

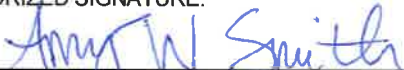
<b>STATE OF NORTH CAROLINA</b>	<b>Request for Best &amp; Final Offer (BAFO) No. 04 of Vendor's Offer in response to REQUEST FOR PROPOSAL (RFP) # 40-IT00114-15</b>
<b>NC DEPARTMENT OF PUBLIC INSTRUCTION (NCDPI)</b>	<b>For: Public Consulting Group Inc. (PCG)</b> Attn: Amy Smith Email: <a href="mailto:amysmith@pcgus.com">amysmith@pcgus.com</a>
	<b>Offers will be received until: July 13, 2016</b>
	<b>Issue Date: July 8, 2016</b>
<b>Refer ALL inquiries regarding this BAFO to:</b>  Mike Beaver  <a href="mailto:Michael.Beaver@dpi.nc.gov">Michael.Beaver@dpi.nc.gov</a> Telephone No. 919-807-3683	<b>Commodity: Exceptional Children Accountability Tracking System</b>
	<b>Using Agency: NC Dept. of Public Instruction</b>
	<b>Requisition No.: RQ18365871</b>
<b>See page 2 for mailing instructions.</b>	

**NOTICE TO VENDOR**

Offers, subject to the conditions made a part hereof, will be received at this office, NCDPI Purchasing, 301 N. Wilmington Street, Room B04, Raleigh, NC 27601 until 3PM EDT on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions. Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

**EXECUTION OF BAFO (04)**

In compliance with this Request for Best and Final Offer (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to N.C.G.S. §143B-1354 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion of fraud. **Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers are not acceptable.**

OFFEROR: Public Consulting Group, Inc.		
STREET ADDRESS: 5511 Capital Center Drive, Suite 550	P.O. BOX:	ZIP: 27606
CITY & STATE & ZIP: Raleigh, N.C. 27606	TELEPHONE NUMBER: 919.576.2200	TOLL FREE TEL. NO
PRINT NAME & TITLE OF PERSON SIGNING: Amy W. Smith, Manager	FAX NUMBER:	919.576.2201
AUTHORIZED SIGNATURE: 	DATE: 7-13-16	E-MAIL: <a href="mailto:amysmith@pcgus.com">amysmith@pcgus.com</a>

Offer valid for ninety (90) days from date of offer opening unless otherwise stated here: \_\_\_ days

**ACCEPTANCE OF OFFER**

If the State accepts any or all parts of this offer, an authorized representative of NCDPI shall affix his/her signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the Department of Information Technology Terms and Conditions. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful vendor(s).

<b><u>FOR DEPARTMENT OF PUBLIC INSTRUCTION USE ONLY</u></b>	
Offer accepted and contract awarded this ___ day of _____, 20___, as indicated on attached certification, by _____ (Authorized representative of Department of Public Instruction)	
State Superintendent of Public Instruction	
Date of signature: _____	
by _____ (Authorized representative of Department of Public Instruction).	
Chief Financial Officer	
Date of signature: _____	
<b><u>FOR DEPARTMENT OF PUBLIC INSTRUCTION USE ONLY</u></b>	

**Instructions:** **Sealed offers**, subject to the conditions made a part hereof, will be received at the address below, for furnishing and delivering the goods, software, and/or services as described herein.

<b>DELIVER TO:</b>
40-IT00114-15 BAFO 04 NCDPI Attn: Mike Beaver 301 N. Wilmington Street, Room B04 Raleigh, NC 27601

It is the responsibility of the Vendor to deliver the offer in this office by the specified time and date of opening, regardless of the method of delivery. Address envelope and include IFB/RFQ number as shown above. Vendors are cautioned that offers sent via U.S. Mail, including Express, Certified, Priority, Overnight, etc., may not be delivered in time to meet the deadline.

Deliver one (1) signed original executed offer, and one (1) copy of the executed offer response, and one (1) signed, executed electronic copy of its offer on a USB Flash Drive. The files must not be password-protected and must be capable of being copied to other media. Offers submitted via facsimile (FAX) machine, telephone or electronically in response to this will not be accepted.

### **SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO)**

This request is to acquire a best and final offer from Vendor for an Exception Children Accountability Tracking System. The offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs that other offerors.

**NOTE:** This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the Department of Information Technology (DIT) IT Strategic Sourcing Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

### **DESCRIPTION of Requested Best & Final Offer to Solicitation's Information, Specifications, or Terms and Conditions:**

(A) The following is a description of the State's desire to communicate with and request a best and final offer from a vendor.

This BAFO shall integrate the vendor's previous response and offer to the solicitation and any changes listed below. **Furthermore, the State also encourages the bidder to supply more competitive pricing herein; vendor should submit its most competitive price(s) in response to this request for BAFO.**

With submission of a response to this *Request for Best and Final Offer* (BAFO) #04, vendor hereby agrees to modify its original Proposal Response and Offer to the solicitation in accordance with the items that follow.

Via submission of a response, vendor hereby agrees that this **language supersedes the original, published solicitation, vendor's original response and offer, and any prior clarifications, communications, or negotiations, for the respective area(s), described.**

**Vendor must specifically respond to each item as requested below and provide any explanations or exceptions in each response as a result of our meeting on June 20, 2016:**

- 1. Please provide a copy of the logical architectural diagram (LAD) from PCG's other client(s) who use the same or similar PCG solution that we desire for RFP 40-IT00114-15.**

Vendor Response to (A) (1):

Attached at the end of this BAFO 04 response is a copy of the LADs from other statewide PCG clients. This document was provided to NCDPI via email on June 21, 2016.

- 2. In reference to the BAFO #3 Question 7 in addition to item clarification in cost response, DPI has thoroughly reviewed the count requirements and determined that there is no basis for the exclusion of the September Child Count, October Indicator 11 Timely Placement Count, nor the Indicator 7 COSF Count from the current scope of importing historical data. RFP 40-IT00114-15 Addendum #2 Question #4 states that potential vendor is to convert 'Special Education data' from CECAS. RFP 40-IT00114 Appendix A – Module Service Specification Business Rules BR-1.1.94 defines the Special Education Module Counts as the following: 'Child counts include Active child counts, Exited child counts, Child Outcome Summary Form (COSF Indicator 7) child count, Timely Placement (Indicator 11) counts and Timely Transition (Indicator 12)'. DPI will not pay additional fees for the conversion of the September Child Count, October Indicator 11 Timely Placement Count, nor the Indicator 7 COSF Count data.**

Vendor Response to (A) (2): PCG fully understands and appreciates DPI's request for import, storage and retention of the historical data listed above and we want to provide this needed service to the State of North Carolina. Per the PCG response to the RFP, we included up to three years of this historical data in our proposed pricing. There is a significant and identifiable cost to PCG for the retention and retrieval of the additional years of data requested by DPI subsequent to the RFP release. We also understand the fiscal pressures placed on DPI and therefore offer an alternative approach to allow PCG to partner with DPI and to manage this incremental risk. This alternative approach encompasses the two suggestions listed below:

1. DPI to provide 2 additional 1-year extensions to the final contract. While we understand there is no guarantee of these extensions being executed, PCG is confident that our IEP solution will meet or exceed DPI's needs and result in the extensions being granted. These additional contract years would allow PCG to spread some of the annual risk and provide DPI with access to the historical data they need; and
2. In lieu of the financial penalties ascribed to the SLA, PCG proposes that the penalties result in additional no-cost development and consulting hours to be levied in accordance with the following schedule:

SYSTEM UPTIME	DEVELOPMENT AND CONSULTING HOUR CREDITS		APPROXIMATE MONTHLY UNSCHEDULED DOWNTIME (MINUTES)
	Development Hours (at \$175 per hour)	Consulting Hours (at \$200 per hour)	
≥ 99.9 %	0	0	43 min 12 sec
<99.9% and ≥ 99.8%	15 (\$2,625)	30 (\$6,000)	43 min 13 sec – 86 min 24 sec
<99.8% and ≥ 99.7%	20 (\$3,500)	40 (\$8,000)	86 min 25 sec – 129 min 36 sec
<99.7% and ≥ 99.5%	25 (\$4,375)	50 (\$10,000)	129 min 37 sec – 216 min 0 sec
<99.5%	30 (\$5,250)	60 (\$12,000)	≥ 216 min 1 sec

3. To further clarify BAFO 3 Question #8, the PCG response to BAFO #3 Question #8 states “PCG is providing the 750 bank of hours to be used during the initial contract term, Years One and Two. Any unused hours from the bank may not be carried over into Year 3. All Appendix A items marked as a ‘1’ or a ‘2’ will not incur a monetary charge and will not incur usage of the bank of development hours. PCG acknowledges that in its Appendix B Proposal Response, all requirements are marked ‘1’ and, as set forth in the RFP definitions, are part of our ‘as is’ solution”. DPI requires the following update: “PCG is providing the 750 bank of hours to be used during the initial contract term, Years One and Two. Any unused hours from the bank may not be carried over into Year 3. All Appendix A and Appendix B items marked as a ‘1’ or a ‘2’ will not incur a monetary charge and will not incur usage of the bank of development hours. PCG acknowledges that in its Appendix B Proposal Response, all requirements are marked ‘1’ and, as set forth in the RFP definitions, are part of our ‘as is’ solution. All Appendix A and B items marked as ‘1’ or ‘2’ shall be supported as if it were a standard capability of the product for the current and all future releases”. Please respond to this requirement.

Vendor Response to (A) (3):  
 PCG agrees to NCDPI’s revision of this language.

4. In reference to BAFO #3 Question #9, DPI has obtained further clarification from DIT regarding N.C.G.S. 143B-1375 through 1379, the State requires cloud service providers (CSPs) to provide, on an annual basis, a security/risk assessment report. CSPs must utilize a Third-Party Assessment Agency/Organization to perform the assessment of the CSP’s security controls to determine the extent to which security controls are implemented correctly, operate as intended, and are in compliance with the Statewide Information Security Manual. Assessments must be conducted using industry best practice certification, e.g. SOC 2 Type 2 or NIST Risk Management Framework (RMF). Contractor shall provide the assessment reports required by this section within 1 year of the assessment completion date. Re-assessments shall occur annually or when a significant change to the system’s security posture is made. The NCSBE agrees to ensure that its security staff is available for consultation during these processes. Identified gaps between required Security Control Baselines and the Contractor's implementation as documented in the Security Assessment Report shall be tracked by the Contractor for mitigation in a Plan of Action and Milestones (POA&M) document. Contractor will remediate within an agreed-upon timeline any material weaknesses in the Contractor’s

**security controls identified in such report that are identified as a reason for the auditor to issue such report as “qualified” or “adverse”, and Contractor will use commercially reasonable efforts to remediate any other material weaknesses identified in such report.**

Vendor Response to (A) (4):

**Agree or Not Agree (circle your response for A 4)**

PCG will comply with the applicable state and federal statutes and agrees to conduct a security assessment of our systems in accordance with NC State Information Security Standards. The assessment will be conducted by a third party entity and the resulting report will be made available to specific, named NCDPI reviewers, under a non-disclosure agreement. PCG will use commercially reasonable efforts to remediate identified weaknesses.

**5. In reference to PCG proposal to RFP 40-IT00114-15 Section III Technical Specifications 9) d.v. Special Education, MTSS, and Medicaid Objectives section, and in reference to PCG proposal SECTION K. COPY OF VENDOR’S SERVICE LEVEL AGREEMENT**

- a. **Please define ‘System’ as it pertains to its usage in PCG’s RFP 40-IT00114-15 proposal Service Level Agreement. For example your reference to ‘system’ on page K-7 in defining an outage or your reference to system in the Severity Level table on page K-5. DPI would like to ensure that we are in agreement that ‘system’ when referenced in the SLA is referring to a single instance (LEA).**

Vendor Response to (A) (5):

For the purposes of the SLA outage section, K-7, “system” refers to the overall ECATS infrastructure across all LEAs. PCG employs a hosting infrastructure that shares Load Balancers, Application Servers, SFTP servers and database servers across all clients. The instance of each database is unique to the LEA, however the LEA database instance runs on the same SQL Server instance and the same physical server environment of other LEAs. It is highly unlikely that an outage would be “local” to a single LEA. For the purposes of the SLA severity level table section, K-5, “system” refers to an individual LEA or “instance” of the database.

**6. Contingent upon PCG agreement to 6a through 6j, NCDPI is willing to lower the percentage of uptime as defined in RFP 40-IT00114-15 Appendix: B “Module Technical Specifications” mandatory requirement PRM-2 “The ECATS Service shall be designed to have 99.99% or greater uptime not counting downtime for scheduled maintenance.” from 99.99% to 99.9% and NCDPI is willing to alter the desired requirement AMR-11 in RFP 40-IT00114-15 Appendix: B “Module Technical Specifications” (in which PCG responded ‘Agree’) from the original verbiage of the vendor providing a detailed report of each downtime occurrence within 24 hours of the problem resolution to updated verbiage of providing preliminary root cause analysis reports for Severity Level 1 incidents within 24 clock hours and the final root cause analysis to be provided within 10 calendar days. Refer to the attached ECATS contractor Service Level Agreement (SLA) attachment for a comprehensive document with incorporated updates.**

- a. **All verbiage of ‘will’ was replaced with ‘shall’.**

Vendor Response to (A) (6a):

PCG agrees with this modification.

- b. **In reference to the SERVICE LEVEL ATTACHMENT 3. Performance Definitions a.**

**Software Availability, PCG’s proposal states “The EdPlan™ Service will be available 9\_\_% of the time 24 hours a day, 7 days a week except during planned and scheduled maintenance (whether normal or emergency maintenance is required), or software deployments. The percentage of uptime (“Availability”) is calculated on a monthly basis but reported quarterly. If downtime is required for normal, scheduled maintenance, PCG will notify clients at least 24 hours in advance of the maintenance window start”. DPI requires that the verbiage be updated to “The ECATS Service will be available 99.9% of the time 24 hours a day, 7 days a week except during planned and scheduled maintenance or software deployments pre-approved by NCDPI. The percentage of uptime “Availability” is calculated on a monthly basis and reported monthly. If downtime is required for normal, scheduled maintenance, PCG shall notify clients at least 24 clock hours in advance of the maintenance window start”. Please respond to this requirement.**

Vendor Response to (A) (6b):

PCG agrees to the requirement with the following exception: PCG proposes replacing the phrase “pre-approved by NCDPI” with “which have been made known to NCDPI at least 24 clock hours in advance.”

PCG conducts routine infrastructure maintenance in accordance with a schedule that is published for the up-coming year (this schedule was included in our RFP response). This published schedule will allow NCDPI thorough planning time to manage the expectations of the system’s availability upfront with all LEAs.

- c. **In reference to the SERVICE LEVEL ATTACHMENT 3. Performance Definitions b. i. Calculating Availability, PCG’s proposal states “PCG maintains the right to change the schedule for maintenance windows from time to time. Any such changes will be communicated to the clients and care will be taken to assure that the revised maintenance window does not present a hardship to client”. DPI requires that the verbiage be updated as follows: “PCG maintains the right to change the schedule for maintenance windows from time to time. Any such changes will be communicated to the clients no less than 24 clock hours in advance and care will be taken to assure that the revised maintenance window does not present a hardship to client”. Please respond to this requirement.**

Vendor Response to (A) (6c):

PCG agrees to this modification for scheduled maintenance windows.

- d. **In reference to the SERVICE LEVEL ATTACHMENT 3. Performance Definitions b. iii. Calculating Availability, DPI removed the following statement “Where emergency maintenance is required for non-PCG products the emergency maintenance shall not be included in the availability calculation denoting downtime”. Please respond to this requirement.**

Vendor Response to (A) (6d):

PCG operates with our clients’ best interests at all times. We take our responsibility to provide robust service to our clients seriously as evidenced by an outstanding track record of success in both our system features and availability. However, PCG is reliant on significant industry providers who occasionally experience unforeseen issues. PCG does our best to work with these providers to mitigate these issues without any impact to our clients.

In those extremely rare instances where remediation must be performed outside our maintenance windows due to external provider issues, PCG excludes that time from our

availability calculations. These are generally limited to issues that are deemed “critical” by a key provider (e.g. Microsoft) and/or where lack of remediation is deemed to be riskier than a small maintenance window.

For these reasons, PCG cannot agree to the removal of this statement, though PCG will work closely with NCDPI throughout the process if an unforeseen emergency situation arises.

- e. In reference to the **SERVICE LEVEL ATTACHMENT 3. Performance Definitions b iv**, DPI is implementing a standard agency normal operating hours of Monday –Friday, 7:00 AM – 6:00 PM US EST Time. PCG proposed normal operating hours in their Severity Level table on page K-5 as the following: “Normal operating hours are Monday –Friday, 7:30 AM –5:30 PM US EST Time Zone, except on holidays”. DPI is proposing the following: “Normal operating hours are Monday – Friday, 7:00 AM – 6:00 PM US EST Time Zone, with a 99.9% ECATS availability Monday through Friday excluding holidays and any Maintenance Windows pre-approved by NCDPI”. Please acknowledge agreement to the normal operating hours as defined above.

Vendor Response to (A) (6e):

PCG service is unparalleled and our clients can generally reach us at any time. However, in order to maintain excellent service, it is important that we uphold consistent normal operating hours. Therefore, we request that the SLA retain the original 7:30 a.m. to 5:30 p.m. hours.

Additionally, we propose replacing the phrase “pre-approved by NCDPI” with “which have been made known to NCDPI at least 24 clock hours in advance.”

- f. In reference to the **SERVICE LEVEL ATTACHMENT 4. Performance Level Calculation**, PCG’s proposal states “The “Availability” Performance Level is expressed as a percent of time. The system is considered “unavailable” when it is not available for all clients. Performance Level is calculated on a monthly basis by dividing the number of minutes for which the Performance Level is achieved during Normal Hours and Days of Operation by the total number of minutes during Normal Hours and Days of Operation in each month and multiplying by 100. EX: 30 days equates to 43,200 total minutes of normal time. A 20 minute outage<sup>1</sup> during a calendar month would equate to  $(42,180/43,200)*100$  or 99.954% availability. Any outage that exists as a result of any failure outside of PCG’s physical environment or control will be excluded from calculations of Availability<sup>2</sup>, and not considered downtime for the purposes of this SLA. Down time shall be determined to start as of the time at which the client notifies PCG of a system issue. End time will be determined as the time in which the incident shall be determined cleared by PCG and the client is able to login. For all Performance Levels other than the “Availability” Performance Level, each failure to achieve the Performance Level requirement will be an “incident”. The calculation of the availability Performance Level will exclude provisions as outlined above in 3.b) “Calculating Availability” sections i, ii, iii, iv.

DPI proposes the following update “The “Availability” Performance Level is expressed as a percent of time. The system is considered “unavailable” when it is not available for all clients in an instance. Performance Level is calculated on a monthly basis. Down time shall be determined to start as of the time at which the client notifies PCG of a system issue. End time shall be determined as the time in which the incident shall be determined cleared by PCG and the client is able to login. For all Performance Levels other than the “Availability” Performance Level, each failure to achieve the Performance Level requirement shall be an “incident”. The calculation of the availability Performance

**Level shall exclude provisions as outlined above in 3.b) “Calculating Availability” sections i, ii, iii, iv. The account credit percentage is based upon the incident length as noted in the Service Window below”.** Please respond to this update.

Vendor Response to (A) (6f):

PCG accepts NCDPI’s deletion of the phrase: “by dividing the number of minutes for which the Performance Level is achieved during Normal Hours and Days of Operation by the total number of minutes during Normal Hours and Days of Operation in each month and multiplying by 100. EX: 30 days equates to 43,200 total minutes of normal time. A 20 minute outage<sup>1</sup> during a calendar month would equate to  $(42,180/43,200)*100$  or 99.954% availability.”

As addressed in other questions of this BAFO 04, PCG cannot accept the deletion of and requests the reinsertion of the following sentence: “Any outage that exists as a result of any failure outside of PCG’s physical environment or control will be excluded from calculations of Availability<sup>2</sup>, and not considered downtime for the purposes of this SLA.”

PCG cannot accept the insertion of the phrase “in an instance.” See our response to Question 5 in this BAFO 04.

PCG accepts NCDPI’s insertion of the following statement: “The calculation of the availability Performance Level shall exclude provisions as outlined above in 3.b) “Calculating Availability” sections i, ii, iii, iv. The account credit percentage is based upon the incident length as noted in the Service Window below.”

- g. **DPI added the following sections to the SLA, please respond to each section individually:**
  - i. **Unscheduled Downtime: Is defined as any event that causes an instance of the ECATS system (Special Education, MTSS, Medicaid, or ECATS ODS) to be unavailable for use by the Client and its authorized users for less than the following uptime specification listed in the Service Window table below.**

Vendor Response to (A) (6g.i):  
PCG accepts this revision.

**ii. Service Window**

SYSTEM UPTIME	CREDIT PERCENTAGE	APPROXIMATE MONTHLY UNSCHEDULED DOWNTIME (MINUTES)
≥ 99.9 %	0%	14 minutes 21 Seconds
99.9% > and ≥ 99.8%	2.5%	14 min 22 sec – 28 min 42 sec
99.8% > and 99.7%	5%	28 min 43 sec – 43 Minutes 3 sec
99.7% > and ≥ 99.5%	8%	43 min 4 sec – 1 hour 11 min 45 sec
99.5% >	10%	≥ 1hour 11 min 46 sec



Vendor Response to (A) (6g.ii):

PCG understands the importance of assuring NCDPI that the system will be readily available to end users on a continual basis. PCG has mapped out an alternate proposal in response to Question 2 of this BAFO 04 to provide NCDPI with the requested historical data import at no cost to NCDPI in exchange for a two year contract term with three (3) one year renewal options and the following revised credit table. Where NCDPI had percentages that equated to dollars, PCG proposes instead an approach to offer NCDPI ECATS development and associated consulting time towards desired system customization.

Note: As a general standard for any system development hour, PCG estimates two consulting hours to map requirements, test, and coordinate development. The proposed credit is outlined below and would be required to be used during the fiscal year the credit was earned. Also, please see the revised calculations in the third column to adjust errors identified in the original table.

SYSTEM UPTIME	DEVELOPMENT AND CONSULTING HOUR CREDITS		APPROXIMATE MONTHLY UNSCHEDULED DOWNTIME (MINUTES)
	Development Hours (at \$175 per hour)	Consulting Hours (at \$200 per hour)	
≥ 99.9 %	0	0	43 min 12 sec
<99.9% and ≥ 99.8%	15 (\$2,625)	30 (\$6,000)	43 min 13 sec – 86 min 24 sec
<99.8% and ≥ 99.7%	20 (\$3,500)	40 (\$8,000)	86 min 25 sec – 129 min 36 sec
<99.7% and ≥ 99.5%	25 (\$4,375)	50 (\$10,000)	129 min 37 sec – 216 min 0 sec
<99.5%	30 (\$5,250)	60 (\$12,000)	≥ 216 min 1 sec

- iii. **Account Credit for ECATS Platform Unscheduled Downtime:** In the event that the monthly ECATS System uptimes identified in the Service Window table above is not met for any calendar month during the term of the Agreement, the client shall be entitled to an account credit in accordance with the above table set forth immediately. All account credits shall be calculated by multiplying the ECATS Monthly Subscription Fee by the credit percentage that corresponds to the calculated Unscheduled Downtime.

Vendor Response to (A) (6g.iii):

PCG agrees with this revision with the exception of the final sentence (“All account credits shall be calculated...”). PCG proposes striking this final sentence.

- iv. **Example: For Service Window, if the Unscheduled Downtime for Month “X” is 29 minutes and the ECATS Monthly subscription Fee is \$527,714 (\$6,332,573/12mths), then the NCDPI account credit to the client for Month “X” is \$26,386. (\$527,714\*.05).**

Vendor Response to (A) (6g.iv):

PCG proposes revising this statement as follows:

For Service Window, if the Unscheduled Downtime for Month "X" is 90 minutes then the NCDPI account credit to the client for Month "X" is 20 development hours and 40 consulting hours.

- v. Maximum Credit: The client acknowledges and agrees that the account credits represented above are liquidated damages and represent the client's sole remedy for PCG's failure to meet the service levels set forth herein; and the aggregate amount of account credits, for all instances where PCG, in any given month does not meet the service levels set forth in Service Window above shall not exceed 10% of PCG's monthly subscription Fee in total.**

Vendor Response to (A) (6g.v):

PCG proposes revising this statement as follows:

Maximum Credit: The client acknowledges and agrees that the account credits represented above represent the client's sole remedy for PCG's failure to meet the service levels set forth herein; and the aggregate amount of account credits, for all instances where PCG, in any given month, does not meet the service levels set forth in Service Window above, shall not exceed an award of 30 development hours and 60 consulting hours.

- vi. Contractor ECATS Unscheduled Outage Reporting: PCG shall provide a monthly report reflecting any unscheduled outages of the ECATS subscription service within 10 business days at the conclusion of the previous month. The report shall include the Outage Date and Time, outage description, duration, and remedy.**

Vendor Response to (A) (6g.vi):

PCG accepts this revision.

- vii. Excluded Events: There shall be no excluded events from PCG's ECATS platform with the exception of those outside PCG hosting center and Force Majeure terms established in paragraph 26 of the RFP 40-IT00114-15 VII. Department of Information Technology SAAS Terms and Conditions. PCG shall establish industry standard ECATS system redundancy to ensure maximum ECATS system reliability and minimize Force Majeure conditions. Force Majeure reported PCG outages shall be accompanied by validated evidence to support the event. PCG shall be bonded and insured for severe weather related outage events. PCG shall make all reasonable efforts to protect ECATS State data and return the ECATS systems to operational status promptly in response to a Force Majeure event.**

Vendor Response to (A) (6g.vii):

PCG proposes the following revised initial sentence in this section: Excluded Events: Any outage that exists as a result of any failure outside of PCG's physical environment or control will be excluded from calculations of Availability, and not considered downtime for the purposes of this SLA; additionally, any event outside PCG hosting center and Force Majeure terms established in paragraph 26 of the RFP 40-IT00114-15 VII. Department of Information Technology SAAS Terms and Conditions will be excluded.

PCG agrees to the remaining paragraph inserted in this section.

- h. In reference to the **SERVICE LEVEL ATTACHMENT 5. Reporting** page K-6, PCG's proposal states "For any Severity 1 outage (not part of normal maintenance) during the applicable review period ("Review Period"), a root cause analysis will be provided within 10 work days. For each Severity 1 outage, a review of the remediation plan may be requested by the client. Any additional information on any other incidents will be provided on request." DPI requires that this verbiage be updated as follows: "For any Severity 1 outage (not part of normal maintenance) during the applicable review period ("Review Period"), a preliminary root cause analysis report provided within 24 clock hours for each Severity 1 outage and a final root cause report shall be provided within 10 calendar days of outage. For each Severity 1 outage, a review of the remediation plan may be requested by the client. Any additional information on any other incidents shall be provided on request. Severity 2 outage reports shall be provided within 10 calendar days of request". Please respond to this requirement.

Vendor Response to (A) (6h):

PCG accepts this revision. For avoidance of confusion, Severity 2 "Outage Reports" referenced in the last sentence will be a communication device to advise NCDPI of actions taken to mitigate the severity 2 issue. These 'Outage Reports' will not include a full Root Cause Analysis.

- i. In reference to the **SERVICE LEVEL ATTACHMENT 6. Support Status Updates**, DPI added the following verbiage:
- a. Without limiting the generality of the foregoing, for all problems not resolved within designated time frames, PCG shall use commercially reasonable efforts to provide the client with additional resources as necessary for expedient problem resolution and timely follow-up.

Vendor Response to (A) (6i.a):

PCG accepts this insertion, except that the following clause should be struck: "for all problems not resolved within designated time frames,".

The revised version would read: "Without limiting the generality of the foregoing, PCG shall use commercially reasonable efforts to provide the client with additional resources as necessary for expedient problem resolution and timely follow-up."

- b. PCG shall be responsible for all delays or failures that arise with the exception of those outside PCG hosting center and Force Majeure terms established in paragraph 26 of the RFP 40-IT00114-15 VII. Department of Information Technology SAAS Terms and Conditions. The client also acknowledges and agrees that Contactor's ability to resolve any problems hereunder on a timely basis is dependent upon the client's cooperation in assisting with identifying, reporting, and replicating functionality problems hereunder, and providing other cooperation as may reasonably be necessary.

Vendor Response to (A) (6i.b):

PCG accepts this insertion.

- c. Additionally, the client agrees that the PCG and the client shall work together in good faith to undertake a root cause analysis to ascertain the source of the issue, and further work together in good faith and offer reasonable cooperation in an attempt to resolve any such issues or disputes relating thereto.

Vendor Response to (A) (6i.c):

PCG accepts this insertion.

**j. In reference to the footnotes to the SERVICE LEVEL ATTACHMENT, PCG's original SLA stated**

- d. PCG's original proposal SLA stated "1 For the avoidance of confusion, an outage is defined as system unavailability or a loss of all functionality to all users". DPI updated to "1 For the avoidance of confusion, an outage is defined as system unavailability or a loss of all functionality to all instance users for Special Education module, MTSS module, Medicaid module, or ECATS ODS".**

Vendor Response to (A) (6j.d):

PCG accepts this revision.

- e. PCG's original SLA stated "2 For the avoidance of confusion, "Events outside of the reasonable control of PCG..." will be further defined to include internet outages outside of PCG hosting centers, client side network outages (Ex: client's internet connection is unavailable), etc.". DPI updated to "2 For the avoidance of confusion, "Events outside of the reasonable control of PCG..." shall be further defined to include events outside of PCG's ECATS platform with the exception of those outside PCG hosting center and Force Majeure terms established in paragraph 26 of the RFP 40-IT00114-15.**

Vendor Response to (A) (6j.e): PCG agrees to the revision and clarification that events outside of the reasonable control of PCG include events outside of PCG's ECATS platform with the exception of those outside PCG hosting Center and Force Majeure terms established in Paragraph 26 of the RFP 40-IT00114-15.

- 7. In reference to PCG's statement on RTO: "PCG's standard RTO is 72 hours for recovery in a complete disaster primarily because there are many variables which impact recovery that is outside the control of the vendor. However, PCG always seeks to provide the lowest RTO possible, and is willing to work with and discuss alternatives to this with NCDPI.", NCDPI agency standard RTO is 24 hours and the RFP 40-IT00114-15 clearly defined this requirement in Appendix: B "Module Technical Specifications" mandatory requirement PRQ-48 - "The Vendor shall provide a multiple backup service (incremental, daily, weekly, full off-site, grandfather-father-son media rotation) with a Recovery Time Objective of <= 24 hours and Recovery Point Objective <= 24 hours". which PCG responded with a '1' defined as 'Vendor's proposed solution meets the ECATS Service specification 'as is' without any additional customization needed'. Please respond to this requirement.**

Vendor Response to (A) (7): As stated in the Proposal, PCG's standard Recovery Point Objective <=24 hours. As indicated by our "1" in response to PRQ-48, PCG is also capable of incorporating a RTO of <= 24 hours without additional customization. However, in an effort to keep PCG's pricing competitive for NCDPI, PCG provided pricing which is reflective of an RTO <= to 72 hours. This reflects the RTO which PCG and its clients have found to be the right balance between cost and the need to provide our clients with technology solutions that are robust and secure.

- 8. Please acknowledge your understanding of unlimited user accounts as defined in the mandatory requirement OLS-6 in RFP 40-IT00114-15 Appendix: B Module Technical Specifications "The ECATS Service shall provide for an unlimited number of user accounts".**

Vendor Response to (A) (8):

PCG acknowledges that this requirement means that the service will be available to NCDPI and all its authorized state or LEA level users without any limit on the number of those user accounts.

- 9. If PCG's proposal contains any deviation to any specification and/or requirement outlined in RFP 40-IT00114-15, Appendix: A Service Technical Specifications, or Appendix: B Module Technical Specifications which was not agreed upon in a BAFO, then RFP 40-IT00114-15, Appendix: A Service Technical Specifications, or Appendix: B Module Technical Specifications shall govern.**

Vendor Response to (A) (9):

In the case of any deviation or conflict between PCG's proposal and PCG's submitted version of Appendix A and Appendix B, PCG acknowledges that Appendix A and B will govern, provided that such deviation or conflict was not further clarified in a BAFO.

- 10. In regards to the BAFO #4 reporting demonstration on June 20<sup>th</sup>, please respond to the following questions:**

- a. Is the capacity there for DPI to crossover MTSS, Medicaid, and Special Ed in building reports?**

Vendor Response to (A) (10a):

Yes, the capacity is there for NCDPI to crossover MTSS, Medicaid, and Special Ed data when building reports.

- b. Can DPI build reports, save and publish?**

Vendor Response to (A) (10b):

Yes, NCDPI can build, save and publish reports.

- c. Can DPI build a report and publish it so one of our sections can run it on demand?**

Vendor Response to (A) (10c):

Yes, NCDPI can build and publish a report so that different NCDPI staff with system access can run it on demand.

- d. Does PCG have reports that you have built that DPI can review?**

Vendor Response to (A) (10d):

Yes, PCG has several reports that were prebuilt and provided in the ECATS sandbox site for NCDPI to review.

- e. Can DPI perform regional, and statewide by district on MTSS data? Will DPI have access and would DPI be able to build reports on any of these MTSS levels?**

Vendor Response to (A) (10e):

Yes, NCDPI can build BI filters/reports by a host of criteria, including MTSS data and student enrollment data/associations (school, grade, district, region, and state).

- f. Is the BI tool role based as to who can see the reports?**

Vendor Response to (A) (10f):

Typically, BI tool users are staff who have been designated to see all data points within their specific level (LEA or state). LEA level BI tool users will be able to see their specific LEA data. NCDPI level users will be able to see data across the entire state.

**g. Does PCG have a governor on the BI tool to control system overload?**

Vendor Response to (A) (10g): PCG does not have a governor on our BI Tool. Instead, the BI reporting tool uses its own web servers and database servers; this reduces load and prevents performance issues in the production databases. In addition, we stagger our extract, transform, load (ETL) processes to prevent overloading the database servers. These measures, in combination with memory thresholds, CPU monitoring, and other safeguards ensure that the reporting system is protected against potential system overload.

**h. What is the lag time on the data? No more than 24 hours from real time data?**

Vendor Response to (A) (10h):

Correct. The BI tool, Advanced Reporting, is updated every evening with the current ECATS system data from that day. Information will be no more than 24 hours old as compared to the ECATS system data.

**i. Is there an option to keep the data that you have been working with rather than losing it when all data is refreshed?**

Vendor Response to (A) (10i):

Yes. Once a report is built and saved, the data within the report will not change unless a user prompts the system to “refresh” that report. In other words, the nightly data import for the BI tool updates the database of reference, but individual reports only retrieve that updated information when prompted to do so (either through user action or through a previously scheduled request).

**j. When we are looking at things like progress monitoring and intervention effectiveness is that considered a report, form or dashboard?**

Vendor Response to (A) (10j):

Depending on the specific context, progress monitoring and intervention effectiveness data points are reportable in the BI tool or standard reports, and can be embedded within documents (forms), and comprise indicators on the MTSS system dashboard.

**k. If I wanted to look at a student’s progress monitoring draft, where is that? Can DPI create a report in the BI tool on student’s progress monitoring?**

Vendor Response to (A) (10k):

Yes. The progress monitoring draft is embedded in the student’s Tiered Plan. Since the data is captured and saved in the system, the BI tool can report on a student’s progress monitoring.

**l. Can DPI generate a report off of any data that is stored in the ECATS ODS crossing all levels Special Ed, Medicaid, and MTSS?**

Vendor Response to (A) (10l):

Yes. Any data element which is stored in the ECATS ODS can be reported on through standard reports as well as be made available in the BI tool, crossing Special Ed, Medicaid, and MTSS.

- m. **We have a child who is using a certain intervention and we are progress monitoring that child or looking at it relative to an intervention and I'm talking now a specific tool, so we have downloaded that tool into the ECATS ODS so that there, we have also then looked at his/her end of grade test which we have also been able to access through going outside to CEDARS or some other entity, so in the end we can write a report that will show the progress monitoring of that child based on that specific intervention with the outcome relative to the end of grade or end of course test, is that correct?**

Vendor Response to (A) (10m):

Yes. EdPlan (ECATS) can report on progress monitoring for a child's specific intervention, pulling in other relevant data stored within the tool, such as an end-of-grade test.

- n. **DPI's goal for the ECATS ODS is to be able to pull various reports so that we can look specifically at the information needed that's relevant to their outcomes. Can DPI perform that analysis through this BI Tool?**

Vendor Response to (A) (10n):

Yes, NCDPI can perform this analysis through the BI tool.

**11. The updated ECATS Data Flow Diagram document, Visio-ECATS\_DataFlow\_v12\_06242016-BAFO4.pdf, is attached for PCG review.**

Vendor Response to (A) (11): PCG has reviewed the diagram provided and would like the opportunity to discuss some points of clarification in the BAFO 05 conference call which is currently scheduled for Friday, July 15, 2016.

**BAFO COST:**

Note: NCDPI is requesting a two-fold updated cost on Medicaid: 1) fee for service cost for NCDPI, and 2) Contingency fee percentage for LEAs. Please incorporate both costs accordingly, when completing the ECATS Cost Template below, as discussed.

**Section IV. Cost Proposal**

- A. The vendor must list and describe any applicable proposal costs which may include the following:
1. Future customization for customer requested enhancements
  2. Training including training materials
  3. Updates to supplemental files
  4. New functionality
  5. Other costs (*provide details of each proposed cost*)
  6. The consulting and other value added service hourly rates or costs shall be listed separately by type of service. Travel and lodging expenses, if any, must be thoroughly described; and are limited by the State's SAAS Terms and Conditions.

Our response to Section IV, Paragraph A, remains unchanged from our initial proposal and BAFO 01, 02, 03 responses except for additional considerations indicated in this BAFO 04 document.

\*\*PCG proposes to import the historical data requested in Question 2 (a value of \$140,000) if NCDPI agrees to:

- a. the proposed service credit modification as outlined above, and
- b. a revised contract timeline of two years, with three one year renewal options.

In summary, the combined savings and/or discounts included in BAFO's #1, #2, #3, and #4 equate to more than \$2,714,000 over the three-year contract term in cost adjustments to NCDPI and LEAs.

ECATS Cost Template					
Item #	Cost Description	Special Ed Module Cost	MTSS Module Cost	Medicaid Module Cost	ECATS Service Total Cost
1	<p>The Firm Fixed Price Subscription Fee for the module's <u>Statewide Implementation</u> of the Vendor proposed solution:</p> <p>*This is the year one (1) and year two (2) subscription fee which is to be inclusive of all Deployment, Integration, Implementation, Data Migration, Maintenance and Technical Support for the module's ECATS Service solution.</p>	\$4.0M	\$2.38M	\$0	\$6.38M
2	<p>The optional year three (3) Firm Fixed Price Subscription Fee for the module's Implementation of the Vendor proposed solution:</p> <p>*This is the subscription fee inclusive of any additional Integration, Implementation, Data Migration, Maintenance and Technical Support for the modules ECATS Service solution.</p>	\$2.0M	\$1.19M	0	\$3.19M
3	<p>Import of child count data: total size approximate 877.567 MB</p> <ul style="list-style-type: none"> <li>• September Child Count (585.083 MB)</li> <li>• October Indicator 11/Timely Placement Count (218.89 MB)</li> <li>• August Indicator 7/COSF Count (73.594 MB)</li> </ul>	**	**	**	**
4	Any other proposed fee for the module's ECATS Service.				
<b>Additional Comments:</b>					
**See summary above.					

- B. Payment Plan Proposal - If the Vendor has a specific payment schedule or installment payment plan or percentage payment plan, etc. it must be detailed here.
- C. Vendors who propose an Alternative cost response must submit a separate document labeled "ALTERNATIVE COST RESPONSE".



- D. **Optional.** A Cost Response Form may be used to summarize the Vendors' pricing responses to specifications.

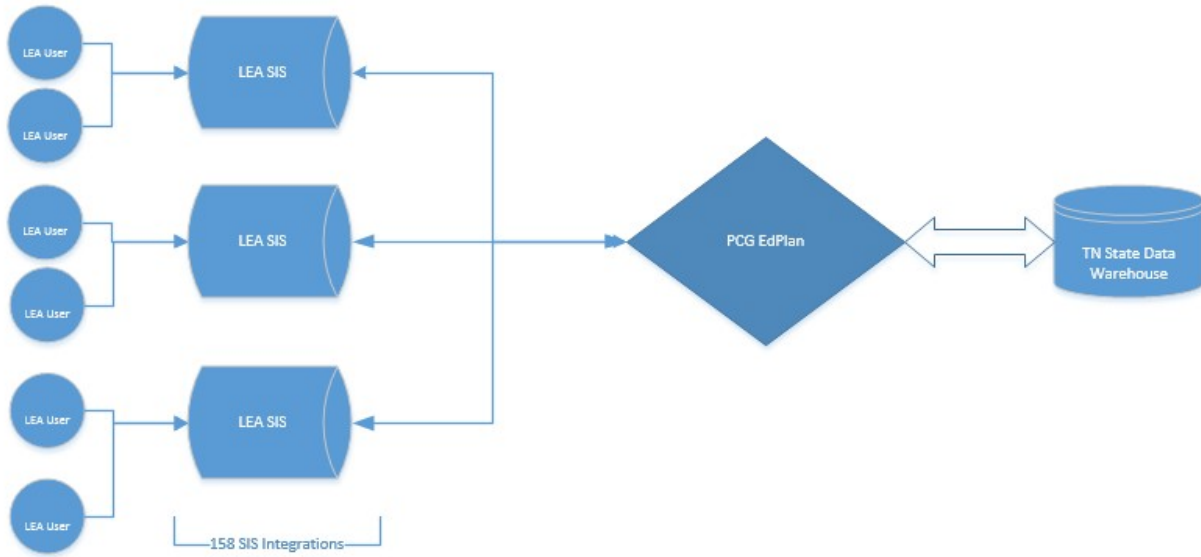
-End of Document -

PCG EdPlan State Level Systems

PCG has implemented statewide data integrations in a variety of ways depending upon client needs. PCG will work with NCDPI to determine the most effective and efficient data integration architecture for this specific engagement.

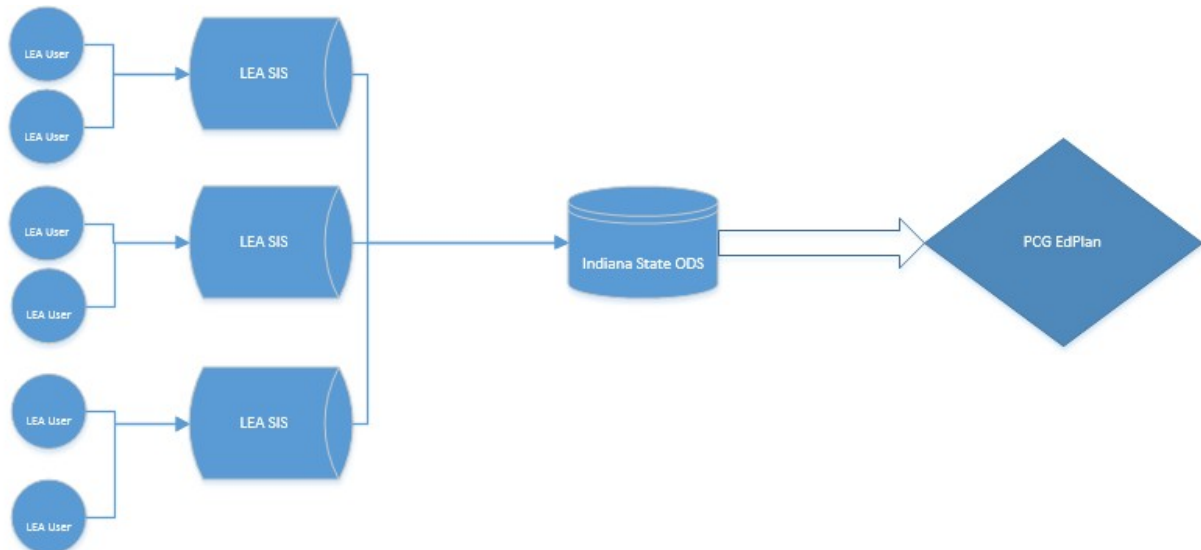
**1. Tennessee – Student data provided to PCG by individual districts**

EdPlan receives district level student data nightly from each district’s local Student Information System (SIS), some of which are PowerSchool implementations. PCG sends some data to the State data warehouse such as special education and funding data from its EdPlan platform.



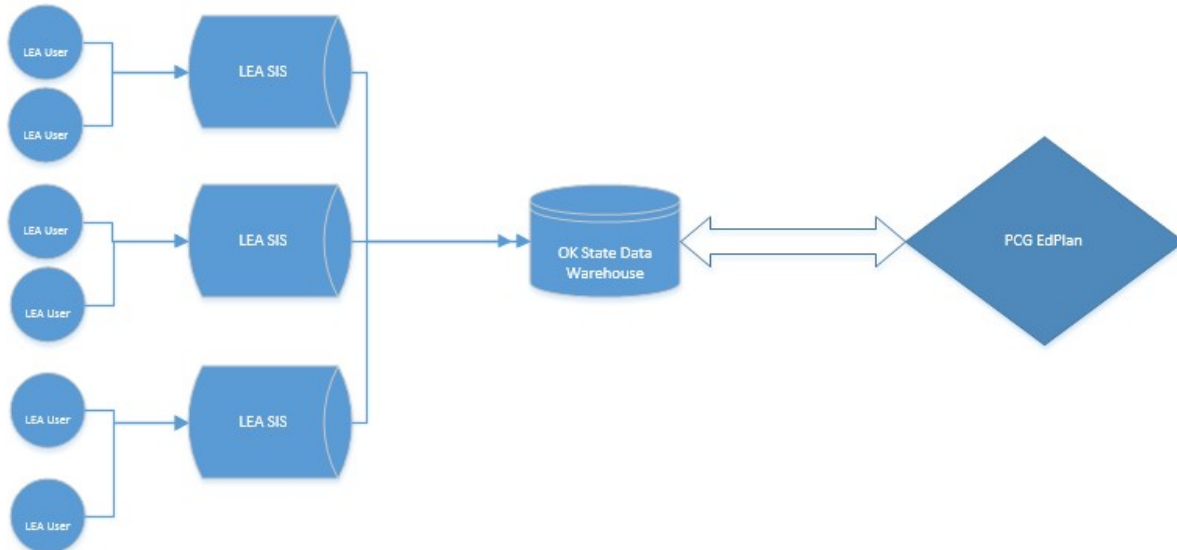
**2. Indiana – Student data provided to PCG from State Data Warehouse**

EdPlan receives student data nightly in a single file from the Indiana statewide data store (“Real Time”) which receives the student data through imports from individual district imports.



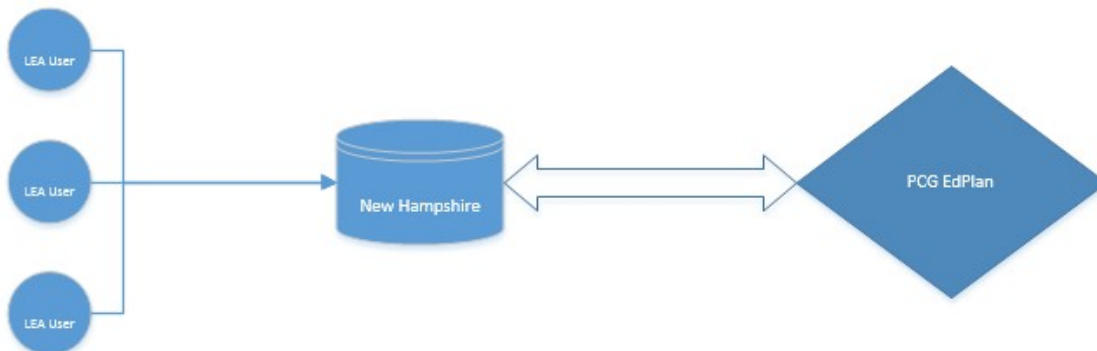
**3. Oklahoma – Student data provided to PCG from State Data Warehouse**

EdPlan receives student data nightly from the OK state data store (“WAVE”), which receives data through imports from 565 individual districts.



**4. New Hampshire – Student data provided to PCG by State Data Warehouse**

EdPlan receives student aggregate data nightly from the NH state data store, which receives data through manual inputs from individual districts.



**5. New Jersey – Student data provided to PCG by individual districts.**

PCG Statewide Longitudinal Data System (SLDS) receives district level student data from each district's local Student Information System (SIS), including PowerSchool instances.

