

AWARD RECOMMENDATION

Notice of Intent to Award Number: [Click here to enter NIA1#.](#)

The Department of Technology, Management, & Budget 's Procurement office has completed the evaluation of MLCC Liquor It System, 220000000206, to make beverages that contain alcohol available for consumption, while protecting the consumer and the general public through regulation of those parties involved in the sale and distribution alcoholic beverage product and has recommended an award to, Accenture in the amount of \$7,825,000, pending State Administrative, Board approval, if applicable. More information on the State Administrative Board can be found at: [State Administrative Board](#).

Bidders who were not recommended for the award are encouraged to schedule a debriefing session with the Solicitation Manager. The debriefing session will provide the bidder with the State's rationale on why the bidder was not recommended for the award. The Solicitation Manager may be contacted as follows:

Jeremy Lyon, Solicitation Manager.

LyonJ4@michigan.gov

517-230-2858

Background Information:

This Request for Proposal (RFP) was to solicit responses for selection of a Contractor to provide a proposal. The term of this contract is 5 years, with up to 5 renewal options.

Bidders:

The RFP was posted on SIGMA VSS on November 30th, 2021 for 49 days. The following bidders submitted proposals by the published due date of January 18th, 2022.

Bidder	Address, City, State, Zip Code	SDVOB*
Accenture	1001 Woodward Avenue, 4th Floor, Detroit, Michigan, 48226	No
Encompass Technologies Development Inc.	420 Linden St. Suite 200 Fort Collins, CO 80525	No
GRM Information Management Services, INC	215 Coles Street Jersey City, NJ 07310	No
IBM Corporation	1 New Orchard Road Armonk, New York 105-1722	No
MTX Group Inc	6303 Cowboys Way, STE 400 Frisco Texas 75034	No

*SDVOB: Service-Disabled Veteran Owned Business

EVALUATION SYNOPSIS

I. Evaluation Process

A Responsible Vendor is a vendor that demonstrates it has the ability to successfully perform the duties identified by the solicitation. A Responsive proposal is one that is submitted in accordance with the solicitation instructions and meets all mandatory requirements identified in the solicitation.

Proposal Instructions: Mandatory Minimum Requirements

Minimum Requirements	
1.	Bidder must have at least 3 years' experience implementing inventory management, financial management, and/or fulfillment system of comparable size and complexity.
2.	Bidder must maintain hosting in FedRamp authorized space if third party hosted.
3.	Bidder must have and provide SOC 2 type 2 report for their company.
4.	Bidder must agree to actively participate in the Michigan Security Assessment process.

Proposal Instructions: Evaluation Process

Evaluation Criteria Name	Evaluation Weight
1. Vendor Questions Worksheet (except Experience)	20
2. Vendor Questions Worksheet – Relevant Experience	80
3. Attachment 1, Key Personnel and Resumes	100
4. Schedule A - Statement of Work (except PM and Implementation Approach)	100
5. Schedule A - Statement of Work – Project Management and Implementation Approach	100
6. Schedule A – Table 1 – Business Specification Worksheet	100
Total Weight	500

Proposals receiving 400 or more evaluation points will have pricing evaluated and be considered for award.

II. Evaluation Method

Responses to this solicitation were reviewed by, Solicitation Manager in collaboration with Subject Matter Experts and Joint Evaluation Committee, *which* consisted of the following individuals:

Voting	Advisory
Kerry Krone (LARA)	Rachelle Breeden (LARA)
Pam Hamilton (LARA)	Samantha Frisbie (LARA)
Erika Hoppes (LARA)	Cole Thelen (LARA)
Giget Schlyer (LARA)	Erin Johnson (LARA)
Allen Drouare (DTMB)	Heather Laurin (DTMB)
Shoba Murali (DTMB)	Sally Wilder (DTMB)
Jeremy Lyon (DTMB) – Solicitation Manager	Mike Bartkowiak (DTMB)
	Stu Willard (DTMB)

III. Evaluation Results

The evaluators have disqualified the following proposals, per the Potential Supplier Instructions.

Supplier	Reason
IBM Corporation	Mandatory Minimum Requirements 1-4 - Bidder failed to describe and provide supporting documentation in response to the Mandatory Minimums.
MTX Group Inc.	Bidder Failed to meet Mandatory Minimum Requirement 1, and 3. Requirement #1 - Bidder failed to demonstrate 3 years of experience with projects of similar scope, complexity, and size. Mandatory Minimum Requirement #3 - Bidder failed to provide SOC 2 Type 2 for their company and did not provide a timeline to when that certification would be complete.

Encompass Technologies Development Inc.	Bidder is considered Not Responsible. Bidder failed to respond to any part of the RFP and just resubmitted their response from RFI response. Bidder was disqualified.
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Description & Point Value	Bidder A Accenture	Bidder B GRM Information Management
Vendor Questions Worksheet (expect Experience) 20 Points	20.00	20.00
Vendor Question Worksheet – Relevant Experience 80 Points	80.00	20.00
Attachment 1, Key Personnel and Resumes 100 Points	75.00	100
Schedule A - Statement of Work (except PM and Implementation Approach)	99.80	95.00
Schedule A - Statement of Work – Project Management and Implementation Approach 100 Points	100	32.50
Schedule A – Table 1 – Business Specification Worksheet 100 Points	99.967	96.625
Total:	474.767	364.125

Evaluation Scores:
Bidder A (MLCC Michigan Liquor Control Commission RFP)
Vendor Name: Accenture Score: 474.76 points

Accenture	Possible Points	Technical Score/500	Comments
Schedule A - Statement of Work	100	99.80	Requirement #4, Bidder Box #2 Bidder commitment to compliance was limited to applicable PSP's not all PSP's. Bidder also did not commit to signing a NDA. (Documents etc.) Partial Compliance Deduction: .200
Schedule A – Table 1, Business Specification Worksheet	100	99.967	Rec 10 - Bidder did not provide a solution for real time invoice updates from the ADA. They were leaning towards a batch process. Partial Compliance Deduction: 0.032
Schedule A - Statement of Work - Project Management and Implementation Approach	100	100	
Vendor Questionnaire Worksheet (Except Experience)	20	20	
Vendor Questionnaire Worksheet Experience	80	80	
Attachment 1, Resume Template	100	75	Attachment 1, Bidder Resumes – Resumes, Contractor lead implementer does not have ten years' experience implementing projects. Partial Compliance Deduction: 25.00
TOTAL	500	474.76	

Bidder B (MLCC Michigan Liquor Control Commission RFP)
Vendor Name: GRM Information Management Score: 364.125 points (Bidder failed to pass the technical evaluation)

MLCC – GRM Information Management	Possible Points	Technical Score/500	Comments
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Schedule A - Statement of Work	100	95	<p>Statement of Work, 8. Data Retention and Removal. Bidder, searching is specific to a field. Wildcard searching across all data fields is unavailable. Minimally Acceptable Deduction: 1.000</p> <p>Statement of Work, 14. Transition Responsibilities. Bidder transition In/out - minimally acceptable because they did not specifically elaborate on how they would execute transition into their new system. Minimally Acceptable Deduction: 1.000</p> <p>Statement of Work, 23. Project Control & Reports. Project Control and Reports: Bidder proposes Agile Scrum but did not include the Product Backlog or Burn Up in its artifacts. Unsatisfactory Deduction: 3.000</p>
Schedule A – Table 1, Business Specification Worksheet	100	96.625	<p>GEN 40 - Bidder mentioned global search is not an out of the box functionality and will need extra effort to get it configured. Not sure if this will be efficient. Minimally Acceptable Deduction: 0.098</p> <p>SPR 420 - The bidder solution indicates there is custom logic required. However, it is marked as 'current capability. Minimally Acceptable: 0.01</p> <p>SPR 430 - The bidder solution indicates there is custom logic required. However, it is marked as 'current capability. Minimally Acceptable: 0.01</p> <p>PUR 50 - Bidder failed to meet the requirement. The requirement is for the system to be able to generate an adhoc purchase order if there is an order adjustment. For example: If additional inventory of product(s) was</p>

delivered from what was actually ordered by the licensee. Does Not Meet Deduction: 0.568

IA 10 - The solution failed to indicate how the invoice adjustments will be linked to the original invoice for the returned product(s). Does Not Meet Deduction: 0.417

IA 20 - Bidder solution should allow the submission of these items, requirement asks for date field but does not ask for rejection of the item. Partially Unacceptable Deduction: 0.209

IA 30 - Bidder solution should allow the submission of these items, requirement asks for date field but does not ask for rejection of the item. The solution does not provide an option to flag the submission as a violation. Does Not Meet Deduction: 0.417

IA 40 - Bidder failed, the solution is not in line with the requirement. Please refer to REC 40 for more details. Does Not Meet Deduction: 0.417

REC 10 - Bidder did not Demonstrate this specific section when asked. Minimally Acceptable Deduction: 0.032

REC 40 - Bidder failed to Demonstrate this section when asked. Partially Unacceptable Deduction: 0.065

REC 70 - Bidder failed to Demonstrate this section when asked. Partially Unacceptable Deduction: 0.065

REC 110 - Bidder failed to demonstrate the set up of subsidiary ledger for specific recap line items. Solution appears to be a report of existing line items included on recap reports Does Not Meet Deduction: 0.130

REC 470 - solution provides the ability to report totals for comparison to ensure the totals match and are balanced, however, the Solution fails to provide a mechanism for the balancing to be marked completed and tracked. Minimally Acceptable deduction: 0.032

AG 20 - The solution missed some of the details in the requirements: The order data from MILO will need to be compared to the SOM inventory to generate the daily purchase order for the vendor. The bidder incorrectly referred to the MILO order data as purchase order. The purchase order will be generated by the SIPS system based on the order data received from MILO and the SOM available inventory. Unsatisfactory Deduction: 0.187

AG 30 - The solution missed some of the details in the requirements: The order data from MILO will need to be compared to the SOM inventory to generate the weekly purchase order for the vendor. The bidder incorrectly referred to the MILO order data as purchase order. The purchase order will be generated by the SIPS system based on the order data received from MILO and the SOM available inventory. Unsatisfactory Deduction: 0.187

			<p>AG 40 - The purchase order will be generated by the SIPS system based on the order data received from MILO and the SOM available inventory.</p> <p>purchase orders are not received in SIPS from MILO or ADA, rather the purchase orders are generated from the order totals received from MILO . The purchase order data is distributed to the Vendors and the ADAs as documented in the requirements Unsatisfactory Deduction: 0.187</p> <p>AG 50 - A copy of the purchase order is sent to each ADA, the copy will only include spirit products that are distributed by the ADA receiving the copy of the purchase order. Unsatisfactory Deduction: 0.187</p> <p>UI 30 - Bidder mentioned global search is not an out of the box functionality and will need extra effort to get it configured. Not sure if this will be efficient. Partially Unacceptable Deduction: 0.157</p>
<p>Schedule A - Statement of Work - Project Management and Implementation Approach</p>	<p>100</p>	<p>32.500</p>	<p>Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 1 – Bidder didn't describe its experience using Agile Scrum artifacts and ceremonies, and also didn't emphasize team collaboration. Unsatisfactory Deduction: 7.500</p> <p>Schedule A - Statement of Work - Project Management and Implementation Approach – Bidder Box 2 - Bidder didn't show how the application lifecycle tool would be used to support any variant of Agile Scrum. There was no mention of</p>

product backlog, backlog items, sprint planning, sprint management, product owner role, etc. Unsatisfactory
 Deduction: 7.500

Schedule A - Statement of Work - Project Management and Implementation Approach – Bidder Box 3 - Bidder didn't show how its Discovery Phase would result in an Agile Scrum Product Backlog. Bidder lacks experience in the financial and inventory management domains. Bidder didn't describe the role of the Implementation Lead in the Discovery Phase. Minimally Acceptable
 Deduction: 2.500

Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 4 - Bidder did not acknowledge nor describe the Standard Change Process. Does Not Meet
 Deduction: 10.000

Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 5 - Bidder did not describe participation of the State's technical team during the system implementation. Does Not Meet
 Deduction: 10.000

Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 6 - Bidder's proposed go live date occurs later than mid-2023. We understand that some activities can be overlapped, but bidder didn't show an implementation schedule that balances resource contributions.
 Unsatisfactory Deduction: 7.500

			<p>Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 7 - Bidder did not show how it would tailor its implementation process with the State's SUITE methodologies. Partially Unacceptable Deduction: 5.000</p> <p>Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 8 - Bidder's proposed go live date occurs later than mid-2023. We understand that some activities can be overlapped, but bidder didn't show an implementation schedule that balances resource contributions. Partially Unacceptable Deduction: 5.000</p> <p>Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 9 - Bidder: proposed go live date occurs later than mid-2023. Partially Unacceptable Deduction: 5.000</p> <p>Schedule A - Statement of Work - Project Management and Implementation Approach, Bidder Box 10 - Bidder did not explain how the outputs from the discovery phase would become product backlog items. Unsatisfactory Deduction: 7.500</p>
Vendor Questionnaire Worksheet (Except Experience)	20	20	

Vendor Questionnaire Worksheet Experience	80	20	Vendor Questions Worksheet, Experience - Bidder's public sector experience is focused primarily in the licensing domain and not in the inventory and financial management areas. Vendor does not have experience with implementing sales, inventory and purchasing systems for liquor control states. The vendor did not demonstrate a consistent history of successful implementations for complex business areas. Two of the three projects listed are not similar to the size and complexity of the Michigan SIPS project. The Nebraska project is not yet successfully implemented and does not show project start date or total duration. Bidder would need to add and train staff in order to successfully resource current and upcoming engagements. Unsatisfactory Deduction: 60.000
Attachment 1, Resume Template	100	100	
TOTAL	500	364.125	Bidder did not pass technical evaluation.

IV. Oral Presentations/Demonstrations - Oral Presentations/Demonstrations allowed the State to confirm and adjust scoring accordingly.

V. Pricing Summary

After evaluating all RFP bidders, Accenture was the only vendor that passed the technical evaluation. Accenture initial proposal came in at \$9,441,916.00. The JEC team conducted several rounds of negotiations with the bidder and was able to get the cost down to \$7,825,000.00. This is a savings to the State of \$1,616,916.00.

Pricing was evaluated for the bidders that passed technical. The following is a summary of the price proposal.

Deliverable		Accenture	
1	Implementation Fee	\$7,150,000	
2	Lightning Conversion	\$675,000	
	Total Price	\$7,825,000	

VI. Award Recommendation

Award recommendation is made to the responsive and responsible Bidder who offered the lowest price to the State of Michigan. Low price is determined by the Bidder who meets the requirements and offers the lowest overall price as demonstrated by its proposal.

Award Recommendation is made to Accenture in the amount of \$7,825,000.00.