

## RFP 5147001 – IT Negotiations Consulting Services QUESTIONS & ANSWERS (Q&A Set 1)

This Q&A set addresses Bidsync questions. To avoid misrepresentation, questions are reproduced as received, without change, including terminology, spelling and grammar.

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- Q1:** *Can an ordering agency pay an MSA awardee 20% of savings for doing a TVA (term value analysis)? If “yes”, then here’s a follow up question: If an ordering agency contracts with an MSA awardee for TVA services, and that awardee submits an analysis indicating where potential savings can be achieved, and the ordering agency then contracts with different MSA awardee (our understanding is that you can’t work with the same firm that submitted the TVA analysis per follow-on contracting restriction) to help the ordering agency to negotiate improved pricing and terms via TN services, then would both MSA firms be paid a percentage of savings for their work? So in other words, then state would pay a total of 40% in that scenario, wouldn’t it? (Submitted: Oct 6, 2014 7:04:15 AM PDT)*
- A1:** No, TVA services payment will be hourly and payment based on a percentage of contract savings does not apply. Per RFP 5147001 Section IV.B.1, at the ordering agency’s discretion, payment terms in a RFO may be based on a percentage of contract savings resulting from **TN services**. (Bold added for emphasis). Payment based on a percentage shall not exceed 20 percent of contract savings resulting from negotiations or \$249,999.99, whichever is the lesser.
- Q2:** *Why wouldn’t the State allow a contractor to both to TVA and TN for a single procurement? For example, a procurement of Symantec software is a single negotiation, so why split the TVA and TN? It seems odd that one firm may provide a review and recommendation for lower pricing on the proposal, but not have to be the one that helps to deliver it. The TVA firm is “off the hook” essentially and the TN firm inherits an analysis that it may not agree with and have to either conduct there own separate “internal” TVA or use the other firm’s TVA. (Submitted: Oct 6, 2014 7:04:28 AM PDT)*
- A2:** A contractor may provide both TVA and TN services in a single procurement, depending on how an ordering agency develops its Request for Offer to meet specific business needs. Per RFP Section IV.B.2 and RFP Exhibit 1: Statement of Work (SOW) Section V, ordering agencies have the option to seek only one type of service or both TVA and TN services.
- Q3:** *Assuming we get pass Phase 1, does the awardee have the ability to tell an agency that “for this particular negotiation” we can’t do hourly” or “we can’t do contingency?” In other words, is it the ordering agency that will dictate which fee model it wants to use (hourly vs contingency) or is it the awardee’s decision? (Submitted: Oct 6, 2014 7:08:38 AM PDT)*
- A3:** When the MSA is effective, the ordering agency makes the decision regarding payment structure as it is responsible for establishing payment terms and conditions in its RFO. See RFP Section IV.B.1 and RFP Exhibit 1: SOW Section

VI.B. A contractor may make a business decision to respond or not respond to a RFO.

- Q4: *It appears that RFP 5147001 for IT Negotiations Consulting Services Master Agreement includes only a Fee for Service option based on lowest average hourly rates as the baseline for award for a firm that passes the Administrative and Technical requirements. We recognize that the RFP allows, at the ordering agency's discretion, payment terms in the RFO to be based on the Gain Share basis instead of hourly rates, but there is no mechanism in the RFP to evaluate or score a contractor proposal based on a Gain Share structure (versus a Fee for Service/hourly rate structure). We strongly believe that it is in the State's best interest to pursue a Gain Share model where the IT Negotiation Services provided are incented to maximize the savings to the State, not bill on an hourly basis.*
- A4: RFP Section VII.B sets the baseline for each service type at twenty percent over the average of all proposers' hourly rates for that type. Some purchases will be better suited with payment based on a percentage of contract savings. This is best accomplished at the RFO level when an ordering agency determines its negotiation goals and capacities.