover without downtime. That means that the contingency site must have all the equipment, software and communication (redundant Internet services) to replicate in full all their applications.

The vendor should also provide information related to how the recovery process works: starting with notification from PRRS of a problem, through to the point of final recovery.

Furthermore, should a disaster occur at the main PRRS office in San Juan facility, the system should be accessible from one of the regional offices, as is currently done as part of their business continuity plan.

### **B.2.6.6 Network Vulnerability Assessment**

Protection of member information through such means as determination of system vulnerability is a critical issue for PRRS. The successful offeror will be contractually obligated to provide a secure network environment. Each offeror must provide PRRS, with its response to this RFP, including documentation that certifies the security of all environments (production, testing, etc.) at both the primary hosting facility of the solution and at the facility that will host the disaster recovery site. Offeror should also indicate how often network vulnerability is tested and recertified. Offeror should also indicate how offeror remains current as to its knowledge of network vulnerabilities.

PRRS reserves the right, through a third-party organization, to at least every year conduct network vulnerability assessments. Upon completion of the assessment, the third party organization will review all events with PRRS personnel; determine which of the identified shortcomings essentially false positives are, and which necessitate repair. Offeror should confirm acceptance of this PRRS right.

In the event there remain shortcomings in the network security configuration of the proposed solution, the successful offeror will be immediately notified and provided an opportunity to respond. In the event PRRS remains convinced that any of the shortcomings are, in fact, issues of significance, the offeror will be responsible for rectifying these shortcomings, at the offeror's sole expense within fifteen (15) business days of being advised of them. Offeror should confirm acceptance of this responsibility.

### **B.2.6.7 Integration with Other Internal Applications**

The new pension solution must interface with the following applications, internal to PRRS:

- PeopleSoft Financials version 8.4 for all accounting transactions
- PeopleSoft Financials for issuing participant refunds and loans
- The existing IBM FileNet Imaging System version 8 and repository
  - ▣ Push documents/letters created in the pension/loan solution to the member's imaging archive
  - ▣ Retrieve, from within a member's record in the pension system, images that are stored in the FileNet database (based on a member primary index)

- Interface with the scanning and capture software to provide valid member/employer IDs for indexing as well as valid document types.
- SAP Business Objects (version) for Business Intelligence Dash Boards for Loans, Investments, Accounts Receivable and Reporting
- MITEL 3300 System Telephone System and an IVR System for loans status.

### **B.2.6.8 Integration with External Entities**

The new pension solution must interface with the following external entities:

- The Puerto Rico Treasury (Hacienda) Department's RHUM system
  - For production of payment records for retirees
  - To receive wage and contribution files for active participants employed by the central government
- Interface files from health insurance vendors including deduction and rate data for retirees paying for health benefits from their retirement benefit
- Commonwealth Department of Revenue for tax filings
- Employer Web Portal to be used by Public Corporations and Municipalities for wage and contribution data. Portal should allow file upload as specified in Attachment E-9 and manual data entry. The Employer portal should provide access to file validation reports, historical reporting information, and other reports as specified.
- Loan Portal for Credit Unions for loan processing access by the credit unions and cooperatives to loan balance information and to update a participant or pensioner's account indicating that a loan was issued, including amount and payment information. (NOTE: There are currently 16 credit unions participating in this program. There could potentially be up to 200 participants)  
Member Web Portal – web portal used by members to retrieve member statements, retiree payroll statements (check stubs), contribution and service balances, loan balance and payment information, and to initiate business processes by submission and completion of online applications.

## **B.3 PROJECT MANAGEMENT-RELATED REQUIRED SERVICES AND DELIVERABLES (INTRO)**

In addition to the business and technology requirements specified, PRRS has identified several project management-related areas that are of importance in selecting an offeror. These requirements have been accumulated under a single heading — Project Management-Related Required Services and Deliverables. The intent of this section is to inform the offeror of its responsibilities and the expectations for its conduct over the duration of its relationship with PRRS in the following areas:

- Project management
- Assisting PRRS staff and users
- Standard project management deliverables
- Data
- Project staffing
- Training and knowledge transfer
- Testing.

### **B.3.1 PROJECT MANAGEMENT**

PRRS expects the offeror to be competent in project management skills. The offeror's approach to project management must ensure that:

- Project planning is part of normal daily activities
- Resource planning occurs in conjunction with PRRS management
- There is an established path for escalation of project issues
- Risk management is included as part of the normal process
- Project management is able to provide reports to PRRS business units and management on the progress against project objectives, to ensure continued project support
- The project plan is organized in a phased approach that provides achievable and demonstrable milestones and deliverables. The engagement should be managed to meet specific milestones with an established method of reporting project status.

#### **B.3.1.1 Relationship**

This engagement will be a long-term relationship; therefore, the nature of the relationship will be crucial to the success of the project. To address this issue, the proposed solution and approach must ensure that:

- The offeror has a demonstrated ability to understand and deliver realistic mission-critical systems
- There is a high degree of cooperation between PRRS and the offeror
- The offeror can provide technical leadership and has the courage to suggest innovative solutions and take advantage of opportunities as they present themselves
- The offeror understands the aggressive nature of the schedule and will take ownership of tasks in a proactive manner

- The offeror understands the vision for PRRS and is able to align the offeror's capabilities with PRRS' needs
- The relationship is not an opportunity to sell untried offeror offerings that may place PRRS at risk in meeting its business objectives.

### **B.3.1.2 Project Oversight**

The offeror will report to the PRRS Project Manager, who will be a PRRS staff member dedicated to this project on a near full time basis. The offeror will report project status as described in Section B.3.4.3

### **B.3.1.3 Three Party Relationship**

All offerors must understand and acknowledge in their proposals that the project is a three-party relationship between PRRS, the offeror, and the Oversight Project Manager / Quality Assurance (OPM/QA) consultant selected by PRRS; the OPM/QA consultant may be any one of (or a combination of the following): a consulting firm, an employee or contract employee of the retirement system, an employee or contractor of an oversight or IT agency. The OPM/QA consultant will assist PRRS with any and all of the following (without restriction): (1) assessing the project methodologies, planning, and execution, (2) assessing implementation quality, (3) evaluating quality and compliance of deliverables, and (4) participating in activities such as testing of the solution in order to accomplish the first three listed activities. The selected OPM/QA consultant will also assist PRRS in developing and implementing the following project monitoring procedures:

- Project schedule monitoring
- Project scope monitoring
- Project budget monitoring
- Project quality assurance monitoring.

All written project materials (e.g., statements of work, project plans and schedules, design documents, test materials, training materials, form and letter templates) are to be provided directly to the OPM/QA consultant by the offeror, as well as to appropriate PRRS staff for review and approval. The OPM/QA consultant will review all such materials and provide suggestions and comments in the same time frame and in the same manner as will PRRS staff.

It is the offeror's responsibility, and not PRRS', to deliver such project materials directly to the OPM/QA consultant. Nor is it the OPM/QA consultant's responsibility to access the material from an internal e-mail system. This delivery to a third party may well require additional document preparation steps relative to the delivery to PRRS staff. The deliveries will be made electronically via (Internet) e-mail or delivery to a document repository with e-mail-based alert capabilities. The documents being delivered must be complete, i.e., no "embedding" of documents using "shortcuts" will be accepted unless they can be opened after being transmitted through the Internet.

After contract execution at the project's inception, the offeror will be provided with e-mail addresses and distribution lists for submission of the various project materials.

Offerors must acknowledge in their proposals that it is their responsibility to provide all such written project materials to the independent, outside OPM/QA consultant via e-mail as described above (as well as to PRRS staff).

PRRS' outside OPM/QA consultant will be bound to reasonable commercial terms of confidentiality protecting the confidential or proprietary information of offeror and its subcontractors. As such, no material will be limited in its distribution and/or restricted from review and discussion with such a consultant



### **B.3.1.4 Offeror Responsibility for Detailed Requirements Definition**

Offerors must note that PRRS' environment is governed by a myriad of rules, regulations, "standard" operating procedures, and long-standing practices (formal and informal, documented and undocumented). Developing a full set of all of the rules, regulations, procedures, and practices that need to be accommodated in the new solution is a critical, integral part of the project – and the key to its eventual success. Offerors must factor into their proposals, in terms of manpower, cost, and schedule, their responsibility to completely:

- Explore and define all such rules, regulations, policies, procedures, practices, and calculations – both written and unwritten (i.e., policy of long standing) – that currently exist and those to be added in the new environment
- Develop pertinent specifications
- Implement those capabilities.

In preparing their responses to this RFP, offerors are cautioned to budget sufficient manpower to decompose this information to a level of detail sufficient to obtain sign-off from PRRS staff during the initial phases of the implementation.

Among other factors, offerors' responses will be evaluated on the basis of their commitment to this portion of the effort, as evidenced by their work plan for addressing this issue and the manpower, time allotment, and quality of offeror staff proposed to be dedicated to it.

Because this issue is critical, offerors **must affirm in writing, both in their proposals and in the accompanying cover letter**, their understanding of this responsibility. In developing the requirements definition of the new system, PRRS expects the selected offeror to involve PRRS staff members in many requirements and design "workshop" sessions. This involvement of staff members is understood by PRRS as being essential to preparing correct, comprehensive requirements definitions and systems designs. Yet the time required of PRRS staff for this level of participation may inhibit the day-to-day business of PRRS. Therefore, PRRS requires that staff participation in the requirements definition process be as efficient as possible. This includes determining what staff will be needed and when so the PRRS management team can plan workload issues in advance.

To this end, any written materials supplied by the offeror for use in requirements and design meetings with PRRS staff must be targeted specifically to PRRS. PRRS recognizes that the offeror may utilize materials prepared for other retirement system customers to "bootstrap" the design definition effort. However, such materials must be purged of any specifics (including but not limited to name references, forms numbers, and calculation routines) that relate to another of the offeror's customers. Ideally, these materials should be tailored to PRRS' specific business practices from the time they are first exposed to PRRS staff members. At a minimum, they must be neutral, that is, they must not contain any overly specific references to specific practices of other retirement systems so as to avoid any confusion or wasted effort during the requirements definition and design sessions with PRRS staff.

### **B.3.1.5 Project Management and Control Methodology**

Offerors are required to address in their proposals the following minimum requirements in the areas of project management and control.

The offeror must describe in detail the methodology it will utilize to manage and control the project including its change control methodology.



Due to the magnitude and complexity of the effort, it is essential that an automated project management tool be utilized for this purpose; Microsoft Project is the required tool. The offeror will deliver to PRRS the Microsoft Project files at various points in the project.

The offeror is to provide examples of its use in previous efforts on behalf of other clients.

The offeror is expected to use the tool to automatically reflect the effect on the overall project of changes in various parameters, e.g.:

- Changes in project scope / requirements
- Changes in project schedule
- Changes in resource availability.

The offeror must be prepared to automatically generate various reports to reflect the project's status at any point in time, e.g.:

- Gantt charts depicting start date, end date, interdependencies, and duration of individual tasks
- Graphical display of the project's critical path
- Percent complete status of individual tasks
- Calendar driven, manpower loading charts, by individual task, for both offeror and PRRS staff including variable man-hours per work day
- Calendar driven manpower loading charts, by month/week, for both offeror and PRRS staff including variable man-hours per work day.

The offeror must describe in its proposal the control methodology that it will utilize to ensure that any problems that may develop in the course of the project (including but not limited to schedule slippages or resource constraints) will be quickly identified and resolved. The offeror must provide examples of how this project control technique, i.e., issue resolution, has been utilized successfully in previous similar engagements on behalf of other clients.

The project management tools must be an integrated part of the offeror's system development life cycle approach and project management methodology.

Change management and change control methodology are critical to the success of this effort. The offeror must describe the methodology and mechanisms it has in place and will use to support the effort. Particular emphasis must be placed on how revisions will be managed and controlled, as well as PRRS' responsibilities in this area. For further information, refer to Sections B.3.4.7 and B.3.4.8 which describe detailed requirements pertaining to change requests and problem incident reports.

### **B.3.1.6 System Development Life Cycle (SDLC)**

Inasmuch as PRRS is looking for an SaaS or COTS solution, it is understood that the concept of SDLC, as used in the context of this RFP, does not refer to a classic software development effort, but rather the systemic, repeatable process by which the offeror configures and/or customizes its existing pension offering to meet all of the PRRS requirements. It is further understood that the offeror has an SDLC with which it is familiar and which it has used many times. It is not the intent of PRRS to demand a particular SDLC but to require the SDLC to meet the following objectives:

- Optimize the use of PRRS resources: The PRRS resources that will be supporting this project will also be responsible to perform their day-to-day duties.
- Be consistent. The same SDLC should be used throughout the project. PRRS staff members are to be educated in the offeror's SDLC and should be expected to utilize only this SDLC and terminology set for the duration of the project.

- Provide project-wide documentation for review and approval before getting into detailed “development”. Documents such as, a Work Plan (to be revised and maintained as necessary), Development Methodology Overview, Risk Management Methodology, Change Management Methodology, etc. are examples of these documents. As part of the response to this RFP, the offeror should list the documents it will provide, outline the contents of each document, and provide the time-line for their delivery and PRRS review.
- Involve PRRS in the requirements definition. This needs to be a balance of confirming PRRS needs, minimizing PRRS staff time, ensuring that all needed functionality is provided.
- Break the work up into smaller, functional areas, known as Work Units (WU). Each may involve numerous activities/tasks (as defined in the offeror’s SDLC) which will be implemented sequentially or on an overlapping basis. These activities/tasks should result in documentation, such as Detailed Requirements Documents, etc. The offeror should list the documents it will provide in association with the ongoing “development” efforts, outline the contents of each document, and provide the time-line for their delivery and PRRS review.
- Maintain a Requirements Traceability Matrix (RTM): The process of the initial creation of the RTM and its ongoing updating is covered elsewhere in this RFP (See Section B.3.4.1)
- Include an appropriate control scheme such that all project participants understand what they are working on, what is expected of them, and how it fits into the overall project. The offeror should describe how its control scheme deals with: written deliverables (numbering scheme, configuration control, review process, tracking, etc.); software deliverables (version control, migration path, testing, etc.)

The offeror should address each of the PRRS objectives related to the offeror’s SDLC and should indicate whether their SDLC does not meet, meets, or exceeds these objectives. An explanation of that assessment should be included.

### **B.3.1.7 Phasing the Project**

PRRS is seeking proposed solutions that embrace a phased approach. PRRS seeks to avoid a “big bang” approach in which the entire solution is brought on-line in one cutover. By requiring the offeror to deliver the solution in phases, the amount of change that must be absorbed by the organization, particularly the system end-users, at any one time can be reduced to manageable levels. PRRS recognizes that such a phased approach will incur the added cost of data bridging efforts in the form of temporary bridging routines needed to keep the legacy system and the new solution synchronized during the period when both systems will be in use.

Therefore, offerors will provide proposals that will structure the implementation to have several phases. The required Phases are defined by PRRS below:

**Phase 1** – At Project Start, a detailed schedule of the first 60-days is required. Within 60 days the Delivery of a detailed work plan, for the entire project, within the period specified in Table 3 in Section A-3. – Timing of Major Deliverables is required. The detailed work plan must include a Transition Plan, an Integration Plan, a Data Migration / Conversion Plan, a preliminary Data Bridging Plan, a Rollout plan, a Training Plan, and a Work Breakdown Structure Plan, including but not limited to narratives, task definitions, schedules, Gantt charts, dependencies, PRRS and offeror manpower loading, payment points tied to deliverables tied to the work plan, and monthly cash flow projections. This plan will encompass all mandatory project elements and all options authorized to date at that time.

**Phase 2** - Delivery of a detailed requirements document, a revised detailed work plan, and a Development Methodology Overview – End User document (described in Section B.3.3). This



phase will be completed within the period specified in Table 3 in Section A-3 – Timing of Major Deliverables.

**Phase 3 (iterative)** - is left to the offeror to define in its proposal. This iterative phase will consist of the provision of work units (WUs) to PRRS for familiarization. This discussion must address the rationale for the recommended breakdown of Work Units, the reasons for the recommended order, and a top-level schedule indicating expected start and completion dates for each WU. The proposal provided by the offeror and the ensuing contract shall clearly define all of the WUs and the relationship among them in terms of schedule and deliverables.

PRRS requires the production rollouts to be divided into at least 2, if not more iterations in order for staff to have time to progressively use the system. Preference would be given to an early rollout which would demonstrate a “quick win” for PRRS. Potential items for a first rollout might include (but we encourage the offer to provide other ideas):

- Call Center functionality
- Loans
- Employer Reporting portal

**Phases 4 and 5** – Are the Post-Implementation Warranty and Post-Warranty Support periods as they are described in Section B-4.1.3.

In particular, offerors must discuss in their proposals how the phased transition to the new environment will be accommodated with regard to PRRS’ existing Web site. As LOB functionality is rolled out in phases, this new functionality must be reflected in the PRRS Web site. It will be the offeror’s responsibility to suitably integrate PRRS’ existing Web functionality with the new LOB functionality for each functional rollout during the phased implementation.

Note that throughout the phased implementation, the solution must maintain terminal emulation capability to provide access to PRRS’ existing applications during the phased implementation. To clarify, offerors are required to ensure that PRRS staff can perform their work processing with no loss of productivity in:

- The current legacy environment, or
- The new solution environment, or
- Both environments simultaneously.

Defining the bridges to the legacy systems will be required by the offeror during these early iterations. If bridging will not be necessary it should be specified, but PRRS does not want to assume responsibility for double entry of data. PRRS will provide programming support for the interface to the legacy systems as specified by the offeror.

### **B.3.2 PROJECT STAFFING**

In addition to requiring the project-staffing plan described below, PRRS has a number of other project staff-related requirements as indicated in the sections that follow.

- The offeror include in its proposal a preliminary project-staffing plan. This plan must lay out the reporting structure of the offeror’s team that will be assigned to the effort and illustrate how this reporting structure fits into the offeror’s overall organizational structure. It must also include estimates of the staff loading level, by staff category, throughout the life of the proposed solution. If any of the proposed staffing resources are not direct employees of offeror, this also should be stated. Finally, the staffing plan should indicate how the offeror deals with personnel problem that may occur from time-to-time during the course of the project.



- The offeror include its estimate as to the staff commitment required by PRRS to support fully the vendor's efforts. In addition to the quantity of support, the estimate should include the skill levels required and the approximate timing of the support.
- Because of the limited nature of the PRRS resources assigned to support this effort and to the extent that any time spent by PRRS personnel is in addition to their day-to-day responsibilities, the offeror is required that any and all members of the offeror's staff who will have interactions with PRRS staff be fully knowledgeable as to the project details. Specifically they should have read the RFP and the offeror's response and require minimal "training" from PRRS personnel. It is also expected that offeror personnel remain current on the "happenings" of the project.
- The offeror must identify the project manager and any other key staff members who will be assigned to this engagement. The offeror should identify the extent to which each key staff member will be assigned to the project and over which period. It is expected that key personnel will remain continuously on the implementation project (except in the case of death, illness, or termination of employment – or agreement for removal from PRRS) for as long as needed. It is understood that over the life of the engagement the nature of the efforts involved change (e.g., Implementation vs. Operations) and the talents of the resources required also change. However, it is PRRS requirement that any time a key person is changed, the offeror inform PRRS as the reason for the change and provide PRRS with information that shows PRRS that this change addresses the best interests of PRRS.
- The offeror must agree that its proposed Project Manager will remain continuously assigned to the project (except in the case of death or termination of employment – or with PRRS' approval) for the entire project duration. The offeror must agree in its proposal that it will pay to PRRS a penalty of \$50,000 should it remove from the project the assigned project manager or any other key staff members who was more than 50% dedicated to PRRS' project, except in the case of staff rollover described above, serious illness, death or termination of employment with offeror. This penalty will be paid to PRRS no later than five business days after the last day that the staff member in question works on the project. Should the proposed Project Manager be reassigned, he/she must be replaced by a deputy Project Manager or other similar leader who is already on the project and familiar with the proposed solution, with the participants of the offeror project team and with PRRS. Offeror must provide notice in writing of any such proposed change at least 60 days prior to the actual substitution, and the exchange of personnel must be approved in writing, by the PRRS Project Manager. In all instances of exchange, PRRS reserves the right to approve the candidate proposed by the offeror as a replacement.
- The offeror provide PRRS with statistics related to the offeror's turnover rate. These statistics should be for the previous three years and be presented by staff category. Turnover should also be provided for each offeror's staff in support of each client provided as a reference.

### **B.3.3 ASSISTING PRRS STAFF AND USERS**

This project will be a long-term engagement and most staff at PRRS has not participated in a project of this size. Offerors must assist staff by providing the following:

- Generate Development Methodology Overview for End-users. The offeror must describe in a brief, high level fashion its proposed system development life cycle methodology. This explanation must be aimed at the end-user community. This document should also be under 25 pages in length, with no appendices. Please refer to B4.2 for Spanish language requirements.
- Be prepared for meetings with PRRS. As expressed throughout this RFP, the staff of PRRS who will be supporting this project will also be responsible for performing their day-to-jobs. As such, we expect the following from the selected offeror: 1) All offeror personnel who will be meeting with PRRS should be familiar with the RFP and the offeror's response. 2) At least three business



days before any meeting the offeror shall provide to PRRS a detailed agenda for the meeting. In addition to containing the various parts of the meeting, it should also provide a statement as to the expected outcome(s) of the meeting. 3) Within two business days of the completion of a meeting the offeror is to distribute, for review, minutes of the meeting, and 4) when legitimate digressions do occur – e.g., discovery of an ambiguity in an RFP requirement that requires resolution – they should be added to the agenda of a subsequent meeting, rather than addressed in an *ad hoc* fashion at the original meeting.

- Demonstrate functionality before diving in to it (i.e., conference room pilots). The offeror is required to provide demonstrations of LOB functionality during the development of the new pension solution. PRRS requires the following demonstrations: An end-to-end demonstration of the functionality of the solution, and demonstrations of major new functionality that is added to meet PRRS requirements (e.g., refunds). The objective is to develop user familiarity and comfort with the new solution – its look and feel, menu and screen navigation, and data entry features (pull-down lists, radio buttons, wizards, etc.) – as early as possible in the project and subsequently as successive detail is built into the solution. By doing so, PRRS anticipates that users will be better able to provide reliable decisions and input relating to system design alternatives.

### **B.3.4 STANDARD PROJECT MANAGEMENT DELIVERABLES (INTRO)**

PRRS understands that offerors will bring to the project their own project methodologies and standard deliverables. However, PRRS has identified a set of project deliverables that the offeror must provide. They are described and defined in detail in the following subsections.

#### **B.3.4.1 Requirements Traceability Matrix**

To assist PRRS in tracking all project requirements and deliverables, a Requirements Traceability matrix will be initially prepared by PRRS or the Third-Party oversight consultant, then completed and regularly maintained by the offeror. This section discusses the purpose of and detailed requirements for the Requirements Traceability matrix.

In developing the new integrated retirement system for PRRS, requirements will be defined in further detail at every step in the process. Prior to beginning work with the offeror, a number of steps will have occurred:

- Development of the Request for Proposal
- Issuance of questions by offerors and preparation of responses by PRRS
- Receipt of the proposal from offeror by PRRS
- Issuance of questions by PRRS and preparation of responses by offeror.
- Cost and / or scope negotiations, if appropriate
- Execution of the contract.

The first two phases of the ensuing effort typically constitute project start up and planning, followed by the development of a detailed Requirements Definition. The third phase consists of the implementation of the project's hardware and software infrastructure. (Subsequent phases will include the rollout of user-oriented functionality and enabling technologies.) The offeror's proposal will have defined a number of processes, activities, and deliverables. Described in this section is a process and product (document) that will be prepared by PRRS and the offeror as part of the effort to:

- Further, more-precisely define the requirements.



- Provide a trail or “traceability” of requirements to be met – starting from the RFP, going through the proposal, the question-and-answer cycle, and contract negotiations, and culminating with the preparation of the requirements document.
- Provide a common understanding for the “go-forward” activities of subsequent phases, including “what” will be delivered and “when” in the project’s evolution it will be delivered.

The product that will be prepared by PRRS and the offeror to achieve PRRS’ objectives will consist of a Requirements Traceability Matrix in the format of a Microsoft Excel workbook. The Excel workbook will consist of several spreadsheets corresponding to requirements areas, such as LOB, Technical, Miscellaneous, Software, Option 1, Option 2, etc. The matrix will include ten columns, the contents of which are described below (and which may be modified if PRRS so desires):

1. **No.** – Sequential unique number, identifying the requirement. They are aggregated by major category (e.g., LOB requirements may be numbered L-1, L-2, etc., technical requirements may be numbered T-1, T-2, etc.). The unique identifier will follow each line item through the project, regardless of how the line items may be reorganized or “shuffled” among the various spreadsheets in the workbook.
2. **Requirement** (Description) per Contract Exhibits / RFP – A summarized description of the requirement.
3. **Source** – Identification of the source of the requirement. The source may be the RFP, the offeror’s proposal, Q&A, BAFO, contract, contract exhibits, etc.; in some cases only one reference is made back to the RFP / proposal / contract, etc.; in others, multiple references are made.
4. **Page / Section** – The location of the requirement in the source.
5. **Phase** – The phase of the project in which the requirement will be delivered per the project plan.
6. **SOW** – The offeror’s Statement of Work which includes the requirement, if applicable.
7. **Received Date / Who** – The date that the requirement was delivered to PRRS, and to whom it was delivered.
8. **Accepted Date / Who** – The date that the requirement delivery was accepted by PRRS and by whom it was accepted.
9. **Comments** – Any comments relating to the requirement. Comments will include, among other things, an explanation of what caused a requirement to be removed or added. This must be specific, citing specific conversations which have previously occurred between PRRS and the offeror, the date and attendees, and the prior document which transmitted this information (including but not limited to meeting minutes, status report, and specific correspondence) to PRRS. As stated elsewhere in this RFP, any agreement between PRRS and the offeror to eliminate project requirements stated in the RFP, the offeror’s proposal, or the contract must be in writing, executed by both parties.
10. **Test Case** – If applicable, identification of the test case that confirms that the requirement has been satisfied.

Activities on the part of both PRRS and the offeror related to the traceability issue will include:

- First, PRRS will prepare the matrix that codifies and organizes the requirements of the RFP and negotiated contract. An example of the matrix as it will be delivered to the offeror by PRRS is shown in Exhibit I herein. PRRS will complete columns 1 (No.), 2 (Requirement Description), 3 (Source) and 4 (Page / Section) and deliver it to the offeror for review.

- Next the offeror will review the matrix and verify its accuracy. Any discrepancies or differences in interpretation will be mutually resolved before the next step.
- Then the offeror will complete columns 5 (Phase of the project in which the offeror will implement the requirement) and 6 (SOW, the Statement of Work to be prepared by the offeror which will include the requirement).
- In cases where a function described in the RFP is not “carried” forward, the offeror will note this by providing a written explanation in the comments column (9) for that function. Further, if there are any new functions that have evolved during the requirements analysis, the offeror will add them as appropriate entries at the end of the matrix. An example of the matrix as it is to be completed by the offeror is provided in Exhibit II.
- The offeror will then provide the matrix to PRRS for review.
- PRRS staff will review the matrix – annotating any differences of opinion that they have with respect to the offeror’s completion of the matrix. The annotated matrix will be returned to the offeror.
- Next, a meeting or series of meetings will be held at which discussions will occur to resolve any differences.
- Then PRRS and the offeror will update the matrix so that it reflects the agreed upon changes, and it will become part of the deliverables from the Requirements Definition. If appropriate, any changes to schedule and cost will be identified at this time.
- PRRS will provide the matrix to the offeror within the period specified in the RFP – Timing of Major Deliverables. The revised, updated, completed matrix will be provided to PRRS by the offeror within the period specified in the RFP – Timing of Major Deliverables. The matrix will provide a more precise reference point for the “go-forward” strategy for the implementation phases.

Columns 7 and 8 will be filled in as portions of the project are completed by the offeror and delivered to PRRS for review and acceptance. Column 10 will be filled in by the offeror as test plans, test scenarios, test cases, etc. are developed during the course of the project. Exhibits 1, 2 and 3 on the following pages show three stages in the development of a small portion of a sample RTM

Furthermore, the offeror will be responsible for tracking and matching project requirements, not only from the RFP (and associated amendments, questions and answers, offeror’s proposal and any amendments thereto) to the design definition, but also through the requirement definition, design, and implementation activities. At any time, should PRRS question how a particular requirement expressed in the RFP / procurement cycle will be addressed in the new system, the offeror must be able to demonstrate how that requirement was carried forward from the RFP into the proposal, the requirements definition, the system design, and eventually the final implementation.

**Exhibit 1 Requirements Traceability Matrix Example**

1	2	3	4	5	6	7	8	9	10
No.	Requirement per Contract Exhibits / RFP	Source	Page / Section	Phase	SOW	Received Date / Who	Accepted Date / Who	Comments	Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1.14						
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1.1.14						
L-3	Ability to capture a new employer's plan history (i.e., in previous retirement system) and make it available on-line	RFP	B-1.1.14						

**Exhibit 2 Requirements Traceability Matrix Example with Offeror Entries**

1	2	3	4	5	6	7	8	9	10
No.	Requirement per Contract Exhibits / RFP	Source	Page / Section	Phase	SOW	Received Date / Who	Accepted Date / Who	Comments	Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1.14	4	6				
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1.1.14	4	6				
L-3	Ability to capture a new employer's plan history (i.e., in previous retirement system) and make it available on-line	RFP	B-1.1.14	4	6				

**Exhibit 3 Completed Requirements Traceability Matrix Example**

1	2	3	4	5	6	7	8	9	10
No.	Requirement per Contract Exhibits / RFP	Source	Page / Section	Phase	SOW	Received Date / Who	Accepted Date / Who	Comments	Test Case(s)
L-1	Ability to capture user-defined parameters for calculating employer penalties and interest charges relating to late reports / remittances	RFP	B-1.1.14	4	6	20070502 PPC	20070516 RK	None	CALC-1, -2, -3, & -8
L-2	Ability to capture historical rates and factors with effective dates so that retroactive calculations use the appropriate figures	RFP	B-1.1.14	4	6	20070502 PPC	20070516 RK	None	CALC-4 & -5
L-3	Ability to capture a new employer's plan history (i.e., in previous retirement system) and make it available on-line	RFP	B-1.1.14	4	6	20070502 PPC	20070516 CLF	Requires collaboration on format of transferred data.	CALC-6, -7, & -8

### **B.3.4.2 Statements of Work**

All work to be done under the contract to be awarded will be covered by written Statements of Work (SOW) authorized by PRRS, which define reasonable components of work. Thus, manageable “chunks” of work will be defined, executed, and managed. When viewed in the aggregate, these “chunks” comprise the entire project.

The offeror will submit detailed written SOWs to the PRRS Project Manager for review, possible revision, and acceptance. PRRS will require up to ten (10) business days to review and authorize a SOW. Therefore, the offeror must factor in this review period when scheduling its activities under the contract. Under no circumstances, will any work be done absent a SOW duly authorized by the PRRS Project Manager.

Conversely, the offeror will not issue SOWs for work to be done in the distant future – i.e., “banking” of SOWs will not be permitted. While PRRS understands the offeror’s desire to be able to schedule its personnel as far in advance as possible, PRRS’ objective is to ensure that SOWs are developed in a “just-in-time” fashion in order that they reflect the project’s most recent developments – and ‘downstream’ SOWs benefit from the experiences of the upstream SOWs.. PRRS wishes to avoid having work conducted under “stale” SOWs. Therefore, the offeror will deliver each SOW no sooner than the period specified in Table 3 in Section A-3. – Timing of Major Deliverables prior to the date that work under that SOW is scheduled to begin. If work on a particular SOW does not begin within that same period of PRRS’ authorization of the SOW, then PRRS reserves the right to require that the SOW be re-issued and re-authorized prior to commencing work there under.

This provision provides the offeror with a “grace period” equivalent to the period elapsed between delivery of the SOW and PRRS’ authorization of it. For example, if the period specified in Table 3 is 30 days, the offeror may deliver an SOW on day 0 for work scheduled to begin on day 30. If PRRS takes the full ten business days to authorize the SOW, then the offeror may begin work at any time between day 10 (when the SOW is authorized) and day 40 (30 days after authorization). If work under the SOW does not begin by day 40, however, PRRS may require that the SOW be re-issued and re-authorized prior to commencing work.

In their proposals, offerors are to confirm their understanding of the above stated requirements relating to SOWs and their timing.

For the total project, the offeror will develop, submit, and receive approval from PRRS for no more than ten [10] SOWs addressing the activities within the project. PRRS and the offeror will mutually agree on the format of the SOW within thirty (30) days of the start of the project.

### **B.3.4.3 Weekly Status Reports and Project Status Meetings**

The offeror will be required to submit written weekly status reports and to facilitate weekly project status meetings. The status reports must include separate sections that cover all parallel parts, phases, or aspects that were in progress or had been completed during the reporting period, that will be begun during the next reporting period, and all outstanding issues.

Vendor proposals must contain a sample weekly status report.

PRRS understands that, given the project’s magnitude, comprehensive weekly status reports may be lengthy and highly detailed; therefore all status pages should contain an executive level summary that does not exceed one page.

The final format of the status report will be mutually agreed upon between PRRS and the offeror within thirty (30) days of the project start date. Offerors should include samples of previously used status reports on other similar projects.



#### **B.3.4.4 Executive Level Reporting**

In addition to detailed project status reports, the offeror will be required to produce a monthly executive level report presenting project summary information targeted at an executive audience (e.g., project sponsors, the Board of Trustees). This report should provide a succinct monthly summary of the project's status against key indicators and furnish decision makers with an analysis tool and communication vehicle for proactive planning and risk mitigation. The objective is to keep executives and sponsors aware of the project's status in order to enable prompt decision making aimed at restoring the project's health when problems develop – e.g., decisions to enlist additional resources, appropriate additional funds, and/or adjust the project's scope.

To the extent possible, executive level reports should make use of graphics to depict the status of the indicators listed above. Such reports are frequently characterized as 'dashboard' or 'critical success factor' reports. Samples should be included in the offeror's proposal.

#### **B.3.4.5 Monthly Steering Committee Meeting**

Successful projects require constant communication among all parties and well defined structures for maintaining control, reviewing progress, settling disagreements or amending the project based on exigent circumstances. The Steering Committee meeting represents an opportunity to bring together the major stakeholders on a regular basis to accomplish, among other things, the following:

- To monitor the progress of the project as it relates to the overall project work plan
- To facilitate the resolution of disputes or provide additional clarification of issues at the highest level
- To encourage collaboration among all of the participants by reminding them that the project enjoys support at the highest levels within the organization.

Meetings of the PRRS Steering Committee will be scheduled on a monthly basis. The offeror's Project Manager, and other offeror senior staff as appropriate, will be required to attend each of these meetings.

As requested by the PRRS Project Manager, the offeror's Project Manager may occasionally be required to deliver a presentation on pertinent topics at the Steering Committee meeting.

Prior to each Steering Committee meeting, the offeror's Project Manager will meet with the PRRS Project Manager and others as deemed appropriate by the PRRS Project Manger in order to develop the meeting agenda.

No later than two business days after each Steering Committee meeting, minutes of the meeting will be prepared and distributed to all meeting participants and all other project participants who are affected by the meeting's outcome.

#### **B.3.4.6 Requirements Analysis**

It is anticipated that the offeror's early efforts in developing the LOB solution will consist of collaborative efforts between offeror staff, PRRS users, and PRRS IT staff to identify the differences between the offeror's template solution and PRRS' specific requirements. This portion of the project may be termed GAP analysis, requirements definition, etc. depending upon the offeror's development methodology. For the purposes of this discussion, it will be called GAP analysis.

Offerors are to take note that PRRS considers it essential that client IT staff who support the legacy system will be actively engaged in the GAP analysis – since they are often, in many areas, equally knowledgeable (but with a different perspective) about both the "as is" current environment and the desired "to be" environment than are the users. This participation must be carefully scheduled.



During the first GAP analysis session on a given topic, the offeror must excerpt from the Requirements Traceability Matrix / RFP and review with the users and PRRS IT staff what the Requirements Traceability Matrix / RFP expressed for requirements on that topic.

**The RFP requirements will ALWAYS pertain unless, during GAP analysis, the users agree to eliminate an RFP requirement AND a written agreement to that effect is prepared by the offeror and signed by the PRRS Project Manager. If PRRS agrees to such a “reduction” in requirements during GAP analysis, the offeror will not be expected to reduce its fixed price. However, the offeror will, as part of the written agreement to eliminate the requirement, issue PRRS a “credit memo” which estimates the dollar value of the effort that is avoided by virtue of eliminating the requirement. PRRS will be able to apply all such credit memos to offset the cost of future Change Control Requests (CCRs). The offeror must describe in its proposal how the “credit” would be determined based on the effort avoided due to the reduction in requirements.**

If at a later date, PRRS wishes to restore a requirement that it had agreed in writing to eliminate, then that requirement is subject to a CCR. In that event, however, the cost of the CCR cannot exceed the value of the credit memo that was earlier issued by the offeror for eliminating that requirement.

Offerors must take note of, and confirm in their proposals, the following: **under no circumstances will PRRS’ approval of system design and/or specifications abrogate the RFP requirements.** PRRS staff invested a great deal of time in developing the RFP requirements. The offeror, not PRRS staff, is responsible for ensuring that all RFP requirements are correctly reflected in offeror design and/or specification documents. Absent a specific written agreement to eliminate or modify an RFP requirement, signed by the PRRS Project Manager, that RFP requirement will remain operative.

The offeror will provide a sample GAP document template for review and modification by PRRS prior to starting the first GAP session. The GAP document will clearly identify what required functionality exists in the base-LOB application and what functionality has to be added or modified to conform to or satisfy PRRS’ requirements. If the GAP documents are silent on a requirement and no written agreement pertaining to eliminating it is authorized, then ALL RFP provisions pertaining to that requirement will stand.

Offerors are required, as a part of their proposal, to provide a written description of the methodology they use in accomplishing the GAP analysis discussed above. The description should be accompanied by appropriate supporting sample documents (e.g., sample GAP meeting schedule, sample meeting agenda, sample meeting summary). PRRS is particularly interested in understanding the “How To” training given to offeror’s GAP analysis meeting facilitators, providing instructions on issue “parking,” issue resolution, etc.

PRRS is also very interested in understanding how during the determination of requirements, the offeror plans to communicate to PRRS staff the details of “How?” a requirement will be met (in addition to the “Yes, it’s in there,” response that leaves the “What it looks like” question unanswered.) What PRRS wishes to avoid is agreement and sign-off on the existence of a function, only to find later that there was great misunderstanding on the part of PRRS staff. To this end, PRRS staff will be instructed not to sign off on requirements and specifications that they do not understand.

### **B.3.4.7 Change Orders, Change Control, and Reporting**

This section includes requirements pertaining to change control, change reporting and the management of the integration of changes over the course of the project.



#### ***B.3.4.7.1 CHANGE ORDERS***

It is to be anticipated in a project of such magnitude that PRRS will make periodic requests for changes in the new solution. Such changes will typically incur additional costs and possibly delays relative to the project schedule. The PRRS Project Manager will provide all such change requests in writing to the offeror's Project Manager. The offeror's Project Manager will respond to such change requests with a written proposal for completing the change. The offeror's proposal for implementing the change – i.e., the change order – must be delivered to PRRS by the offeror within ten (10) business days of the offeror's receipt of the written request for the change. The change order must define the effort involved in implementing the change, the total cost of implementing the change, and the effect, if any, of implementing the change on all pertinent project schedules.

It must be understood by the offeror that PRRS will not pay for the effort involved in developing the change order. Just as the offeror bears the cost of developing its proposals in response to this RFP, the offeror will bear the cost of estimating the cost, time, and manpower required to implement all change requests forthcoming from PRRS during the course of the project. Offerors are cautioned to factor into their proposed approach, cost, and manpower estimates sufficient resources to respond to PRRS' change requests as they arise throughout the project.

Further, it is pointed out to the offeror that the responses are to describe the completion of the work requested; a response that describes the cost for an analysis and plan will not be acceptable.

#### ***B.3.4.7.2 CREDITS FOR UNNEEDED DELIVERABLES***

If it is determined after contract approval that some deliverables or portions of deliverables are not needed, a credit may be due to PRRS. The offeror should be prepared to demonstrate how it arrived at the credit amount if the deliverable prices are bundled. The offeror should use the standard hourly rates as requested by PRRS in the applicable area of their cost proposal.

#### ***B.3.4.7.3 CHANGE REQUEST REPORTING***

Offerors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable Change Request Reporting (CRR) system for managing and facilitating change requests. That evidence might consist of screen shots and accompanying narrative or whatever other vehicle the offeror chooses to use.

The offeror must deliver a detailed Change Control Plan / Methodology for use throughout the project within the period specified in Table 3 in Section A-3. – Timing of Major Deliverables.

#### **B.3.4.8 Problem Incident Reports**

Offerors must provide evidence in their proposals that they have in place and will utilize an automated and demonstrable problem incident reporting (PIR) system for managing and facilitating test-related activities as well as production problems. The PIR system can be custom developed or a package – although a commercial off the shelf approach is far more desirable to PRRS. A manual approach using a word-processor, e-mail, or electronic spreadsheet document is not acceptable. The offeror is required to describe the proposed PIR system in its proposal.

The PIR system must offer at least the following attributes:

- It must provide ready, secure access to PRRS, the OPM / IV&V / QA consultant, and the offeror for the purpose of determining individual problem status as well as general system status and quality trends
- It must define how PIRs will be initiated, uniquely identified, and logged, and by whom

- It must relate each PIR to the particular functional area (e.g., employer reporting, benefit estimates) or appropriate area, e.g., training, documentation, etc.
- It must relate each PIR to the appropriate test variant / scenario / case / data set
- It must record both the expected and actual test result as alphanumeric, numeric or date as appropriate to the PIR
- It must track the status of, complexity of, and priority accorded to each PIR
- It must provide for relating PIRs to change orders when appropriate (in those cases where what was originally thought to be a problem incident is actually determined to be a request for a design change)
- It must track the scheduled fix delivery date
- It must track the fix release number through which the PIR was addressed
- It must provide for tracking efforts to correct the problem and the eventual resolution of the problem incident
- It must include a summary / reporting mechanism as described below
- A manual approach using WORD, email, or Excel documents is not sufficiently robust and is therefore not acceptable; however, the system must be capable of automatically exporting information to those systems.

The desired summary / reporting mechanism should summarize current and “phase-to-date” PIRs and include graphics capabilities showing trends in problem incident reporting and resolution, as well as the existing backlog of PIRs at any point in time and amount of time (maximum, minimum, average) to close out and correct PIRs. Examples of the summary / trend information of interest to PRRS include (at both individual functional or business area levels, delivery phases, as well as the project in total):

- Number of test cases for the phase, cases to execute and cases executed – for the phase and for each LOB area.
- Number of test case data sets for each executed test case.
- Number of executed test cases with one or more PIRs (opened or closed).
- Number of test cases undergoing rework.
- Number of test cases awaiting or undergoing retesting.
- Number of open PIRs at any point in time.
- Number of closed PIRs since the beginning of the project and the beginning of the current phase.
- Number of PIRs opened / closed in the last week/last month.

A detailed listing of the information of interest (not just a summary total), as outlined above, must be made available in printed format. For example, referring to the first item in the list, the PIR system must provide a list of the test cases for the phase, a list of the case to execute and a list of the cases executed.

The offeror will provide training to appropriate PRRS staff as necessary to facilitate their use and understanding of the PIR system. No user testing will proceed until the PIR approach has been presented to, reviewed by, and accepted by PRRS.

In addition, the offeror will be required to implement a methodology for classifying PIRs. Such methodology should include conducting joint meetings with PRRS (at mutually agreed to intervals) to determine the classification of PIRs. Classifications may be either warranty related, where the offeror bears the cost of the modification, or non-warranty (i.e., system enhancement, design change, out of scope) related, where the offeror will provide a cost estimate to PRRS. Offerors must fully describe their methodology for classifying PIRs in their proposals, including representative examples of each of the proposed classes of problems.

At the conclusion of the project, the offeror must leave with the client a copy of the PIR system and the complete database of all reported problem incidents (including those found and reported by the offeror test staff as well as those reported by PRRS) for the project. In addition, as part of the leave-behind, offeror will provide documentation and training for PRRS administration and IT personnel as appropriate.

### **B.3.4.9 Risk Management**

Risk management includes identification, analysis, planning, tracking, control, and communication of risk areas associated with all project phases. Risk assessment and management are on-going tasks in any project. The offeror must demonstrate that it can provide a risk management (analysis and mitigation) strategy and methodology that can be used throughout the project to monitor potential risks and to develop mitigation strategies in anticipation of any problems that may arise. Then, based on feedback, assessments can be updated on a continuing basis for the duration of the project. While some risks can be identified from the outset of a project, others will emerge in the course of the project's life cycle.

The risk management strategy and methodology should address how the offeror proposes to accomplish the following:

- Define measures of success and set targets
- Identify key assumptions
- Identify, analyze, and document risks that threaten the ability to achieve the success targets
- Develop and document mitigation strategies for each identified risk
- Specify tasks to implement the mitigation strategy
- Build consensus on appropriate mitigation strategies
- Establish criteria for escalating risks
- Enlist support for mitigation steps that are outside of the project's direct control
- Monitor and report on risks.

Further, as a part of their response, the offeror is required to provide a list of the top risks they currently foresee with this project, their assessment of the probability of their occurrence, and the steps they will take to avoid or mitigate those risks.

On a monthly basis the successful offeror will be required to:

- Conduct formal risk assessments
- Review the status of project risks to ensure that appropriate mitigation strategies are in place
- Report on the project's risk status.

After contract award, the proposed Risk Management Reporting Methodology will be presented to PRRS in detail within the period specified in Table 3 in Section A-3— Timing of Major Deliverables.



### **B.3.4.10 Deliverable Repository**

During the course of the implementation of the new system, numerous written deliverables will be provided to PRRS by the offeror. These deliverables can be expected to range from requirements meeting notes, to offeror's status reports, to operations manuals, etc. Many of these items will be delivered in multiple versions.

The offeror may choose to deliver project documents in PDF format. However, PRRS requires that all documents also be delivered in the appropriate Microsoft Office suite (current or immediately previous revision) document format with no locks, inhibitors, etc. that restrict the use of track changes or comments. Starting with the response to the RFP and continuing through the last written deliverable on the project, the offeror is to use MS Project, MS Visio, MS Excel, MS Word, or MS PowerPoint as the file format for all written deliverables.

It is imperative that all versions of all documents delivered at any point in the project and at the end of the project can be identified, located, and accessed by both offeror and PRRS staff as needed. Therefore, the offeror must maintain for the life of the project (and leave it behind upon the completion of the contract) a repository of all written project deliverables in electronic form residing on one of the system servers. The deliverables must be accessible to all project participants, including via remote dial-up or through the Internet.

The deliverables repository must be designed and organized, with appropriate training provided, such that PRRS staff can efficiently locate and retrieve any document of interest. Write permission to the repository must be suitably restricted. While anyone involved in the project should be able to access all repository items, the ability to add to, delete from, or modify the repository's contents is to be strictly controlled and restricted to authorized offeror personnel. It will be the offeror's responsibility, throughout the project until final turnover, to guarantee the continuous correctness and completeness of the repository's contents.

Offerors are to describe in their proposals:

- Their commitment to satisfying the requirements for the deliverables repository
- Where the repository will be located, how it will be backed up, and how it will be recovered in the event of an equipment failure
- How they propose to organize the repository for ease of use and access
- How they will control the repository to guarantee, on a continuous basis, the correctness and completeness of the repository at any point in time
- Their commitment to produce a document (which itself must be included in the repository) describing the deliverables repository, how it is organized, how items from it can be accessed, and how to recover the repository if necessary
- Their commitment to train PRRS staff in the use of the repository (including an administrator, managers, and end-users)
- Whether third party tools are utilized (if so, they are to be provided by the offeror – and their price included in the offeror's cost proposal).

### **B.3.5 DATA**

The following sections set forth the offeror's responsibilities relating to the migration of data from the legacy environment to the new solution as well as the precautions the offeror is expected to take to ensure the security of PRRS' participant and pensioner data.



- **Data Security:** Although PRRS realizes that it would be impossible to fully implement an SaaS or COTS pension administration solution without access to the PRRS member database, PRRS is very concerned about the risk of loss or inappropriate use of personal data, possibly leading to identity theft or other such abuses is high. Therefore, we require that the offeror provide a discussion in their response regarding how they propose to **mitigate risk and manage the security of PRRS' data throughout the lifetime of any potential engagement** using the COBIT 4.1 and ISO Data Protection 27001 guidelines.
- **Data Conversion:** PRRS understands that a critical component of the project is the accurate and complete conversion of legacy system data and other data sources to the new environment. As such, the offeror must provide, with their response to this RFP, a data conversion plan that establishes the conversion environment and outlines strategies for both the automated and, if necessary, manual conversion of data for the new solution. Note: the plan must include the development of written procedures, methods, and checklists for balancing and reconciling conversion of data between the legacy systems and other source environments and the new environment. This includes, in addition to developing the procedures, validating them with PRRS staff prior to their use in any form and during testing and training, training PRRS staff in their use during testing, and validating that they are being used properly on an on-going basis. The procedures must provide sufficient controls that offeror and PRRS can readily discern the validity of any step in the conversion process as well as the validity of the converted data. The plan must also include the strategy to be employed for conversion of images and their indexes. An important aspect of Legacy data is that members have data in multiple legacy databases. As an example, a pensioner may have a record in the SABI, SIP, and AIP database. The offeror should describe the steps in the analysis and conversion process that will be used to determine the source of data and how data will be merged into a single database.
- **Cleansing/Conversion Audit Report:** In Section B.5.1 we have asked for a detailed cleansing proposal that will optionally be authorized by PRRS. Regardless of whether that option is taken, the conversion process must include some level of effort by the vendor to ensure the correct data is loaded, by identifying rules that will be applied where multiple sources of data contain redundant, if not duplicate information. Similar rules may be applied where data does not exist and will be defaulted or transformed as part of the conversion effort. Therefore, in addition to planning and executing the data conversion efforts, the offeror must also create a Data Cleansing/Conversion Audit Report (DCCAR). This report must be in a format and at a level of detail that is appropriate for PRRS Executive Management, users, and an internal or external auditor to review and approve. This report should contain an overall summary of the effort that was undertaken along with a brief, but complete, listing of all the types of data fixes that were made – both manual and automated.
- **Bridging:** PRRS recognizes that in order to have multiple iterations or production rollouts that bridges may need to be built to keep the Legacy solution(s) and offeror's solution in synch. The offeror is responsible for all analysis and design for the bridges. PRRS will provide programming support for programs required to extract or load data into the Legacy system. The offeror is responsible for developing daily reconciliation routines to ensure the systems are kept in synch.
- **Wages and Contribution Reporting:** PRRS recognizes that it would be a significant burden on the PRRS employers to have to modify the way they provide data to PRRS. As such, it is required that the proposed solution receives data from the PRRS employers in the same file format and same method of transmission as currently used and included as Attachment E-9.

Offeror should commit to satisfy all the requirements detailed in this section



### **B.3.6 DOCUMENTATION**

As a goal, the proposed solution provided by the offeror should be so easy to use, so self-explanatory, and so intuitive that little or no documentation is necessary. However, laudable as that goal may be, PRRS requires that the offeror provide two types of documentation for the new pension administration system:

- User documentation, including electronic help
- System administration documentation to include material for business analysts who need to reconfigure a function

The following items represent the minimum User Documentation required by PRRS. In all cases, these documents must be delivered at least one month before the functionality for which the document is intended is tested. PRRS will review these documents and provide feedback to the vendor so that the documents can be finalized before they are needed by PRRS users. This User Documentation shall not be limited to the core Pension Administration functionality, but must cover all functionality within the proposed solution, such as electronic content management (ECM), customer relationship management (CRM), Financials, etc. All documentation will be reviewed by the PRRS Systems and Procedures staff. They will certify that the information provide is in accordance to the Puerto Rico Commonwealth standards.

- Work Process Manual: The Work Process Manual will address all manual, as well as automated, work processes in the new environment. The manual should be organized by job functions (e.g., payroll, finance, etc.)
- On-line Help Facility: PRRS requires that the pension and loan solution have an on-line help facility patterned after the on-line help facility in the Microsoft Office Suite: specifically it should have a “Search” capability, on-line instructional videos (typically providing “How to” instructional), and extensive context-sensitive help facilities. Offeror should fully describe all of its on-line help facilities

### **B.3.7 USER TRAINING**

PRRS believes that key factors in the ultimate success of the new solution will be the smoothness of its implementation and the facility of its use. As such, the extent to which the PRRS User community is involved throughout the implementation will lead to a successful solution. It should be pointed out that PRRS will not be having a dedicated project organization supporting the vendor’s implementation efforts. Rather PRRS staff will concurrently be supporting the implementation of the new system while performing their day-to-day activities. That is to say that the “Users” will be the definers/designers of the system, the testers of the system, the day-to-day users of the system, and (to as little an extent as possible) the maintainers of the system.

It is therefore critical that the provider of the solution properly train PRRS staff to be able to perform all of the functions they will be called on to perform during the lifetime of the solution. Specifically:

- Training in the development methodology: As definers, designers, and testers of the system the successful offeror will be required to provide training to PRRS as to the offeror’s development methodology. This training should emphasize those parts of the methodology that involve PRRS staff. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.
- User training: This involves training on those functions to be performed by the PRRS User community in the performance of its day-to-day efforts. It should be understood that not all staff



members of PRRS perform the same day-to-day functions. Therefore, although there may be some training that is common to all PRRS staff members, there will also be training focused on the various functions performed by the different PRRS' organizational areas. A partial list of items to be covered with user training would be: maintenance of time sensitive parameters, balancing and reconciliation, use of vendor provided documentation including on-line help, query languages that can be used to query the solution's data base, and report generation products that can be used with the solution. This training should not be limited to the core functionality of the solution, but include training on other, integrated functionality. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, what PRRS facilities and equipment will be needed, and what training documentation will be provided.

- **Work Process training:** PRRS understands that they are requesting a solution that has proven built-in processes and framework. As such the most efficient use of the system will likely be using some pre-defined processes. The vendor should train PRRS staff in the processes that would best enable the most efficient use of the system. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.
- **Acceptance testing training:** Although PRRS has every expectation that the vendor will thoroughly test the system before providing it to PRRS; PRRS sees itself as primarily responsible for System Acceptance Testing and ultimate acceptance of the pension and loans solution. The vendor's methodology should define how the acceptance process should work. PRRS reserves the right to determine whether this process is adequate and to work with the vendor to agree on a mutually acceptable process. After agreement and at the appropriate time, the vendor would be responsible for training PRRS staff as to how they would perform acceptance testing. In response to this RFP, offeror should specify the details of this training: specifically, when it would be held to ensure maximum effectiveness, the duration of the training, and what training documentation will be provided.
- **Employer education and training (Train the Trainer):** The employers are a very important part of the retirement system. They provide information to PRRS, on a periodic basis that enables PRRS to administer the PRRS pension plans. It is critical to the success of the new system that the employers, to the extent practical, are involved in the implementation effort. As such, it is deemed important by PRRS that there be training provided to the employer community. Although the employers are Users of the system, the training does not have to be of the same depth as the training provided to PRRS Users. This training should focus on the process of defining and implementing the new system and the process by which the employers will be providing data to the new system. Although PRRS is requiring that the new solution accept data from PRRS' employers in the same format as it is currently being provided to the existing system, the possibility exists that the process to provide data may change. PRRS requires that the offers develop the training plan and materials to be used, and then hold the appropriate train the trainer sessions to train the assigned PGERS staff members. The project plan should account for both the train the trainer sessions provided by the offeror as well as enough time for PRRS to hold a few weeks worth of training sessions for the employers
- **System Administrative and Maintenance training**

It should also be noted that PRRS believes that the most effective training is Just-In-Time (JIT) training. i.e., provided training as close as possible to when the material covered by the training is to be used by the trainees.

Offeror should provide a high-level User Training Plan.

### **B.3.8 TESTING**

PRRS expects a comprehensive testing process to be in place and utilized to determine whether the solution delivered (both base functionality and customizations) satisfactorily addresses the requirements defined in the RFP as confirmed or revised during requirements definition.

PRRS is expecting one final, formal delivery of the system. Associated with this delivery will be the formal System Acceptance Testing. PRRS realizes that deferring all testing until a final delivery is ill-advised and risky. As such, this section outlines what PRRS considers the minimum testing that it expects of the successful offeror. In this RFP, the offeror is required to confirm that it will be performing, at least, this minimum testing, and provide a comprehensive testing process that demonstrates the testing to be performed by the offeror. **Of particular interest to PRRS is the offerors use of Regression Testing.** PRRS requires that the implementation be broken into Work Units (WU), with the vendor breaking up the total system functionality into WUs, defined as subsets of the system functionality. Each WU should be provided to PRRS so that PRRS can develop familiarization on a WU by WU basis.

The testing to be performed is intended to confirm system functionality. As such, with the provision of each WU, the vendor will be required to provide a written transmittal form that contains the following:

1. Confirmation that the contents of the provided WU have been Unit Tested
2. The detailed scenarios used by the vendor in Unit Testing the WU (It is expected that the sum of these scenarios for all WUs will comprise a significant part of the formal System Acceptance Testing procedure). The scenarios should map to the requirement(s) being tested.
3. A list of those requirements that are being met by the provided WU

When a WU is received by PRRS, PRRS Users will familiarize themselves with the WU by running both the scenarios provided by the vendor and/or other scenarios that PRRS feels are necessary to fully test the requirements listed by the vendor as being met. Any enhancements made by PRRS to the scenarios provided by the vendor will be incorporated into the scenarios and will be used during System Acceptance Testing.

After all WUs have been delivered, and integrated, the vendor will provide a written transmittal form indicating that the system is ready for formal System Acceptance Testing. This transmittal form shall contain the following:

1. Confirmation that all WUs have been successfully unit tested
2. Confirmation that the vendor has successfully conducted thorough Integration Testing. This involves testing of the solution with all its integrated components to ensure that they work together as designed, that the various sub-systems communicate with one another properly, and errors are properly propagated from one component to another, etc.
3. The detailed scenarios used by the vendor to conduct Integration Testing. These scenarios will be used as part of the formal System Acceptance Testing procedure.
4. A list of all requirements met during the integration of the WUs that were not met during the Unit Testing of the WUs
5. Confirmation that the vendor has successfully conducted thorough system testing – and who on the vendor's staff have conducted the testing. System testing includes:
  - a. System Performance Testing: Testing of the entire system (as a system) to ensure that the solution meets the design specifications and response time requirements. Specific components of the system test include:

- b. Stress Testing: Designed to break the solution by overwhelming it or by depriving it of resources. The objective is to make sure that the system is recoverable – that it fails and recovers gracefully
  - c. Volume Testing: Testing the solution by introducing constantly increasing load in an attempt to expose weaknesses that do not surface in routine testing, such as memory management bugs, memory leaks, buffer overflows, or processor saturation
  - d. Response Time Testing: Designed to measure the amount of time it takes the system to respond to Users during periods of high processing load.
  - e. Business Process testing: Scenarios covering all the business processes PRRS conducts using data sets designed to exercise all possible variations, permutations and logic branches in base and customized function
  - f. Life Cycle Testing: Testing a well-defined sequence of member or retiree events that effectively represent all, or a logical and related subset of, activities one would expect to occur over the life of a member or retiree
  - g. Backup and Recovery Testing: Testing to verify that a backup of the applications software and data, following procedures defined by the offeror, can consistently and accurately be made and restored in an acceptable time period
6. Confirmation that all interfaces between the new solution and third parties have been successfully tested. These include (but are not limited to) PRRS employers, the PRRS actuary, insurance vendors, financial institutions, etc.

Upon formal notification that the solution is ready for System Acceptance Testing, PRRS will conduct rigorous testing of the system based on the scenarios delivered by the vendor and as enhanced by PRRS. After successful completion of System Acceptance Testing, PRRS, with the support of the vendor, will transition from its current system to the new solution as described in the next section.

Offeror should describe all testing deliverables and describe how they will meet the PRRS testing requirements as detailed in this section.

### **B.3.9 CRITERIA FOR FINAL CUTOVER**

The offeror must certify in writing, signed by both the offeror's project manager and the offeror's test director (an individual separate and apart from the development staff, charged only with test and quality assurance responsibility), that the following criteria have been met prior to the cutover to the "live" processing for each functional rollout of the new system:

- Successful PRRS execution of all User Acceptance Testing:
  - ❑ Successful execution of all Business Process Testing (including a match {to the penny} between old and new system calculations of 95% of benefit calculations)
  - ❑ Successful execution of full Life Cycle Testing
  - ❑ Successful execution of Employer Reporting Testing
- Successful offeror execution of all Offeror Acceptance Testing:
  - ❑ Successful execution of a full Regression test
  - ❑ Successful execution of complete system testing
  - ❑ Successful execution of a full stress test cycle
  - ❑ Successful execution of full integration test

- Successful benchmark test
- Successful test and execution of all failover, backup and recovery operations
- Successful test of application, data, and infrastructure security
- Successful reconciliation of all client checking accounts (including confirmation of the accuracy of the outstanding checks report), using the reconciliation procedures delivered by the offeror, at least once every two weeks during UAT; the reconciliation process must include “manually” generated checks
- Successful reconciliation of participant and employer reserves in the pension solution database against general ledger reserve balances, using the reconciliation procedures delivered by the offeror, at least once every two weeks during UAT
- Successful reconciliation of the calendar year general ledger and the fiscal year general ledger, using the reconciliation procedures delivered by the offeror, at least once every two weeks during UAT
- Successful reconciliation of benefit payroll to that of the preceding pay period

In addition, there must be no PIRs outstanding that block a process for which there is no workaround (i.e., critical PIRs) and no more than 25 non-critical PIRs outstanding.

### **B.3.10 OFFEROR TRANSITION SUPPORT DURING CUTOVER**

Although PRRS staff will have had the opportunity to familiarize themselves with the various Work Units, as they are made available, it will only be after formal delivery and system acceptance, that the PRRS will be using the fully integrated system. PRRS firmly believes that a positive User experience during the transition period from the legacy system to the proposed solution will go a long way in defining the success, an ultimate acceptance of the system.

PRRS requires that the vendor support the transition of the new system by having a transition support team located at PRRS for a period of six months from implementation. The team should consist of a group of individuals that collectively possess in depth knowledge of all aspects of the solution. In addition to the knowledge, the members of this team should possess good people skills, good communications skills, and a great deal of patience. In addition to answering queries from PRRS staff, this team should also provide PRRS with the knowledge necessary for them to find answers to their own queries.

Vendor’s response should include a transition plan that contains the level of support proposed, the composition of the support team, and ideas that the vendor may have to help the transition proceed smoothly.

## **B.4 OTHER REQUIRED SERVICES AND DELIVERABLES (INTRO)**

In addition to the specified business, technology and project management requirements, PRRS has identified a number of additional areas that are important to consider during the vendor selection process. These additional requirements have been assembled under a single heading — Other Required Services and Deliverables. The intent of this section is to inform the offeror of its responsibilities as well as the expectations, in terms of its conduct, over the course of its relationship with PRRS in the following areas:

- Warranty and support
- Spanish Requirements

### **B.4.1 WARRANTY AND SUPPORT**

The sections that follow address the various aspects of warranty and support that are required of the offeror.

#### **B.4.1.1 LOB Application Warranty**

With regard to the customized line-of-business application, the offeror must guarantee that it will function entirely in accordance with the RFP requirements, and the specifications approved by PRRS, for a period of twelve months following final turnover and acceptance by PRRS of the project's final phase. The cost to provide this warranty phase should be included in the offeror's cost proposal and should be specifically identified as such. This implies a longer warranty period for portions delivered earlier in the project. If a component of the LOB solution (e.g., imaging software, Web server software) has a version upgrade, the offeror shall be responsible for upgrading any such component without additional cost to PRRS.

##### ***B.4.1.1.1 STATUTORY AND REGULATORY CHANGES***

For statutory and regulatory changes that have been necessitated by any Federal or Puerto Rican government and/or agency, board of review, federal/Commonwealth statute or directive from the point of contract award through the end of the warranty period-- including any changes in the Puerto Rico tax withholding tables - PRRS will not be charged. Rather, this functionality will be provided to PRRS at no additional cost. The annual software license and maintenance fee or any other such fee (i.e. subscription fee) is to be included in the offeror's cost proposal and must be specifically identified as such.

##### ***B.4.1.1.2 LIMITATIONS***

In Section A-1.6 of its technical proposal, offerors must identify any and all limitations and constraints with respect to software maintenance and warranty. Any such constraints must be explained in terms of risk, change control, and cost implication. In the event the offeror does not identify such limitations and constraints, or if they are not all included in a single, appropriately-labeled section, all warranty and maintenance protection afforded PRRS (and all associated costs), will be assumed to be as described above without limitation or constraint.

#### **B.4.1.2 Hardware / Software Support**

By requesting a solution that will be hosted, PRRS makes it clear it expects to have minimal, if any, hardware or software on its premises. The offeror should confirm that maintenance of all hardware and software located away from PRRS facilities is the sole responsibility of the offeror. In the event



any special hardware/software is required on-site at PRRS facilities, in order to support the hosted solution, the nature of this hardware and/or software must be discussed in the offeror's proposal. In its proposal, the offeror is to specifically indicate each such component, the duration of the warranty related to each, and the manner in which the offeror intends to provide support.

### **B.4.1.3 Post Implementation Support / Subscription Services / Licensing**

Offerors are required to propose post-implementation support for a period of ten years, beginning immediately following final system cutover and acceptance and ending 120 months later. For SaaS vendors, this post-implementation support may take the form of a subscription fee. Alternatively, COTS vendors may instead **propose** a license/maintenance fee. Note that the post-implementation support outline here should not be confused with warranty support as described in Section B.4.1.1. During this post-implementation period, the following support must be provided and executed by the offeror:

- Defect repairs
- Updates to the solution's framework (i.e., security updates, updates for new browser requirements, etc.)
- Annual tax table updates
- Updates to ACH and banking requirements
- Configuration support for changes (or additions) to forms, reports, and workflow queues
- Single source of support for both technical (i.e. hosting) and end user support, including:
  - Help Desk telephone and email support
  - Ticketing system for tracking and reporting
  - Monthly help desk reporting
- Database Administration
  - Performance monitoring
  - Table and index optimization
  - Regular maintenance

For Help Desk support, PRRS requires that a standard Service Level Agreement (SLA) be proposed based on the criticality of issues reported. PRRS is not responsible for making a distinction between a technical issue at the hosting facility, an LOB application, or a database error. Regardless of the reason why the system is unavailable, it is the offeror's responsibility to make a determination as to the nature of the issue and take the necessary steps to get the system up and running within the time frame prescribed in the SLA. See Section B.2.3 for additional details regarding the hosting requirements. For application-related issues (i.e. the system is available, but a portion of the application has a defect or is unavailable) an SLA should be prescribed according to the following levels of issue criticality: critical (system is unavailable); high (a portion of the system is unavailable, or there is a workaround that can be applied); medium (a non-critical business function is not working properly, but can be avoided); and low (largely cosmetic).

The offeror may elect to wrap its proposed hosting fees and post-implementation support fees into a single payment schedule. As described in Section D.1.6 the on-going cost of the solution will be billed on a quarterly basis.

In their proposals, offerors should note their commitment to these support requirements. Any limitations or exceptions as to the specific support requested by PRRS must be clearly noted. Finally, PRRS is interested in descriptions regarding the proposed help desk system and process, as

well as the nature of the reporting that will be provided to PRRS. Within their proposal, offerors must describe how SLAs will be tracked and the ramifications that will occur in the event an SLA is not met (i.e. credits are issued).

## **B.4.2 SPANISH LANGUAGE REQUIREMENTS - FORMS AND EXTERNAL WEB PORTALS**

Though a portion of the PRRS staff speaks English, Spanish is the official language of Puerto Rico. Therefore, PRRS requires the following:

- External User Interface (Member and Employer Portals) - Since these screens will be accessed by individuals outside of PRRS, they must be in Spanish. If possible the choice to view them in Spanish or English would be beneficial. This necessity extends to all on-line help, screen names, labels, and pop-up messages. Furthermore, PRRS is aware that there are add-ons in Internet browsers (i.e. Microsoft Translator in Internet Explorer) that can be utilized to translate web pages. If such a web-based translation service is the method that will be required by the offeror, it should be clearly noted. In the experience of PRRS, these web-based tools are not 100% accurate; and depending on how the screen/text is rendered may not translate everything.
- Printed Forms - All forms generated from the solution (i.e. an application for retirement) must be in Spanish. PRRS foresees this requirement as easily met by vendors because the layout of forms is usually handled as part of a joint application design process, during which PRRS will provide the appropriate text (in the event a form is re-designed as part of the process).

## **B.5 OPTIONS - MANDATORY BID REQUIRED**

The subsections below are optional in the sense that PRRS will have the option of authorizing them. PRRS may choose to authorize no options or any one, any combination, or all of the options. PRRS will make a decision as to whether or not to authorize each option (or retain the ability to authorize the option at a later date) at the time of contract negotiations.

We require each offeror to provide a proposal for Section B.5.1, Option 1 Data Cleansing and Section B.5.2, Option 2- Adding the Puerto Rico Teachers Retirement System. If no bid is offered for these items, the offeror's entire proposal will not be considered by PRRS.

We realize not all vendors have the ability to provide the services included in Section B.5.3 and B.5.4, therefore we do not require a proposal for this section unless the offeror is so inclined.

### **B.5.1 OPTION 1 DATA CLEANSING**

As stated in Section B.3.5, PRRS expects some level of data cleansing will be required of the vendor and of PRRS staff as part of the conversion effort. This option puts more emphasis on that requirement and requires additional services from the offeror.

Data quality and accuracy are issues of utmost concern to PRRS. The amount of staff research time that must be devoted to processing any business request that relies on account data is directly dependent upon the accuracy and accessibility of data pertaining to the member's wages, contributions, and years of service.

Existing data records pertaining to PRRS members may have varying degrees of inaccuracies and errors. As an option, offerors are required to propose a fixed price solution to developing software tools aimed at resolving errors / problems related to historical PRRS data and "cleansing" the data that will be carried forward into the new environment. Initial candidate topics are presented below so that offerors can gauge the magnitude and complexity of the issues in this task. Candidate topics include:

- Possible cases related to Social Security number (SSN) mismatches or duplication
- Possible cases where PRRS has to investigate and fix demographic information, including name changes, incorrect birth dates, incorrect addresses, and duplicate Social Security Numbers
- Possible cases related to people on pension payroll with an inaccurate retirement type or retirement option
- Cases where dates have been defaulted versus the actual date being supplied
- Cases where the rates and factors that are to be used in various business calculations are not current, and therefore if a re-calculation is performed, errors often result
- Cases where the level of detail in a member's account varies based on his/her "life" in the system, as well as how he/she was reported over the years
- Cases where account statuses are not consistent across the system
- Cases where benefit account statuses and benefit payment statuses are not consistent across the system.
- Cases where individuals who have been successfully "switched" from active membership to pension payroll may still have a positive balance and an "active" status code in their membership account.

The items listed above, as well as other items identified by the offeror and PRRS, will need to be included as part of this option. The data cleansing and data quality effort will consist of seven (7) stages, totaling 2,000 man-hours of effort:

**Stage 1** will consist of three four-hour focus group sessions with up to ten (10) PRRS staff members, including at least one member of PRRS' IT staff knowledgeable of existing data problems. These sessions should be conducted over a two-to-three-week period. The following activities should be conducted: Using the above topics as a starting point, offeror staff will listen to a description of the data problems as presented by the PRRS staff members. Offeror staff will explain and discuss its experience with data cleansing efforts at other client sites, which should stimulate additional problem descriptions from PRRS staff. Based on this experience, offeror staff will provide guidance to PRRS staff in defining the tools that will be most useful. Using the information collected during the focus group sessions, offeror staff will write up definitions of the most prevalent data problems, the tools that will be most useful in correcting them, and how the tools will be used by PRRS staff in the new environment. The offeror's write-up will be reviewed by PRRS and appropriately revised. Stage 1 will require offeror staff to expend approximately 200 man-hours over a three-week period.

In **Stage 2**, the offeror will develop a design of the tools to be developed in the new environment, per Stage 1. The design document will be presented to PRRS staff, reviewed, and appropriately revised. PRRS staff will sign-off on the tool design. Stage 2 will require offeror staff to expend approximately 240 man-hours.

**Stage 3** will consist of the implementation of the tools by offeror staff. Stage 3 will require offeror staff to expend approximately 800 man-hours (the number and nature of the tools designed in Stage 2 should conform to an 800-manhour effort).

**Stage 4** will consist of the prototyping and testing of the tools by offeror and PRRS staff. Stage 4 will require offeror staff to expend approximately 200 man-hours of effort.

**Stage 5** will provide the opportunity for offeror staff to resolve any problems arising from the prototyping and testing effort in Stage 4 and to finalize the software tools for use in the new environment. Stage 5 will require offeror staff to expend approximately 200 man-hours of effort. Offeror staff will be required to complete an entry in the Data Cleansing and Conversion Audit Report (see Section B.3.5) for each cleansed data element.

**Stage 6** will consist of the installation / implementation of the tools in the new environment, as well as documentation and user training. Stage 6 will require offeror staff to expend approximately 200 man-hours of effort.

**Stage 7** will consist of defining and describing any additional data quality areas that have come to light as a result of having completed Stages 1 through 6. The offeror will describe additional activities that should be pursued, what the approach should be, what the benefits would be, and an estimate of the costs. Stage 7 will require offeror staff to expend approximately 160 man-hours of effort.

In addition to the products identified above, deliverables from this effort will include weekly time sheets, substantiating that at least 2,000 man-hours of offeror staff effort were expended, as well as weekly written status reports pertaining specifically to this effort.

The offeror is to identify in its proposal when in the project these tasks will be performed (and when they would be expected to be completed) assuming PRRS authorizes them at the start of the effort.

The offeror shall provide a fixed price for the 2,000 man-hours of services described above.

**Additionally, in its Cost Proposal, the offeror is to provide a fixed hourly rate for any additional activities that PRRS may request under this option.**



## **B.5.2 OPTION 2 - ADDING THE PUERTO RICO TEACHERS RETIREMENT SYSTEM TO THE SOLUTION AND DATABASE**

The Puerto Rico Teachers Retirement System (PRTRS), known in Spanish as “Systema de Retiro para Maestros”, is administered by a different Board of Trustees, in a different building, by different staff. However, the Administrator of PRRS is also the Administrator of PRTRS. In the future, it is possible that the Administrator and the Board of Trustees for the PRTRS will elect to migrate the PRTRS plan and administration to the offeror’s solution. The demographics of PRTRS are as follows:

- 45,000 active participants
- 34,000 pension recipient
- 250 end users
- 1 Major employer, the Department of Education, and 15 smaller employers ranging in size of 1 to 20 participants each (a total of only 250 participants among the 15 smaller employers)

In order to take advantage of infrastructures and systems already in place, this past year, the information technology infrastructure of PRRS and the PRTRS were consolidated at PRRS. Part of the consolidation included migration of PRTRS data to the SABI and SIP applications as described in Section A.4.5.1. In addition, the telephone (VOIP) system in place at PRRS and described in Section A.4.5.6 is also shared with PRTRS along with the PeopleSoft accounting solution described in A.4.5.4. PRTRS however, still uses a different system for administering loans. The loans system is a browser-based, custom developed system with data maintained in an Oracle database.

In general, the benefits provided to the participants and pensioners of the PRTRS system are similar to those provided by PRRS – with the exception of different rates, factors, and calculation formulas. The laws and rules governing PRTRS are included as Attachment E-11 of the RFP. Other differences between the requirements for PRRS and PRTRS include:

- PRTRS does not have a defined contribution plan
- The scope of employer reporting is less, because over 99% of the teachers are part of the Department of Education payroll
- PRTRS does not currently use an imaging / Enterprise Content Management solution and will adopt the solution being proposed for PRRS or utilize the FileNet solution currently in place at PRRS and described in Section A.4.5.5 if the offeror elects to integrate with FileNet
- Mortgage loans are currently not sold by PRTRS nor is there an agreement with credit unions as described for PRRS in Section B.1.2.12. Therefore all loans are processed in-house and would be processed by the offeror’s solution. PRTRS processes 400-600 per loan applications per month.

In response to this option, the offeror should indicate their ability to scale their solution to accommodate the addition of the PRTRS plan. With the exception of the items noted above, offerors should assume that all of the services listed in Section B-1, B-2, B-3, and B-4 of this RFP will be required for the PRTRS implementation, and the support periods thereafter.

Offerors should discuss in their proposal a proposed approach to project phasing should this option be authorized as part of the initial project with PRRS. Offerors should discuss the pros and cons of designing for both PRTRS and PRRS in parallel vs. running them as separate projects in a serial approach (or some combination thereof).

Offerors should understand that PRRS and PRTRS may not authorize this option at contract signing for the mandatory PRRS project, but would like a fixed cost proposal that will allow them to authorize

it within the first five years of the agreement between the offeror and PRRS. As an example, if the offeror and PRRS sign an agreement for the mandatory project requirements, dated June 30, 2012, PRRS will have the ability to authorize this option (or not) until June 30, 2017.

PRRS understands that should this option be authorized, the ongoing costs will also increase. In response to this portion of the cost quote, offerors should include the additional costs, by year that will be applied to the PRRS ongoing costs. As an example, should this option be authorized the additional resource demands on both the vendor staff, the hosting equipment, etc. may rise from by adding PRTRS. Vendors should identify the additional amount in their cost proposal for this option.

The cost templates are discussed further in Section C.1.2.

## **B.6 OPTIONS – BID OPTIONAL**

In Section B.5 and its subsections we provided options that required a bid by the offeror. For requirements in B.6.1 and B.6.2, however we realize not all vendors have the ability to provide the requested services, therefore we do not require a proposal for this section unless the offeror is so inclined.

Like those requirements in Section B.5, the subsections below are optional in the sense that PRRS will have the option of authorizing them. PRRS may choose to authorize no options or any one, any combination, or all of the options. PRRS will make a decision as to whether or not to authorize each option at the time of contract negotiations (or retain the ability to authorize the option at a later date).

### **B.6.1 OPTION 3 - OFFSITE BUSINESS CONTINUITY PROGRAM (HOTELING)**

In Section B.2.6.5, PRRS has listed the recoverability requirements. In that section PRRS requires that if a disaster should occur resulting in unavailability of the San Juan office, the offeror's solution should be available from one of the PRRS regional offices.

In response to the option in this subsection, offerors are requested to take that requirement one step further and address the unavailability of the regional offices (in addition to the main office in San Juan). PRRS would like a proposal for establishing a remote site that would allow up to 50 staff to continue processing the mission critical components of the operation for a limited time, until the backup or main PRRS site becomes available.

Offerors should describe their experience with such an arrangement and provide the details of how they would propose this alternative to PRRS. The proposal should address:

- How much time would be required to establish the site?
- How many staff will the site accommodate (up to 50)?
- Where will the site be set up (i.e. in Puerto Rico or off the island) and where will staff reside?
- What systems can be made available?

In its cost proposal, offerors are requested to provide the one time setup fee should the site be required along with ongoing fees (on a monthly basis) required until the PRRS main and/or regional office becomes available.

### **B.6.2 OPTION 4 - CO-SOURCING BUSINESS STAFF**

Offerors are requested to propose a co-sourcing arrangement whereby offeror's staff, at their own site, will support PRRS administrative efforts. This may be by backing up the call center activities performed by PRRS or providing back office work processing applications for service purchase, loans, refunds, or retirements. PRRS is interested in hearing about the types of arrangements of this nature that the offeror has engaged, whereby it is not full outsourcing, but co-sourcing.

PRRS requires that if call center sourcing is proposed that all operators speak Spanish. If such a co-sourcing arrangement is implemented for call center PRRS envisions that calls will be routed by type to the offeror's staff (via caller indication on IVR). The offeror will focus on general inquiries, request for balances, process statuses, etc. while PRRS will handle more complex topics such as disability.

PRRS anticipates the new solution will allow efficiencies to be realized and allow PRRS to take advantage of natural attrition. However, not all positions can be fully vacated and might best be filled by co-sourcing support.



## **PART C OFFERORS PROPOSALS**

## C.1 FORMAT OF OFFEROR PROPOSALS

This section sets forth the format that must be followed by offerors in developing their proposals in response to this RFP. Proposals that vary from this prescribed format are subject to being judged non-compliant and withdrawn from consideration.

The offeror must understand that PRRS will view the degree of compliance with this section as an indication of the degree of cooperation to be expected from the contractor in working with PRRS after contract award. PRRS' request in this vein is not arbitrary; rather it is designed to enable the evaluation team to compare, in as straightforward a manner as possible, the contents of all proposals. Thus, it is in the offeror's best interest to organize its proposal as described below.

Offerors are to submit separately bound and packaged Technical and Cost Proposals. No cost information is to be included in the Technical Proposal – with the single exception of Section 1.5, Exceptions, in which it is permissible for offerors to include relative or differential cost information. Please refer to the discussion under Section A.1.5 Exceptions, below.

The proposals are to be prepared in English on standard 8½" x 11" white paper. All proposals are to be in single-column format and page-numbered from first page to last, with the permitted exception of attachments to the proposal. A Table of Contents must be included. Foldouts containing charts, spreadsheets, and other necessary supporting documentation are permissible, but must be held to a minimum. The pages must be placed in a binder with tabs separating the major sections outlined below. Figures and tables must be numbered and referenced in the text by that number.

The following information must appear on the title page of each copy of both the Technical and Cost Proposal:

<p style="text-align: center;"><b>Puerto Rico Government Employees and Judiciary Retirement Systems Administration (PRRS)</b></p> <p style="text-align: center;">Technical or Cost Proposal in Response to</p> <p style="text-align: center;">RFP # 2012-01 for Pension and Loans Administration System</p> <p>Federal Tax ID Number: _____ Dun and Bradstreet No.: _____</p> <p style="text-align: center;">Closing date and time for submission of proposals: _____</p> <p>[Name, title, address, voice, and fax telephone numbers of organization submitting proposal]</p> <p style="text-align: center;">Signature _____</p>
--

An individual authorized to bind the respondents to its provisions must sign proposals. The proposal must remain valid for at least one hundred eighty (180) days from the proposal receipt deadline.

Offerors must provide the following number and type of submissions when submitting their proposals:

- Ten (10) originals (1 marked as MASTER) of the Technical Proposal.



- Ten (10) originals (1 marked as MASTER) of the Cost Proposal.
- Two (2) CDs of the Technical Proposal; in Microsoft Word and/or Excel format – one folder containing technical proposal as submitted and another folder containing technical proposal with confidential information redacted or removed and in PDF format (refer to Section D.1.9 for provisions relating to confidential proposal material).
- Two (2) CDs of the Cost Proposal; in Microsoft Word and/or Excel format – one folder containing cost proposal as submitted and another folder containing cost proposal in PDF format (refer to Section D.1.9 for provisions relating to confidential proposal material).

Note that the Word and Excel files should have no locks, controls, or other protections or restrictions that prevent reviewers from inserting comments, revisions, etc. that would expedite reviews

All printed copies of proposals and the electronic version provided on CDs must be clearly labeled so as to be easily identifiable with the offeror's submission. The Word and Excel files must be provided in an "unlocked" form that will allow PRRS to edit, insert comments, "cut-and-paste" and annotate the documents and spreadsheets with comments and revisions during its evaluation. Finally, we point out that PRRS' internal review of the electronic version of the response is greatly facilitated if the proposal is a single MS Word document.

PRRS recognizes that offerors may wish to copy the required cost spreadsheets into their cost proposals in picture format (to ensure that bid information cannot be altered). While this approach is acceptable, the offeror must also provide the source Excel spreadsheets (unprotected) as .xls files on the CDs containing the cost proposal.

### **C.1.1 TECHNICAL PROPOSAL FORMAT**

The organization and content of the offeror's Technical Proposal must conform to the outline set forth below. Section numbering of the offeror's proposal must agree with the outline. Following the outline is a description of the information that must be included in each section of the proposal.

#### Table of Contents

#### Proposal Letter

PART A	Offeror Information
	A-1 General Information
	A-1.1 Offeror Certifications and Affirmations
	A-1.2 Statement of Understanding
	A-1.3 High Level Deliverables
	A-1.4 Assumptions
	A-1.5 Exceptions
	A-1.6 Warranty Limitations
	A-1.7 Copy of Performance Bond
	A-2 Offeror Qualifications
	A-2.1 Corporate Background
	A-2.2 Relevant Project Experience
	A-2.2.1 Client References
	A-2.2.2 Presentations and Product Demonstrations
	A-2.3 Financial Information
	A-2.4 Offeror Staffing



<b>PART B</b>	Offeror Response to Project Scope
B-1	Response to Business Functional Requirements
B-1.1	Response to “To Be” Business Functionality
B-1.1.1	Accounting
B-1.1.2	Activity Tracking / Call Center
	...
B-1.2.16	Tax Reporting
B-1.2	Response to Supporting Functionality
B-1.2.1	General
B-1.2.2	Business Process Management
	...
B.1.2.5	Reporting
B-2	Response to Technical Requirements
	...
B-3	Response to Project Management Related Requirements
	...
B-4	Response to Other Required Services and Deliverables
	...
B-5	Response to Project Options – Mandatory Response
B-6	Response to Project Options – Optional Response

**ATTACHMENTS**

Attachment 1	Data Center Specifications
Attachment 2	Offeror’s Annual Financial Report to Stockholders
Attachment 3	Comprehensive List of all Documentation to be Delivered
Attachment 4	Samples of Application Documentation
Attachment 5	Menu and Screen Snapshots
Attachment 6	High-level work plan (with and without options)
Attachment 7	Sample Data Conversion Plan
Attachment 8	Sample Test Plan
Attachment 9	List of Standard Reports
Attachment 10	Report Samples
Attachment 11	Samples of Previously Used Status Reports
Attachment 12	Proposed System License Agreements
Attachment 13	Subcontractor Letters of Commitment
Attachment 14	Subcontractor Agreements

Specific contents to be included in each section of the offeror’s proposal are discussed in detail below.

**TABLE OF CONTENTS**

Each page of the proposal must be numbered (with the possible exception of pre-printed material included in attachments), and each section heading must appear in the proposal Table of Contents.



## PROPOSAL LETTER

The Proposal Letter must be included and must be signed by a person authorized to legally bind the company. **Failure to include this signed proposal letter may result in needless delays.**

### PART A OFFEROR INFORMATION

#### A-1 GENERAL INFORMATION

##### A-1.1 OFFEROR CERTIFICATIONS AND AFFIRMATIONS

In this section, the offeror must include the following statements of affirmation:

- A statement regarding the offeror's legal structure (e.g., a LLC, a corporation), Federal tax identification number, and principal place of business
- A list of the people who prepared the offeror's proposal, including their titles
- The name, phone number, and fax number of a contact person who has authority to answer questions regarding the offeror's proposal
- A list of all subcontractors, if any, that the offeror will use on the project if the offeror is selected to do the work – for each proposed subcontractor, the offeror must include (in Attachment 13 of the technical proposal) a letter from the subcontractor, signed by someone authorized to legally bind the subcontractor, with the following information included in the letter:
  - ❑ The subcontractor's legal status, tax identification number, and principal place of business address
  - ❑ The name and phone number of someone who is authorized to legally bind the subcontractor to contractual obligations
  - ❑ A description of the work the subcontractor will do
  - ❑ A commitment to do the work if the offeror is selected
  - ❑ A statement that the subcontractor has read and understood the RFP and will comply with the requirements of the RFP
- A statement indicating the proposed Project Manager is an employee of the prime contractor
- A statement affirming the offeror's commitment to develop a full set of all of the rules, regulations, procedures, and practices that need to be accommodated in the new solution (refer to Section B.1.2 for additional information)
- Affirmation of the offeror's responsibility for the life of the contract for all contractual activities, products, and deliverables offered in the proposal whether or not that contractor directly performs or provides them. This includes providing an overall project plan and for each functional rollout phase, the detailed requirements definition, all necessary hardware and software components (if those options are authorized), including fully integrated workflow and imaging capabilities, an LOB solution, system integration services, enablement of all interfaces described in this RFP, test preparation and execution (including training and assisting PRRS with its testing responsibilities) of all elements of the offeror's solution (not just customized elements), data conversion, training for users, employers, and IT staff, documentation, process change recommendations, organizational recommendations, and implementation of any other proposed technologies, as well as first-line problem resolution.
- A statement affirming that the vendor, at vendor's cost, will provide PRRS with a performance bond from a surety company acceptable to PRRS to cover 80% of the contract cost and which



will protect PRRS from financial loss should vendor fail to perform the contract in accordance with its terms and conditions. The performance bond will be subject to PRRS' approval and will remain in effect until 1 year after completion of and SDCERS' final approval of the project.

- Affirmation that the offeror's organization is the prime contractor and the primary point of contact with regard to contractual matters. The offeror must confirm that should any third party provider go out of business or otherwise become unable to fulfill its contractual obligations to PRRS with respect to this procurement, then the offeror (prime contractor) will guarantee delivery of the same or equivalent products and services at the contractually agreed upon price.
- Affirmation that the offeror has reviewed the "Current 'As Is' Business Functionality," as provided in the RFP.
- Affirmation that all requirements expressed in this RFP must be met by the solution implemented by the offeror unless an explicit written agreement to delete one or more of the RFP's provisions are signed by both PRRS and the offeror (see Section B.3.4.6).
- For the period of time starting on the date the RFP was published until the date the offeror submits their proposal the offeror or its representatives should not contact PRRS unless they are doing so as prescribed by the question and answer period defined in Section A.1.9 of the RFP. If the offeror, a lobbyist, or any other third party which has been retained by the offeror has made contact, outside of that prescribed in Section A.1.9, with PRRS staff, PRRS Board members, Puerto Rico legislators, the office of the Governor of Puerto Rico, or legislative or gubernatorial staff related to the procurement it should be noted in the offeror's proposal. In addition describe the nature of the contact, the dates, and the substance thereof. Failure to do so accurately may be grounds for rejection of your proposal and/or cancellation of any subsequent contract.

The offeror must also include the following seven certifications:

1. Certification as to whether the offeror has ever had a contract terminated for default or cause. If so, the offeror must submit full details, including the other party's name, address, and telephone number.
2. Certification as to whether the offeror has ever been assessed any penalties in excess of five thousand dollars (\$5,000), including liquidated damages, under any of its existing or past contracts with any organization (including any governmental entity). If so, the offeror must provide complete details, including the name of the other organization, the reason for the penalty, and the penalty amount for each incident.
3. Certification as to whether a client has ever demanded payment of a performance bond or a bid bond of the offeror. If so, provide the name of the client, client contact information and an explanation of the circumstances.
4. Certification as to whether the offeror has ever been, or is currently, the subject of any governmental action limiting the right of the offeror to do business with that entity or any other governmental entity.
5. Certification as to whether trading in the stock of the offering company has ever been suspended. If so, provide the date(s) and explanation(s).
6. Certification as to whether the offeror, any officer of the offeror, or any owner of a twenty percent (20%) interest or greater in the offeror has filed for bankruptcy, reorganization, a debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding.
7. Certification as to whether the offeror, any officer of the offeror, or any owner with a twenty percent (20%) interest or greater in the offeror has been convicted of a felony or is currently under indictment on any felony charge.



If the answer to any of the seven (7) certification items above is affirmative, the offeror must provide complete details about the matter. An affirmative answer to any of these items will not automatically disqualify an offeror from consideration. However, at the sole discretion of the evaluation committee, such an answer and a review of the background details may result in a rejection of the offeror's proposal. The committee will make this decision based on its determination of the seriousness of the matter, the matter's possible impact on the offeror's performance on this project, and the best interests of the Commonwealth.

### **A-1.2 STATEMENT OF UNDERSTANDING**

In this section, the offeror must summarize its understanding of the requirements set forth in the RFP. The offeror may also reference, in general terms, projects it has successfully completed that met requirements similar to those of PRRS.

### **A-1.3 HIGH LEVEL DELIVERABLES**

In this section of the proposal, the offeror must identify and briefly describe the high level deliverables to be provided to PRRS over the course of the project. The offeror must make the commitment to include all of the high level deliverables discussed in Section A.3 of the RFP. The offeror is encouraged to identify additional deliverables as it deems appropriate. In the cost proposal, the offeror will be required to allocate project costs against the high level project deliverables identified in this section.

### **A-1.4 ASSUMPTIONS**

In this section, the offeror must identify and discuss all assumptions it has made in preparing its technical and cost proposals. Further, the offeror must state that there are no further assumptions related to meeting requirements of the RFP other than those enumerated in this section of the proposal.

Please include any assumptions you have made with regard to facilities to be provided by PRRS for office space and meeting / training rooms.

Any assumptions mentioned elsewhere in the offeror's proposal will not be valid unless they are also listed in this section.

In setting forth their assumptions, offerors should note the difference between "assumptions" and "exceptions" and take care that no **exceptions** to the RFP's requirements are included. Valid "assumptions" are suppositions made by the offeror about issues on which the RFP is silent. "Exceptions" are suppositions made by the offeror that contradict, or fail to conform with, one or more of the requirements stated in the RFP. Any items that are actually exceptions to the RFP's requirements, but misrepresented by the offeror as assumptions in Section A-1.4 of the proposal, will be treated as exceptions by PRRS – and will, due to the misrepresentation, have a greater negative effect on the offeror's technical score than would be the case had the item been correctly classified by the offeror as an exception. (See A-1.5 Exceptions below for a discussion of how to set forth exceptions.)

### **A-1.5 EXCEPTIONS**

In this section of the proposal, the offeror must affirm that it has read and understands the RFP, any RFP amendments issued, and the questions and answers provided during the bidders conference. The offeror must state in this section of the proposal any and all exceptions it takes with the technical / functional requirements set forth in the RFP and/or with any terms and conditions contained in the RFP relating to the ensuing contract. Only those exceptions identified in this single



section of the proposal will be considered by PRRS; any others “distributed” across the proposal will be superseded by the provisions of this RFP and will not be considered or honored by PRRS.

For each exception listed in Section A-1.5 of the proposal, the offeror is required to propose at least one alternative that would still be acceptable to the offeror, as a potential vendor, and that the offeror reasonably believes will be acceptable to PRRS. In other words, the offeror is required to be creative in addressing all exceptions by setting forth two alternative versions of each one (alternative A and B) in the hope that the offeror and PRRS will more quickly arrive at a mutually acceptable compromise. The alternative versions of each offeror exception may take various forms – again, the offeror is being encouraged to apply creativity in order to accommodate legitimate offeror reservations in a fashion that will not lead PRRS to reject the bid due to onerous exceptions.

#### **A-1.6 WARRANTY LIMITATIONS**

In this section of the proposal, the offeror must state any and all limitations and constraints with respect to software maintenance and warranty. They must be explained in terms of risk, change control, and cost implication. Only those limitations and constraints identified in this single section of the proposal will be considered by PRRS; any others not included in the single, appropriately labeled section will not be considered or honored by PRRS.

#### **A-1.7 COPY OF PERFORMANCE BOND**

In this section, the offeror must provide a copy of the required performance bond; please refer to RFP Section A.1.12.

#### **A-2.0 OFFEROR’S QUALIFICATIONS**

This section shall include details on the experience of the offeror and offeror’s recent clients having requirements similar to those of PRRS.

##### **A-2.1 CORPORATE BACKGROUND**

This is an introduction to the offeror's company: its history, scope of operations, organization, size, and any other relevant information about the company that the offeror desires to include.

In this section, the offeror must provide basic information about its organization, including the following:

- The name of the offeror and the location of its principal place of business and all other offices, including the location of the office which will perform work on behalf of PRRS
- The names, titles and length of tenure of the top five officers of the company (or its subsidiary or operating division responsible for this project). For any whose time in the position is less than a year, provide the name of his or her predecessor and the reason for the change in position
- Any change in the ownership status of the company in the past three years (or any forthcoming change)
- The average number of employees over the past five years, the average number of full time employees, the average number of contract employees, and the average number of total employees (state explicitly the number of professional employees)
- Number of years in business
- Brief history of company, products, and services
- Company and product visions; must demonstrate commitment to product life and enhancement for at least eight years

- Industry innovations or best practices
- Number, nature and name of subsidiaries and operating divisions
- Where incorporated or otherwise legally established
- Representative client list.

The same information must be provided for all subcontractors or other third party providers of products or services.

In addition, for each subcontractor or other third party, the offeror's proposal must include:

- A description of all work to be subcontracted to and/or products to be provided by third parties.
- Descriptive information relating to the nature and duration of the previous relationship of all subcontractors and/or third parties with the prime contractor.
- Explanation of any existing contractual relationships between the prime and subcontractors, or among subcontractors.

Failure to identify subcontractors may be grounds for rejection of the proposal or, after award, cancellation of the contract.

## **A-2.2 RELEVANT PROJECT EXPERIENCE**

The details of offeror's experience relevant to the project shall include a summary of the offeror's experience over the past five (5) years in implementing new, integrated pension administration systems for multi-employer, 50,000 members and annuitants combined (minimum), defined benefit, retirement systems. To meet PRRS' minimum qualifications, the offeror must be able to cite three or more such previous projects, at least one of which must be complete, i.e., in the warranty period or later. This section shall also include a discussion by the offeror regarding similarities between PRRS and the client implementations cited.

### **A-2.2.1 CLIENT REFERENCES**

Offerors should submit a list of at least three current and former (within the past five years) clients and describe the work performed for each, together with an analysis of the degree of similarity in the scope of the project PRRS desires to that of the referenced client, the hardware configuration used, and the application systems produced. Indicate whether the client is a current client (i.e., one with whom a project is currently underway) or a former client (i.e., one for whom no work is being performed or whose project is in the warranty / maintenance period). For all references, include the site name, the name / title / phone / address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance, start and end dates of the contract, and the initial and final project cost, including all change orders. Provide a brief summary of the project including but not limited to business problem, scope, approach, and resources applied. In addition, provide for each reference a list of the major subcontractors that supported the project and a list of all offeror staff members proposed to PRRS who also participated in the referenced client project.

Offerors are cautioned that the previous project experience being sought by PRRS should be recent, but should not include projects only recently initiated. Ideally, the offeror can cite several references for projects that have been completed within the last three (3) years and at least one that began more than a year ago but remains in progress.

All references may be contacted by PRRS to verify the offeror's claims. Offerors are advised to ensure that the contact person's telephone number is current and that each reference contact is willing to discuss the offeror's performance with the evaluation committee.



References must be for at least three (3) different projects, as similar as possible to the PRRS project, and three (3) different individuals with knowledge of the offeror's performance on those respective projects. One (1) person with knowledge of several projects qualifies as only a single reference.

Offerors are encouraged to include more than three references if they wish. If subcontractors are being proposed, preference will be given to offerors who can cite multiple projects on which the offeror / subcontractor **team** being proposed to PRRS previously collaborated.

Reference information should be provided by using the form on the following page. Replicate the form as necessary to provide profiles of all client references.



**Form 1. Offeror Client Reference Form**

<b>PRRS RETIREMENT SYSTEM            PENSION ADMINISTRATION SOLUTION PROJECT – OFFEROR CLIENT REFERENCE</b>			
<b>Reference #:</b>	<b>Offeror Name:</b>	<b>Project Name:</b>	
<b>Client:</b>		<b>Client Address:</b>	
<b>Type of Organization:</b>			
<b>Client Phone:</b>			
<b>Contact Name:</b>		<b>Contact Address:</b>	
<b>Contact Title:</b>			
<b>Contact Phone:</b>		<b>Contact Email Address:</b>	
<b>Start Date:</b>	<b>End Date:</b>	<b>Initial Project Cost:</b>	<b>Final Project Cost:</b>
<b>Hardware Configuration:</b>		<b>Description of Application:</b>	
<b>Project Summary (business problem, scope, approach, resources applied):</b>			
<b>Major Subcontractors Supporting the Referenced Project –</b>			
<b>Subcontractors:</b>		<b>Roles:</b>	
<b>Similarity to PRRS Project:</b>			
<b>List all offeror staff members proposed to PRRS who also supported the referenced project:</b>			
<b>Staff Member Name:</b>	<b>Proposed Role for PRRS:</b>	<b>Role on Referenced Project:</b>	



### **A-2.2.2 PRESENTATIONS AND PRODUCT DEMONSTRATIONS**

In this section, affirm the offeror's commitment to provide oral presentations and/or product demonstrations (led by the offeror-proposed Project Manager) at PRRS' offices, if so requested by PRRS, in response to Section A.1.8 of the RFP.

### **A-2.3 FINANCIAL INFORMATION**

This section of the proposal must contain offeror's current and two previous years' audited financial statements, including consolidated balance sheets and income statements (statement of profit and loss). Failure to provide this information may be grounds for rejecting offeror's proposal. (The offeror's annual report to shareholders should be included as an attachment – see below.) The offeror must describe the trends of the last five years in revenues, employees, and profitability. If the offeror is a subsidiary of a larger corporation, financial information specific to the offeror is required. An overall corporate information package may also be submitted.

Identify any legal actions, lawsuits, arbitration or formal protests related to public employee retirement systems projects in which the offeror is currently involved as a defendant at the time the proposal is submitted. Additionally, identify any other such actions in which the offeror has been involved during the past five (5) years.

Any delisting of offeror's stock must be disclosed and described.

Any changes in corporate ownership, changes in CEO, CFO, or COO in the past 5 years or projected in the next 6 months must be described.

The offeror must inform PRRS if any site used as a reference has a financial relationship with the offeror whereby the client may receive any sort of compensation, including but not limited to reduction in fees, commission, and/or credits based on references leading to sales of offeror's software, hardware, other products, or services.

The same financial information described above must be provided for any subcontractors and/or third parties proposed to participate in the project.

The offeror must summarize the percentage of its organization's current revenue that is derived from retirement system solution implementations (and, as a separate calculation, the percentage of revenue derived from retirement system consulting, actuarial engagements, and the like). Similar information must be provided for each of the previous two (2) years.

### **A-2.4 OFFEROR STAFFING**

In this section, the offeror must provide detailed descriptions of how the offeror's team experience will meet the project requirements. Include team members' resumes (as discussed below), tailored to highlight experience and skills specifically relevant to their role on this effort. This section of the proposal must include the qualifications of the project manager and staff to be assigned to accomplish this project.

The offeror must designate a single full-time project manager to represent and oversee the project. This person will serve as the focal and contact point for all business matters relating to the project.

Additionally, in this section, confirm that the project manager will:

- Be on-site at PRRS at least 80% of the time
- Be responsible for timely completion of all phases of the project
- Be responsible for meeting all contractual requirements for the duration of the project

- Attend status, quality review and acceptance meetings as required and present status and progress reports on the project
- Remain assigned to the project full time through final cutover and acceptance by PRRS.

The offeror must provide a list of all the key personnel, as defined in Section B.3.2 of the RFP, to be assigned to any part of the project. Offerors are encouraged to specifically identify additional project staff members if possible. Each staff member proposed shall be identified by title and by firm, as well as by project responsibilities and job functions and current client / home office location. The number of other personnel to be assigned shall be identified by job function and by firm.

PRRS understands that the offeror may have one or more other proposals open and under consideration by other prospective clients and that offeror staff included in the PRRS proposal may have been included in these other proposals. For any offeror resource so allocated, the offeror shall indicate in its proposal the role for which each such resource was assigned for each open proposal and the capacity (e.g., hours, % FTE) for which they have been proposed. In addition, the offeror will indicate what method it will use to resolve any conflict arising from the award of contracts competing for these resources.

Offerors shall also include the resumes of all key employees (project manager, lead analyst, and the other key staff), and any other proposed staff members who are identified by name in the proposal. Those resumes must describe in detail the employee's experience in similar efforts as well as past education and training. Each resume shall include as its first page a Resume Summary prepared by the offeror using the form provided on the following page. Each Resume Summary **must** include three (3) professional personal references for the particular staff member – none of whom should be employees of the offeror. These professional references must be provided by offeror client staff members, from three different clients. Professional references from within the offeror organization are **not** acceptable.

Offeror must provide its staff volatility index, i.e., percent turnover over the past three (3) years and how that number is calculated. This volatility index should be provided both for the entire company and for the three referenced public employees' or teachers' retirement system implementation projects used as references.

Offerors must also confirm in this section of the proposal their understanding that:

- Personnel whose names and resumes are submitted in the proposal shall not be removed from this project without prior approval of PRRS. Substitute or additional personnel shall not be used for this project until a resume is received and approved by PRRS.
- PRRS shall have the right to request, and the contractor will comply with any such request, the removal of any offeror staff member from all work on this project immediately.
- The replacement for any staff member who is removed from or leaves the project for any reason must match or exceed the replaced staff member in terms of skill level and experience. Such replacements are subject to PRRS approval/rejection at the time of the assignment as well as at any time during the 90 days after the replacement begins work on the project.
- Offeror will pay to PRRS a penalty of \$50,000 should it remove from the project any key staff member or any other staff member who was more than 50% dedicated to the PRRS project, except in the case of serious illness, death, or termination of employment with offeror.

**Form 2 Offeror Staff Resume Summary Form**

<b>PRRS RETIREMENT SYSTEM PENSION ADMINISTRATION SOLUTION PROJECT – RESUME SUMMARY</b>	
<b>Staff Member Name:</b>	
<b>Proposed Role on PRRS Project:</b>	
<b>Number of years of professional experience –</b>	
<b>Total:</b>	<b>Retirement system:</b>
<b>In role proposed for PRRS project:</b>	
<b>Education (indicate institutions attended and degrees obtained):</b>	
<b>Professional Reference #1</b>	
<b>Client Name and Address:</b>	<b>Project Title:</b>
	<b>Staff Member’s Role on Project:</b>
<b>Contact Name:</b>	<b>Description of Services Provided:</b>
<b>Contact Title:</b>	
<b>Contact Phone:</b>	
<b>Contact E-mail:</b>	
<b>Start Date:</b>	
<b>Professional Reference #2</b>	
<b>Client Name and Address:</b>	<b>Project Title:</b>
	<b>Staff Member’s Role on Project:</b>
<b>Contact Name:</b>	<b>Description of Services Provided:</b>
<b>Contact Title:</b>	
<b>Contact Phone:</b>	
<b>Contact E-mail:</b>	
<b>Start Date:</b>	
<b>Professional Reference #3</b>	
<b>Client Name and Address:</b>	<b>Project Title:</b>
	<b>Staff Member’s Role on Project:</b>
<b>Contact Name:</b>	<b>Description of Services Provided:</b>
<b>Contact Title:</b>	
<b>Contact Phone:</b>	
<b>Contact E-mail:</b>	
<b>Start Date:</b>	



## **PART B OFFEROR RESPONSE TO PROJECT SCOPE**

PART B of the proposal will contain the offeror's response to the project scope. It is to include all of the sections of PART B of the RFP, numbered identically. Each section of PART B of the proposal will provide a complete response to the corresponding section of the RFP.

### **ATTACHMENTS**

#### **ATTACHMENT 1 DATA CENTER SPECIFICATIONS**

This attachment must set forth the structure of the hosting data center as well as the connection to and between PRRS. A separate specification should be provided indicating any requirements pertinent to the configuration for connectivity at the PRRS offices as well as integration with existing systems.

#### **ATTACHMENT 2 OFFEROR'S ANNUAL FINANCIAL REPORT TO STOCKHOLDERS AND AUDITED FINANCIAL STATEMENTS**

#### **ATTACHMENT 3 COMPREHENSIVE LIST OF ALL DOCUMENTATION TO BE DELIVERED**

#### **ATTACHMENT 4 SAMPLES OF APPLICATION DOCUMENTATION**

Attach samples of end-user and technical documentation.

#### **ATTACHMENT 5 MENU AND SCREEN SNAPSHOTS**

Attach samples / "snapshots" of menus and screens from offeror's implementation most similar to PRRS'.

#### **ATTACHMENT 6 SAMPLE DATA CONVERSION PLAN**

#### **ATTACHMENT 7 SAMPLE TEST PLAN**

#### **ATTACHMENT 8 LIST OF STANDARD REPORTS**

List all standard reports included in the proposed solution, classified as management, operational, or financial.

#### **ATTACHMENT 9 REPORT SAMPLES**

Provide actual samples of reports included in the proposed solution. Of particular interest is a sample of the member's annual statement and calculation worksheet produced by the proposed system. Be sure to include a sample of a standard audit trail history report.

#### **ATTACHMENT 10 SAMPLES OF PREVIOUSLY USED STATUS REPORTS**

#### **ATTACHMENT 11 PROPOSED SYSTEM LICENSE AGREEMENT**

#### **ATTACHMENT 12 SUBCONTRACTOR LETTERS OF COMMITMENT**

#### **ATTACHMENT 13 SUBCONTRACTOR AGREEMENTS**



## **C.1.2 COST PROPOSAL FORMAT**

The cost proposal shall identify the costs of each phase, such that the total project cost will be the total of Phases 1 - 2 (as defined in Section B.3.1.7 on Project Phasing) plus all of the functional rollout phases to be defined by the offeror (Phase 3) plus support costs during the warranty period (Phase 4) and ongoing costs for hosting, licensing, and subscriptions. It is recognized that post-proposal negotiation with PRRS and initial efforts by the offeror may result in some modifications to the by-phase costing contained in the proposal. The total cost of all phases must be consistent with the details of each phase, and must be clearly discernible (see the cost spreadsheets which follow).

Adherence to and consistency with the work plan are considered critical acceptance criteria for any phase.

The offeror should bear in mind the specific terms and conditions presented in Section D when preparing its cost schedules. In addition, PRRS provides the following reminders:

- Offerors must include in the cost proposal a summary, by staff position, of the number of hours and the hourly rate for all contractor support services included in the proposal.
- The offeror must include its “D-U-N-S®” (Dun and Bradstreet) number on the cover page of the proposal.
- Offeror’s cost information will be evaluated on the basis of its consistency with the information provided in the offeror’s technical proposal. All calculations in offeror’s cost schedules will be verified for correctness.
- Although the lowest overall price may not necessarily be the primary determining factor for award, PRRS shall make every effort to substantiate prices for products and services to ensure that those prices are considered fair and reasonable.
- Any proposal that does not meet the requirements outlined in Section C-1.1 and in the points above, or for which a fixed-dollar proposal amount cannot be precisely determined may be considered a non-responsive proposal and may be rejected by PRRS.

For terms relating to invoicing and payments, please refer to Section D.1.6.

Schedules for presenting the offeror’s cost bid are provided on the following pages. The Cost Proposal Template for offeror completion is included as attachment E-12 of the RFP. Offerors should add line items to the cost schedules as necessary to include all project costs and suitable breakdowns. Note that there are columns, for the implementation by year for three years. Offerors should use only those years applicable to the proposed project plan (i.e. if the offeror is proposing a 24 month implementation period, no costs will be entered in year 3). If more time is needed the Excel spreadsheets should be updated accordingly. The Excel spreadsheets are provided as a single Excel workbook. All subtotals and totals will be computed automatically.

Following is a list of the cost schedules that must be completed and a description of the information to be provided in each:

### **PRRS Bid Summary 1 - IMPLEMENTATION COSTS PLUS 10 YEARS OF HOSTING, MAINTENANCE, & SUPPORT (MANDATORY REQUIREMENTS ONLY)**

On this worksheet, fill in the offeror name. All other entries will be automatically populated based on the offeror entries in Schedules 1 through 4, however the offeror is encouraged to double check that the totals are carried forward appropriately.



## **PRRS BID SUMMARY 2- IMPLEMENTATION COSTS PLUS 10 YEARS OF HOSTING, MAINTENANCE, & SUPPORT PLUS OPTION PROPOSALS**

On this worksheet, fill in the offeror name. All other entries will be automatically populated based on the offeror entries in Schedules 1 through 8, however the offeror is encouraged to double check that the totals are carried forward appropriately. The Implementation Services and Ongoing Fees portion of this Summary will be the sum of Bid Summary 1 and the inclusion of Option 2 (Schedules 6a and 6b).

### **SCHEDULE 1 – HARDWARE COSTS FOR MANDATORY PROJECT ELEMENTS**

With a hosted solution, this section may be blank or minimally populated. We expect only hardware required at the PRRS offices to be included, as all other costs should be included in the hosting agreement.

Enter all hardware components required to affect the mandatory portion of the proposed solution. Distinguish components that already exist at PRRS versus upgrades required to existing equipment versus new components. Include servers, hubs, routers, workstations (desktop PCs), uninterruptible power supplies, cables, connectors, labels, and equipment racks. For each required item, provide the manufacturer, model, a description, the quantity, and the unit cost. Cost extensions and totals will be computed automatically. If the offer is proposing replacement of the current ECM system as discussed in B.1.3.3, all scanners and related hardware should be quoted here.

### **SCHEDULE 2 – COMMODITY SOFTWARE COSTS FOR MANDATORY PROJECT ELEMENTS**

With a hosted solution, this section may be blank or minimally populated.

Enter all commodity software products required to affect the mandatory portion of the proposed solution. Distinguish software that already exists at PRRS versus upgrades required to existing software versus new software products. Include all required products such as operating systems, network software, database management software, software tools, and office suite software. For each required item, provide the manufacturer, model, a description, the number of copies required, and the unit cost. Cost extensions and totals will be computed automatically. If the offer is proposing replacement of the current ECM system as discussed in B.1.3.3, all ECM software and licenses should be listed here.

### **SCHEDULE 3 – IMPLEMENTATION SERVICES COSTS FOR MANDATORY PROJECT ELEMENTS**

This schedule consists primarily of service related costs to implement the mandatory portion of the proposed solution. For each area of service section (e.g., Requirements Analysis, Software Modifications Development), list the applicable staff positions, number of hours or units, and hourly or per unit rates. All costs must be fully loaded to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses. PRRS' expectation is that the project can be completed in three years (or less) from contract execution. (If the offeror believes that a longer schedule is indicated, the offeror should expand this and the other cost schedules appropriately.)

For most service categories, therefore, it is expected that hours/units will be entered only for the implementation period.

When filling in the Training section of the spreadsheet, be sure to include the cost for PRRS IT staff travel if any IT training will be conducted outside the San Juan area (see Section B.3.7).

At the bottom of the schedule, enter the hourly rate that will be used to calculate credits given to PRRS should a requirement be removed. The same hourly rate should be used as the basis for any change orders that arise during the implementation period.



#### **SCHEDULE 4 – ONGOING SERVICES AND FEES**

This schedule will be used to indicate ongoing costs that include hosting, services (Section B.2.3) subscription and/or licensing, and post-implementation support services described in Section B.4.1.3. In some cases these fees may begin before the implementation is fully complete. If so, these costs should be provided under the heading “Services /Fees Prior to Full Implementation.” We expect these costs to extend 10 years after the full implementation is complete, coinciding with the start of the warranty period. These costs should be broken down on an annual basis but will only be billed quarterly as described in Section D.1.6.

#### **SCHEDULE 5 – OPTION 1 DATA CLEANSING**

This schedule includes the cost figures for Data Cleansing services as described in Section B.5.1. This schedule **MUST** be completed.

#### **SCHEDULE 6A AND 6B – OPTION 2 ADDING THE PUERTO RICO TEACHERS RETIREMENT SYSTEM TO THE SYSTEM**

These schedules combined should include the cost figures for the services as described in Section B.5.2. As discussed in Section B.5.2, PRRS understands that this option may affect both the implementation fees plus the ongoing costs. Therefore these are separated into Schedule 6A and 6B. The costs provided here will be considered “additional” if this option is authorized. As an example, to derive the total implementation fees for the entire project should this option be authorized, Schedule 4 and Schedule 6a would be added together (as done in Bid Summary 2 described previously). These schedules **MUST** be completed.

#### **SCHEDULE 7 – OPTION 3 BUSINESS CONTINUITY SITE (HOTELING)**

Please populate the costs for the Option described in B.6.1. If a subscription fee is required it will be included along with any costs should the site be required. If the offeror chooses not to bid on this option, the Schedule cost fields should be populated with “No Bid”. Please ensure Bid Summary 2 is also updated accordingly.

#### **SCHEDULE 8 – OPTION 4 CO-SOURCING**

This schedule includes the cost figures for Co-sourcing services as described in Section B.5.2. The cost should be provided for a 10 year period of production operation (once the system is in place). If the offeror chooses not to bid on this option, the Schedule cost fields should be populated with “No Bid”. Please ensure Bid Summary 2 is also updated accordingly.

#### **SCHEDULE 9 – COST ESTIMATE BY PROJECT PHASE**

Enter cost figures for the project phases assuming mandatory project elements only. The total in this schedule should reconcile with Bid Summary 1. The first two preliminary phases have been defined in the RFP. Offerors should add the functional rollout phases they propose and enter costs accordingly.

The cost proposal worksheets are presented in picture format on the following pages for information purposes only. Offerors must use the accompanying Excel workbook for compiling and submitting their bids.

**Exhibit 4 Bid Summary 1 – Mandatory Project Elements**

Puerto Rico Government Employees and Judiciary Retirement Systems Administration Bid Summary (1) for Mandatory Project Elements - RFP 2012-01 (Implementation Plus Ten Years of Hosting, Maintenance, and Support) Offeror's Fixed Price Cost Proposal Offeror: _____					
Mandatory Costs					
Project Element	Year 1	Year 2	Year 3	Warranty Period	Totals
Hardware	\$0.00				\$0.00
Commodity Software	\$0.00				\$0.00
Implementation Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ongoing Services - Hosting, Subscription, Licensing (if start before implementation complete)	\$0.00	\$0.00	\$0.00		\$0.00
<b>SUBTOTAL - Costs During Implementation</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Annual Ongoing / Post-Implementation Costs					Totals
First Year Post-Implementation Costs					\$0.00
Second Year Post-Implementation Costs					\$0.00
Third Year Post-Implementation Costs					\$0.00
Fourth Year Post-Implementation Costs					\$0.00
Fifth Year Post-Implementation Costs					\$0.00
Sixth Year Post-Implementation Costs					\$0.00
Seventh Year Post-Implementation Costs					\$0.00
Eighth Year Post-Implementation Costs					\$0.00
Ninth Year Post-Implementation Costs					\$0.00
Tenth Year Post-Implementation Costs					\$0.00
<b>SUBTOTAL - Post-Implementation Services</b>					<b>\$0.00</b>
<b>GRAND TOTAL - Implementation plus 10</b>					<b>\$0.00</b>

**Exhibit 5 Bid Summary 2 – Mandatory Project Elements Plus Options**

Puerto Rico Government Employees and Judiciary Retirement Systems Administration Bid Summary (2) for Mandatory Project Elements and All Options - RFP 2012-01 (Implementation Plus Ten Years of Hosting, Maintenance, and Support) Offeror's Fixed Price Cost Proposal					
Offeror: _____					
Mandatory Costs Plus Option 2 (Adding PRTS)					
Project Element	Year 1	Year 2	Year 3	Warranty Period	Totals
Hardware and Commodity Software	\$0.00				\$0.00
Implementation Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ongoing Services - Hosting, Subscription, Licensing (if start before implementation complete)	\$0.00	\$0.00	\$0.00		\$0.00
<b>SUBTOTAL - Costs During Implementation</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Annual Ongoing / Post-Implementation Costs - Including Option 2					Totals
First Year Post-Implementation Costs					\$0.00
Second Year Post-Implementation Costs					\$0.00
Third Year Post-Implementation Costs					\$0.00
Fourth Year Post-Implementation Costs					\$0.00
Fifth Year Post-Implementation Costs					\$0.00
Sixth Year Post-Implementation Costs					\$0.00
Seventh Year Post-Implementation Costs					\$0.00
Eighth Year Post-Implementation Costs					\$0.00
Ninth Year Post-Implementation Costs					\$0.00
Tenth Year Post-Implementation Costs					\$0.00
<b>SUBTOTAL - Post-Implementation Services</b>					<b>\$0.00</b>
<b>TOTAL - Implementation plus 10 years</b>					<b>\$0.00</b>
Other Optional Project Elements (through implementation and warranty period)					
Option 1 – Data Cleansing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Option 3 - Business Continuity (Annual Cost only * 10 yrs)					\$0.00
Option 4 – Co Sourcing (Ten Year Total)					\$0.00
<b>TOTAL - Options</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>GRAND TOTAL - MANDATORY + OPTIONS over 10 Years</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>





**Exhibit 8 Cost Schedule 3 – Implementation Services Costs (Mandatory)**

<b>PRRS - Schedule 3</b>														
<b>Implementation Services For Mandatory Project Elements</b>														
<b>Offeror's Firm Fixed Price Cost Proposal</b>														
NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses.														
Cost Element	Year 1			Year 2			Year 3			Warranty Period			Total Hours	Total Cost
	\$/hr	Hours	Total	\$/hr	Hours	Total	\$/hr	Hours	Total	\$/hr	Hours	Total		
<b>Requirements Analysis</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Software Modifications Development</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Hardware and Commodity Software Installation and Configuration</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Integration - Including Imaging Integration or Replacement of Current Imaging Solution</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Conversion and Bridging - Including Conversion of Images if FileNET is being replaced</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00



**PRRS - Schedule 3  
Implementation Services For Mandatory Project Elements  
Offeror's Firm Fixed Price Cost Proposal**

NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses.

<b>Training</b>												
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
(CLIENT) Travel												\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		\$0.00	\$0.00
<b>Testing</b>												
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00
<b>Document Preparation</b>												
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00
<b>Project Management</b>												
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00		0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00
<b>Application Software Warranty for 12 Months after Final Acceptance (Maintenance and Support)</b>												
Position:									\$0.00		0.00	\$0.00
Position:									\$0.00		0.00	\$0.00
Position:									\$0.00		0.00	\$0.00
Position:									\$0.00		0.00	\$0.00
<b>Subtotal</b>								0.00	\$0.00		0.00	\$0.00

**PRRS - Schedule 3  
Implementation Services For Mandatory Project Elements  
Offeror's Firm Fixed Price Cost Proposal**

NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses.

<b>On-site Hardware and Commodity Software Maintenance and Support during PPM (if applicable)</b>														
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00	0.00	\$0.00
<b>Other Support Services</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>SERVICES TOTAL</b>		0.00	0.00		0.00	0.00		0.00	0.00		0.00	\$0.00	0.00	\$0.00
Hourly Rate for Requirement Credits or Change Orders													\$0.00	

**Exhibit 9 Cost Schedule 4 – Ongoing Services**

<b>PRRS - Schedule 4</b> <b>Ongoing Services and Fees for Mandatory Project Elements</b> <b>Offeror's Firm Fixed-Price Cost Proposal</b>				
<b>Time Period</b>	<b>Subscription / Licensing</b>	<b>Hosting*</b>	<b>Post-Implementation Support*</b>	<b>TOTAL</b>
<b>Services / Fees Prior to Full Implemenation (If applicable)</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Services / Fees Post Implementation</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
Year 4				\$0.00
Year 5				\$0.00
Year 6				\$0.00
Year 7				\$0.00
Year 8				\$0.00
Year 9				\$0.00
Year 10				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total</b>				<b>\$0.00</b>

\*If cost isn't provided, PRGERS assumes it is included within the Subscription/Licensing Cost

**Exhibit 10 Cost Schedule 5 – Option 1 Data Cleansing**

<p align="center"><b>PRRS - Schedule 5</b> <b>Option 1 - Data Cleansing</b> <b>Offeror's Firm Fixed Price Cost Proposal</b></p> <p align="center">NOTE: All hourly rates quoted must be fully "loaded" to capture all reimbursable travel-related expenses.</p>														
Cost Element	Year 1 Cost			Year 2 Cost			Year 3 Cost			Warranty Period			Total Hours	Total Cost
	\$/hr	Hours	Total	\$/hr	Hours	Total	\$/hr	Hours	Total	\$/hr	Hours	Total		
<b>Services</b>														
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
Position:			\$0			\$0			\$0			\$0	0	\$0
<b>Subtotal</b>		0	\$0		0	\$0		0	\$0		0	\$0	0	\$0
<b>Additional Hardware (if any)</b>														
														\$0
														\$0
														\$0
														\$0
														\$0
<b>Subtotal</b>			\$0			\$0			\$0			\$0		\$0
<b>Additional Commodity Software (if any)</b>														
														\$0
														\$0
														\$0
														\$0
														\$0
<b>Subtotal</b>			\$0			\$0			\$0			\$0		\$0
<b>Miscellaneous Costs (if any)</b>														
														\$0
														\$0
														\$0
<b>Subtotal</b>			\$0			\$0			\$0			\$0		\$0
<b>GRAND TOTALS</b>		0	\$0		0	\$0		0	\$0		0	\$0	0	\$0
<b>Hourly Rate for additional hours (fully loaded to include any travel)</b>														



**Exhibit 11 Cost Schedule 6a – Option 2 Adding PRTRS - Implementation Services**

<b>PRRS - Schedule 6a</b>														
<b>Option 2 - Implementation Fees for "Adding the Puerto Rico Teachers Retirement System to the Application and Database</b>														
<b>Offeror's Firm Fixed Price Cost Proposal</b>														
NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses. The detailed costs assume inclusion of this option at the time of contract signing with PRGERS for all other mandatory requirements.														
Cost Element	Year 1			Year 2			Year 3			Warranty Period			Total Hours or Units	Total Cost
	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr	Hours	Total		
<b>Additional Hardware and Commodity Software (if Required)</b>														
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Description:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>SERVICES</b>														
<b>Requirements Analysis</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Software Modifications Development</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Hardware and Commodity Software Installation and Configuration</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00



**PRRS - Schedule 6a**

**Option 2 - Implementation Fees for "Adding the Puerto Rico Teachers Retirement System to the Application and Database**

**Offeror's Firm Fixed Price Cost Proposal**

NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses. The detailed costs assume inclusion of this option at the time of contract signing with PRGERS for all other mandatory requirements.

Cost Element	Year 1			Year 2			Year 3			Warranty Period			Total Hours or Units	Total Cost
	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr	Hours	Total		
<b>Integration - Including Imaging Integration or Replacement of Current Imaging Solution</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Conversion and Bridging</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Training</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
PRTRS Travel														\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				\$0.00	\$0.00
<b>Testing</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Document Preparation</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00



**PRRS - Schedule 6a**

**Option 2 - Implementation Fees for "Adding the Puerto Rico Teachers Retirement System to the Application and Database**

**Offeror's Firm Fixed Price Cost Proposal**

NOTE: All rates quoted must be fully "loaded" to capture all direct and overhead expenses, travel, per diem, and any other travel-related expenses. The detailed costs assume inclusion of this option at the time of contract signing with PRGERS for all other mandatory requirements.

Cost Element	Year 1			Year 2			Year 3			Warranty Period			Total Hours or Units	Total Cost
	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr or unit	Hours or Units	Total	\$/hr	Hours	Total		
<b>Project Management</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>Application Software Warranty for 12 Months after Final Acceptance (Maintenance and Support)</b>														
Position:												\$0.00	0.00	\$0.00
Position:												\$0.00	0.00	\$0.00
Position:												\$0.00	0.00	\$0.00
Position:												\$0.00	0.00	\$0.00
<b>Subtotal</b>											0.00	\$0.00	0.00	\$0.00
<b>On-site Hardware and Commodity Software Maintenance and Support during PPM (if applicable)</b>														
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00			\$0.00	0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00	0.00	\$0.00
<b>Other Support Services</b>														
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
Position:			\$0.00			\$0.00			\$0.00				0.00	\$0.00
<b>Subtotal</b>		0.00	\$0.00		0.00	\$0.00		0.00	\$0.00				0.00	\$0.00
<b>SERVICES TOTAL</b>		0.00	0.00		0.00	0.00		0.00	0.00		0.00	\$0.00	0.00	\$0.00
<b>SERVICES PLUS EQUIPMENT</b>			\$0.00			\$0.00			\$0.00			\$0.00		\$0.00

**Exhibit 12 Cost Schedule 6b – Option 2 Adding PRTRS - Ongoing Fees**

<b>PRRS - Schedule 6b</b>				
<b>Option 2 - Ongoing Fees* for "Adding the Puerto Rico Teachers Retirement System to the Application and Database"</b>				
<b>Offeror's Firm Fixed-Price Cost Proposal</b>				
<b>Time Period</b>	<b>Subscription / Licensing</b>	<b>Hosting**</b>	<b>Post-Implementation Support**</b>	<b>TOTAL</b>
<b>Services / Fees Prior to Full Implementation (If applicable)</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Services / Fees Post Implementation</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
Year 4				\$0.00
Year 5				\$0.00
Year 6				\$0.00
Year 7				\$0.00
Year 8				\$0.00
Year 9				\$0.00
Year 10				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total</b>				<b>\$0.00</b>

\*These Costs are in addition to those costs provided in Schedule 4 (for PRRS only), if this option is authorized

\*\*If cost isn't provided, PRRS assumes it is included within the Subscription/Licensing Cost

**Exhibit 13 Cost Schedule 7 – Option 3 Offsite Business Continuity Program (Hoteling)**

<b>PRRS - Schedule 7</b> <b>Option 3- OFFSITE BUSINESS CONTINUITY PROGRAM (HOTELING)</b> <b>Offeror's Firm Fixed-Price Cost Proposal</b>	
Time Period	TOTAL
<b>Services Prior to Full Implementation (If applicable)</b>	
Annual Subscription Fee (if applicable)	
Site Setup Fee - Upon disaster requiring site usage	
Monthly Fee When in Use	
<b>Total</b>	<b>\$0.00</b>



**Exhibit 14 Cost Schedule 8 – Option 4 Co-Sourcing**

<b>PRRS - Schedule 8 Option 4- Co Sourcing Offeror's Firm Fixed-Price Cost Proposal</b>				
<b>Time Period</b>	<b>Co-Sourcing Call Center</b>	<b>Co-Sourcing Other 1</b>	<b>Co-Sourcing Other 2</b>	<b>TOTAL</b>
<b>Services Prior to Full Implementation (If applicable)</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Services Post Implementation</b>				
Year 1				\$0.00
Year 2				\$0.00
Year 3				\$0.00
Year 4				\$0.00
Year 5				\$0.00
Year 6				\$0.00
Year 7				\$0.00
Year 8				\$0.00
Year 9				\$0.00
Year 10				\$0.00
<b>Subtotal</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total</b>				<b>\$0.00</b>



**Exhibit 15 Cost Schedule 9 – Cost by Project Phase**

<b>PRRS - Schedule 9</b> <b>Offeror's Cost by Project Phase</b> <b>Assume Mandatory Project Elements Only (Bid Summary 1)</b> <b>Listed Are Preliminary Project Phases Defined in RFP - Offeror Should Add Functional Rollout Phases as Appropriate</b>	
<b>Project Phase</b>	<b>Cost</b>
Phase 1: Detailed Work Plan	
Phase 2: Detailed requirements document, a revised detailed work plan, Communications Plan, Development Methodology Overview – End User document	
Phase 3a:	
Phase 3b: _____	
Phase 3c: _____	
Phase 5: Warranty	
Phase 6: Post-Implementation Costs (ongoing for 10 years)	
<b>Total</b>	<b>\$0</b>



## C.2 PROPOSAL EVALUATION

The evaluation and offeror selection process will be based on “best value”. This procurement method will be used so as to result in the “best buy” for PRRS in terms of the functions to be performed.

The evaluation committee may request written clarifications of any offer received. However, PRRS in its sole discretion may refuse to accept in full or partially the response to a clarification request given by any offeror.

Offerors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable possible terms. PRRS may elect to conduct negotiations with one or more offerors and make requests of offerors as may be necessary or proper for best and final offers (BAFOs).

The best and final offers must be received at the address identified in Section A.1.5 at a time and date to be specified by PRRS. If a best and final offer is not submitted, the previous submittal will be construed as the best and final offer. BAFO proposals must be prepared in the same number of copies and packaged and submitted according to the same instructions that apply to the initial proposal submission (please refer to Section C-1). Final ranking of responses and award of the contract will be made after PRRS reviews all bids and completes its evaluation, including the evaluation of best and final offers, if they are requested. An award will be made to the offeror with the most advantageous offer.

### C.2.1 EVALUATION CRITERIA

For this procurement, proposals will be evaluated based on the following criteria (in decreasing order of importance):

**Table 7 Proposal Evaluation Criteria**

CRITERIA	WEIGHT
Solution Features and Technical Requirements (including Delivery/hosting proposal)	35%
Offeror Qualifications (including experience, proposed staff, references and reference similarity to PRGERS, and product demonstrations)	25%
Cost	20%
Proposed Project Methodology (process, training, data conversion), Project Staffing, and Project Work Plan	20%

### C.2.2 EVALUATION METHODOLOGY SUMMARY

Presented herein is an overview of the evaluation methodology being used for this procurement.

### **C.2.2.1 Evaluation Committee**

An Evaluation Committee will be established consisting of members of PRRS' management team. When the committee has completed the evaluation process, the committee chair will make a recommendation to the PRRS Board.

### **C.2.2.2 Initial Activities**

When the proposals are submitted, they will be evaluated and responses scored. The highest-rated offerors from this assessment will be further evaluated. Customer references and client site-visits to existing customer sites that are running the proposed retirement system software in production may be conducted by PRRS staff.

### **C.2.2.3 Presentations and Product Demonstrations**

Selected offerors are also expected to demonstrate their solution and their ability to implement and customize the selected products in a scripted demonstration, based on scenarios to be provided by PRRS, to be conducted at a site selected by PRRS.

Offerors will be offered alternative dates from which to select to provide the demonstrations. PRRS will provide the offerors with actual data and demonstration scripts on which to base their product demonstrations in order to assure an objective comparison among offerors' proposed solutions.

PRRS reserves the right not to conduct offeror presentations and product demonstrations. Should the presentations and/or demonstrations be held, PRRS requires that they be led by the proposed Project Manager.

### **C.2.2.4 Best and Final Offers**

At PRRS' discretion, best and final offers (BAFOs) may be solicited.

After best and final offers are received, final evaluations and negotiations will be conducted for an award.

### **C.2.2.5 Negotiations**

Negotiation is the last step in selecting the apparent winner. PRRS will initiate negotiations with the top-rated offerors. If negotiations with the highest ranked offeror cannot be concluded to PRRS' satisfaction within two weeks, PRRS will initiate negotiations with the next lower ranked offeror. Similarly, if negotiations with the next lower ranked offeror cannot be concluded to PRRS' satisfaction within two weeks, PRRS will initiate negotiations with the next lower ranked offeror. This process will continue until negotiations are successfully concluded to PRRS' satisfaction.

Upon the successful conclusion of negotiations, the winning offeror will be announced.

## **PART D GENERAL TERMS AND CONDITIONS**

## **D.1 GENERAL TERMS AND CONDITIONS**

The contract that PRRS expects to award as a result of this Request for Proposal will be based upon the bid proposal submitted by the successful offeror and this RFP. The contract between PRRS and the successful offeror shall be a combination of the specifications, terms and conditions of the Request for Proposal, including the terms contained in this Part D of the RFP, the offeror's technical and cost proposals, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by PRRS.

As a starting point for contract negotiation, the offeror is required to provide a draft contract.

In addition to the vendor's terms and condition, the provided draft contract must address at least the following items:

- Schedule of system setup
- Detail Service Level Agreement
- Responsibilities of PRRS
- Data security

### **D.1.1 RFP AMENDMENTS**

PRRS and/or reserve the right to amend the RFP prior to the date of proposal submission. Amendments will be posted to the PRRS Web site at the following address: [www.asr.gobierno.pr/reglamentos.html](http://www.asr.gobierno.pr/reglamentos.html)

### **D.1.2 PROPOSAL MODIFICATION OR WITHDRAWAL**

Offerors who submit proposals in advance of the deadline may withdraw, modify, and resubmit proposals at any time prior to the deadline for submitting proposals. Offerors must notify the PRRS Point of Contact, as identified in Section A-1.1, in writing if they wish to withdraw their proposals. If an offeror notifies PRRS of its intent to withdraw its bid prior to the bid closing deadline, the bid will be returned to the offeror unopened. Notifications of intent to withdraw proposals may be delivered electronically via email, but responsibility for confirmation of the delivery and receipt by PRRS rests solely with the offeror.

### **D.1.3 COST FOR PREPARING PROPOSALS**

The costs for preparation and delivery of the proposal, as well as any other costs incurred in the pursuit of contract award (e.g., travel to bidders conference, preparation and presentation of product demonstrations), are the sole responsibility of the offeror. PRRS will not provide reimbursement for such costs.

### **D.1.4 CONTRACT**

The contract that PRRS expects to award as a result of this Request for Proposal will be based upon the bid proposal submitted by the successful offeror and this RFP. The contract between PRRS and the successful offeror shall be a combination of the specifications, terms and conditions of the Request for Proposal, including the terms contained in this Part D of the RFP, the offeror's technical and cost proposals, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by PRRS.

Any exceptions to the contract must be clearly identified and accompany the offeror's proposal. Offerors are cautioned that any exception submitted that will give the Offeror a competitive



advantage over another offeror or that will cause a failure to meet a mandatory requirement of the RFP will not be accepted. See Section C-1.1 Technical Proposal Format for instructions relating to presentation of offeror's assumptions and exceptions.

Prior to award, the apparent winning offeror will be required to enter into discussions with PRRS to resolve any contractual differences before an award is made. These discussions are to be finalized and all exceptions resolved within one (1) week of notification; if not, the offeror's proposal may be rejected and discussions may be initiated with other offerors.

By submitting a proposal, each offeror acknowledges its acceptance of these specifications, terms and conditions without change except as otherwise expressly stated in its proposal.

### **D.1.5 ORDER OF PRECEDENCE**

The executed contract between PRRS and the selected offeror shall have precedence over all other documents relating to the project. In the event that there is a conflict or ambiguity within the text of the contract and any other incorporated documents, the order of precedence shall be:

- The executed contract and any other incorporated documents
- Addenda to this RFP (if any)
- This RFP
- Vendor Evaluation Questions and Answers (issued subsequent to the Bidder's Conference)
- Additional responses from selected offeror
- Offeror response to this RFP

### **D.1.6 PAYMENT SCHEDULE AND PAYMENTS**

All payments under the awarded contract must be tied to meaningful deliverables that have been completed and formally accepted by PRRS. Under no circumstances will invoices be rendered nor payments made on the basis of time elapsed or hours expended.

In the case of SaaS vendors, the following terms will apply:

- PRRS will pay for the configuration and installation of the system based upon the completion of meaningful deliverables related to the configuration and installation of the system as identified in its cost proposal. Each invoice submitted to PRRS by the offeror must reflect a 20% holdback amount. Upon acceptance of the entire system by PRRS at the conclusion of the warranty period, the offeror will submit a statement, which includes the sum of all the hold back amounts, for payment by PRRS
- Following acceptance of the system, PRRS will pay twenty-five percent (25%) of the negotiated annual subscription payment on a quarterly basis (in arrears) for the duration of the agreement. For purposes of determining the quarters, the first quarterly payment will be made on the last day of the third month following system acceptance, and every three months thereafter that the agreement remains in force. For example, if system acceptance is on March 22, the first payment will be June 30.

In the case of COTS vendors, the following terms will apply:

- The Offeror should identify all payment points, and the specific deliverables to which they pertain in its cost section. There must be a clearly identifiable path from RFP requirements, to offeror work efforts, to submission of deliverables, to acceptance of the deliverables, to invoicing of the deliverables, and finally to payments. The sum of all payments should add up to the total of the fixed price contract.

- Each invoice submitted to PRRS by the offeror must reflect a 20% holdback amount. Upon acceptance of the entire system by PRRS at the conclusion of the warranty period, the offeror will submit a statement, which includes the sum of all the hold back amounts, for payment by PRRS.
- PRRS will pay twenty-five percent (25%) of the negotiated annual hosting fees, and support fees, on a quarterly basis (in arrears) for the duration of the agreement.
- Alternatively to the above, a payment schedule more in line with a subscription based model would be considered (see the SaaS vendor description above.)

As each deliverable is completed, it will be submitted to PRRS for review and acceptance. It must be understood that in most cases, PRRS will require up to ten (10) days to provide formal written acceptance of the deliverable. Only upon receipt by the offeror of written acceptance from PRRS, may the deliverable be invoiced to PRRS. All invoices must include a copy of the signed acceptance(s) by PRRS.

Further, in any case, PRRS reserves the right to negotiate, revise, and modify the payment schedule during negotiations and with the successful offeror.

The Vendor must certify on each invoice that:

"Under nullity penalty, I certify that no official or employee of the Puerto Rico Government Employees' and Judiciary Retirement Systems has any pecuniary interest in the contract relating to this invoice, and if so, such official or employee has the corresponding dispensation required by the laws and regulations of the Commonwealth of Puerto Rico. The only consideration to provide the services relating to this contract is the payment agreed with the authorized representative of the Puerto Rico Government Employees' and Judiciary Retirement Systems. The amount of this invoice is fair and correct. The services have been provided and have not been paid."

### **D.1.7 CONFLICT OF INTEREST**

If an offeror has any existing client relationship(s) that involve the Commonwealth of Puerto Rico or PRRS that would compromise its objectivity, the offeror must disclose such relationship(s).

The offeror shall sign and submit with the bid proposal the "CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST" document included as Appendix \_\_\_ in which the offeror shall certify that it developed the bid proposal independently. The offeror shall also certify that no relationship exists or will exist during the contract period between the offeror and PRRS that interferes with fair competition or is a conflict of interest. PRRS reserves the right to reject a bid proposal or cancel the award if, in its sole discretion, any relationship exists that could interfere with fair competition or conflict with the interests of PRRS.

### **D.1.8 GOVERNING LAW**

The laws and regulations of the Commonwealth of Puerto Rico shall govern the validity, construction, interpretation and effect of this Agreement. Should any claim, suit, or controversy arise from the services to be performed under this Agreement, OFFEROR agrees to submit to the exclusive jurisdiction of the Courts in the Commonwealth of Puerto Rico which include the San Juan Superior Court and the United States District Court of the District of Puerto Rico. OFFEROR (a) waives any objection to the Courts of the Commonwealth of Puerto Rico on grounds of inconvenient forum or otherwise as regards proceeding in connection with OFFEROR and this Agreement; and (b) agrees that a judgment or order of a Court of the Commonwealth of Puerto Rico in connection with OFFEROR or this Agreement is conclusive and binding on it and may be enforced against it in

the courts of any other jurisdiction should any claim, suit, or controversy arise from the services to be performed under this Agreement.

### **D.1.9 CONFIDENTIALITY REQUIREMENTS**

The staff members that are assigned by the successful offeror to this project – be they employees of the offeror, sub-contractors to the offeror or employees of sub-contractors – may be required to sign a non-disclosure statement.

To the extent that information is used in the performance of this Contract or is generated as a result of it, and to the extent that the information meets the definition of “public record” as defined in Commonwealth law, said information is hereby recognized by the parties to be a public record and, absent a provision of law or administrative rule or regulation requiring otherwise, shall be made available for inspection and copying by any interested person upon request as provided in Commonwealth law or otherwise. It is expressly understood that the Contractor’s refusal to comply with Commonwealth law shall constitute an immediate breach of this Contract, which entitles the System to terminate this Contract.

In the event the Contractor receives a request for the release of records used in the performance of this Contract, the Contractor shall notify immediately and forward the request for records to the System. The System shall determine whether or not the requested records are public. Upon notice by the System that the records may be released, the Contractor shall copy and forward the records to the requestor. If The System determines that the records are not to be released, The System shall notify the Contractor in writing and the Contractor shall forward a copy of the determination to the requestor within forty-eight (48) hours of the receipt of notice.

Any request for confidential treatment of information must be included in the transmittal letter with the offeror’s bid proposal. In addition, the offeror must enumerate the specific grounds which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the offeror to respond to any inquiries by PRRS concerning the confidential status of the materials.

Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal as confidential may be deemed non-responsive and disqualify the offeror.

If the offeror designates any portion of the proposal as confidential, the offeror must submit one copy of the bid proposal from which the confidential information has been excised or redacted. This excised copy is in addition to the number of copies requested in Section C-1 of this RFP. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible.

PRRS will treat the information marked confidential as confidential information to the extent such information is determined confidential under C or other applicable law or by a court of competent jurisdiction.

The offeror’s failure to request confidential treatment of material will be deemed by PRRS as a waiver of any right to confidentiality which the offeror may have had.

By submitting a bid proposal, the offeror agrees that PRRS may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The offeror consents to such copying by submitting a bid proposal and warrants that such copying will

not violate its rights or the rights of any third party. PRRS shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals.

The Contractor agrees to maintain the confidentiality of all records as required by Commonwealth or Federal law or regulations. The Contractor further agrees to hold the System harmless from any claim or damage including reasonable attorney's fees and costs or from any fine or penalty imposed as a result of an improper disclosure by the Contractor of confidential records, whether public or not, and promises to defend the System against the same at the Contractor's expense.

In the event an employee or contractor of the System has direct access to or the potential to acquire significant knowledge of confidential or proprietary information, which belongs either to the Contractor or its subcontractors, the Contractor may notify the System and request that such persons execute a Non-Disclosure Agreement. The System shall not withhold unreasonably the Contractor's request.

### **D.1.10 INSURANCE**

The following requirements shall be adhered to by Contractor throughout the duration of the Contract, and as may otherwise be specified herein. Contractor shall procure and maintain insurance, which shall protect the Contractor and the State from any claims for bodily injury, property damage, and/or personal injury, which may arise out of operations under the Contract. Contractor shall procure the insurance policies at the Contractor's own expense and shall furnish the State an insurance certificate of the coverage required in this Section. Contractor is required to obtain and maintain the following types of insurance coverage for the duration of the Contract:

#### **INSURANCE / LIMITS OF LIABILITY:**

- Worker's Compensation – Statutory
- Unemployment Insurance – Statutory
- Puerto Rico Disability Benefits Insurance
- Unemployment Insurance, Social Security, etc.:
- Commercial General Liability Insurance – The minimum limits of coverage of such insurance will be \$500,000 per person and \$1,000,000 per occurrence for personal and bodily injury and \$100,000 for property damages.
- Liability, Malpractice, and/or Errors and Omissions Insurance – The contractor shall maintain malpractice and/or an errors and omissions insurance policy in the amount of at least \$2,000,000. Additionally, the contractor shall maintain adequate business insurance to include an umbrella liability policy of at least \$4,000,000 total. Coverage under these policies must include protection from the fraudulent conduct and breach of fiduciary responsibility of the contractor.

Contractor will indemnify, and save harmless the Administracion de los Sistemas de Retiro y de los Empleados Del Gobierno y la Judicatura, its directors, officers, employees and agents from and against any and all claims, actions, damages, liabilities, costs, and expenses arising out of Contractor's operation and performance under this Contract including all claims for bodily and personal injuries, sickness, death and/or damages to property.

Offeror will deliver to PRRS' Representative upon demand a certified copy of any policy required herein for review.

**Insurance certificates must be submitted and accepted by PRRS prior to the commencement of work under this RFP and accompanying contract. Failure to obtain insurance satisfactory**



to PRRS will result in the rescission of any Notice of Award to the offeror. Any contract awarded shall be void if this requirement is not met.

### **D.1.11 ADHERENCE TO PRRS WORKPLACE POLICIES**

It is anticipated that a number of the offeror's project team will be on-site – some regularly over the course of the project; others periodically as the need arises. Regardless of their purpose in being on-site or the frequency with which they are there, all offeror staff must adhere to PRRS workplace policies.

### **D.1.12 INDEMNIFICATION AND LIABILITY RESTRICTIONS**

The offeror will indemnify PRRS against liability for any suits, actions, or claims arising from or relating to performance of the offeror under this contract.

PRRS has no obligation to provide legal counsel or defense to the offeror if a suit, claim, or action is brought against the offeror or its sub-contractors as a result of the offeror's performance of its obligations under the contract. In addition, PRRS has no obligation for the payment of any judgments or the settlement of any claims against the offeror as a result of the offeror's performance of its obligations under the contract. The offeror shall immediately notify PRRS of any claim made or suit filed against the offeror resulting from the offeror's obligations under the contract. The offeror will cooperate, assist, and consult with PRRS in the defense or investigation of any claim made or suit filed against PRRS resulting from the offeror's performance under the contract.

PRRS will not indemnify the offeror for any reason associated with the offeror's performance under this contract. PRRS has not waived any right or entitlement to claim sovereign immunity under this contract.

The offeror agrees to indemnify and hold PRRS, its Chief Executive Officer, managers, Board, Benefits Advisory Committee, elected and appointed officials, and employees harmless from any and all liabilities, damages, settlements, judgments, costs and expenses, including reasonable attorney fees of PRRS staff or of the Commonwealth of Puerto Rico Attorney General's Office, and the costs and expenses and attorney fees of other counsel PRRS may retain, related to or arising from:

Property damage, personal injury, death, loss costs, expense or other harm arising out of, resulting from, relating to or connected with any act or omission by the offeror, its divisions, subsidiaries, subcontractors, partners, principals, employees, agents, elected or appointed officials, officers and directors in fulfilling this contract; or

Claims for infringement of patents, trademarks, trade dress, trade secrets, or copyrights arising from this contract; or any breach or any claimed breach of this contract by the offeror or by any of its subcontractors, partners, principals, officers, directors, employees and agents.

### **D.1.13 NEGOTIATIONS WITH SUBCONTRACTOR**

In order to protect PRRS' interests, PRRS reserves the right to attempt to resolve any contractual disagreements that may arise between the offeror and its subcontractor(s) after award of the contract.

### **D.1.14 PROJECT TERMINATION**

Offerors are advised that PRRS expects to complete the effort with a single offeror. However, the proposals and ensuing contracts shall provide that at the end of any phase, PRRS may, at its sole

discretion and with no penalty, terminate the effort and not move forward with the offeror to a subsequent phase.

Should PRRS elect to terminate the project at the end of any phase, the termination shall be subject to the following terms and conditions:

- Termination shall become effective upon PRRS sending written or electronic notice to the offeror. PRRS shall only be liable for payment of an amount equal to the costs allocated to the phases that were completed and accepted by PRRS; PRRS shall not be liable for any other cost, overhead, profits, or damages.
- Termination shall not be considered for cause or for default, and notice of termination shall not constitute an admission or accusation of any wrongdoing on the offeror's part in connection with the termination.
- Upon termination, PRRS and the offeror shall each execute a covenant not to sue and a general release of all claims or potential claims, including those for costs, profits, liabilities, or damages, as of the date of termination. However, PRRS may assert a claim that Contractor failed to return PRRS materials and data, which shall include all original files and other materials, and all copies, including unauthorized copies, of such materials in all media, including portions of either originals or copies, in offeror's possession or under its control. Offeror shall agree that it will refrain from using any such materials or copies thereof. PRRS materials consist of but are not limited to devices, records, data, notes, reports, proposals, business cards, letters, specifications, drawings, equipment, and other materials. Offeror shall agree to erase or destroy any PRRS materials and portions thereof contained in all types of computer memory, and so warrant in writing to PRRS within thirty (30) days of termination.

#### **D.1.15 LEGAL BASIS**

This Agreement for consulting services is performed in accordance with Article 4-103 of Act 447 of May 15, 1951, as amended (3L.P.R.A § 777). The services to be performed under this agreement shall not be rendered until the Agreement is presented for registration at the Comptroller's Office of the Commonwealth of Puerto Rico, in accordance with Act 18 of October 30, 1975, as amended.

#### **D.1.16 NOTICES**

All notices and instructions with respect to matters contemplated in this Agreement shall be deemed duly given when delivered in writing to the address below or when deposited by first class mail addressed as follows:

Roberto L. Pena Carrion  
Administrador Auxiliar Finanzas y Tecnologia  
P.O. Box 42003  
San Juan, PR 00940-2203

#### **D.1.17 AMENDMENTS IN WRITING**

No amendment to this agreement shall be effective unless it is in writing and signed by duly authorized representatives of the PRRS and the offeror.

