Contract for RFP #1929 Attachment 8

History of QA (28 pages)

History of Questions and Answers between KDOR and Celtic Systems

2/18/13

1 Response to Negotiations Questions

Celtic is pleased to be able to respond to your negotiations questions and request for additional information. We have several suggestions regarding how to reduce the costs and what we can do to assist, clarified your queries regarding our initial response, and included our best estimates regarding the build of a Liquor Tax solution. We have also had several meetings with Computronix to better answer your questions regarding our joint approach to providing Kansas with the best solution.

1.1 Costs

1. The Department of Revenue has very limited funding for this project and your cost proposal exceeds what we had anticipated the price to be. Please sharpen your pencil and be creative in making your offer more competitive.

Celtic has reviewed the costs related to the RFP for IRP and IFTA and we have determined that we can reduce costs based on the implementing IRP and IFTA together over a 14 month period. .

Reductions can be achieved by implementing the following recommendations:

a. Celtic will reduce the license fee for IRP and IFTA from 300,000 to 200,000 as a one-time reduction.
b. Combine IRP and IFTA approach will reduce the fixed price amount by $100,000
c. Title and Inventory management: we propose to interface with the new existing KS T&R system and inventory allocation and the title issuance will be performed by the new IRP and IFTA system: $340,000 **KDOR wants to execute the title module and agrees to pay $340,000 after delivery and acceptance.**
d. Eliminate the proposed HW and SW acquisitions including 3rd party licensing and hosting: -$400,000 **KDOR Accepts**
e. Reduce on-site support to 2 weeks with remote support as required and on-site if required: -$100,000 **KDOR Agrees**
f. Remove data warehouse requirement: -$80,000 **KDOR Accepts**
g. Remove knowledge transfer requirement: -$80,000 **KDOR Accepts**
h. Have support and maintenance start after implementation (no 1 year warranty included): -$200,000 **KDOR Accepts**

A total reduction of $1.4M could be realized for the development period of 14 months. After this Support and Maintenance will begin.

KDOR has eliminated the IFTA module as a requirement.

Essentially our original proposed cost summary was:

IRP and IFTA	$ 2,373,045	$ 1,274,536	$ 281,300	$ 348,000	$ 348,000	$ 4,624,881

The new proposed cost summary is represented with the following time frames and costs:

Table 1 – Total Proposed Cost	14 month Implementation period	1st year Support and Maintenance	2nd year Support and Maintenance	3rd year Support and Maintenance	4th year Support and Maintenance	Total Costs over the 62 month period
IRP and IFTA	$ 2,247,580	$ 325,000	$ 300,000	$ 300,000	$ 300,000	$ 3,472,580

Celtic is open to further discussions with the State regarding cost reductions.

1.2 Software License and Maintenance Costs

2. Would you be agreeable to waiving software license and maintenance costs until after full implementation?

We propose to implement IRP and IFTA together and:

a. Maintenance will commence after implementation which is scheduled for 14 months after the start of the project. Maintenance includes fee module maintenance, fee test support, live level 2 help desk support and 200 hours of enhancements.

   KDOR agrees to $200,000 annual maintenance and support to begin after full implementation. The 14 months is no longer applicable since IFTA has been eliminated from the requirements. Full implementation will mean after Phase II deliverables have been received and approved.

b. Licensing for IRP and IFTA will be invoiced after the deployment of the COTS product into the "Sandbox" environment for use by KS internal personnel. We anticipate this to be within the first 6 months of the project.

   This is no longer applicable.

1.3 Source Code

3. You stated in your response that the source code was available. Is that at no extra charge? If not, what is your best offer?

Normally we Escrow the Source Code. If the State wants to have license to the source code to use for the State of Kansas charges will be $300,000. Our fee calculation tool used for all our IRP installations is not included in the source code. Celtic recommends that we maintain the fee module for KS under the shared cost of all our jurisdiction

installations. Our normal costing for the maintenance of the fee module with support for the annual fee test is 120,000 per year and is included in our standard support and maintenance SLA.

This price has been further reduced to $250,000 for the source code. KDOR agrees to keep that as an option available for the Department to execute at a later time.

1.4 Appendix 5 – Exceptions, Section 5.38

4. Is your "No" response to Appendix 5 – Exceptions, Section 5.38 "Fixed Costs Final and Full" a substantive objection of the section 5.38's application to IRP and IFTA, or is the "No" simply an acknowledge that such process would apply to IRP and IFTA modules but that Celtic cannot speak for Computronix?

Exactly – Our answer of "No" acknowledges that such process would apply to IRP and IFTA modules but that Celtic cannot speak for Computronix. Computronix will provide their fixed costs and this will be included in our final and full fixed costs for the overall project. **KDOR Accepts**

1.5 Appendix 5 – Exceptions, Section 5.47 and Section 5.48

5. Does your counteroffer regarding Appendix 5 – Exceptions, Section 5.47 and Section 5.48 include similar rights for the Computronix software solution? If not, what rights does Celtic Systems propose for State's use of Computronix software? (The Computronix proposal is silent on the subject.)

Although we anticipate being the Prime contractor for the requested solution and after discussions with Computronix, the Computronix software and rights to it will be a separate licensing agreement between the State and Computronix. **KDOR Accepts**

1.6 Software Licensing for Computronix

6. Will Computronix require a separate software licensing agreement with the State regarding use of its software? If not, there will need to be an explicit grant of authority of the State's propriety rights to Computronix software in any agreement.

Although we anticipate being the Prime contractor for the requested solution and after discussions with Computronix, the Computronix software licensing will be a separate licensing agreement between the State and Computronix. **KDOR Accepts**

1.7 ABC Module Implementation Date

7. Do you agree that your subcontractor, Computronix, will have an ABC module working solution in place for production use in Kansas and meeting Kansas functional and technical requirements associated with ABC module by a certain date? If so, what date do you warrant the ABC module will be in place for production use in Kansas and meeting Kansas functional and technical requirements?

After discussions with Computronix it is agreed that they will implement the POSSE software in the same timeframe the IRP and IFTA are being proposed within 14 months of the start of the project if the State requires. **Although IFTA has been withdrawn, if the ABC module moves forward, then KDOR accepts. Otherwise, this is not applicable.**

1.8 Appendix 5 – Exceptions, Section 5.3

8. Is your non-response to Appendix 5 – Exceptions, Section 5.3 inadvertent or are there substantive objections to definitions included in Section 5.3?

Apologies - The response to 5.3 was inadvertently missed and should have been initialed as acceptance of YES. **KDOR Accepts**

1.9 State Prohibitions Agreement with Computronix

9. Will you have an agreement in place with Computronix that incorporates many of the State's prohibitions on Celtic against Computronix' actions? (i.e. Sections 5.8, 5.13, 5.15, 5.16, 5.17, 5.34, 5.42, 5.43, and 5.57)

After discussions with Computronix it is agreed that Computronix will agree to the State's prohibitions as required. (i.e. Sections 5.8, 5.13, 5.15, 5.16, 5.17, 5.34, 5.42, 5.43, and 5.57) **KDOR Accepts**

1.10 Experience with CVIEW and Iteris

10. Do you have experience integrating with an Iteris CVIEW? If so, please explain.

Yes. Celtic has its own CVIEW product developed and implemented in Alabama and Iowa. We interface with Iteris CVIEW in South Carolina and Arkansas. In addition to this interface in both of these installations we have built a backup interface to support IRP and IFTA operations with SAFER in the event the CVIEW interface response time is slow due to network bandwidth issues. **KDOR Accepts**

1.11 Fuel Tax Solution

11. Do you have experience with implementing a Motor Fuel Tax application or do you have plans to implement this tax in the near future?

Yes. We have experience with Motor Fuel Tax and we have demonstrated our draft solution approach to multiple jurisdictions. We are currently working on integrating the Fuel tax solution to our product line and are currently scheduled to have it ready for demonstration in the near future. **KDOR Accepts**

1.12 IRP Implementations

12. How many IRP jurisdictions are using a fully functioning version of your IRP solution in production?
(Fully functioning" includes: data entry, invoicing, processing payments, completing distribution to IRP clearinghouse and non-clearinghouse jurisdictions, audit processing and distribution)

We currently have 4 jurisdictions using our fully functional version of our browser based IRP solution in production namely: AL, IA, AR and SC. WI uses out IRP Fee Calculation Module. Ontario will go live with our fully functional IRP in March of 2013. NY will be live with our fully functional IRP in August, 2013. **KDOR Accepts**

1.13 Kansas Staff Time

13. What are the total hours of Kansas staff time you anticipate for the implementation of the IRP solution?

PM	Average 4 hours per week with Celtic PM throughout the project. Initial period and toward the last implementation phase will be heavier time requirement.
Requirements	2 SME's full time for 6 weeks for IRP, 2 SME's full time for 4 weeks for IFTA
	Part time SME input as required 8 hours per week minimum throughout the project for IRP
	Part time SME input as required 8 hours per week minimum throughout the project for IFTA
Interface Specialist	Part time for 2 months (20 hours per week minimum) and as required throughout the project in the event of interface issues.
Sandbox use	After sandbox deployment (within 6 months of project start) 2 SME's part time to familiarize themselves with the new solution and provide early feedback on the new solution.
Training	2 SME's for train the trainer - Full time for 2 weeks prior to training
UAT Testing	4 SME's for UAT for IRP (full time for 4 weeks).
	3 SME's for UAT for IRP (full time for 3 weeks)

KDOR accepts

1.14 Title NSI

14. Do your title applications contain NSI verification and edits to prevent issuance without the NSI?

Celtic will customize our application (CMCS) to perform NSI verifications and edits specific for Kansas. CMCS will perform the verification to ensure that issued titles accurately reflect a security interest. KDOR Accepts

In the event the State desires to interface with the new Title system for title management, the Celtic solution will accommodate as proposed in the cost reduction under Question #1. KDOR Accepts

1.15 IFTA Miles

15. How will IFTA miles be included on the IRP renewal prior to implementation of a new IFTA system?

If the State accepts the recommendation to implement IRP and IFTA in parallel as an integrated solution, the IFTA miles will be available directly in the common customer database. If the State chooses to implement the IRP and IFTA solutions separately then during the transition time we will interface to the existing IFTA system using a batch process and flat files to access the miles and bring them across to the new IRP system. **For this year, KDOR will need Celtic to pull the miles from Legacy Mainframe IFTA and import to the new system. For next year KDOR will need Celtic to develop the interface to the new IFTA system written in-house at no extra charge.**

1.16 Inventory

16. Please explain how your solution handles inventory ordering / receiving and tracking for 100 plus locations.

Inventory allocation and issuance is an integral part of the CMCS solution. We have an inventory management solution that handles ordering and receiving inventories. This browser based inventory solution can be used for tracking inventories for the required 100+ locations. However, in the event the State desires to interface with the inventory module of the new T&R system for inventory management the Celtic solution will accommodate this interface as proposed in the cost reduction under Question #1. **KDOR Accepts**

1.17 County Situs

17. Please explain modifications that will be needed to your system to allow a vehicle owner with a County Situs in Shawnee County to be included in the registration of an intrastate fleet based in Sedgwick County.

CMCS will be modified to capture a Situs County at the vehicle level. In this case CMCS will default the Fleet County Situs to Sedgwick County. In the Vehicle level the user will change the County Situs to Shawnee County. The fee distribution process will use the County Situs in Shawnee County for that vehicle for the distribution of the fees. **KDOR Accepts**

1.18 Kansas Quarterly Payments

18. Please explain your concept of how your solution will work for Kansas Quarterly payments.

CMCS currently supports the payment of base fees in two installments; one at the time of registration and one six months later. Additionally, CMCS has a suspension process if the second payment is not made timely. CMCS has a special transaction call "second-half" payment to track the payment receipt. CMCS will modify this half year payment option of the base jurisdiction to establish a quarterly payment time frame. **KDOR Accepts**

1.19 MM30 (Note) Record

19. Does your solution have the ability to add an MM30 (note) record to an IRP CH recap?

CMCS has the capability to add comments on the account and fleet level. Depending on the KS requirement, this comment can be added as an MM30 Record on the IRP Clearinghouse Recap. **KDOR Accepts**

1.20 County Office

20. Please explain how your system will define a County office as either an intrastate only location or an intrastate and interstate (IRP) county office.

CMCS has a code table that stores information about the office locations. One of the fields in the table designates an office type which will indicate either "intrastate only" or "intrastate and interstate" office. **KDOR Accepts**

1.21 PRISM e-mail

21. How is the email to PRISM support triggered?

If the USDOT number responsible for safety at the vehicle level is OOS in PRISM but after investigation the supervisor overrides the error message to allow processing a record is written to a specific table. This table is used to trigger the email to PRISM support. **KDOR Accepts**

1.22 Cab Card Bar Code

22. What information is currently included in the bar codes printed on cab cards and temporary registration?

We have implemented the Bar Code content as specified in the PRISM IRP Cab Card Bar Code Specifications. CMCS uses the standard PDF-417 two-level barcode that is also recommended by AAMVA.

As specified by the current PRISM rules the USDOT number will be included in the barcode for both the cab card and temporary registration if the motor carrier responsible for safety of the vehicle is not expected to change during the registration year. **KDOR Accepts**

1.23 Audit Recaps

23. Does your IRP solution provide for both IRP and Audit Recaps to be transmitted to the IRP clearinghouse? Are they processed together?

CMCS provides for both IRP and Audit Recaps to be transmitted to the IRP Clearinghouse and produce reports for:

1. Normal supplements
2. Audit supplements
3. Error correction supplements

A summary report is provided to show totals for each jurisdiction with sub totals for Audit and normal supplements with Grand Total. These summary reports are used for transmittal reconciliation. **KDOR Accepts**

1.24 IFTA e-Filing

24. Please further explain the IFTA electronic filing functionality for quarterly returns, amended returns, etc.

CMCS is a browser based system and is available for authorized carriers to file their tax returns, pay outstanding balances with a credit card and submit their refunds for approval. All of our jurisdictions have carriers filing quarterly tax return and amended returns via the internet. One jurisdiction mandates that all tax returns are done electronically. CMCS has edits to prevent the user from opening amendments when the original is not finished and provides a user-friendly interface for data entry. The tax rates are provided per year and quarter, so the carrier only types in their distance and paid gallons and CMCS automatically calculates the return including penalty and interest.

External users are prevented from changing certain fields like filed date so the calculation is correct based on when they actually enter the tax return. Amendment calculations take into consideration what was on the original return and calculates what the carrier owes based on the updated information. Celtic will work with Kansas to adjust edits to meet Kansas requirement such as allowable MPG ranges and possibly the number of amendments allowed for any given quarter. An audit amendment is considered the FINAL amendment. No other amendments are allowed after an audit is entered. **This is no longer applicable for KDOR.**

1.25 IFTA/IRP in Parallel

25. Can implementation of IFTA run in parallel with IRP without additional cost impacts?

Yes we are proposing to implement IRP and IFTA in parallel and in fact this contributes to a cost reduction as it eliminates some duplication of effort. **This is no longer applicable for KDOR.**

1.26 IFTA Split Tax Rates

26. How are IFTA split tax rates for jurisdictions handled by the Celtic solution?

CMCS provide for split tax rates by having an effective date for the tax rate. For example in second quarter of 2009, Georgia has a split tax rate. Once rate was effective for 04/01/02009 and the second rate was effective 05/01/2009. CMCS provides both tax rates on the screen with the effective date for each tax rate. **This is no longer applicable for KDOR.**

1.27 IFTA Conversion

27. All registration data for IFTA is required to be converted, regardless of tax account status, is this an issue?

This should not be an issue. Celtic will work with Kansas to ensure that all tax accounts are converted regardless of tax account status and determine the appropriate status going forward if they have changed with CMCS. **This is no longer applicable for KDOR.**

1.28 Third Party Tools

28. Sections 11.3 IFTA Functional Requirements and 11.4 Functional Requirements for All Applications: Celtic has marked the fit rating as TP (Third Party Tool Needed). Many of these requirements indicate you have the functionality with possible minor modifications. Please provide further detail regarding the following requirements: IFTA -33.00, IFTA-33.01, IFTA 33.02, IFTA 33.03, GEN 3.08, GEN 30.00, GEN 31.00 and GEN 32.00.

IFTA Payments	Y	The system shall accept electronic payment of license and permit fees and taxes.	TP	Current CMCS COTS solution has ability to interface with State provided Credit card system and this integration allows external user to pay for their license and permit fees and taxes using

IFTA-33.00				electronic payment methods.

IFTA-33.01	Y	The system shall interface with Department of Revenue financial systems to accept and verify electronic payment.	TP	Current CMCS COTS solution will be customized to interface with Department of Revenue financial systems to accept and verify electronic payment.
IFTA-33.02	Y	The system shall accept credit card payments in the office or through the EFT system.	TP	Current CMCS COTS solution has ability to accept credit card payment in office or through the EFT system, this system will be customized to interface with Kansas provided POS PAD devices and web credit card payment gateways.
IFTA-33.03	Y	The system shall interface with KS DOR financial systems to accept and verify electronic payment.	TP	Current CMCS COTS solution has ability to interface with state financial systems to accept and verify electronic payment. COTS CMCS system will be customized to interface with KS DOR financial systems to accept and verify electronic payment.

The TP fit rating for the above requirements (IFTA 30.0, 30.01, 30.02, 30.03) means we will require a credit card or EFT provider to interface with. This could be a State provided credit card payment gateway or other 3rd Party provider such as OPC etc. **This is no longer applicable for KDOR.**

GEN-30.00	Y	Output Formats: System shall provide for and support fit-to-screen print preview capability with zoon in/out.	TP	The output in PDF format does provide this functionality using Adobe reader.
GEN-31.00	Y	Output Formats: System shall provide for and support the creation of user-defined formats for various system-generated reports.	TP	Report templates can be changed using Crystal report designer tool.

GEN-32.00	Y	Output Formats: The system shall provide for and support end user report writer capability of tabular and graphic reporting from multiple databases or tables.	TP	End user report writer capability can be easily achieved using Crystal report designer desktop tool.
GEN-3.08	Y	Correspondence: The system shall provide the ability to create and populate letter templates using data existing in the system.	TP	This functionality can be achieved by crystal report, report designer tool.

The TP fit rating for the above requirements GEN-30 is a requirement for Adobe Reader.

The TP fit rating for the above requirements GEN-31, 32, 33 and 3.08 are requirements for the Crystal Reports Designer for the desktop and Crystal Reports runtime for the application server. KDOR Accepts.

1.29 Best Practices

29. Please provide examples of "Best Practices Learned" from your experience in implementing IRP and IFTA solutions.

Key to the success of the project is having a proven process to follow specifically for these Motor Carrier implementations. Our processes are repeatable and we use them on all of our projects. We have delivered on time and in budget every time. Key aspects of our approach already contain our lessons learned and circumvent the risks associated with anomalies throughout the project.

- **Steering Committee** – Mandatory commitment from upper Management. KDOR Accepts
- **Project management (Cadence)** – In addition to our standard MS Project tool for tracking progress on the project we utilize a Cadence spreadsheet that identifies all aspects of the project including overall status, action items, issues, risks with mitigation, parking lot and contact list. Every status meeting will involve a review and update of the Cadence file to ensure the4 project is on track and to identify any problems associated with schedule and/or costs. KDOR Accepts. In addition, KDOR has a template for quarterly reporting that Celtic will need to complete.
- **Detailed Project Plan** – One of the first steps is to take our standard MS Project plan used by us for multiple IRP and IFTA project implementations and customize it for Kansas specific requirements. This will be delivered, reviewed together and approved prior to proceeding. KDOR Accepts
- **Requirements Verification** – Key to establishing the baseline for scope determination is working closely with the State SME's for the verification of requirements to drive out a Requirements Traceability Matrix used throughout the project at each phase to ensure all requirement have been addressed and that no requirements fall through the cracks KDOR Accepts
- **Gap Analysis** – Our COTS solution for IRP and IFTA already has the IRP and IFTA compliant functionality. We will map this functionality against the KS specific functional requirements to determine the differences and focus on those areas that require the most attention. In this way we can resource the project in the most efficient and effective manner. KDOR Accepts
- **FRD** – This Functional Requirements Document driver out exactly how we are going to implement the functional requirements. KDOR Accepts
- **ICD** – This Interface Control Document lays out all of the interfaces and the formats required for each in detail. KDOR Accepts

- Celtic Incident Tracking – We utilize our browser based incident tracking system (CITS) to capture and track each and every incident to ensure closure for every incident.
- **"Sandbox"** – Our "Sandbox" contains a version of the COTS for use by internal users to familiarize themselves with the COTS product and see the actual changes as we progress through the project and implement new and changed functionality. We will deploy a new "Sandbox" on a regular basis and this will ensure there are no surprises during implementation. KDOR Accepts
- **Train the Trainer** – Our proposed approach to training is to train the trainer and it works very well. The people that know the business are the best ones to train the users. We provide classroom support to ensure all trainees can follow and assist when necessary with questions regarding the application. **KDOR will accept as long as Celtic trains KDOR staff and the staff from the 8 IRP offices. KDOR staff will then train the other 97 counties.**
- **Conversion Plan and Trial Runs** – Acquire the data and associated dictionaries/formats to be converted as soon as possible! We always treat the conversion as one of the most important aspects of bringing the new system up and running successfully. From the very start we will detail a plan and start understanding the data, build the new model, perform a 2-way mapping, and run trial conversions with reports to be used for validation and for data cleansing. We may run as many as 10 trial conversions before we feel comfortable with the conversion reports and overall results. **KDOR Accepts and has sent the data dictionary.**
- **Transition Cutover Plan** – We will detail out the steps leading up to the GO-Live and provide checklists for al responsible parties to ensure nothing is missed. Further we provide a post Go-Live plan to detail the steps during the initial stabilization period to verify and validate the new system is working as expected. KDOR Accepts

1.30 Liquor Tax Estimate

30. You did not bid or respond to the Liquor Tax Requirements yet they are an important piece of our work. Would you estimate in dollars what the modifications to include the Liquor Tax Requirements would be? This is not saying we would be able to purchase all modules now, but possibly in the future. It isn't a viable solution to interface to legacy, so the tax piece either needs to be in the POSSE product or the Celtic product.

We can build the Liquor tax as an extension to our Fuel Tax solution. It needs to be done with a separate implementation date and probably in the future (after implementation of IRP and IFTAS and ABC POSSE) since the implementation dates for these applications are tight and the State wants them right away. We are proposing a high level estimate for the Liquor Tax solution. **KDOR is not agreeing to contract for liquor tax.**

Our IFTA system will be modified to create the Liquor tax collection and reporting solution. We estimate as follows:

Task	Level of Effort	# Resources	# of weeks	Cost
Requirements Gathering	320	2	4	$ 36,800
Functional Requirements Document	320	2	4	$ 36,800
Detailed Design	640	2	8	$ 73,600
Construction	3,840	4	24	$ 441,600
System Testing	320	2	4	$ 36,800
User Testing	160	1	4	$ 18,400
Training	160	2	2	$ 18,400
Conversion	800	1	20	$ 92,000
Implementation	160	2	2	$ 18,400
Total	**6,720**	**18**	**72**	**$ 772,800**
Support and Maintenance/Year				$ 72,000

KDOR does NOT accept this price and has eliminated Liquor Tax as a requirement.

2/26/13 Negotiation Questions and Answers.

1. *Does your cost savings proposal, in Response to Negotiation Questions, page 4, letter d, for eliminating the $400K hardware, software acquisitions, including 3rd party licensing and hosting, mean that you would host the system for us at no charge over the maintenance and support costs of $325,000 1st year and then $300,000 each succeeding year?*

For cost reduction, we are proposing to not host the system. We will plan to use the infrastructure (software, hardware etc.) provided by KS. The Celtic proposed cost will be reduced by $400k which is made up of:

- a one-time $200k for facilities, HW and SW acquisition for the hosting and
- $50k per year for the follow on 4 years of hosting services (MPLS line, hosting facility internet access etc..) **KDOR accepts**

2. *Do those new proposed annual costs, shown on page 5 of your Response to Negotiation Questions, include IFTA and IRP licenses?*

Yes. The annual cost is for support and maintenance and there are no annual licensing costs. Our licensing costs are one-time. **KDOR accepts Celtic's offer to pay the initial IRP license and agrees to $200,000 annually for support and maintenance to begin after full implementation.**

3. *Page 17 of your Response to Negotiation Questions estimated $772,800 for the liquor tax module. During this round of question and answer Computronix offered to write the liquor tax module for $254,000. If the State were to move forward with this tax module, would you be agreeable to allowing Computronix to write the module in their product for the lesser amount?*

Celtic is agreeable and has no issues with Computronix implementing the system as long as it is understood by the State exactly what is being delivered and at what cost for implementation and on-going support and maintenance. I believe that Computronix combined bid for Liquor tax and the accounting and distribution functionality is $383,000 and that being in the liquor license business Computronix already has existing liquor control modules applicable to this effort that will benefit the State both in functionality and from a cost savings perspective.
The Celtic bid of 772,800 is all inclusive of:

- Liquor Tax Licensing
- Liquor Tax Customer Creation or interface to Liquor License customer database
- On line Tax return submission
- Internal user tax return entry
- Service Bureau tax return entry
- Tax Return Batch upload processing
- Full Inquiry Module for Returns
- User Activity tracking and Inquiry
- Tax Return History Tracking
- Reporting
- Distribution of Revenue
- On-Line Payment option
- Liquor Tax Audit
- Error Corrections
- System interfaces
- Suspensions Processing
- Reinstatement Processing
- Help function
- Transaction logging

KDOR does not accept.

4. *On page 4 of your Response to Negotiation Questions, letter f offers a reduction of $80,000 for removal of the data warehouse requirement. Without the data warehouse, what would you propose as reporting functionality?*

Data warehousing is typically used for large databases (100's of thousands and/or even millions of records) that are being queried extensively on a regular basis during normal working hours. The IRP database consists of relatively small amount of data (5,000 accounts, 20,000 fleets and 60,000 vehicles). Normal reporting and most ad-hoc queries will not affect response time. In the event of a large query some timing regarding when to run the report will avoid any potential response time impact. It is our experience that a data warehouse may be considered at a later time if and when volumes demand and/or as a combined effort with other departments. **KDOR accepts.**

2/28/13 Questions and Answers

We are pleased to provide our response to the PNC and evaluation team's additional questions as follows:

1. From the current bid price of $2,247,580, will you please provide a quote for eliminating the IFTA module all together.

Separating our integrated IFTA solution from IRP will reduce the current bid price for delivery of IRP only by $650,000 leaving a new bid cost of $1,597,580. **KDOR accepts**

2. Do you still agree to complete the IRP conversion and implementation plus implement the requirements of HB 2557 in time for Kansas to use the system in production successfully by 1-1-14?

Yes, assuming a start date of no later than March 15th, 2013 giving us 9.5 months for delivery of IRP. We will add additional resources to make up the one month start date delay from Feb 19th, 2013 as originally planned, to March 15th, 2013. **The new agreed upon start date is 4-1-13 and the due date remains 1-1-14.**

3. Do you agree to a penalty clause of $75,000 per day for failure to meet the production deadline?

We understand the request on the part of the State to try an ensure delivery on time. Celtic has always delivered on time for every contract. If we sign up for it we will deliver and we have the delivery history to prove it.

If the State does not require the penalty clause we can establish a bid cost of 1,500,000 for delivery of IRP which reflects another reduction of 97,580.00. **KDOR is proposing to pay the $97,580 and is sending a letter with revised liquidated damage conditions.**

However, if the State requires the penalty clause we agree to the penalty on the following conditions:

a. If the cause of the delay in delivery of IRP is due to the sole negligence on the part of Celtic
b. The deliverable acceptance for UAT is defined up front to include language that defines 4 levels of severities for issues similar to the following severity levels and an agreement that the system can go live with any existing Level 2, 3 and 4 severities but they must be resolved in the agreed to timeframe:

Level 1 – Critical with NO work around - Must be fixed prior to going live
Level 2 – Critical with work around - Can go Live but a fix is needed within 10 days of implementation.

Level 3 – Non-Critical – Major - there is a workaround but a fix is needed within 30 days.
Level 4 – Non-Critical – Minor - There is a workaround but a fix is needed within 60 days.

c. We establish a maximum penalty of $500,000.

The State might consider to agree to a positive incentive for a timely delivery of IRP by paying some agreed to amount to Celtic for early delivery. This institutes a positive incentive, in addition to the negative incentive, to finish on or ahead of time.

4. With the elimination of the IFTA module, what will be the reduced cost for the source code?

Yes. The Source Code for the IRP Module will be $250,000. In any event Celtic will keep a copy of the source code in a KS escrow folder along with an agreement making KS the recipient of the IRP source code in the event Celtic no longer provides the Motor Carrier services including support and maintenance for IRP. **KDOR Accepts as an option that we may execute in the future for this price.**

Statement of Work – Implementation Approach (35 Minutes)

Can we use the Statement of Work from Page 312 in the Celtic Bid Proposal as our beginning point and ensure that these areas are covered?

Yes we can use this as a baseline and include the most recent modifications to our original proposal to satisfy the State schedule, scope and budget parameters.

a. Project management methodology and project work plan.

   a. We will employ a customized version of our methodology to fit the project and build a detailed work plan as a first step in the project. **In addition KDOR requires quarterly reports from Celtic in the template we will provide for KITO.**

b. Requirements Traceability Matrix. We will build an RTM and use it throughout the project to ensure all of the requirements are included in each step of the project. We cross reference the RTM to the Functional Requirements Document and the testing phase scenarios. **KDOR Accepts**

c. Fit/gap approach to define enhancements and modifications to the base solution. . **KDOR is assuming that all requirements in the RFP related to General, IRP and Interfaces are met for the fixed price of $1.5 million.**

d. Approach to software modifications. **KDOR Accepts**

   a. What tools and methodology do you use? We use MS Project Manager to track the project. We have built in workflow to accommodate approvals as required. We employ tables of information where possible and have GUI front ends to allow updates.

   b. What is your approach to limiting modifications? If there is a commitment from upper management to evaluate the COTS approach to the solution we can circumvent possible lengthy modifications to the solution. In some cases we can uncover incorrect approaches. Our solution has been built on a Service Oriented Architecture with a Presentation Layer, business layer and a data layer,

      i. The Presentation layer is flexible to allow for virtually any changes to our COTS IRP front end to accommodate the State specific look and feel.

      ii. Our business layer contains the IRP Core business logic and can be configured independently of the Presentation Layer and the Data Layer and will include the State specific requirements.

      iii. Our Data Layer is independent of the type of database and accommodates SQL Server, DB2 and Oracle relational databases.

c. How do modifications impact future product upgrades? Each of our installations has a separate code base of our COTS IRP. We take the IRP compliant base system and modify it for the jurisdiction specific rules and regulations. Any modifications to the base code that apply to all of our installations are made in each code base. In this way future product upgrades are not impacted. If a desirable changes that are made to other jurisdictions we can make changes easily to your code base. Enhancements costs can be spread across multiple jurisdictions.

e. Process for configuring the software and documenting the solution configuration to meet the State's business requirements. **KDOR Accepts**

a. Our process is to validate the requirements generating the RTM, perform the GAP analysis and drive out the Functional Requirements Document (FRD) containing the State specific business logic establishing the baseline for the necessary program modifications. The FRD will be used to incorporate changes to the IRP base screens and the resulting document is a functional System Design Document (FSD) containing all of the business logic and the screen changes will be used as the design document for coding modifications.

f. Approach to testing, including unit, integration and solution testing. Describe any tools used in the testing processes. **KDOR Accepts**

a. We have our own native conversion validation tool to make the conversion validation process accurate, complete and repeatable. We also employ the Pervasive tool for automated data conversion and complement these tools with custom programming and scripting.

b. We have an established pool of scenarios that cover virtually all of the scenarios for our base IRP solution. We will build Kansas specific scenarios and include them in our integration and system testing efforts. We will share scenarios with the State for User Acceptance Testing (UAT) to complement the State acceptance testing efforts if desired.

c. We have experience with automated Testing tools (Win Runner, Load Runner) but we find the one time use script is ti9me consuming and the ROI is low due to changes to user requirements.

g. Potential interim solution for interfacing with organizations that may not be "SOA ready" in time for testing or deployment. **KDOR Accepts**

a. Our team builds interfaces to a variety of external systems. We minimize the impact to our solution by employing our Universal Interface Controller (UIC). When Changes occur to external systems we only have to make necessary format changes to the UIC and not the applications.

b. Changes to external systems will have minimized affect on the application but if response and request change after ICD approval could affect the schedule.

h. Release process and timing for planned releases and for applying fixes, patches, etc., as needed. **KDOR Accepts**

a. We typically will have multiple deployments (maybe even daily) over the first few weeks until the system stabilizes. Planned releases can then be implemented for weekly releases and then monthly and quarterly to fit in with the State typical release process.

i. Data integrity and reliability across the solution, including the configuration management approach. **KDOR Accepts**

a. Our QA and CM processes ensure data integrity. We utilize the SVN (Sub Version, Version Control) CM tool to ensure efficient and conflict free application customization throughout the project. The tool allows for multiple branches of the application modules and the consolidation of those branches as required for integration and system integration testing and Quality Assurance.

j. 3rd party commercial products. How will upgrades to these products be managed during implementation and subsequently in operations? **KDOR Accepts**

a. We utilize a standard set of 3rd party tools in all our installations. Upgrades to these products will be incorporated in the solution, tested and included in the normal solution release cycle as required as part of our maintenance approach.

Titles and Registration Work and Requirements of House Bill 2557 (30 Minutes)

1. Discuss further the $340,000 price for the Title and Registration module and what an interface to the 3M DMV system would involve.
    a. Our Title Module of our title and registration system includes the necessary Title Component for IRP. We can interface to the 3M DMV system using web services to acquire the necessary title information for IRP registration. All title transactions will be performed using the 3M DMV. **KDOR desires option b.**

    b. Should the State desire to implement the IRP Title module after implementation we can accommodate this as a Phase 2 implementation. **KDOR Accepts**

2. Discuss requirements of House Bill 2557 and Celtics' planned approach to implementation.
    a. Our fee change approach is modular and accommodates this type of fee calculation. **KDOR Accepts**

    b. House Bill 2557 basically requires the registration of intrastate trucks over 10,000 pounds to be tracked and pay certain taxes that apply to them. We will accommodate the registration of intrastate motor Carrier Vehicles by incorporating them in an intrastate fleet within the IRP Database of vehicles and fees collected will be distributed as required to the various funds. **KDOR Accepts**

3. Any other discussion on add backs from the $1.4 million cost reduction proposal.

    a. Inventory Management Interface – we assume that we will acquire the necessary inventory for IRP from the 3M DMV system using a nightly batch file process. This inventory will be assigned and allocated by IRP to the various locations. Costs associated with this type of interface have been considered. Additional requirements will require analysis to determine any potential impact to the project budget. KDOR is selecting option b.

    b. If the State desires we can implement the Celtic inventory in Phase 2. **KDOR Accepts**

1.31 Solution Architecture and Solution Tools (3rd Party) (30 Minutes)

Solution Architecture

1. Explain how the solution will address response time, reliability, scalability and flexibility.
    a. How is Celtic currently addressing those for other projects utilizing this solution? **KDOR Accepts**

        i. Our SOA provides for maximum flexibility and scalability. The Celtic solution is designed to work collaboratively therefore some parts of the solution may not be required and could be removed. Separation of features is made possible because of the SOA architecture providing flexibility and scalability allowing various modules to be plugged in and/or out relatively easily. For example if a jurisdiction want so to go from annual to staggered we have accommodated this in one jurisdiction this year and the LOE was minimal. Another example is how we integrated with an existing T&R and Drivers' License System utilizing common existing common modules such as payment, inventory etc.

        ii. Celtic's Universal Interface Controller (UIC) is a core component of our architecture and facilitates interfacing different systems without changes to the legacy or core CMCS systems.

    b. Discuss bandwidth requirement and environment configuration for the proposed solution using previous experience with similar size project scope and complexity. **KDOR Accepts**

i. For Alabama hosted solution we utilize an MPLS T1 bandwidth requirement for internal user. For external users we utilize a 5Mb bursts to 10Mb.

ii. For all other installations we utilize the existing internal network available bandwidth

c. How does Celtic propose measuring performance? **KDOR Accepts**

i. The Fee Calculation is the biggest consumer of system resources. We typically will test using a sampling of large, medium and small accounts and monitor the response time associated with fee calculation and generation of the invoice. In addition we will arrange for multiple users to execute transactions concurrently to monitor response. Some State provided tools (e.g. Load Runner) can also be utilized if desired.

2. SOA opens new channels with business partners, Discuss your strategy to identity management to ensure sensitive data are encrypted inside database and in transit.

a. Authentication and Authorization module for identity management. If the State has an existing single sign-on we can interface with it (eg. A&A has been interfaced with in one jurisdiction)

b. 3DES symmetric encryption as required for sensitive data inside

c. For our IIS encryption we use RSA 2048 asymmetric encryption protocol

d. HTTPS for encrypted communication

KDOR Accepts

3. Are the only third party tools that KDOR needs to provide for an operational system Crystal Reports and Adobe Professional?

a. Fax Server
b. Email server
c. Live Chat (if required)
d. Crystal Reports (run time and designer if required)
e. Automated testing tool (if required)
f. Pervasive conversion tool for production if KS wants to run the conversion in their environment

KDOR Accepts

4. What warranty do you provide on your configuration proposal?

a. Our application support model includes warranty for all components of our solution including fee calculation module and the configuration module. **KDOR Accepts**

Solution Tools

1. Discuss tools and techniques to assess and analyze the quality of hard coded, table driven code, vulnerability assessments and code standards compliance.

a. We assess the quality of our code as it is passed through our integration and system testing phases by tracking each defect in our browser based Incident Tracking System (CITS). Our regression testing is employed and defects monitored and fixed until the defect volume is reduced to zero prior to turnover for user testing. Any defects that occur during user testing are tracked in the same manner to ensure the defect rate is acceptable with respect to established severity levels.

b. We utilize internal and external code reviews for conformance to standards.

c. Our solution has been exercised for vulnerability by Microsoft in South Carolina and by the corporate security branch of the Ministry of Transportation in Ontario. Our vulnerability rating is excellent across the board.
KDOR Accepts

2. Discuss and describe, how will you test the SOA components and how will the communication and services be secured.

a. Our SOA components have been tested across multiple implementations in multiple environments multiple times with proven success. Variations from implementation to implementation are minimal. All of our web service calls use 3DES encryption with an encrypted authentication token. **KDOR Accepts**

3. Discuss and describe your tools, technique and configuration management process.

a. We utilize the SVN (Sub Version, Version Control) CM tool to ensure efficient and conflict free application customization throughout the project. The tool allows for multiple branches of the application modules and the consolidation of those branches as required for integration and system integration testing and Quality Assurance. **KDOR Accepts**

4. Describe your method of performance testing and how will you monitor the performance at each level.

a. Performance testing involves end-to-end business transactions including fee calculations for large, average and small fleets. We track and chart results. We have experience with the Load Runner tool but found it to be a poor ROI after investing large amounts of effort to develop one time scripts and perform the necessary steps and procedures to acquire the results. We have found that the best judge of performance is the end user. **KDOR will monitor performance according to the SLA requirements.**

1.32 Deliverables, Quality Assurance and Payments (45 Minutes)

1. Discuss the request to reduce the approval time of deliverables to 5 days.

a. The timeline on this project is very tight with respect to the paper deliverable expectations. We understand the deliverables that need to be created and we will deliver a clear and concise version for review. We will agree on the deliverable content up front, provide a draft version for feedback and review via WebEx to finalize the content and deliver the final document for final approval. Once submitted for final there should be no surprises and this is where we are asking for the 5 day turnaround. Once a section of the deliverable has been agreed to , there should be no changes to these changes. This will maximize review time and reduce multiple iterations. **KDOR Accepts**

2. Will Celtic provide KDOR with a revised list of deliverable payments anticipated? Preference is to have limited payments associated with delivery of documentation and more weight on later deliverables.

a. 20% Holdback **KDOR Accepts**

3. KDOR is assuming that the $1.5 million price includes the perpetual use licenses for IRP and Celtic Document Management Systems (DMS). Is that correct?

a. Yes. The Document management system is a Celtic tool that supports in-line scanning and is developed in a Java environment and requires a Java application server with a run time environment. **KDOR Accepts**

4. Detailed Project Plan needed as soon as possible.

a. We already have base detailed project plans that include all of the critical tasks necessary for IRP and we will customize a base project plan for the K-CARTS project. **KDOR Accepts**

5. Agreement on Progress/Status Reporting

a. Weekly at the project manager level and monthly at the steering committee level. **KDOR Accepts**

6. Explain user and system documentation provided.

a. User Manuals

b. Functional Requirements Documentation (FRD)

c. Interface Control Documentation (ICD)

KDOR also requires the Requirements Traceability Matrix.

1.33 Interfaces and Data Conversion (30 Minutes)

Interfaces

The IRP system must interface with KanPay, CVIEW, NLETS, Law Enforcement, IFTA Application, Commercial Vehicle Highway Patrol, R.L. Polk, IRP Jurisdictions, and the State Accounting System (SMART). Which of these are in the current Celtic product and how will we address the others?

Our Solution interfaces with multiple external systems in each of our installations. After interfaces have been built, our Universal Interface Controller (UIC) allows external systems to change with minimal or no impact to the application. Only the UIC need to change to accommodate these changes.

a. KanPay – We will interface with the State desired Payment portal as required. We have interfaced with third party providers for on-line credit card payments in multiple jurisdictions (AL – Alabama Interactive, AR – IBM STARS Payment portal, SC – Compass Bank Payment portal).

b. CVIEW – Celtic has a CVIEW product and we interface with the Iteris CVIEW in SC and AR.

c. NLETS – We provide IRP information to NLETS as required via direct database access or downloads of information.

d. Law Enforcement - Inquiries directly through the IRP system can be accommodated or we can provide a feed to Law Enforcement system to provide the necessary IRP information.

e. IFTA – We typically will acquire the IFTA miles to pre-populate IRP mileage for IRP renewals if the carrier agree their ITTA Miles are the same as their IRP miles, This is effective for reducing data entry for the single fleet carriers.

KDOR has revised and documented the interfaces in the attached document "IRP Interface Requirements"

Data Conversion

Quick and accurate conversion of data from existing systems is essential to the overall success of the project.

1. Discuss the Data Conversion Plan.

a. We will acquire the current database and data dictionary as early in the project as possible. We will begin our data modeling and 2-way data mapping activities and produce the logical data model. We plan to run trial conversions early and frequently throughout the project and produce reports to identify data anomalies and potential data defects. We will map out a step by step check list for conversion weekend with processes and procedures that ensure a correct resulting database for going live. **KDOR has sent the data dictionary and understands that Celtic will extract the data from the current 3M KARDS system.**

2. Describe any tools and technologies proposed to facilitate converting from the 3M legacy applications and database.

a. We perform a 2-way mapping between the FROM data repository and the new .Net repository. We have experience with the 3M data model and have already established mapping exercises. We utilize the Pervasive tool for conversion of the data. We have also built a native conversion verification tool to assist in the conversion efforts. KDOR Accepts

3. Discuss how you developed queries, reports, and instructions required to validate the data that has been converted into the new solution.

a. Total counts in and out

b. Account counts

c. Fleet counts

d. Weight group creation

e. Convert CLOSED supplements (Open supplements will have to be re-entered)

KDOR Accepts

4. Discuss any manual conversion procedures you developed that were used to load all data that couldn't be loaded using automated conversion programs.

a. Our plan will be to accommodate data that cannot be automatically converted by putting it into the blank database as the starting point of the conversion. KDOR Accepts

5. Do you have test scripts developed to ensure that the accounts and supplements were completely converted into the Celtic System?

a. Yes. Counts are utilized to check the completeness of the conversion. To check the correctness of the data we ensure the account activity results are the same in the Legacy system and the new production system. KDOR Accepts

1.34 Organizational Enterprise Readiness, Training, Knowledge Transfer (30 Minutes)

Organizational Enterprise Readiness

Based on prior experiences with similar projects, what are the greatest change management challenges associated with implementation? How does your proposed approach mitigate the risks associated with these challenges?

Typically the biggest challenge is for users to embrace and want the change. Our methodology involves key users early in the project to provide verification to the requirements and approve the functional requirements document describing how the new system will work. We utilize a "sandbox" version of the COTS IRP to provide the users with the new look and feel and give them an opportunity to provide feedback to the team for potential modifications. When a new deployment of the sandbox is made the users can see their input come to life on the screen. Buy in to the new system early and see their input come to life. Upper management commitment to the change is imperative. KDOR Accepts

Training

1. Discuss the proposed approach to training the business administrators, Security administrator, Central Office and County Staff. Our roles based solution allows for each type of user to have their own set of functionality with access to only those areas that they are authorized to use.

    - Business Administrators
    - Security Administrator
    - Central Office
    - County Staff
    - KDOR Accepts

2. How will you manage and execute training, i.e. planning, developing training materials, and delivering training?

    We recommend a train the trainer approach KDOR Accepts with the understanding that the 8 IRP County Office Staff will be trained by Celtic along with the Central Office IRP staff.

    We have a generic set of training materials that will be customized of KS KDOR Accepts

    We will deliver training in a timely manner close to go-live to ensure people have the system fresh in their minds KDOR Accepts

3. Training curriculum, hours, and anticipated timeframes.

    - We will provide the curriculum
    - There will be day by day and hour by hour schedule of training modules
    - We will provide and monitor hands on assignments for each module.
    - KDOR Accepts

4. Tell us about your training team. What experience do they have in an implementation of this size and scope?

    - Our team has performed this training in 5 jurisdictions. We also utilize our browser based training tool for a set of supplements (new account and add jurisdiction) to allow users to practice on the system at any time from any place over the internet. The basic flow is very similar but each jurisdiction has its own special needs with respect to
        - the type of training decided on (train the trainer or train all users),
        - Classroom size and
    - KDOR Accepts

Knowledge Transfer

1. Will Celtic please explain what the State will be giving up with the $80,000 knowledge transfer in order to fully understand the decision?

a. This type of training is designed for a complete system maintenance takeover for the software excluding the tools used for the motor carrier system including the Fee Calculation and the Document Management software, Crystal Reports, Adobe, etc. and involves a multi month duration program during the support and maintenance years of the project to teach IT personnel the ins and outs of our software for purposes of maintaining it. KDOR Accepts

2. Describe your approach for ensuring that the State staff acquires relevant and sufficient business and technical understanding of the solution?

a. During the project we will be working with the business SME's teaching them how to navigate the solution and customizing the solution to meet the Kansas specific requirements. Use of the "sandbox" provides the users with hands on early experience with the IRP system and on-going exposure to stimulate feedback for needed and potential modifications.

b. During the project we will work closely with the IT folks to drive out the Interface Control Document to specify all of the interface methods and formats. IT will become intimately familiar with the system architecture and interfaces and will have their input to recommended modifications that will provide for a better fit the Kansas infrastructure.

c. There will be multiple skill levels required for knowledge transfer.

KDOR Accepts

1.35 1. Discuss Reporting and Business Intelligence (30 Minutes)

Reporting

1. Standard reporting and online inquiry capabilities.

a. Overview of existing standard reports.

a. Daily Ledger

b. Transmittals

c. Standard Inquiries – We typically provide standard queries that replace the traditional paper report unless absolutely necessary. We generate these queries in a PDF format that can be automatically faxed, emailed or printed for the end user

b. Explain how standard reports are accessed.

a. Reports typically can be printed or some may be provided in PDF format for the end user

c. Discuss Security Features

a. Roles based authentication and authorization

KDOR Accepts

2. Discuss ad hoc reporting capabilities

a. How are reports set up to run real time vs. the middle of the night?

a. Reports can be scheduled to run at various times of the day or night and repeat as required on a daily, weekly or monthly basis.

b. Real time reports typically are triggered by a request for a run. Our tree structured inquiry will provide information presented on the screen as opposed to a report.

b. Are validity checks possible before execution?

a. Yes. We can check to make sure the request is not a large one and other criteria as required excluding ad hoc reports.

c. How is an executed report canceled before completion?

a. We can go to the system level and cancel the system processes.

d. Discuss options to output charts, tables and graphs.

a. Output of fixed reports can be to Excel for charting, tables and graphs...

e. Discuss title, column headings, footer, and sort and break flexibilities.

a. Celtic uses the Crystal Reports tool to format reports

f. Discuss the ability to create new temporary data elements on the fly.

a. For reporting purposes temporary fields can be added through Crystal Reports designer tools.

KDOR Accepts

1.36 User Support, Help Desk and Enhancements (20 Minutes)

User support functions include answering phone calls and providing on-line system help for Department of Revenue staff, County Staff and external customers.

1. What is our final agreement on turnaround time for fixing issues given these 4 severity levels of bugs?

Level 1 – Critical with No work around, immediate attention to notification, All hands on deck and continued effort until resolved. May require working with IT to determine root cause.

Level 2 – Critical with work around, immediate attention to determine root cause with best efforts plan for resolution within 24 hours.

Level 3 – Non-critical – Major, Email notifications are sent to support staff for follow up and best efforts for resolution in place within 48 hours and inclusion in next release.

Level 4 – Non-Critical – Minor. Email notifications are sent to support staff for follow up and best efforts for resolution in place within 72 hours and inclusion in next release.

KDOR Accepts

2. After the 200 hours of enhancements included in the $1.5 million fixed price, what is the dollar per hour for change requests? Explain your process for managing change requests.

a. Enhancements are charged at a blended rate of $115 per hour.

b. Our change request process consists of:

i. Creation of a program Change Request (PCR) by the State or by Celtic

ii. PCR will describe the change, the rationale and the effect the PCR will have on the SOW

iii. Analysis of the change will; determine if it needs to be processed further and will result in the impact on the schedule and costs

iv. When agreement is reached the SOW will be updated to include the new change

v. A formal notification to proceed will be issued for implementation of the change to include code, test, UAT and implementation to production.

KDOR Accepts

3. What specifically are Celtic's expectations of state staff regarding the help desk?

a. Level 1 - It is expected that internal staff will field calls from external users and assist with issues they can such as passwords, reboots etc.

b. Level 2 - Any issues staff is not able to handle will be entered to CITS and emails will be automatically sent to support staff for resolution.

KDOR Accepts

4. Describe your plan to provide increased user support services during peak need stages of solution development, implementation and operations.

a. Our support staff is available to engage as required to assist with keeping development on schedule, ensure that implementation is resourced in the most effective manner and make sure on-going operations is supported as required.

KDOR Accepts

5. Please explain your alternatives to live support for after hour emergency coverage.

a. For emergency coverage we provide direct support numbers to a live support person with escalation numbers in the event no response it provided.

KDOR Accepts

6. Explain your escalation/grievance process for problems related to technical customer support.

a. We provide an escalation process for any issues whereby the support analyst, Quality Assurance manager, and CIO will be available to assist with resolution.

KDOR Accepts

7. Explain how your solution provides role based support.

Celtic provides both motor carrier business expertise and technical expertise to address any reported incidents.

KDOR Accepts

8. Explain your solution's help features.

a. The solution help feature consists of on-line help and on-line screen level context sensitive help and live chat feature if desired.

KDOR Accepts

9. Explain your solution's electronic User Support tracking solution and problem reporting.

a. Our Incident Tracking System (CITS) is browser based and automatically sends out email notifications to support personnel and management as required. As the incident progresses through each step of the resolution path, notifications are sent to notify all of the incident status. These steps include steps such as new, assigned, fixed, tested, UAT and closed.

KDOR Accepts

10. Does your solution track and report the call volumes, e-mails, etc. by categories?

a. CITS has summary reporting capability to show volumes bu severity level, categories and these reports can be customized.

KDOR Accepts

1.37 Exceptions to Contract Terms and Conditions (20 Minutes)

1. KDOR agrees to the Exceptions that Celtic initialed as "no" with the exclusion of Section 5.60. In the exceptions to the performance guarantees on Section 5.60, Celtic agrees to "liquidated damages" if the cause of the delay in response and delivery is due to the sole negligence on the part of Celtic. It appears that this actually relates to Section 5.59 and if Celtic agrees to these liquidated damages if the failure to meet the performance standards is due to sole negligence on the part of Celtic Systems. KDOR would like Celtic to review and respond to this concern.

KDOR has sent revised condition

a. Section 5.60 Performance Guarantees – this condition has damages associated with breach of certain conditions. Celtic agrees to these damages if the cause of the delays in timely delivery of the items in A, B, C and D is due to sole negligence on the part of Celtic.

b. Section 5.59 Warranty - does not appear to have any liquidated damages

c. The State has asked for an agreement on liquidated damages for 75,000 per day for late implementation and Celtic responded to that separately.

2. When Celtic's response included IFTA and IRP the quoted price for maintenance and support was $300,000 annually. Will Celtic agree to $100,000 annually, with payment beginning after full Implementation, and still provide a 1 year warranty?

It is Celtic proposal to remove the warranty costs from the first year implementation bid and commence support and maintenance immediately after implementation for 200,000 annually for IRP. We can add the warranty period costs back into the first year and provide a one year warranty if that is a better option for the State.

KDOR Accepts that maintenance and support payments will begin after full implementation of Phase 2.

1.38 Key Staff and Facilities (20 Minutes)

1. What are your assumptions regarding the availability and capabilities of the State project team members?

   a. We require SME participation throughout the project but most heavily (virtually full time) in the Requirements verification and Functional Requirements sessions

   b. We require participation of the SME's for sandbox feedback throughout the project on a part time basis.

   c. We require Trainers if we go with a train the trainer method of training

   d. We will require multiple users for UAT

   e. We will require IT assistance throughout the project but most heavily during the ICD creation and infrastructure building.

KDOR Accepts

2. From your organizational chart in your proposal on page 28, what amount of time are you proposing in your Statement of Work will be completed on site in Topeka, and what work will be completed offsite?

The Requirements verification, Functional Requirements and Interfaces work will be mostly on-site in Topeka with some WebEx sessions as required. Program customization will be performed mostly off-site as well as system integration testing. We will have weekly status meetings via WebEx or face to face and monthly face to face or WebEx meetings as required. **KDOR Accepts**

3. Which key staff will be onsite and for what durations?

- Project Management 10 weeks as required
- Business Lead 6 weeks as required
- Technical Lead 6 weeks as required
- Enterprise Architect 4 weeks as required
- Interface & Conversion Lead 4 weeks as required
- Quality Assurance – 4 weeks as required
- Enterprise Readiness 2 weeks as required
- **KDOR Accepts**

4. How will your staffing change throughout project execution, i.e. analysis/design, development, testing, deployment, operations?

We will have the appropriate levels of staffing for each of the project phases with respect to skill sets required and the number of necessary resources to get the work done effectively and efficiently. KDOR Accepts

Contract for RFP #1929 Attachment 9

Deliverables Signoff (15 pages)

Division of Vehicles

IRP Deliverable Review Form - Deliverable #1 License Fee

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #1 Name Licensee Fee

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #2 Detailed Project Plan

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #2 Name Detailed Project Plan

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #3 Requirements Traceability Matrix

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #3 **Name** Requirements Traceability Matrix

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #4 Functional Requirements Document

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #4 Name Functional Requirements Document

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #5 Interface Control Document

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #5 Name Interface Control Document

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #6 System Test Plan

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #6 Name System Test Plan

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1. Deann Williams, Bureau Chief _____ Date: _____ OK or Reject
2. Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #7 Data Conversion Plan

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #7 **Name** Data Conversion Plan

Date Received: _____ **5th day ends:** _____

Management Review [ ] X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #8 Training Plan

5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #8 Name Training Plan

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #9
Demonstration of current functionality (Sandbox)
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #9 Name Demonstration of current functionality (sandbox)

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #10
System Test Complete and Approved
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #10 Name System Test Complete and Approved

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #11
UAT Complete and Approved
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #11 Name UAT Complete and Approved

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #12
Training Complete and Approved
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #12 Name Training Complete and Approved

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

_____

More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #13
Data Conversion Complete and Approved
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #13 Name Data Conversion Complete and Approved

Date Received: _____ **5th day ends:** _____

Management Review [ ] X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #14
Implementation Approved
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #14 Name Implementation Approved

Date Received: _____ **5th day ends:** _____

Management Review ☐ X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

_____

More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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Division of Vehicles

IRP Deliverable #15
Titles Module
5-Day Review of All Documentation

Note: Payments are due within 30 days after a deliverable is accepted. KDOR may group payments together quarterly.

Deliverable: #15 Name Titles Module

Date Received: _____ **5th day ends:** _____

Management Review [ ] X = Written Disapprovals Attached

*2 signatures required; if written disapprovals are attached, Director must sign.** *circle one:*

1 Deann Williams, Bureau Chief _____ Date: _____ OK or Reject

2 Danette Cox, Project Manager _____ Date: _____ OK or Reject

COMMENTS: (attach pages if necessary)

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More Review Time:

If legitimate business reasons justify more time for review, you may provide a written request for more time.

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