

ADDENDUMS TO REQUEST FOR PROPOSAL

RETURN SEALED BID TO:
Department Of Management & Budget
Office Of Purchasing
Stevens T. Mason Bldg., 2ND Floor
P.O. BOX 30152
Lansing, Michigan 48909

REQUEST FOR QUOTATION
ADDENDUM

1

DIRECT QUESTIONS TO: SHARON WALENGA	DATE SENT 02/01/94	DELIVERY REQUIRED / /	BID NO 94-G00113SB
DEPARTMENT OF NATURAL RESOURCES			QUOTE FOB - N/A

BIDDER:

SHIP TO:
MI. DEPT. OF NATURAL RESOURCES
ADMINISTRATIVE SERVICES DIVISION
ATTN: LICENSE CONTROL
P O BOX 30181
LANSING MI 48933

SEALED BIDS DUE AT DEPT. OF M & B - OFFICE OF PURCHASING - 2:00 PM 04-27-94
2ND FLOOR STEVENS T MASON BLDG
LANSING MI 48933

ADDENDUM 03-24-94

SEND THIS DOCUMENT WITH YOUR BID OR INSERT THE CHANGES ON THE BID DOCUMENT

ADDENDUM TO RESPOND TO QUESTIONS RECEIVED IN ACCORDANCE WITH PARAGRAPH I-E OF THE RFP.

IN ADDITION, THE FOLLOWING MODIFICATIONS HAVE BEEN MADE:

- 1) REFERENCE PARAGRAPH I-L, SELECTION CRITERIA:
CRITERIA 3-6 HAVE BEEN COMBINED FOR A TOTAL OF 45 POINTS TO BE ALLOCATED TO THE BIDDER'S TECHNICAL WORK PLAN.
- 2) THE FOLLOWING PARAGRAPH HAS BEEN ADDED TO SECTION I:
CONTRACT EXPANSION
THE STATE RESERVES THE UNILATERAL RIGHT TO CONSIDER THIS CONTRACT FOR POSSIBLE EXPANSION IN ORDER TO PROVIDE OTHER STATE AGENCIES OR PRGOGRAMS THE SERVICES, OR RELATED SERVICES, AS REPRESENTED HEREIN. SUCH CONTRACT EXPANSION SHALL BE NEGOTIATED BY THE OFFICE OF PURCHASING AND SHALL BE AGREEABLE TO BOTH THE CONTRACTOR AND THE STATE. CONTRACTOR SHALL BE BOUND TO PROVIDE ANY AGREED UPON EXPANDED SERVICES AT, OR BELOW, THE APPLICABLE RATE AND FEE STRUCTURE OF THE ORIGINAL CONTRACT. THE RATES AND FEES SHALL BE NEGOTIATED AS PART OF THE EXPANSION AMENDMENT AND WILL BE GOVERNED BY THE OFFICE OF PURCHASING.
- 3) PARAGRAPH I-AH, CONTRACTOR'S FINANCIAL OBLIGATION, HAS BEEN RESCINDED.
- 4) FINALLY, THE BID HAS BEEN EXTENDED TO WEDNESDAY, APRIL 27, 1994 AT 2:00 PM. ADDITIONALLY, THE STATE WILL ALLOW A THIRD ROUND OF QUESTIONS AND ANSWERS. QUESTIONS ARE TO BE SUBMITTED PRIOR TO 5:00 PM ON WEDNESDAY, APRIL 6, 1994 WITH THE ANSWERS MAILED ON OR ABOUT APRIL 13, 1994.

*** ADDENDUM COMPLETE ***

DMB 286 (REV. 3/90)

With reference to Section II B.2, page 33, does the electronic funds transfer have to reside in Lansing?

The State does not fully understand the question, so bidder should clarify the question in the next round if the following answer does not suffice. Calculation of agent account receivables is tied to the polling and processing of transactions data from agent terminals and it therefore appears logical that this function must be placed in the DNR offices in Lansing. After receivables are calculated and the results are transmitted to agents, a period of time is allowed for agents to contact the DNR in Lansing. Actual initiation of the EFT will require a positive action on the part of the DNR Retail Sales Management staff in Lansing at the end of the period allowed for agents to challenge the calculated receivable. The EFTs are initiated by submission of the appropriate data to the State's bank using dial-up data communications. The bank's point-of-presence is not currently in Lansing. The bank then collects the funds by EFT and deposits them to the State's account.

What assurances will the State give that the software developed under this contract will not be given to other entities? What proprietary rights?

The State has specified its rights in products resulting from this Contract in Section IAA and Section II.B.9 of the RFP. If bidder finds this description ambiguous, bidder should ask specific questions in the next round of questions.

Are the System External Specifications (SES) available in electronic form?

Yes. Contact Mr. Loren Hersey by calling (517) 373-1204.

Will the bidder be required to demonstrate the terminal and central operations prior to award of the contract?

No. The bidders must provide sufficient detail on the specifications and operations of the POS terminals and central system to ensure that the proposed systems meet the minimum standards specified in this RFP.

Will any part of the DNR, other than the functions listed in this RFP, anticipate using the hardware supporting the Retail Sales System?

No. Bidders are reminded that some functions will be used by other DNR systems/applications; these functions are enumerated on pages 41 and 42 of the RFP.

Page 30, 2nd paragraph. A. General Background. Will the State adjust the contract to handle the additional items?

Yes, to the extent that selling additional items requires additional software, hardware, and processes beyond the requirements of this RFP.

Are news releases to be approved by the state during all phases of the contract performance? ie. Bid award, Development, Pilot, 5 years of Operation (Section I K, page 6)

Yes.

What is meant by fully operational? Is it only meant in regard to the requirements of this contract? The terminal may have functions that are not operational and are not required to perform this contract (Page 13, 6)

It is only meant in regard to the requirements of this contract. (Please note that the page reference within the context of the questions is not understood by the State).

Yes.

Will alternate locations for the central component be accepted if the alternate location has communications to all terminals and networks? (Section II B.18, page 45)

No.

Are all references to contractor responsibilities involving the "Direct Sales Contractor" null? (Section II B 19c, page 45)

No.

Will the Direct Sales Contractor be available by the time of the Sales Outlet Pilot and Document Return Pilot? (Section II B.19c, page 45)

Probably not; however, no decision has been made at this time.

Can training be performed in group sessions, in a classroom environment, at designated regional facilities? (Section II C. 3, page 58)

The Department believes that the training of agents would best be accomplished by the Contractor at the time of terminal installation. However, this is not a requirement and the Department would be willing to consider other alternatives.

What are the costs related to the use of the State of Michigan and Department telecommunications facilities? (Section II D 3.c, page 61)

The Department of Management and Budget, Office of Information Technology, Letter No. 2 details FY 1993-94 Telephone Equipment and Line Rates. Any rates that are not shown on this report will have to be obtained directly from DMB, Telecommunications Division. A copy of this report is available upon request from Mr. Loren Hersey by calling (517) 373-1204.

Is the function of acceptance and entry of telephone and mail orders a part of this RFP? Will the Direct Sales Contractor function as an agent for this operation? If not, will the contractor be responsible for interfacing to a system for telephone and mail orders? Please clarify (Pages 29 A and 33).

No. Refer to page one of the RFP.

No. System functions involving the Direct Sales Contractor are explained in the Systems External Specifications (SES) document.

Yes.

What font or fonts are being considered as standard bar code? (Page 55)

The State has not identified a standard bar code. Any standard bar code needed will be supplied by the POS Contractor.

Page 63. C. Return Document Processing. Do we provide "Hunter Safety Affidavits"? If so, how many per year?

The contractor is responsible for designing the format of the Hunter Safety Affidavits. The documents will be printed on standard license stock through the POS terminal, when required.

RFP, page 31. Please elaborate upon the statement (2nd paragraph): "Database requirements may be fulfilled by provision of data views defined by standard SQL queries."

Where certain information is needed for reports, transactions, interfacing, or simple querying, standard SQL queries may be used to create a conceptual schema for the report, transaction, interface, or user. The contractor may elect to build the physical database in a de-normalized form, but the State does not encourage such a design.

RFP, page 43 & 44. Please provide a chronology of all "Pilot Programs" indicating the latest acceptable starting date of each.

The phases listed on pages 43 & 44 are to be viewed as building blocks of functionality, each dependent on the preceding phase (except the Retail Sales Pilot Testing which is dependent on successful unit and system integration testing). Specific start and end dates are to be determined by the contractor except where noted in the RFP (specifically, pages 42 & 43). Refer to the SES Implementation Plan and System Acceptance Plan for further details on functional requirements within each phase.

INVOICING and PAYMENT (Section I.S, page 12). System Development and Integration will be a resource intensive process. Will the State consider payment upon reaching milestones which precede the Sales Outlet Pilot?

The State would be reluctant to do this; however, we would evaluate an alternate bid based on progress payments, if other assurances of acceptable performance were available. Note that you must bid and will be evaluated based on the payment schedule in the RFP.

TERMINAL MAINTENANCE (Section I.A.D 6, page 23). Will the State, in the interest of reducing operational cost, extend the response time to terminal repair to forty-eight hours?

No.

LICENSE STOCK DELIVERY (Section II.E.7, page 79). Will the Contractor ship to all 2000 agents with balance going to the DNR warehouse each of the five years?

Yes. However, the State reserves the right to change this arrangement after the first year of the contract. The State may decide that it is in its best interest to assume this responsibility after the first year of the contract.

PROPOSAL DUE DATE Is the date of April 13, 1994 cast in stone or will it be extended if answers are not received by date specified?

While every effort will be made to prevent this, if excessive delays do occur, the State will extend the proposal due date beyond April 13.

Thus far we have received along with the RFP all of the appendices listed at the back of the RFP. Are there any other pertinent documents we would need to provide a complete and accurate proposal?

No, all of the documents that we felt provided pertinent information were listed as appendices and are available upon request.

We are a public company incorporated in another state. As such, are we eligible for award of a prime contract for this solicitation?

Yes.

In reference to the Database Management System requirements contained on page 38 of the RFP, it is not entirely clear as to how the information contained in the database will be used by other state agencies/departments. Will it be the responsibility of these other agencies to develop their own applications that use the data obtained from the Retail Sales System via SQL access?

Yes.

Under System Specification and Change Management, II.B.6.1, it appears the State is intent on a rigorous process of managing change. Does the State consider software patches and bug fixes to fall under the auspices of this specification?

Yes.

Section II B.8, Paragraph 1. Is it the State's intent to quantitatively measure a solutions "scalability"? In the event that the system's usage surpasses the effectiveness of the current system, "scaleable upgrades" can be nothing less than the whole replacement of the central server with a trade-in credit. Is this in the State's mind a "scaleable" or "upgradable" solution and will the State factor this cost in the Financial Analysis phase?

The State will now require that bidders provide information on their suggested hardware platforms. Specifically, the State requires information on number and type of processors needed for the RSS system; the maximum number and type of processors that their proposed box can scale up to; the number of gigabytes of DASD (include optical and any other device and associated space needs) required for the RSS; the maximum gigabyte of DASD and other proposed devices that the system can directly access; the next class of machine that the hardware vendor markets as the next logical progression of system hardware; and any other potential arrangement that will allow scalability, such as a loosely-coupled machine arrangement.

The State will measure "scalability" or "upgradability" by reviewing the proposed hardware requirements identified by the bidder, and determine if such hardware components are upgradable within their class of machine. For example: If a bidder proposes an AST Manhattan with two processors for the initial system, the State will know that the Manhattan is scalable to four processors and will consider this hardware approach more scalable than a contractor who proposes a Vtech Ambra with two processors (the Vtech Ambra can only scale to two processors). Likewise, an example that uses a dual processor Vtech, and notes that Vtech machines can be coupled would probably fulfill the scalability requirement and probably at a lower cost to the State - keeping in mind other issues such as distributed database capability, service, dependability, reliability, fault tolerance, etc..
(Please note that the examples here are for illustrative purposes only).

Specifics on hardware/software combinations and their associated costs are the bidder's responsibility and are to be reflected in bidder's cost model and system proposal.

Section II B.9, Paragraph 3. Are software updates subject to the Change Management Procedure identified in II B.6.1?

Yes.

Section II B 9, Paragraph 10. Will the State allow the use of a router between its Token Ring attached workstation and a potential Retail Sales System running on Ethernet? And, if so, can the Department's router be enhanced with additional personality modules included in our cost model?

Yes, the State will allow the use of a router between its Token Ring LANs and an Ethernet based Retail Sales System. Any Ethernet solution must meet all inter-operability requirements as stated in the RFP.

The State requests clarification of "personality modules" during the next round of questions.

Will the State provide a dedicated power circuit at their cost? (Section II B 18, page 45)

Yes.

Department Staff Involvement (Page 37). Can the State propose a mechanism whereby the potential contractor has some type of recourse should the Department's staff prove to be an encumbrance to the process of provisioning the solution, either through scheduling or rate of progress?

There is no penalty to the contractor to proceed with development of POS systems without participation from the Department if it is unable to maintain its commitment of involvement. To the extent the Department is interested in participation, the contractor is expected to provide an open working environment to accommodate that participation.

Page 48 19K Wildlife Division Office. The State did mean "wildlife" where "fisheries" was used, correct?

Yes, it should be wildlife.

Page 13, S. Invoicing and Payment. The fixed monthly lease fee for POS terminals includes installation, agent training, terminal user support, maintenance, supplies and removal. The monthly payments include only those in service and there is no minimum install period. Would the State consider a minimum install period or a penalty imposed on the agent for removal of a terminal within a specified period?

We do not anticipate that short period terminal installations will be a problem. It is expected that some agents will request extra terminals for peak sales periods (e.g. just prior to firearm deer hunting season). We will consider an appropriate short-term leasing rate to cover contractor costs for these conditions. The price model includes a request for pricing seasonal leases. Bidders are encouraged to give careful evaluation of this cost element.

The State reserves the right to award by item, part or portion of an item, or group of items. Does the contractor have the right to refuse a partial award? (Section I.Q, page 12)

Yes, the bidder has the right to withdraw their bid at any time prior to contract award.

The RFP (Section I.A.D.1, pp21-22) allows the State to assess liquidated damages approximating \$450,000, at any time between September 15, 1994 and March 1, 1995, if the Contract Administrator believes that the Retail Sales System will not be operational on March 1, 1995. If the Contract Administrator assesses such damages before March 1, 1995 and if the Retail Sales System is nevertheless operational on March 1, 1995, would the State consider bearing the cost of the damages assessed?

In the event that the Contract Administrator assesses such damages and the Retail Sales System is nevertheless operational on March 1, 1995, the State agrees to bear one-half the assessed damages. We wish to clarify the application of this liquidated damages provision. The damages to be assessed under this provision will be the actual cost of purchasing license stock for operation of the manual system which the Contract Administrator determines necessary to ensure that licenses are available until the Retail Sales System is operational. The approximately \$450,000 cited represents the cost of a full year of license stock and is thus the Contractor's maximum liability. The State expects the Contract Administrator to order license stock only to the extent necessary to ensure license availability based on his assessment of the project schedule at the time the license stock order must be placed.

Generally, the liquidated damages provisions seem particularly one sided. The contract administrator has the power to assess damages as detailed on pages 21-24. In fact, as early as September 15, 1994, before the pilot is required, the administrator can impose the penalty for ordering stock for the old system. Would the State consider using an independent third party to determine if the contractor is in default? (Section I.A.D, page 20)

No. Refer to the above question and answer.

Section II.D.4.C. The specification reads that the cost accounting and quality control data must be stored in a RDB as a part of the system. Does the State require it to be the same RDB used for the Principal Licensing system?

Yes.

Section I.B.8. RFP states that the Department will be developing additional applications which make use of the data tables used in the Retail Sales System. Will the contractor be held blameless for modifications to the Retail Sales System over which the contractor had no control?

All modifications to the Retail Sales System will be mutually agreed upon by the Department and contractor; therefore, no circumstance should arise where tables are added/deleted/changed without the control/involvement of the contractor.

Section I.B.19. The SES does not include specifications of data flow and interface protocols for the RSS with other agency systems. Although the RFP is clear that it is the responsibility of each agency to provide the interface with the RSS, the development of the RSS could be negatively impacted by agency delays. Would the State consider excluding these interfaces from the RSS specifications and instead treat them as enhancements or, alternatively provide the necessary agency specifications of data flow and interface protocols?

The State will not exclude the interfaces needed between RSS and other state agencies. The SES does mention the protocols that are used by each Agency that will interface with RSS (refer to Data Communications section of Management Summary). The data transferred between the RSS and various agencies are either listed specifically or implicitly in the Activity Specifications, Part XII.

RFP states that "no payments will be made until the successful completion of the sales outlet pilot." Under ideal schedule and delivery conditions, when (month and year) will the first payment be made, and what milestones will it cover? (Section I.S, page 12)

The first payment will be made upon completion of the Sales Outlet Pilot (as presented in contractor's project plan). The date of completion of the Sales Outlet Pilot is determined by the contractor subject to the conditions of section ILB.16 (page 43).

The first payment will cover all milestones completed as of the date of completion of the Sales Outlet Pilot.

Will the State allow the contractor to use the excess capabilities or upgrade and use the existing local voice telecommunications infrastructure already installed and in use at the Mason building?

Yes, if excess capabilities exist. The Department of Management and Budget, Telecommunications Division will have to determine if excess capabilities exist.

II.B.d-f. Do the capabilities already exist at other State departments to allow dial-in connection? Will the contractor be required to furnish any hardware, software or applications at the Departments of Commerce, Treasury, or Secretary of State? Please elaborate

Yes.

No, refer to pages 44-47 of the RFP on contractor requirements for hardware/software/applications at other agencies.

II B.d-f. Can we assume that any MAIN to DNR gateways and interconnections will be in place and usable by this contractor to connect to the other State departments? What are the costs associated with connecting to the internetwork, and who will be responsible for them?

The contractor CANNOT assume that MAIN to DNR gateways/interconnections will be in place at the time of contract signing. The Department understands that some departments will be coming on-line at a later date, and that connection at time of contract signing is not guaranteed. Also, some departments may not have their databases hooked to the backbone when they do connect.

Requests for more information concerning MAIN connections and costs must be addressed to the Office of Information Technology, DMB.

It is assumed that on-line image access need only be available for users directly attached to the DNR LAN (i.e. the 35 targeted users) in Lansing. Is this a correct assumption?

Yes; for all others, the image must be accessible via FAX.

Section I.A (pp 1-2) of the RFP states that the direct sales of licenses will be contracted at a later time, "by way of either mutually-acceptable modifications of the Contract resulting from this RFP or separate contracts or agreements..." However, Section II.B.B of the RFP states that the Department "will contract separately for the acceptance and entry of telephone and mail orders, and for license order mailing" Please verify that it is the State's intention to consider expanding the Contract resulting from this RFP to include the direct sale of licenses.

It is the State's intention to consider expanding the Contract resulting from this RFP to include the direct sale of licenses. However, the State reserves the right to issue separate Request for Proposals, to grant agent status to one or more parties for these services, or to enter into other agreements rather than expanding this contract.

With reference to Section II.C.2 b.xi, page 56, will the DNR relax the average sales transaction time (one minute) in an effort to appreciably reduce agent terminal/printer cost?

The State might be willing to relax the sales transaction time by a small amount to achieve a substantial reduction in costs. However, without specific knowledge of the tradeoff, the State cannot appropriately modify the requirement. Vendor may ask a more specific question in the next round of questions, may offer a proposal which meets the requirement but also propose an alternate, or may propose such a terminal as an option which agents may select in lieu of a terminal which meets the specification.

The specification (Section II.E.1 b, page 75) requires that "When a license is printed an agent receipt will be printed simultaneously." Will the DNR lift this requirement if the contractor can establish a reasonable case for system integrity?

The receipt provides the Department a mechanism for data recovery in the event of system failure and the contractor could conceivably demonstrate sufficient reliability to obviate this function. However, the receipt also provides a mechanism for agents to retain a record of sales for their own uses, including audits of the amounts the system calculates agents must remit. Provided bidder demonstrates sufficient reliability, the State would be willing to make the printing of receipts an agent option at no extra cost to agents, but will not lift the requirement.

Will all bidders in compliance with the purchasing rules and regulations be given a best and final offer option? Will the bid prices be public information before the best and final offer is requested?

Bidder should refer to Section LL of the RFP. The State will not necessarily request a best and final offer from any of the bidders; if best and final offers are requested, only those deemed competitive based on their initial proposal will be asked to submit such an offer. Bid prices will not be public information before the best and final offer is requested.

Can any or all proposal sections be modified to resolve items in the "deficiency report"?

Yes.

"By award of this contract, the State expects to avoid costs and increase revenues through February 28, 2000 equal to approximately \$8,400,000" Does this mean the State will not accept a bid greater than \$8,400,000?

No. Only a portion of the bid must be offset against the State's anticipated avoided costs and increased revenues. The RFP describes the comparison to be made and the Price Proposal section of the RFP provides a worksheet to calculate the portion of the price to be compared to \$8,400,000. The State has reserved the right to modify this calculation for proposals which demonstrate higher or lower value than anticipated by the State.

How are the State benefits calculated, used to offset against cost? (page 7)

The sum of the State's expected cost savings from staffing cuts, reduced costs outside the scope of this Contract, changes in agent commission, increased interest on float, and other changes in the State's net cash flow which are anticipated as a result of this Contract.

Please explain the meaning of "the JEC will revise the State's estimate of financial benefits based on any added or reduced value to the State offered by a bidder's proposal"?

If a bidder's proposal offers the state different off-contract costs or revenues than anticipated by the State under terms of this RFP, the State will account for that difference in determining whether it can afford the proposal.

Will the price evaluation, ~~39~~ points, be awarded by ranking for total cost of by total cost offset against State benefits?

Total costs.

What is missing from this paragraph? (page 44, paragraph 4)

The paragraph should read "Before completion of the Sales Outlet Pilot, Contractor shall successfully implement the Document Return Pilot."

What assurances will be given that the Division systems will be converted according to the schedule in the RFP? What are the contractor responsibilities if they are not? (pages 47-49)

The State asserts that they will be converted as described in the RFP. Should they not be converted by the time Contractor must undertake activities actually dependent on such conversion, schedule adjustments will be made.

Can the State clarify its position on the subject of product ownership. Under Section I.AA, the State specifies that "the system developed shall become the property of the State, subject to the normal license terms." However, under II.B.9, paragraph 4, the State specifies that custom software shall be licensed indefinitely, implying that the State's right to use or license the source code is burden-free. Does the State intend on prohibiting the reuse or resale of developed custom software to other entities beyond the State of Michigan.

The quotation from Section LAA is incomplete. The phrase "subject to the normal license terms" refers specifically to commercial software which is integrated into the system. The indefinite term of the State's license to custom software developed for this system refers to the duration of the license and does not imply that it is "burden-free". The State undertakes to restrict use of the licensed software to the State or its Contractors or Agents.

With respect to Section II.C.3.E, does the State expect all of the same functionality to the Department's Office Retail Sales Terminals when using the dial-up feature, or the functionality of a standard POS device on dial-up?

The State expects full functionality of the Department Office Retail Sales terminal using the dial-up feature.

With respect to Section II.D.4.F, who incurs the cost of this failure since the Contract Administrator ultimately controls the corrective action? Will the State consider a shared cost approach to this issue? If yes, please explain the cost sharing model

Contract Administrator's approval of the corrective action is similar to Contract administrator's approval of other project deliverables; Contractor thus has considerable control of these costs as well as control over the choice of the original product and the testing done to assure that the Retail Sales System works correctly when first integrated. Therefore, the State will not share the cost of repairing such faults.

With respect to section I.L, the RFP states that the State will not contract for the automated point of sale system if it results in a net cost to the State as compared to the cost of the present system. What is the estimated annual cost to run the current manual system for selling licenses?

The anticipated cost savings and revenue increases which result from the replacement of the current manual system with the system requested in the RFP total \$8,400,000. The costs of the current system which will not be displaced under this RFP are not relevant to the decision to proceed and have not been recently estimated.

With respect to Section I.A.D. 2, the damage assessment for the retail system's failure to complete store and forward operations in excess of 24 hours does not bear any relationship to the loss to the State for that failure. In fact, depending on the day(s) of failure, the penalty that could be imposed at the discretion of the contract administrator could seriously damage the ability of the contractor to continue to perform under this contract, or remain in business for that matter. Would the State reconsider the damages that could be imposed for failure to complete store and forward operations in excess of 24 hours to make the penalty correspond more closely to the damage this failure would have on the State?

The State denies the premise of the question that the damages posited do not bear any relationship to the loss to the State for that failure. Under the system design, retail sales terminals will not be able to continue operating if terminal polling cannot be completed for 48 hours. If licenses are not available for sale, potential license purchasers must either hunt for fish illegally without a license or forego the intended recreational activity until licenses are available. The State acts as trustee for its citizens in this matter and should properly consider the damages which they will suffer as a result of system failure, not just the State's revenue. The State has no doubt that the valid damages to citizens who are unable to buy licenses because of a general system failure exceed the damages posited in the RFP. Bidder should note that since the damage condition only addresses polling and retrieving sales data and does not require processing of such data, an alternate facility can be used to accomplish this limited function and that in such circumstances polling operations could proceed throughout the day so that such an alternate facility need not have the capacity of the primary facility. Note that the State is not requiring such an alternate facility, merely noting its potential for limiting Contractors liability for liquidated damages.

With respect to Section I.B.1, the cost model assumes 2,000 terminals. However, the State is unwilling to guarantee a minimal number of terminals and has the right to grant waivers to agents allowing them to stay with the old manual system. Would the State consider setting a minimum monthly lease rate regardless of the number of terminals installed if it would reduce total project cost?

The State's right to grant waivers is not expected to significantly affect the number of agents; it is intended largely to deal with certain agents who do not have telephone or electrical service (e.g., Isle Royale). Bidder may submit an alternate pricing scheme along the lines suggested by the question, but contract award will be based on the terms provided in the RFP and the State will consider the alternate pricing only if bidder is selected.

(SES page I.6) It is indicated that Trout/Salmon stamps are not part of this project. How will these services be supplied to fishermen or others wishing to acquire these stamps. Will Public Access Stamps be handled in the same manner?

The design and printing of Trout/Salmon and Waterfowl stamps is outside the requirements of this project. The sale of these stamps is within the scope of the project. Assuming that stamps retain their artistic format, stamps will either be distributed to agents and provided to customers upon sale, or will be sold through agents (with only a printed receipt) and fulfillment will occur from a central location after data is collected at the central system. The decision of which sales method to use will be made by the State, in conjunction with the contractor, based on the relative cost of each method. If artistic stamps are discontinued, these licenses will be printed in the same format as all other hunting and fishing licenses.

We do not currently have a Public Access Stamp.

RFP page 59, II.C.3.b, "Department Office Retail Sales Terminals", SES page XII.66, "Register Hunt Parties" Due to the need to collect alphabetic data associated with hunt party member names, does the Department envision this functionality to be performed by a PC? Is it a requirement that this PC also be a fully functioning license sale device? Can the functionality be split among devices?

We expect that the collection of hunter names and verification of hunting license information will be performed on site at waterfowl management areas around the state. These functions can be done on a PC separate from the POS terminal, but if this is done it will be necessary to have both devices at each waterfowl management unit, and both devices must be capable of communicating with the central data base.

RFP page 63, II.D.3.f, "Return Document Processing". The RFP states, "All returned Sports cards shall be processed within twenty-four hours of delivery..." Could the State please clarify the business or process need for this requirement? If the business needs can be resolved in another way, can the Retail Sales System be designed in such a way to relax the twenty-four-hour data entry turn around requirement? Can the six days per week requirement be relaxed as well?

The 24-hour and 6-day per week requirements is intended to ensure that customer data be incorporated into the system in a timely manner so that it is available for fulfillment, law enforcement, and other uses. The State would be willing to consider an alternate proposal if there are significant savings and the availability of data is not compromised. Such a proposal would only be considered after award of the contract, where bids are based on the current requirements.

RFP page 63, II.D.3.f, "Return Document Processing". Can the return Sportscard application require the customer to enter name and address information by filling in scanable dots, similar to a computer-graded test answer sheet?

Our experience suggests that mark-sense scanning forms are difficult, time consuming, and confusing to sportspersons. We have also found that such application formats tend to have high error rates for data. At this point we would not consider such a format for the Sportscard.

RFP page 63, II.D.3.k, "Return Document Processing". Does the State intend to acquire document imaging and image storing equipment? Can the returned document processing be bid as a service only, without transferring title of equipment to the State? Does the equipment to be used need to be dedicated to this project?

The RFP requires that the contractor acquire imaging and image storage equipment for the State and that the cost of this equipment be incorporated into the unit cost of processing returned documents over a five year period. An alternate bid to process return documents as a service or on shared equipment would be considered providing that the State has assurance that it has ownership and seamless access to all imaged data at all times.

RFP page 37. "Prototype" What is on-line documentation? Please elaborate, it is not mentioned in the SES.

"On-line documentation" or on-line help, means that features/functions of the system have readily accessible descriptions/documentation to help the user understand its purpose/operation.

(Page 31 II.B.1) The State has stated that the SES has precedence over either the SRD or SDO where there are conflicts in specifications or requirements. Where there are conflicts in specifications between the RFP and the SES which has precedence?

Where a bidder identifies where such conflicts occur, the State will render an opinion as to which is in error.

(Page 37 II.B.7) Would the State consider assigning an end-user to be involved in the full system development along with the data system analyst since the end-user will be the acceptance mechanism?

There are many types of end-users within the system operations, including POS terminals and the central system. These end-users will be evaluating the various parts of the system at appropriate milestones in the development of the systems. As the contractor identifies specific needs for end-user evaluation of systems features, the State will make every effort to involve such persons in the development process.

(Page 44 II.B.16 1st paragraph) Is the Retail Sales Pilot testing to run 14 work days or 14 elapsed days?

Fourteen calendar days.

(Page 44 II.B.17) Is there current data available to build an initial data base? This vendor assumes that DNR will provide all necessary resources to populate the initial production data base and other associated files. Please confirm our assumption. Will the State please identify in what form the existing data will be presented in, Format and Media type?

There is no current data in computer readable format available to build an initial data base. It is the responsibility of the Department to populate data tables associated with the RSS.

(Pages 48-49 II.B.19.1) Will the Law Enforcement Division's database of violations and hunter's safety be fully available to the integrator for the purpose of interfacing to the point of sale system? What data and license restriction information needs to be stored on the point-of-sale terminals? How much capacity will be required?

The violations data base will be compiled by the Department and made available to the contractor. Only a small amount of hunter safety information will be available to the system because records are not complete for earlier years of this program. The data structure and expected size of these tables are described in the SES page XI.61. There are several methods the contractor may consider to reduce the storage requirements on the POS terminals. One

possibility is to store only the customer ID's on the terminals and initiate a call to the central system when there is a match from a customer. Another is to store customer ID's with binary positional coding of revoked licenses, updating the file each time a revocation expires.

(Page 54 II.C.2.b.ii) Can we expect to have a dedicated electrical circuit and tap an existing telephone line within 6 feet of installation of the terminal and printer? Can the contractor be assured that all Retail Agents facilities will have electrical power connections that conform to appropriate state/county/city electrical code standards, i.e., three-prong properly grounded 110 VAC receptacles?

Agent requirements for electrical and phone are described in RFP section II.C.2.b.ii and viii, respectively. The electrical circuit is not necessarily dedicated and the phone jack must be within 12 feet of POS location. Even though the electrical circuits must conform to appropriate state/county/city electrical code standards it does not necessarily mean that there will be a three-prong properly grounded 110 VAC receptacle.

(Page 54 II.C.2.b.iii) The printer is used for licenses/kill tags, affidavits and management reports. Licenses must be printed on perforated Tyvek. Is it acceptable to require the users to manually change to plain paper stock before printing affidavits or management reports? If so, is the contractor responsible for furnishing plain paper stock as well as license stock?

No, it is not acceptable to have the agent changing paper stock in the printer for different printing tasks. If the contractor wishes to use multiple paper types, the printer must automatically switch between papers or the contractor must use separate printers for each paper type.

(Page 55 II.C.2.b.viii) This vendor assumes the agent is required to provide one phone line per POS terminal. For example, if they don't have a phone line at all, they will be required to install a phone line, and if the larger sites have more than one POS terminal, they will be required to have one phone line to support each POS terminal. Please confirm our assumptions. Agent phone usage potentially includes FAX, telephone, and telephone answering devices and these will not preclude collection of POS terminal data. However, any Agent system with an answering modem on the same line will preclude collection of POS terminal data. This vendor assumes that the State will require the Agent to install a separate phone line in this case. Please confirm.

It is true that an agent is responsible for providing a separate phone line for each POS terminal. The contractor is responsible for providing solutions to other multiple uses of a phone line, including answering modems, whenever possible.

(Page 55 II.C.2.b.ix) Is any further quantifying or qualification of the immediate connection operational mode requirement available? Please confirm that only immediate connection requirements in the initial system implementation are for the sales of replacement for lost licenses. If there are others, please state specifically the transactions, the volumes and when they would be implemented.

Immediate connections are also necessary for selling left-over limited access hunting licenses and inquires about hunter status in limited access drawings. Volumes of these transactions are difficult to estimate at this time, but are expected to be relatively small.

(Page 57 II.C.2.c.i) Since the connection of the terminal to an existing agent phone line that is used as a primary voice line or is connected to an answering machine will interface with the normal use of that line when the terminal is making a

required immediate-connection, will the State provide an exception in it's requirements for this and any similar circumstances?

Yes.

(Page 57 II.C.2.c.ii) Would the State agree that there is some practical limit to the number of agent terminals which could be installed between January 1, 1995 and February 28, 1995 under the conditions described in II.C.2.c.i? If yes, would the State agree to negotiate, around that practical limit, the installation schedule with the contractor regardless of the number agents who request terminals prior to January 1, 1995? Can the contractor start terminal installations at any Retail Sales Agents locations before January 1, 1995?

It is mandated by law that all agents be converted to the POS terminals prior to the beginning the RSS on March 1, 1995. To meet this requirement, it may be necessary for several installation crews be involved. It is permissible that terminals be installed prior to January 1, 1995, providing system operation and training requirement are met.

(Page 61 II.D.2) We assume that the retail agents will be responsible for all local phone charges resulting from the use of the RSS system. Is this correct? If not, please delineate the telecommunication charges that the retail agents will be expected to pay. To potentially reduce costs to the State for communications, would the State be willing to provide the contractor a letter indicating to communications vendors that the contractor is acting as an agent for the State? Is the State requiring each agent terminal to be polled every day, 365 days per year? If not, what is the requirement?

Retail agents will be responsible for all local phone charges. The State is willing to provide a letter to the contractor indicating that the contractor is acting as an agent for the State.

No, however data must be available on the central system within 24 hours after sales occur. Other polling options are possible, particularly for agents where low volume of sales occur. It may be more efficient to have terminals transmit data to the central system whenever sales occur rather than having daily polling of terminal.

(Page 64 II.D.3.j&k) Will the Department provide an estimate as to the number of Sports cards, Hunter Safety affidavits and voided licenses that would be image captured on an annual basis? Approximately how many users would need to access these images?

Estimates for return document processing and imaging are in the cost model of the RFP (page 100). Void licenses are expected to occur at about 50,000 per year. The number of Hunter Safety affidavits and Sports cards are expected to be high the first year and declining in the second and subsequent years.

Potentially several hundred people may need to access stored images.

(Page 68 II.D.5.b) Can the contractor be permitted to implement a user installed replacement plan, where a courier service will deliver a replacement unit (with simple instructions and an available toll-free help phone number) and the user install the replacement unit? The defective unit will then be returned in the original shipping container pre-paid to the contractor's repair depot.

Yes.

(Page 76 II.E.2) Will the Sports card be manually distributed or is it an expectation

of the system to automatically generate a Sportscard?

The Sportscard form will be preprinted and distributed to agents.

(Page 101 III.F.4.2) In the equation, the Sportscard cost per thousand is multiplied by 1,250M (assume 250,000³cards/year x 5 years). On page 77 of the RFP, the Bidder is to assume a total of 350,000 cards/year or 1,750,000 over a 5 year period. Please clarify.

The 100,000 difference is the excess inventory at agent offices. In the second and following years, it should not be necessary to replace that inventory; therefore subsequent order quantity should drop to approximately 250,000.

(SES; page VI.16 and page XII.60) The first paragraph of the Section titled "OUTPUT CONTENT" on page VI.16 calls for the printing of the Hunter Safety Affidavit on special license stock, whereas the Hunter Safety Affidavit is to be provided on "separate piece of stock paper" as found on page XII.60. Does the DNR expect the Hunter Safety Affidavit to be printed on the license stock defined in RFP paragraph II.E.1 on page 74?

Yes.

(SES; page XII.54) This vendor suggests the affidavits be pre-printed rather than printed on demand by the POS terminal. Will the State please state if this is acceptable or not? If this is not acceptable, why not? Is there some reason why Sportscards are pre-printed but affidavits are not?

To ensure that affidavits are always available and that they are completed properly by the customer and agent, affidavits must be generated by the terminal and not preprinted.

(SES; page XII.66) This vendor assumes that successful special hunt applicants will be required to return to the same POS terminal where they applied for the special hunt license in order to receive their printed license from a POS terminal. Please confirm our assumption.

At this time we expect that all special hunt licenses will be mailed to recipients. The only use of the POS, after making application, will be to check on the status of success in a drawing and to purchase left-over licenses.

(Page 7 I.L) If an appropriation has been approved and the State will accept bids only within this amount, would it not be prudent for the State to advise bidders of this amount so they may choose to not bid if they cannot bid within this limited amount? What circumstances would cause the State not to award this contract? Would the Department still award a contract if the price is well above what the Department was expecting? Is there risk that the Legislature would not approve appropriations for this project?

The affordability test described in this section addresses this question. The State expects to finance this project out of savings from continuing level appropriations for this function supplemented by additional revenues expected as a result of implementation. Consequently, this contract is unlikely to be awarded if no bidder meets the affordability test. If the affordability test is satisfied, it is unlikely that any problem will arise with respect to appropriations. Bidder should note, however, that the State cannot bind the legislature with respect to future appropriations.

(Page 12 I.S) Since payments are contingent upon enactment of legislative appropriations, what assurances can be given that funding will exist in subsequent

years with regard to the System Development and Integration financing scenario?

The State cannot provide any guarantees, but would not bid this project if it did not expect to go forward.

(Page 13 I.S) Will the contractor be responsible for delivering license printing supplies to the retail agents or to the State's warehouse? Please describe the restocking process if the stock is stored in the warehouse. Can the retail agents be charged replacement prices and shipping costs if they are consuming supplies in excess of documented license sales? This vendor feels the State would incur lower cost if the State were to be responsible for warehousing and distribution of all license stock and forms. Can the RFP be modified to clearly state that the State will retain all license stock and forms distribution responsibilities? Is the prorating of the POS monthly lease fee based on calendar days or are holidays, etc. excluded from the calculations?

As noted in Section II.E.8, each license stock printing order will be filled with substantial initial shipments to agents and the residual to the Department warehouse. Agent restocking prior to the next license stock printing order will be the responsibility of the Department of Natural Resources. Bidder should clearly understand that the Contractor will be required to make distribution to agents only as part of a substantial printing order (perhaps annually) the size of which will be determined by an economic order quantity calculation. Agents will not be charged restocking fees for excess stock use, although problems in this regard will be dealt with through the Department's agent management process as described in the SES. The State will consider having all stock shipped to the Department's warehouse only as an alternate bid.

Proration of the POS monthly lease fee will be based on calendar days.

(Page 17 I.AA) This vendor expects to retain ownership of all custom source code and data models developed for the Retail Sales System. This vendor will license said software in perpetuity to the State or its Agents for use within the State of Michigan at no cost beyond those specified in the RFP. Please confirm that such an agreement will meet the State's requirements.

This fulfills the State's expectations, except that the State retains unlimited rights to the data models developed by the State and presented in the SES.

(Page 17 I.AA, page 39 II.B.9, and page 67 II.D.4.i) This vendor needs additional clarification to the rights to any custom code that will be developed. Is the State trying to restrict the product rights from future sale to other entities by the contractor?

No, the State has no interest in restricting the use of this system or derivative products by other entities. In fact, the State encourages the subsequent marketing of the Retail Sales System to other states and, for appropriate consideration and within acceptable State business practices, the State may provide some assistance in such marketing.

(Page 17 I.AA, page 39 II.B.9, and pages 65-68 II.D.4) Would the State please distinguish between the terms 'most recent version', 'current version', and 'new version' and indicate how the terms 'patches', 'bug fixes', 'updates', and 'corrections' apply to each? Is the contractor required to upgrade each-and-every minor or maintenance release of a particular commercial software package, i.e., version 2.0a to 2.0b, even if there are no portent functional changes? Or, will only standard version changes, or significant functional changes be required, i.e., version 3.0 to 3.1? When new versions of commercial software are available and the

department wishes them obtained and installed by the contractor, will the department pay the contractor for such software and services? Example: A Microsoft Excel 4.0 user desires Microsoft Excel 5.0.

The "most recent version" of a commercial software product is the last version published prior to the time at which the criterion is applied; in the case of initial development of the system this test would be applied at the time of system acceptance. The State does not find the term "current version" in the referenced sections. A "new version" is a version published after the version in use in the system at that time. The State intends the terms "new version", "patches", "bug fixes", "updates", and "corrections" to collectively cover any and all changes to the software product published after the version in use in the system at the time such changes are published. As described in Section II.D.4.j on page 68 of the RFP, the Contractor is required to evaluate "each-and-every minor or maintenance release of a particular commercial software package, i.e., version 2.0a to 2.0b" and recommend adoption or deferral. The Contract Administrator will determine which of these releases will be obtained and installed. Obtaining and installing such a release will be considered a System Enhancement. The Department expects to pay for all System Enhancements as described in Section II.F, beginning on page 82 of the RFP.

(Page 22 I.AD.2) Recognizing that the contractor has no knowledge of the quality of existing voice grade lines, and did not contract for them, would the State consider relieving the contractor of liquidated damages relative to accessing agent terminals and consider some negotiated additional charges, if necessary, provided the contractor has completed it's best good faith effort to resolve the problem(s)? Clarify not being able to poll all installed and operational store-and-forward terminals for a 24 hour period. Does this mean all terminals or a percentage of those in operations?

Section I.AD.2 provides exceptions for common-carrier telephone system failure. Section I.AD.5 provides similar exceptions upon terminal installation. Section I.AD.6 provides similar exceptions with respect to the operation of individual terminals. The State is unclear as to what additional circumstances with respect to relief from liquidated damages are contemplated in the question. The State will not negotiate additional charges for resolution of such conditions. In framing liquidated damages condition #2, the State fully expects data to be successfully transmitted from ALL terminals to the central system every day unless there is a failure of the common-carrier telephone system, power or other utility system, or of the target terminal.

(Page 25 I.AE) The Point-of-Sale terminal buyout should be based upon payments received by the contractor. Will the State modify the residual value formula where "x" equals months of leased payments and "y" is no longer applicable, eg. $(60-x)/60$?

The State declines the suggestion to modify the formula. However, the State notes that the quantity $(x-y)$ is the number of payments received by the contractor.

(Page 35 II.B.4) Is the State requiring the contractor to follow the SES specifications exactly? If the contractor provides the data elements and reporting information specified in the SES, does the contractor have flexibility in designing a solution for the Retail Sales System?

The second paragraph on RFP page 31 describes the State's expectations regarding the application of the SES. The State requires that the data elements

specified in the SES be available in tables having the structure described in the SES; these tables can be provided by use of SQL views and need not be directly implemented in the system. The referenced paragraph indicates additional flexibility with respect to the SES.

(Page 35 II.B.4 and Page 65 II.D.4.c) Would the State please provide it's definition of the cost accounting and quality control measures expected from the contractor?

The State cannot precisely define the required cost accounting and control measures without knowledge of the Contractor's approach to implementation of the Retail Sales System; consequently the State requires Contractor to participate in the design of the measures and the next paragraph is intended only as an attempt to aid bidder in understanding the State's requirement and not a binding statement of the requirements.

Cost accounting is to be based on principles of activity-based cost accounting. Each transaction in the Retail Sales System is a potential activity for this purpose. The State expects the system to produce an estimate of the cost for each such transaction. In those transactions in which a person interacts with the system, this will require tracking the time required to complete the transaction. In those transactions which use consumable supplies, this will require tracking the quantities of supplies consumed. Unit costs for such time and supply use will then need to be applied to derive activity cost estimates. Similarly, a variety of quality measures will need to be defined which will measure data quality and timeliness of functions; these are likely to include such things as error frequencies on driver license numbers, frequencies of license issuance which are subsequently voided, occurrence of late agent remittances, and occurrence of conditions which generate liquidated damages. In each measure of costs or quality, the State will seek to assure that the related processes are "in control" in the sense that the measure of costs or quality does not vary too much and then to improve any process which is too costly or producing too many quality problems. The State expects that Contractor will need to employ experts on activity-based cost accounting and statistical process control for a modest amount of time in order to complete the definition of these measures.

(Page 40 II.B.9) Would the State please provide it's definition of "seamless inter-operability"?

In order to provide "seamless inter-operability" between the Retail Sales System and the rest of the DNR computing environment, Contractor must assure that the user need not be aware of which domain particular resources are in when using them. The user cannot be required to reboot their personal computer, terminate connectivity to one domain to use the other, log-in separately, or otherwise partition such work as is performed on the Retail Sales System from such work as they perform in the DNR domain. In the Windows environment, the resources provided by the Retail Sales System should simply appear as additional icons, disk drives, etc. as appropriate to the implementation of the Retail Sales System.

(Page 45-49 II.B.19) As noted here, changes in interfacing systems could trigger a requirement to change this DNR Retail Sales System. If the cost of a change is estimated to exceed some threshold amount, would the DNR consider paying for the change under the system enhancements task rather than forcing the contractor to absorb it in the fixed monthly support rate? What are the hardware, software and telecommunications facilities, specifications and capacities that are available to

the contractor for connection to the other systems as listed in RFP paragraphs II.B.19.a-m on pages 45-49? Can inquiries be made on-line? Batch? Using what methods? What response times? Will major data base-downloads from the other departments be allowed?

Bidder should refer to RFP Section II.D.4.k which states in part that "Changes in the Retail Sales System to adjust to changes in the systems with which it communicates or shares data shall be the Contractor's responsibility under the System Enhancement provisions of this RFP. The State cannot determine where questioner found any suggestion that the Contractor would be required to absorb such costs in the fixed monthly support rate.

Additional information concerning the other systems listed in RFP sections II.B.19.a-m is provided elsewhere in these answers. If bidder requires additional information, it should ask specific questions about specific components of specific facilities in the final round of questions.

(Page 50 II.C.1.c.1) In light of the fact that other devices in the Agent location are likely to be FCC commercially certified, (e.g., cash registers) will the State consider allowing FCC commercially certified POS terminals?

Yes.

(Page 52 II.C.2.a.v) In light of the fact that not all agents will install POS terminals, can the Department estimate a number of likely installations?

The question is based on an incorrect interpretation of the subject paragraph. All agents will be required to use terminals, except a limited number who sell only daily fishing licenses or who are exempted by the Department because there is no phone service, power, or other essential requirement available to them (e.g., on Isle Royale). We continue to estimate that we will require 2000 terminals.

(Page 53 II.C.2.a.vii) Approximately how many retail agents maintain seasonal operations?

The State is aware of some agents who are open only seasonally, but has no estimate of the number of such agents.

(Page 53 II.C.2.a.viii) Please provide descriptions of the types of existing store automation equipment in the larger agent's stores. Please provide an approximate percentage of the 2000 agents with such systems.

The State does not have specific information about the equipment used by its agents. We know that such chains as Meijer, KMart, WalMart, and Dunhams are extensively automated. We do not know how many of these chains are interested in such an arrangement. Bidder should note that this paragraph permits but does not require such business arrangements between Contractor and these stores.

(Page 54 II.C.2.b.vi) Is the State requiring that costs for magnetic stripe capability be included in the cost of the terminal? Can terminals be delivered without magnetic stripe readers, same to be added later if needed?

The State requires that terminals be delivered with magnetic stripe readers and assumes that the costs will be included in the Contractor's bid.

(Page 56 II.C.2.b.xi) Will the average transaction time period apply only to those agent employees who have successfully completed contractor's terminal usage training? Since agent agility will be a determining factor in the amount of time required to produce a license, with what benchmark will the State measure the under 60 second average? Will the DNR relax the one-minute time limit for 1-finger typists and direct-connection transactions when a phone line is not immediately available?

The State expects to apply this standard to the average transaction time of all users in all stores, taken together, with the transaction time as defined in the referenced paragraph. Compliance with this requirement will be evaluated in the Department pilot and agent pilot testing of the system. We assume that all participants in these pilot efforts will have been trained by Contractor. Since the standard is a system-wide average and does not apply to each and every transaction or to any sub-class of transactions, the State sees no reason to deal with operator agility, "1-finger typists and direct-connection transactions when a phone line is not immediately available."

Bidders should note that in the first round of questions, the State rejected an open-ended relaxation of this requirement. However, if in the third round of questions, bidders request relaxation to a specific duration somewhat longer than one minute, the State will consider such a suggestion.

(Page 57 II.C.2.b.xiv) Does the State want to benefit financially by receiving a margin on the equipment or on the bank credit card authorizations?

The State is open to any reasonable proposal and will consider the estimated benefits to the State in evaluating the affordability of the bid and in evaluating the total price proposal. The State will be conservative in its approach to evaluating such proposals but will consider such estimates as are suggested by bidder.

(Page 59 II.C.3.c) Who is responsible for upgrading DNR hardware and software on existing desktop machines that will access the Retail Sales System?

The referenced section is limited to Department Office Retail Sales Terminals and does not include the computers used by management staff as described elsewhere in the RFP; this answer is similarly limited to the Department Office Retail Sales Terminals. Any such existing desktop machines will be up to Department standards, or it will be the Department's responsibility to bring them up to such standards if those standards are required for integration into the Retail Sales System. Any upgrading beyond Department standards which is required for integration with or into the Department Office Retail Sales Terminal will be the Contractor's responsibility.

(Page 59 II.C.3.d) For terminals accepting cash, must the terminal also provide change?

This paragraph does not require that the terminals accept cash or make change, but rather that they operate a cash drawer into which a clerk puts cash and from which the clerk issues change. We do expect support for such ordinary cash drawer functions as computing and displaying the amount of change to be returned by the clerk.

(Page 60 II.D.1) Is the contractor responsible for operating the equipment at

the DMR site?

Only to the extent detailed in the remainder of Section II.D. We do not anticipate that Contractor will need to provide an on-site operator for the equipment at the central site. We believe that the operations of the Retail Sales System can be relatively automatic and that staff of the Retail Sales Management Section will be able to handle backup operations, "manual" terminal polling, and other such operational requirements. However, if bidder proposes a system which is less automated than anticipated by the State and, for example, requires that someone be present overnight to assure that most terminal polling is successful, then the State will either identify such problem in a Deficiency Report or reduce its anticipated savings in applying the affordability test.

(Page 62 II.D.2.f) This vendor believes that this RFP paragraph might infer that payment for all data communications cost may not be made by the Department. Please clarify the meaning of this paragraph as it pertains to the payment for data communications.

The State will pay the bid prices for telecommunications costs, as subsequently modified under paragraph II.D.2.e of the RFP. Paragraph II.D.2.f is intended to indicate that these prices will be per item sold. This assures the Contractor automatic adjustment for changes in sales volume while providing the Contractor some incentive to design and modify the system to control or reduce Contractor's telecommunications costs.

(Page 67 II.C.4.i) This vendor requests that the State modify the RFP to treat any enhancement and/or correction to custom software used in the Retail Sales System in the same manner as commercial software as described in RFP paragraph II.C.4.j on page 68.

The State decline to make such a change. We have made a substantial investment and taken substantial risks in being the first State to propose a system such as this one. We have no doubt that as the successful bidder in response to this RFP, Contractor will gain some advantage in marketing such a system to other States. The system so constructed and marketed will contain substantial intellectual property provided by the State to the bidder at no charge. The requirement that we benefit from any improvements developed in subsequent implementations is a reasonable one when balanced against our investment and risks in being first.

(Page 93 III.C.2 3rd paragraph below paragraph e) The State's right to disapprove contractor staff seems inconsistent with fixed-price, schedule sensitive tasks such as system development and integration. Could this right be limited to non-fixed-price tasks?

No. The State views this right as a reasonable one to protect the State's interests against a variety of risks. Moreover, in view of the State's interest in successful and timely completion of this project, we do not think that this poses an unreasonable business risk for the Contractor.

(Page 103 Informational Only III) Will the contractor be allowed to further negotiate the terminal lease unit costs should the Department decide to permit seasonal leases after contract signing?

Should the State decide to permit seasonal leases, we would expect to do so at the price proposed in this Information Only bid, without further negotiation.

(Page 104 Informational Only V) Please define "Special POS Terminal". Is this the extra-cost terminal options as described on page 57 in RFP paragraph II.C.2.b.xiv?

The subject Information Only price does refer to the options as described in RFP paragraph II.C.2.b.xiv.

(SES; page I.10, all paragraphs dealing with RSS Connections) This vendor has not found sufficient information in the RFP (paragraphs II.B.19.d through II.B.19.m) and the SES to accurately judge the amount of effort required to interface with the various systems identified. Will the Department change the RFP requirements from a firm fixed price to develop the required system interfaces to a level of effort pricing approach (RFP paragraphs II.F.1 through II.F.5) as more information is provided about the required interfaces? If not, please explain why not?

No. The State has provided additional information in response to other questions in this round and offered a third round of questions to resolve remaining questions. Bidder is encouraged to ask specific questions about specific interface components to specific systems in the final round of questions.

(SES; page I.11) This vendor may propose a higher transfer rate than the stated 2400 Baud uni-bit. Please confirm that this vendor is not restricted to only using 2400 Baud.

The State absolutely does not wish to restrict vendor from proposing a transfer rate higher or lower than 2400 Baud. These calculations are illustrative.

(SES; page XII.43) This vendor is unclear as to the creation of a deposit information slip at the request of the POS operator. This vendor assumes that the deposit information slip will be printed on a printer described in RFP paragraph II.C.2.b.iii on page 54. Please confirm our assumption.

We confirm this assumption. We further note that we expect the deposit information slip to be printed on the standard license stock used in said printer. This deposit information slip should not be confused with an actual bank deposit slip.

(Page 33, II.B.2) New System Concept. In this section, a central-site polling scenario is inferred. Is it a firm requirement that the central site dial each connection to the POS terminals? Will the State accept other data collection methods that otherwise meet all the specifications of the RFP and the SES?

The State will accept other data collection methods that otherwise meet all the specifications of the RFP and the SES.

(Page 96, III.F.1) Please explain the sentence "incremental prices for each phase may be negotiated between Contractor and Contract Administrator after award". Will you please provide an example that would clarify this sentence?

This sentence is intended to indicate the State's willingness to adjust the amount paid upon completion of each phase, in light of the actual costs of completing the phase. However, this does not indicate that the State is willing to adjust the total amount paid for completing the Systems Development and Integration portion of this contract. In general, the State would only make such adjustments if they appeared to leave sufficient payments due to ensure

Contractor's willingness to complete subsequent phases at the remaining prices.

(Page 48-49, II.B.17.j-1) Which of these products do not have a seamless interface with NT SQL Server database?

All of the products mentioned in the referenced sections are capable of providing a seamless interface with NT SQL Server database as well as a number of other databases. If Contractor chooses another database, drivers may need to be added to these products. In addition, these products will require a modest amount of work to define to them the data contained in the Retail Sales System database.

(Page 58, II.C.3.a-f) Is it acceptable to the DNR to place the Agent terminal within the DNR offices and meet the "additional or alternate" requirements of this paragraph via PC's located within the offices?

Yes.

(Page 96 1.9-1.13) Systems Development and Integration Fixed Price Bid. Why does the State need the costs of these options at this stage in the bid process? A few of the requirements in these options are dependent on so many other factors (e.g. converting from store-forward to online). Would the State consider modifying the cost model to exclude 1.9 through 1.13 in the evaluation and have these prices as FYI type?

The State has reviewed the items included in these phases and makes the following modifications in the items included in each phase. These phases are detailed in SES pages XV.6 through XV.8.

Item 1.9 Administrative Services Division Options is unchanged.

Item 1.10 Law Division Options - delete "Expansion of Hunter Safety Student Roster System" and "Enhancement to Fur Dealers Reporting System".

Item 1.11 Wildlife Division Options Cost - delete "Harvest Data Support" including both of its subparts.

Item 1.12 Fisheries and Wildlife Division Joint Option Cost - delete entirely.

Insert Item 1.12 Administrative Services and Field Administration Divisions Joint Option

Item 1.13 Fisheries, Wildlife, and Administrative Services Division Joint Options - delete "Phone Electronic Referral Support".

These phases, as modified herein, are required and must be included in the bid price.

(Page 12 I.Q) In the first round of questions, we asked "The State reserves the right to award by item, part or portion of an item, or group of items. Does the contractor have the right to refuse a partial award?" This was answered "Yes, the bidder has the right to withdraw at any time prior to contract award."

Is contract award completed only after bidder accepts the selection?

Yes.

Can the bidder decline the partial award after they are notified of the partial award and not affect other partial awards the bidder might have received?

Perhaps, but the State reserves the right to link partial awards at the time the Contract offer is made.

Does partial award mean that the operations might be awarded to one contractor and the terminal to another? If so, what responsibility would each contractor have for liquidated damages and reliability of operations?

Hypothetically, the State could award operations to one bidder and terminal leasing and maintenance to another. In the unlikely event that we did so, each Contractor would potentially face liquidated damages under conditions 1, 7, and 8 with respect to their defined role in the project. Conditions 2, 3, and 4 would apply to the operations contractor and conditions 5 and 6 would apply to the terminal contractor.

Does partial award mean that the supplies might be awarded to one contractor and the terminal to another? If so, what responsibility would each contractor have for reliable operations and for liquidated damages?

Hypothetically, the State could award supplies to one bidder and the terminal to another. If so, the terminal contractor would have to assist the State in writing and evaluating specifications for the supplies just as is provided in Section I.AE. In such circumstances, the terminal contractor would face liquidated damages as summarized in the previous answer.

Will the prime bidder have any responsibility for any part of the bid requirements selected from another bidder?

If the State makes a partial award, there is no obvious definition of a prime contractor.

With reference to Section I.A. "Proposals must address all of the five work elements in the RFP." Do you expect a bidder to accept a part of the bid requirement submitted by another bidder when we know nothing about the other bidder?

Not necessarily.

Would you consider concluding before the bids are submitted that all bidders must submit a complete bid requirement and that if a partial award is contemplated, new bids will be requested identifying the part of the requirement and the bidder selected for the partial award?

As stated in Section I.A, all bidders must submit a complete bid. The State declines to modify its rights under Section I.Q.

(Page 7 I.L) "The State expects to avoid costs and increase revenues through February 28, 2000 equal to approximately \$8,400,000."

We still do not understand this calculation. The answer to the first round of questions included "The price proposal section of the RFP provides a worksheet to calculate the portion of the price to be compared to \$8,400,000."

The answer further included that "savings from staffing cuts, reduced costs outside the scope of this contract, changes in agent commission, increased interest on float and other changes in the state's net cash flow which are anticipated as a result of this contract."

The comparison in the price proposal section of the RFP provides a worksheet to calculate the portion of the price to be compared to \$8,400,000.

The worksheet in the price proposal section does not include calculations for savings resulting from staffing cuts, changes in agent commissions, reduced costs outside the scope of this contract or other changes in state's anticipated net cash flow.

There are no present costs in the RFP. How can a bidder determine if their proposal is affordable?

Bidder can determine if their proposal is affordable by comparing the total at the bottom of part 7 of the price proposal with \$8,400,000. If the total at the bottom of part 7 of the price proposal is less than \$8,400,000 then the bidder's proposal is affordable, subject to the right of the JEC to modify the State's estimate of financial benefits based on any added or reduced value to the State offered by a bidder's proposal (see Section I.L, page 7).

What staff cuts are anticipated?

Elimination of 6.0 full-time equivalent staff from the original staffing of the Retail Sales Management Section.

What agent commission changes or savings other than commissions presently provided in the law are anticipated?

We anticipate only those changes in commissions provided by current law. Additional savings are anticipated through reduced printing, warehousing, distribution, and remittance processing costs.

Will the State accept a proposal as affordable where the total bid cost in the price proposal in item 6, RFP page 102, is \$10,000,000 and the total in item 7, page 103 is \$9,000,000?

No, unless the bidder's proposal provides at least \$600,000 additional benefits to the State beyond those anticipated.

Will the State accept a bid greater than \$8,400,000?

Yes, provided it meets the affordability test.

We are very confused with this condition of the RFP. Please clarify.

In order to understand the affordability test you must understand that the State has already estimated its financial benefits as \$8,400,000 over five years. The details of that calculation and the State's current costs are irrelevant to the affordability test. The worksheet provided in part 7 of the price proposal identifies those costs which will be paid by the Department out of savings from current operations and these must be less than the Department's expected savings.

If bidder #1 submits an alternate proposal that in the State's evaluation is considered to be superior to all other proposals even though bidder #1 did not submit a proposal meeting all RFP requirements, will the award or partial award be made to bidder #1?

The State will award only to a bidder whose proposal fulfills the State's requirements, provided such a bid is tendered.

Must a bidder submit a proposal meeting all requirements of the RFP to have an alternate bid considered?

Yes.

(Page 17 I.AA) Will the State agree to not release any part of the system developed in response to this RFP to any company, Association, or any other government agency for use in any organization other than a Michigan DNR function?

The referenced section provides in part that "The State will not transfer the Retail Sales System nor any component thereof to any other organization or person for independent use by that organization or person."

Will the bidder be authorized to retain the rights to use the system in another environment, without any restrictions of or by the State of Michigan?

Yes, except that Contractor must comply with the provisions of Section II.D.4.i on page 67 of the RFP.

The cost proposal requires separate prices for the terminal, barcode reader, and the terminal printer. Can the terminal be an integrated unit including the bar code reader and the printer as part of the terminal? If no, what operational conditions are you seeking with this requirement?

The terminal can integrate the bar code reader. The printer must be physically separate from terminal so that they may be placed for agent convenience.

Will the Department of Natural Resources consider alternatives to their stated system design requirements?

Yes, however the alternative must meet the basic functionality requirements and the bidder must make a proposal which meets all requirements.

Will the DNR consider alternate pricing methods?

No.

Are we correct in assuming that a bidder may bid on only one element of the RFP?

No, a bidder must respond to all elements of the bid (see Section I.A).

(Page 40 II.B.9) "If the Contractor wishes to use another network operating system to support any portion of the Retail Sales System, the Contractor must provide seamless inter-operability with the primary domain, including simultaneous access to both domains and resolution of any memory constraints or other user problems which may arise." What is the current host system at the primary domain with which the Contractor is expected to interface?

See the paragraph preceding the one quoted in the question.

(Page 91) Is it mandatory that a POS terminal and printer be supplied with the proposal or is it sufficient to merely include specification sheets?

It is mandatory that a sample POS terminal and printer be supplied as described on page 91 of the RFP. Note that this corrects an answer to the contrary in the first round of questions.

(Page 23, I.AD.6) What type of exceptions will the State consider regarding "operational within 24 hours" for maintenance purposes on Sunday and Holidays?

The State will exclude deliveries on Sunday and holidays from this requirement, with the terminal required to become operational the next day.

Will the State consider alternatives to the normal lease plan for the terminals to be installed in Ontario?

If differences in law make an alternative to the normal lease plan, the State would be willing to make appropriate adjustments. Bidder should be clear, however, that the Contractor will be leasing to the State which will then convey the terminal to its agent as a part of its agency agreement. Thus the Contractor has no direct contractual relationship with the agent.

(Page 46 II.B.19.f) and SES page I.10: The Retail Sales System will need information from the Michigan Department of Commerce (DOC) Computer. The RFP states, "Contractor will be responsible for all equipment required to connect to and communicate with that computer or communications processor." The SES states, "The DOC mainframe is Unisys based using Poll Select protocol. Currently, there is no connection between DNR and DOC." Do other agencies access the DOC mainframe? If so, is there a gateway in place? Can we use the gateway, or do we have to provide a separate gateway? What is the hardware and software configuration of the gateway? What protocols are being used, and what type of transactions are being performed today? Could the State please provide a schematic, with model and version numbers, or other physical and logical descriptions of these dial-in capabilities?

The only requirement in the Retail Sales System for connectivity to the Department of Commerce is in the processing of applications to become license agents (see SES page XII.4). When the applicant is a corporation, we wish to visually compare information on the application with information in the Department of Commerce corporation database. We anticipate that this will occur less than 100 times per year. The Department of Commerce has an existing application which supports queries for information on a selected corporation and is sufficient to meet these information requirements. This application can be used with simple VT100 terminal emulation over a dial-up asynchronous connection. As a result of State internetworking activities now underway, this application may also become available via a TCP/IP telnet session by the time the Retail Sales System is implemented. There is also a A10 host to A17 host (Central System Data Center) connection allowing authorized terminals to pass through the CSDC computer into the Commerce computer.

(Page 14 I.S and page 84 II.F.4) In the section titled "System Enhancements" that starts on page 13 and continues to page 14, there is a statement that reads "additional hardware or software provided by contractor in support of system enhancements will be paid at actual cost as supported by invoices from suppliers."

Please define both "actual cost" and "suppliers". Whose actual cost does this refer to? Are suppliers defined as subcontractors to the prime contractor?

Actual cost is the cost paid by the contractor or subcontractor without any additional markup charged to the State. Supplier's would be product vendors and would normally not be subcontractors.

(Pages 20-24 I.AD) Section 1, Paragraph AD allows the Contract Administrator to assess liquidated damages for non-performance of various requirements by the contractor. If the contractor wishes to appeal the decision, an appeal is made to the Contract Administrator, who is the sole judge of the appeal. Would the State consider developing a more impartial appeal process, perhaps a committee of three people (2 representatives of the State and 1 representative of the contractor) whose decisions would be made by majority? If not, please explain why not? Will liquidated damages be assessed for failure of continuity of operations resulting from natural or man-made catastrophes, e.g., fire, flood, tornado, vandalism, theft of equipment, etc.? Would the State consider a cap on the level of liquidated damages?

No. Liquidated damages will not be assessed for conditions that are not the fault of the Contractor.

(Pages 22 and 23 I.AD.2 and I.AD.3) If the contractor is unable to meet the system requirements due to the unavailability of the agents telephone, will the DNR relieve the contractor from any penalties or liquidated damages caused by this occurrence?

Yes.

(Pages 24-26 I.AE) Paragraph AE allows immediate cancellation of the contract by the State for the contractor's default. Would the State consider a notice and cure period prior to termination? If not, please explain why not? Would the State reimburse the contractor for cancellation charges that may be levied by its vendors? If not, please explain why not? Is the State willing to pay a cancellation fee, if the State cancels the contract without cause during the term of the contract? If not, please explain why not? If the State cancels the contract for their convenience (second paragraph), are there provisions to pay for work in process?

The state will cancel the contract for reasons of default only after a reasonable period of time has been afforded the Contractor to meet the contractual obligations. The state will communicate all dissatisfaction regarding services/goods provided and allow the contractor to remedy the situation.

The state will NOT pay any "cancellation charges/fees" to the contractor for any reason. In the case of default by the Contractor, the State will only pay for completed work and no payments will be made for work in progress. In the event that the State cancels all or a portion of the Contract for its convenience, the Contractor will be paid for work in progress at the time notice is given for such cancellation.

(Page 45 II.B.18) This vendor assumes that the 320 square feet specified in the RFP will be used to house the central site platform only. Will the State make available more office space for the development effort and maintenance of the application, to include the help desk? If so how much space can be made available?

In addition to the space for the central site platform, the State has available one office that can be used during the development phase of the

project. This office has two work surfaces and can accommodate two people.

(Page 57 II.C.2.c) With regard to the training and/or installation of agent POS terminals, how would large organizations such as Meijers be handled? Would each agent location be dealt with individually or could some form of train-the-trainer approach be used?

We would like you to propose the training method that you feel is best. However, during the initial implementation, it appears that some type of group training at central locations will probably be most efficient. After implementation, the Department believes that the training of agents would best be accomplished by the Contractor at the time of terminal installation. However, this is not a requirement and the Department would be willing to consider other alternatives.

(Pages 57-58 II.C.2.d) Is it acceptable to train agents at central locations, in coordination with other DNR training, before the POS terminals are installed?

Yes.

(Page 58 II.C.2.d.iv) Should the training video be included in the cost of the POS terminals or as a separate line item?

It should be included in the cost of the POS terminals.

(Page 58 II.C.2.d.vi) Training is required for an estimated 2000 locations with one or two individuals to be trained at each agency. For estimating materials and other expenses, what number of trainees should be used for estimating these costs? Would the State entertain other training scenarios in order to reduce the costs of implementation?

2500 trainees should be used for estimating these costs. Yes, the State will consider other training scenarios.

(Page 58 II.C.2.d.vii) Please verify that the contractor will be responsible only for coordinating its training efforts with the DNR training information, not with DNR training sessions.

The Contractor will be responsible for coordinating its training efforts with DNR training. Training will not have to be at the same time or place.

(Page 60 II.C.5.b&c) The State requires that help desk support will be available during the hours of 6:00 am through 10:00 pm. During what hours of the day will licenses be allowed to be sold at each Agent location?

Some agents are open 24 hours a day. The Department will not place restrictions on the hours that licenses can be sold.

(Page 71 II.D.6.d) As stated in this RFP paragraph "Contractor shall be liable to liquidated damages no matter what disaster causes such conditions to occur." Does this imply that the consequences of a disaster, created through a malicious or willful neglect by another party, organization, or entity, would be the liability of the contractor, in the form of liquidated damages?

No, liquidated damages will not be assessed for conditions that are not the fault of the Contractor. However, the Contractor could be held liable for failure to provide and properly execute disaster recovery plans.

(Page 71 II.D.7.a) Item 7.a describes Department personnel that will need operational support on an ongoing basis. Is the Department willing to put a cap on the number of people needing support?

No. The RFP states our best estimate of the number of Department personnel that will need support. We do not expect this number to change significantly.

(Page 74 II.E.1.b) Does the DNR wish to specify acceptable colors for the Tyvek license stock?

Yes. However, color is not as important now that backtags have been eliminated for hunters.

(Page 74-75 II.E.1.b) Does the license stock need to be pre-numbered forms? What happens to license stock that is used for non-license printing such as test patterns and agent reports? Does it need to be accounted for? Does it need to be returned to be included in the Return Document Processing?

License stock does not have to be prenumbered. The system should keep records on the amount of stock that has been issued and used by the agent. It should keep track of the amount of stock that has been used by the agent for training and reports. License stock that has been used for training and reports does not have to be returned to the Department.

(Page 78 II.E.4) Will the Department provide a sample of the existing license stock, Sportscard and Hunter Safety affidavits?

Appendix E, Sample Kill Tag and Other Forms, provides a sample of the existing license stock, passbook and affidavits. Appendices may be obtained by telephone request from Loren Hersey, (517) 373-1204.

(Page 81 II.E.13) Can the DNR estimate the percentage of forms that will be delivered on pallets? Will locations other than the DNR warehouse request pallets?

Approximately seventy five percent of the license stock will be shipped directly to specified agents. The balance will be shipped on pallets to the Department's warehouse in Lansing, Michigan. Presently, only one agent receives their licenses on pallets.

(Page 91 III.C.1) RFP Statement: "The bid must identify and include complete manufacturer's documentation of any commercial or proprietary hardware or software components which Bidder proposes will be integrated into the Retail Sales System." This vendor is assuming that the Department is anticipating only one copy each for the aforementioned "manufacturer's documentation of any commercial or proprietary hardware or software components which Bidder proposes ...". Please confirm our assumption.

Yes, one copy should be sufficient.

(SES; page I.6, last paragraph) This paragraph states that POS terminal license stock is a single role. This contradicts RFP paragraph II.E.1.b on page 75. Please

clarify.

License stock shall be continuous feed for use in terminal printers, either roll or fan-fold according to terminal design.

(SES; page VIII.7) This vendor assumes that the phone system referred to in the first paragraph is currently owned and installed by the State, and will be programmed by the State to automatically forward Agent calls to the vendor. This vendor also assumes that an Agent actually reaches the vendor's help desk or maintenance desk with their initial trouble phone call, as implied in RFP paragraph II.C.5. Please confirm our assumptions.

SES; page VIII.7 POS Terminal Trouble Calls, needs to be updated. RFP paragraph II.C.5 is the accurate information concerning terminal user support.

(SES; pages IX.18, 20, 22, 24, 27, 28, and 29) The SES references "POS stock paper" on pages IX.18, 20, 22, 24 and 29 in the section titled "APPROX SIZE". The SES does not reference "POS stock paper" on pages IX.27 and 28. Does the DNR expect the "POS stock paper" to be the license stock defined in RFP paragraph II.E.1 on page 74? If not, please provide specifications for "POS stock paper".

Yes, the "POS stock paper" and the license stock defined in the RFP are the same.

(SES; page XV.1) This vendor is unclear as to the span of the license year stated in the first paragraph. Is the license year the same as the calendar year or the State's fiscal year? Please clarify.

A license year extends from April 1 to March 31 of the following year.

(SES page I.10) What is the purpose of the connection to the Credit Bureau Agency? What level of credit bureau service is required?

Credit history reports are required of all hunting and fishing license sales applicants. Currently, these are requested by telephone. We feel to request these electronically would be more efficient.

RFP page 95, III.C.2.c, "Project Team, Management Approach, and Work Plan" For the detailed project plan, can titles be used in place of names when the task is not being performed by key staff?

Yes.

Can you provide a list of all bid recipients?

No.

RETAIL AGENT TERMINAL COST MODE (RFP pg 51 ii) Will Retail Agents who sell small amounts of licenses use the POS terminal or continue to use existing system?

All agents will use the POS terminal, except, charter boat agents who will continue the present paper system for one day fishing licenses only. Currently, we have only 35 or 40 charter boat agents.

SPACE (RFP pg 45 #18) Will the DNR provide rooms for meetings and for contractors' development team. Will the DNR provide workstations, a LAN, a laser printer, PC's and

the network for the development staff? Will these facilities be available at the time of award of proposal?

In addition to the space for the central components, the Department can provide one work area which has two work surfaces for use during the development phase of the project. A LAN connection is available. If scheduled in advance, DNR conference rooms can be used for meetings. No other space or equipment can be provided.

Is the contractor required to train the data center and/or other staff within the DNR?

Yes.

Are we to provide training to the Department users of RSS at Lansing and district offices? If so, where is the training to be conducted? Please note this is above and beyond agent training.

Yes. It would be acceptable to train Department users at central locations.

Is it possible to have a third round of questions and answers before bids are due? Will the Department consider a request to extend the proposal due date to April 27?

Yes. The Department will extend the proposal due date to April 27, 1994, and allow a third round of questions and answers. Written answers to all written questions received on or prior to 5:00 PM EST on Wednesday, April 6, 1994 will be mailed to prospective bidders on or about Wednesday, April 13, 1994.

Page 22, #3. Condition: "The Retail Sales System is unable to respond to terminals which dial-in to complete on-line transactions." Could the Department of Natural Resources clarify the use of the words "dial-in" and "on-line"?

"Dial-in" refers to act of calling the Central System for verifying data; for example, dialing in for voiding a license (refer to the SES for all transactions that require immediate connection to complete). "On-line" is a state/condition of dial-in POS transactions (i.e. connected and communicating with the central system) in order for them to be completed.

Page 34. "The State is concerned that continuity of operations be assured and that the State be in position to fully take over operations of the Retail Sales System at anytime." Is the Department of Natural Resources referring to host to host communications or terminal to host communications?

Both.

Page 41. Could the Department of Natural Resources provide the POS-terminal network usage statistics to facilitate network design and pricing?

Refer to Appendix Q2A.

RFP, page 46, II.B.19.d, "Secretary of State". SES page I.10, "Retail Sales System Connections".

The Retail Sales System will need information from the Michigan Secretary of State (SOS) computer. The RFP states, "Contractor will be responsible for all equipment required to connect to and communicate with that computer or communications processor." The System External Specifications (SES) states that there are "three

state agencies that currently use a shared-circuit to SOS." What are they using the circuit for? If they are also retrieving data from the SOS computer, what communications equipment and protocols are they using? Can we use the same equipment and circuit? Could the State please provide a schematic, with model and version numbers, or other detailed physical and logical descriptions of these dial-in capabilities?

There is a 9600 bps dedicated host-to-host connection between SOS and Central Systems Data Center mainframes running Unisys Poll Select protocol. This circuit is used by various departments to access driver license data, vehicle registration (boat, OVR, snowmobile, etc). Access to SOS Unisys computer can be achieved via a dial-up using Unisys Poll Select protocol. SOS is evaluating TCP/IP solutions but has not committed to implementing a productional internet solution at this time. If such a solution is implemented in the future it is very likely that access can be gained off of the Department of Natural Resources LAN network. Refer to Appendix Q2B for further information.

RFP, page 46, II.B.19.e, "Department of Treasury". SES page I.10, "Retail Sales System Connections".

The Retail Sales System will need information from the Michigan Department of Treasury (DOT) computer. The RFP states, "Contractor will be responsible for all equipment required to connect to and communicate with that computer or communications processor." The SES states, "The DOT mainframe is Unisys based using Poll Select protocol. Currently, there is a Core gateway interface to DOT." What is the hardware and software configuration of the gateway? Can we use the gateway, or do we have to provide a separate gateway? What protocols are being used and what type of transactions are being performed today? Could the State please provide a schematic, with model and version numbers, or the detailed physical and logical descriptions of the dial-in capabilities?

The Department currently has access to CSDC via two CORE Technology CTC gateway bridges, version 4.50.01, operating across 9600 bps Unisys Poll Select lines. The gateway processors are AST 286 Bravo units, each connected to a single 9600 bps serial Unisys Poll Select line. Close to 50 connections are currently in use per CTC gateway. The use of the gateway peaks the week following state pay week as the new payroll information is being entered. The A17 host will be connected to the State Internet via a Unigate gateway, supporting TN3270 and TNT27 sessions. We anticipate a large number of the existing CTC gateway users will shift to using the Internet connection after Sept 1994. The Internet connection will be the preferred way of connecting to this system although the CTC gateway bridges are available for use by the Retail Sales project. It is the policy of the CSDC operations not to allow dial-up access into the A17 computer.

RFP, page 47, II.B.19.g, "Administrative Services Division-Retail Sales Management Section". The minimum configuration of each Retail Sales Management Section personal computer includes a token ring card. Is the card configurable to operate at 16MB?

The cards can be configured to run at 4MB or 16MB.

RFP page 47, II.B.g, "Administrative Services Section-Retail Sales Management Section". If the Contractor requests the Department to set up a separate ring for the RSS and the Retail Sales Management Section, will the Department provide a dedicated server as well? What will be the specifications of this server?

No.

Specific Integration Requirements (RFP pg. 46, D,E,F).

We have gone through the activity specifications with regards to the interfaces, and

it is still not clear how the RSS will interface with these central agencies. E.G. Page XII.4 of SES specifies "Check Agents Tax/Vendor Status". How are we to interpret the requirement? Is RSS going to initiate a T270 terminal emulation and allow DNR to inquire against TACS database? Also, which databases and files are we going to inquire against? In addition are we to write new inquiry screens or use existing Treasury servers? What if Treasury screens do not exist to determine if an applicant is in good standing? Are we suppose to get data back from the Treasury system?

The State believes that the description in the SES (page XII.4) is sufficient detail to interpret the requirement.

Terminal emulation will be used to access the Treasury application.

The TACS file houses the taxpayer data. This file and associated applications are not being moved from the Central Systems Data Center mainframe as a result of MAIN.

No.

The application and screens already exist.

Yes, but not for the Check Agents/Vendor Status.

Specific Integration Requirements (RFP pg. 47, H Cashiers Office). Please describe the cashiering system and/or where it is specified in the SES.

The cashier's system is a Paradox for Windows (4.5) based system running on Workgroups For Windows. The purpose of the cashier's system is to track deposits that come into the DNR. The system reconciles all data entered for a given days work; remittances are reconciled by checking documents amounts against check/cash/EFT amounts. The system tracks the amount remitted; the document(s) associated with the check/cash/EFT; person(s) who remitted; and the revenue accounts that the remittance goes against. The RSS system will need to interface with the cashier's system for revenue tracking during EFT processing, field office bank deposits, or payments directly to the Cashier's Office from agents or Direct Sales Contractor.

Specific Integration Requirements (RFP pg. 49 M). Can you define "appropriate functions and connectivity" and elaborate?

The terms mean that the Contractor shall provide queries that satisfy requests from the LEIN system. Law Enforcement officials will request status on license holders (e.g. do they have a valid license). The Contractor is responsible for providing the data in a format that is agreed upon by Contractor, State Police and DNR. The Contractor is responsible for providing a connection between LEIN and RSS. LEIN will write whatever code is necessary for LEIN operators to generate a request for data from RSS.

(Page 37 II.B.7 and page 42 II.B.14) Will the experienced ADW personnel and the inputs and deliverables that are included in the SES be available to the contractor to be used during system design and development? Will the Department personnel assigned to this project have KnowledgeWare ADW experience?

Yes, but only in the role of consultant.

Only the systems analyst from the Management Information Division.

(Pages 38-41 II.B.9 and page 61 II.D.1) When and how many State employees will

require training on the relational data base software, development tools, platform operating system software, and RSS application software?

The Contractor is responsible for training up to thirty (30) DNR personnel in the use of the RSS application (this does not include the thirty-five field office personnel); the date of training should coincide with any system acceptance testing. Training in other software components depends on what software the Contractor uses. If Contractor uses software that the DNR already uses, training will not be the responsibility of Contractor. If Contractor uses software that DNR does not use, Contractor is responsible for training upwards to three (3) DNR personnel for each software component within the first year of operation.

(Page 39 II.B.9) If the State chooses to modify the Retail Sales System, to what extent will the contractor be required to support such modifications?

The Contractor will be required to participate in reviewing any proposed system change. Modifications to the system by the Contractor will be supported by the Contractor. Modifications done by others will also be supported by the Contractor.

(Page 41 II.B.10) Will the State take delivery of the development platform as the central site platform?

Yes, but the State reserves the right to require the Contractor to use a different platform if development, testing, and maintenance cycles interfere with proper system performance, quality assurance, and quality control.

(Page 42 II.B.12) Would the State please provide it's definition of fault tolerance versus redundancy? Is fault tolerance a requirement?

The State believes our definitions are irrelevant. The Contractor must pay the liquidated damages against whatever the contractor deems as acceptable fault tolerance and redundancy for fulfilling the requirements of this RFP.

Page 42 II.B.14) Could the State provide documentation on KnowledgeWare ADW encyclopedia? Does the State have current versions of KnowledgeWare ADW? Does the State intend to use KnowledgeWare CASE products for the System Development portion of the project? If so what version? Would the State allow the contractor to use these versions to develop documentation? Is the State requiring the contractor to complete all documentation, system and user, prior to the start of Retail Sale Pilot Testing?

The State requests definition of the term "documentation".

Yes; 2.7

No. The Contractor will decide which CASE tools to use on this project.

The State would allow the use of DNR owned ADW case tools, but the Contractor will be obligated to acquire additional licenses if contention between RSS development staff and DNR staff becomes a constraint on either party.

No.

Page 56 II.C.2.b.xii) Does the POS program updates and revocation file downloads need to be completed for all agents within one nightly polling cycle?

Not necessarily. The State believes revocation downloads can be accomplished by downloading only new revocations. We also believe that the POS program

updates will need to be evaluated on a case-by-case basis.

Pages 70-71 II.D.6) Can the State provide documentation regarding the existing equipment, procedures and personnel utilized for off-site storage and disaster recovery?

Yes; refer to Appendix Q2C.

Page 71 II.D.6.b) In addition to a disaster recovery plan, is the contractor expected to include costs to test the plan in it's entirety and to include costs to execute such a plan?

Yes. Refer to RFP pages 70-71; specifically, page 71 II.D.6.c-e.

SES; page V.1) Will DNR supply the exact specifications for EFT as outlined by Michigan National Bank and the Michigan Department of Treasury?

Michigan National Bank and Department of Treasury follow the Automated Clearing House (ACH) rules for EFTs. Refer to the 1994 ACH Rules book. Call Michigan ACH at (313) 879-2222 for a copy of the ACH rules.

SES; page XI.107) This vendor assumes that DNR will provide, at no cost to this vendor, non-Michigan zip codes and FIPS numbers. Please confirm our assumption.

The DNR will provide neither zip code nor FIPS numbers.

SES; page XI.108) This vendor assumes that DNR will provide, at no cost to this vendor, the ZIP+4 information. Please confirm our assumption.

The DNR will not provide ZIP+4 numbers,

SES; page XVI.7) This vendor assumes that DNR will provide, at no cost to this vendor, all test data with expected productional volumes and measured against predicted output. Please confirm our assumption.

The state will provide some test data. Production volumes are the responsibility of the Contractor.

RFP page 47, II.B.19.g

"Administrative Services Division - Retail Sales Management Section"

How are the work locations currently wired? What is the maximum distance between the central wiring point and the furthest Retail Sales Management Section worker location?

The Retail Sales Management Section is located on the 2nd floor of the Mason Bldg. The workstations are wired, using shielded twisted pair type 9 cable, from the workstation to the 7th floor computer room. Maximum distances are under 330 feet.

RFP page 47, II.B.19.g "Administrative Services Division - Retail Sales Management Section" SES page I.9, "Current Network Connections" The RFP states, "If so, Contractor must purchase and integrate a bridge/router sourced from the Department's existing network contract to connect to that ring". According to the SES, either a Crosscom Bridge or an IBM Token Ring Network Bridge Program can be used? Which version of the IBM Token Ring Network Bridge Program is currently being used? Does the state have a preference?

The Crosscom bridges are only being used for wide area LAN network connections. All of the IBM Token Ring Network Bridge Program local bridges in the Mason Bldg. have been replaced by a Cisco 7000 bridge/router. There are still some

IBM token ring bridges (version 2.1 & 2.2) being used in the Knapps Center/301 bldg./333 bldg./Town Center complex and for two remote offices in the Lansing area. The State of Michigan has decided that TCP/IP will be the State standard for a network protocol and is considering Cisco Routers to be the standard for router hardware. Given these recent developments our requirement is to use Cisco routers for new local connections. Our preference would be to put the vendor's server equipment on the same token ring LAN that the primary users are on and not create a new LAN unless the transaction bandwidth requirement demand it. All of the available token ring ports on the Cisco 7000 are in use or are reserved for new LANs that are expected to be implemented in the next 9 months. The equipment required to expand or add additional Cisco router equipment to create a LAN for the sole use of the License Information System would have to be provided by the contractor.

Software (RFP #9 pg. 40 1st paragraph) What is the Cubix communications server expandability? Can it be used for this project?

The status of the Cubix Communication Server is uncertain at this time. It does currently provide five dial-out lines that could be expanded to 8 lines by adding additional modems. The plan is to convert the remaining processors to support Microsoft's Remote Access Services connections running under Windows NT/AS. Cubix has not certified their single board processors to work with Windows NT/AS. The ISA passive back plane would have to be upgraded to a Resource 6 configuration (4 processors with 3 slots/segment) but Cubix does not seem willing to sell the Resource 6 back plane to us. Even if we get the RAS dial-in working we were only planning on implementing 16 ports this year and there are 400 daytime users that are waiting to access it. The use of the Cubix Communication Server by the Resource Retail Sales system would have to be limited to after normal work hours. In addition, 8 of the RAS ports would be restricted from use until after midnight, if we're successful in getting a 16 port RAS server implemented this year.

(SES; page I.11-12 and Figure 1) Will the Department allow modem pool servers and associated phone circuits to be installed by the contractor at the Communication Hub and Bridged DNR Office locations?

Refer to the previous response on the Cubix Communications Hub. It's use will probably be limited to after work hours and after mid-night for some RAS connections. The contractor can install equipment in DNR Office locations where space is available. Any equipment must be installed off of the floor in a manner that it does not restrict access to other equipment and/or supplies that are stored in the same room. Cables and wiring need to be consolidated (plastic ties) into an orderly installation. In most cases the space that would be available is in an area or closet that contains the telephone and data cabling termination's. There is usually a 19" rack containing bridge equipment, DSU's, Mau's etc. If space is available on the 19" rack the contractor can mount equipment on it. Access to contractor supplied equipment will be limited to 8:00am to 5:00pm, Monday through Friday. Other hours of access will have to be negotiated.

(Page 45 II.B.19) Can additional information be provided regarding the Department data communications network, including access points, access methods, compatibility and capacity?

The network map in the SES shows the location that the Department network serves. There currently are no dial-up access points into the network,

although a Microsoft Remote Access Services connection is being studied. Since the network is coupled to the Internet, access through a third party provided PPP or SLIP server may also be possible.

The Department's field offices, that are connected to the network, could house equipment provided by the vendor. This equipment would only be accessible to the vendor for maintenance during the normal 8-5 work day, 5 days per week.

(SES; page I.9, 6th paragraph) Has DNR replaced the IBM bridges with Cisco 7000 routers with FDDI fiber?

The IBM local bridges in the Mason Building have been replaced by a single Cisco 7000 router. There are still four IBM local bridges serving offices in the Knapps Center/301 bldg./333 bldg./Town Center complex and there are two IBM remote bridges serving the Geological Survey Division (Lansing Tranter Bldg.) and the Region III office (Secondary Complex at Dimondale). There is no FDDI backbone implemented at this time. Other sources of access will have to be negotiated.

(SES; page I.10, 1st paragraph) Has DNR completed its move to TCP/IP for all LAN/WAN routing? If not, does DNR have a target date for completion?

TCP/IP is fully supported on the Department LANs but is only being routed in the Cisco Router. The Crosscom and IBM bridges are passing the IP packets through without routing. The Department does not have a target date for converting to a pure IP routed network.

Page 39 "Department local area networks are IBM token ring." Is the existing IBM token ring network 4MB or 16MB?

The Department has both 4 MB and 16 MB token ring networks. Most users are on 4 MB networks. Servers and gateways that are accessed by users from multiple networks reside on a 16 MB token ring. It is required that new equipment be equipped with token ring cards that can be optioned for either 4 MB or 16 MB speeds.

Page 42 "Contractor may use the Department data communications network or State telecommunications network in their proposal for terminal data communications." Could the Department of Natural Resources provide a schematic of the Department's data communications network and a schematic of the State's telecommunications network?

We do not have a schematic of the State communications network, other than those present in the SES. However, the State telecommunications wide-area network can be described as consisting of T-1 channel bank access to the Sprint POPs located at Iron Mountain, Grand Rapids, Kalamazoo, Saginaw, Flint, Pontiac, Ann Arbor and Detroit. The costs of installing and leasing circuits to the POP for any communications equipment required for this project must be included in the proposal. The department will incur an estimated average cost of \$100/month/56 kbps channel used by the vendor which will be added to the total bid price.

There is also a State communication network being constructed in the Lansing downtown state office complex that connects a number of state agencies to an Internet network. At this time the departments of Transportation, Commerce, Education and Natural Resources are connected. This network also has a