



STATE OF TENNESSEE
DEPARTMENT OF HEALTH

**REQUEST FOR PROPOSALS # 34349-82817
AMENDMENT # 2
FOR INVENTORY MANAGEMENT**

DATE: April 5, 2016

RFP # 34349-82817 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		March 11, 2016
2. Disability Accommodation Request Deadline	2:00 p.m.	March 18, 2016
3. Pre-response Conference	1:30 p.m.	March 22, 2016
4. Notice of Intent to Respond Deadline	2:00 p.m.	March 23, 2016
5. Written "Questions & Comments" Deadline	2:00 p.m.	March 29, 2016
6. State Response to Written "Questions & Comments"		April 5, 2016
7. Response Deadline	2:00 p.m.	April 12, 2016
8. State Completion of Technical Response Evaluations		April 18, 2016
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 19, 2016
10. Negotiations (Optional)	4:30 p.m.	April 20, 2016
11. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	April 25, 2016
12. End of Open File Period		May 2, 2016
13. State sends contract to Contractor for signature		May 3, 2016
14. Contractor Signature Deadline	2:00 p.m.	May 6, 2016

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1 Which licensing arrangement would work best for the state?</p> <p>a) Base license which allows the clients to track inventory in multiple locations. All users in the system see all the inventory.</p> <p>b) Use the base license with multiple facility licenses. This allows the client to virtually segment the inventory by agencies or multiple organizational units so users in each one of the units only see their inventory but supper users can see all inventory from a regional standpoint.</p>	<p>Option "a)" will meet our current needs.</p>
<p>2 RFP Section C.3.e. Ability to approve orders for select items.</p> <p>What users would be permitted to approve orders? (Admins only?)</p>	<p>Users that would be permitted to perform this function would be granted rights based on their role.</p>
<p>3 RFP Section C.3.e. Ability to approve orders for select items.</p> <p>What should happen if the order for restricted goods is not approved?</p>	<p>Describe your options for this situation (Approved, Rejected, Backordered, etc.) and where that order can be found if it is approved later.</p>
<p>4 RFP Section C.3.h. Ability to redirect a shipment after it is released, but before it arrives at its destination.</p> <p>Is this in reference to an internal delivery within the Department of Health, or external delivery to an outside party?</p>	<p>Internal delivery only. This RFP does not connect to a 3rd party shipping vendor (FedEx, UPS, etc.)</p>
<p>5 RFP Section C.10. Provide a brief narrative that illustrates the Respondent's ability to import, export and sanitize data belonging to the State.</p> <p>Regarding the ability to sanitize data, please give an example of when this would be needed and how it would function?</p>	<p>Describe your process for sanitizing data upon contract close to not disclose any State information.</p>
<p>6 Does this solution need to integrate with any other ERP or accounting system?</p>	<p>No</p>
<p>7 Is the State currently using a system?</p>	<p>Yes. Please Refer to RFP Section 1.1.</p>
<p>8 What is the term of the contract?</p>	<p>Five years. Please refer to RFP Attachment 6.6., Pro Forma Section B.</p>
<p>9 Is Dun & Bradstreet an appropriate credit bureau and if not do you have suggestions?</p>	<p>It is acceptable.</p>
<p>10 Is there any infrastructure in place (servers,</p>	<p>No, not at this point.</p>

QUESTION / COMMENT	STATE RESPONSE
desktops, mobile devices) that might be utilized for this project?	
11 What is the square footage of the main warehouse/warehouses?	25,000 to 40,000 Square Feet
12 When does the contract with the current system retire?	July 31, 2016
13 Is a 100% web application required or can DaaS (hosted desktop application) suffice for at least parts of the proposed system?	Some DaaS components are acceptable as long as the service constantly updates and communicates with the main servers for true real-time visibility. DaaS would not be acceptable if data only pushes to servers during login and logoff.
14 There is considerable language in the contract that is for HIPAA/HITECH; is there going to be PHI collected/transmitted/stored as part of this project?	No. However, the language is standard in State contracts.
15 There are a lot of security requirements in the pro-forma contract. Would it not be easier to host the application in OIR or another state managed data center? Is that an option?	This not an option.
16 You mention the need for 50 concurrent users and you ask for pricing for additional 10-user blocks. That is not a problem. The pro-forma contract then states that the agreement should encompass 350 concurrent users during emergency or temporary surge activities. How do you see the notification process working to unlock those additional concurrent user licenses or do you expect to have licensing for 350 concurrent users at all times?	Notification would be in the form of a phone call or email to unlock additional concurrent user licenses.
17 Attachment 6.2 outlines the required response items and lists a page number for the Respondent to complete. Is your intention to have our response laid out in any particular format?	See RFP Section 3.1 Response Form, for details of how the Respondent may lay out their proposal.
18 A.8 (c) – More structure is needed around the “how” of importing and exporting data. Unrestricted access to hosting environment runs counter to the security concerns expressed elsewhere in this RFP	The Respondent must address their approach to this question in their proposal, RFP ATTACHMENT 6.2 – Section C, presenting to the State how their company will perform service.
19 A.8(f) – Contractor must provide evidence of annual audits per A.8(a) above. Contractor is not opposed to doing further, State specific audits or other compliance work, however we do not feel it is unreasonable to ask that we get compensated for our time to do this customer-specific work above and beyond the audit we would already provide.	Please refer to RFP Section 3.1.2.2.
20 A.8(k)(3) – More structure is needed around	The RFP currently states wording that addresses

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how independent testing would occur, so that live-data and other customer site health is not affected	the test/training environment as well as production. See RFP Attachment 6.6, section A.6 of the Pro Forma Contract.
21 E.4(b) – We will be proposing a solution which is based primarily on a COTS system with some modifications to meet the requirements. These improvements would serve other public customers, thus we seek the ability to keep and use the improvements and roll them out as applicable to the entire customer base. Further, owning modifications to a system but not owning the system upon which the improvements reside does not provide much value to the State. If this provision stems from grant language we are willing to work with you to find a mutually acceptable middle ground.	Per RFP Section 5.3.5., the State will entertain limited negotiation prior to contract signing.
22 E.10 – We want to propose minor changes to the verbiage to exclude indemnification of violation arising out of the acts or omissions of the State	Per RFP Section 5.3.5., the State will entertain limited negotiation prior to contract signing.
23 What is the process for re-balancing and replenishment for the various items in inventory?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform this service.
24 Do you require moving Inventory Items from one location to another within the warehouse based on time in inventory?	This is not a requirement; you are welcome to describe how your process can complete this process.
25 What is the process for re-balancing and replenishment for the various items in inventory?	See Response to Question #23
26 Is there a safety stock employed which must be enforced?	No, there is no safety or buffer stock requirement. Alerts to low levels of inventory can be addressed in Technical (RFP Attachment 6.2 Section C.3.c).
27 Do you require time tracking on materials or supplies to reduce obsolescence?	No, however, we require an expiration date for some materials.
28 Do you require LIFO/FIFO decision support at each unique location?	This is not a requirement, as a part of the proposal Respondent may describe how your company completes this process.
29 What is the current method and schedule for Physical Inventory Counts?	Quarterly cycle counts.
30 How do you process Product Holds and Returns?	Please describe how your product handles this process in the technical proposal.
31 For items in inventory, how is Lot & Serial Controls enforced?	Please describe how your product handles this process in the technical proposal.
32 Do you quality test and quarantine materials, food, or supplies?	No.
33 Do you track or have specific locations set aside for hazardous materials?	No. The State has specific locations set aside for controlled substances and cold chain management.

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34 Do materials expire or are made obsolete with newer versions or releases?	Yes, some materials expire.
35 It appears there is a requirement to identify products that are formulated and when these products are returned, what is the process that assures these formulated products are not commingled with other formulations?	There is not a product being formulated or manufactured that needs to be accounted for in this RFP.
36 What is the mechanism for tracking and reporting inventory stored in the third party warehouses if necessary?	Would be tracked and reported within the same system.
37 Will you need visibility to existing warehouse inventory levels for third parties who are outside the warehouse staff members? If yes, who and what do you anticipate they will be viewing?	No.
38 Will you require shelf life, expiration dates, lot control, FIFO, serial control for control of containers? If yes, describe the methods used to manage these functions.	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform this service.
39 Do you require serial number tracking? If yes, describe what standards you are following.	No, it is not required. Respondent may describe how your company completes this process as a part of their proposal.
40 If multiple sites, how do you maintain connectivity between the sites? Will this be required as part of the effort? (ex: WAN with T1-2, Citrix, Terminal Services, etc..)	The State would be connected via internet to the vendor-hosted service.
41 For hosted solutions, may the data be stored on servers outside the United States?	No. Please refer to RFP Attachment 6.6. Pro Forma, Section A.8.I.
42 If the subject of this RFP to provide hardware for the support of the Warehouse Management System? What specific equipment would be included in the cost estimates (hand held RF, Warehouse RF Antenna's, Printers, etc.)? Is it the expectation that the successful bidder will perform scoping and installation of network or RF transmitters?	Current hardware is out of date and will be replaced. Please provide recommended or supported hardware in your technical response C.3.I.
43 What current RF equipment is currently employed by the State in support of their operations?	Current hardware is out of date and will be replaced. Please provide recommended or supported hardware in your technical response C.3.I.
44 What desktop units are employed by the State that will require access to the system?	Standard laptops and PC's, Windows based systems. Please provide recommended or supported hardware in your technical response.
45 Is the main warehouse the only actual location used for storage, and how large (in square feet) is the location? What are the dimensions of the interior building? Are there	No, there are potentially multiple sites. See dimensions in #11. Yes, all sites would access the same software.

QUESTION / COMMENT	STATE RESPONSE
other sites will be supported by the proposed WMS system?	
46 Is the warehouse currently equipped with a RF WIFI network? Are all the physical storage locations in RF range? Is the facility divided by walls or other dividers which may impede RF radio waves?	N/A Please provide recommended or supported hardware in your technical response. This RFP does not include the purchase of hardware.
47 Is there an end of contract protocol to extract data from the current contractor's database?	No.
48 What is the size of the current database in megabytes?	Current database size: <u>Test</u> Web Server VM Server – 2 Cores – 8Gb RAM – 70GB data partition (50 Free) SQL Server VM Server – 2 Cores – 8Gb RAM – 140GB data partition (120 Free) <u>Production</u> Web Server VM Server – 2 Cores – 8Gb RAM – 70GB data partition (60 Free) SQL Server VM Server – 2 Cores – 8Gb RAM – 140GB data partition (120 Free)
49 Has the current contractor been barred from bidding on the new contract?	No.
50 How many RF devices would be in use during the highest usage periods of the day?	5 to 10
51 What capability is required to migrate any existing data to the new system from the various locations? What are the file formats that are acceptable for exporting data if necessary?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform this service. Please provide a description of the file formats your software is capable of supporting.
52 How long does the client anticipate it will take to deploy the proposed hosted WMS system from the date of award?	We anticipate a 60 to 90-day window for deployment.
53 Is SaaS the only option that will be considered by the State, or will the State be willing to review hosted solutions?	Vendor hosted is the only option.
54 How will the State evaluate minority business or women owned business respondents?	The evaluation process is defined in RFP Section 5.
55 6.2 Section C, C.3 a: Can the State describe the desired grouping/organizational structure? Does this include multiple sites, and if so, of what type – warehouses, closets, hospital caches, etc.?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform service. Currently on a normal daily basis, there are 3 physical and 2 virtual warehouse sites with multiple physical or virtual sub-locations. The 1650 ship-to sites include county/regional health departments,

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	healthcare coalitions, hospitals, military facilities, points of dispensing, pharmacies, other healthcare providers. During a public health emergency, this would be expanded to meet the need of the situation.
56 6.2 Section C, C.3 c: Can the State confirm if this function is meant to simply deliver (e.g. via email) alerts/notifications with pre-build or automatically completed order forms, or if direct ordering system integration is desired? Please note what is out of scope, desired or mandatory for this requirement.	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform service. Examples could include, but not limited to: simple delivery of alerts/notification via e-mail, dynamic dashboards or ability to run reports with this information.
57 6.2 Section C, C.3 d: Can the state describe the context and workflow for backorders? For example, when DOH vendors are out-of-stock, do “vendor backorder alerts” trigger/initiate a manual review process for alternate suppliers the DOH can use, or is this function to imply that the state is the “supplier” and DOH constituents are submitting orders that are placed in a queue, with backorder as a possible temporary status as supplies are sourced?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform service. The State is the “supplier”. Backorders would be in the context of the warehouse filling orders. If there is not enough of a particular item to fully complete the order, a backorder is generated so that what is available still ships. Not concerned with vendor backorders in this system.
58 6.2 Section C, C.3 l: Does the state possess any existing hardware (scanners or printers) for the printing or scanning of barcodes? If so, please provide model numbers and quantities that vendors should be prepared to support (if any). Can the state provide any other hardware specifications or requirements that vendors should consider (for example, wireless/battery powered printers or scanners, versus “desktop” peripherals, smartphones, etc.)?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform service. Please provide recommended or supported hardware in your technical response. This RFP does not include the purchase of hardware.
59 6.2 Section C, C.3 n: Please identify if the State/DOH already has an ESRI/ArcGIS Server implementation. Would the state prefer to display inventory levels (via GIS) natively in the ESRI/GIS platform, within the Inventory Management Tool, or both?	The Respondent must address their approach to this question in their proposal, presenting to the State how their company will perform service.
60 Section 3.3.1 and Contract, Mandatory Terms and Conditions: Can the state provide guidance on how to address contract provisions that are potentially irrelevant to this RFP/Project, such as D.20 concerning HIPAA Compliance? Is there a mechanism for vendors to safely identify these, and without fear of invalidating their proposal, request they be eliminated from the contract?	Per RFP Section 5.3.5., the State will entertain limited negotiation prior to contract signing. Terms in Section D of the Pro Forma are standard state terms.
61 Contract, Mandatory Terms and Conditions: Specific to HIPAA compliance, can the state	At this point, the State will not be addressing Protected Health Information (PHI), that does not

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confirm that this project is not expected to include Protected Health Information (as outlined in D.20.c) and therefore this section will not apply, and will not be included in the final contract?	mean in the future it is not a possibility. Per RFP Section 5.3.5., the State will entertain limited negotiation prior to contract signing.
62 Contract, Special Terms and Conditions, E.4 a.5: Please confirm that "Work Product" should be interpreted to include deliverables developed Solely and Uniquely for the State during the course of the project.	The definition for Work Product is included in Term (RFP Attachment 6.6, Pro form Contract Section .4.a.(5)).
63 C.3.e. Ability to approve orders for select items. Please provide more information on what this requirement entails. Does it pertain to purchase orders or shipments	See answer in #2
64 C.3.g. Ability to manage the temporary allocation if select assets, including check-out, check-in, and due date. We request more information please. What kind of assets? What/who are these assets allocated for? If there is a narrative that illustrates this process it will be helpful.	The Respondent must address their approach to this question in their proposal, RFP ATTACHMENT 6.2 – Section C, presenting to the State how their company will perform service. During a public health emergency equipment may be temporarily relocated to the on-scene disaster. This material needs to be tracked during the event and returned to the original location post-event. Types of equipment include, but not limited to, deployable items used during a public health emergency such as: support trailers, radio and satellite caches, medical or durable equipment used in shelters, bariatric beds, mortuary kits, etc.
65 C.3.n. Ability to plot inventory levels at the city, county, regional and state levels. Please confirm that you are wanting to see inventory levels for all items at all DC's being able to break down by city, county, districts, etc....	The Respondent must address their approach to this question in their proposal, RFP ATTACHMENT 6.2 – Section C, presenting to the State how their company will perform service. If by DC's you mean Distribution Centers or locations where inventory is housed, then yes. We need visibility into State, regional, county levels or specific locations.
66 A.6.a.(1) The Contractor shall complete the Development, Testing, Training and Migration of the application into the Production environment no later than 30 days prior to the retirement of the State's existing inventory management application. What is the retirement date of the existing system?	See #12
67 How many DC's / warehouses/ locations will be managed in the system?	As many as are necessary during a public health emergency.
68 Is the number of concurrent users for all locations estimated at 350 as described in A.6.a.(2)?	No. 350 is the potential emergency surge refer to RFP Attachment 6.6, Pro forma Contract Section A.6.
69 How many shifts / hours per shift in each location	As many as are necessary during a public health emergency.

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70 Is it safe to assume that this is a standalone system and there is no integration needed to any proprietary system used by the State of Tennessee?	Correct, see #6.
71 How many live items in total?	As many as are necessary during a public health emergency.
72 How many inbound transactions in total?	As many as are necessary during a public health emergency.
73 How many outbound transactions in total?	As many as are necessary during a public health emergency.
74 Should we include costs of hardware (RF terminals for barcode scanning, printers, etc..)?	Please refer to RFP Section 3.1.2.2. The proposed cost shall incorporate <u>ALL</u> costs for services under the contract for the total contract period, including any renewals or extensions. This RFP does not include the purchase of hardware.
75 What are the requirements that must be met to be in compliance with Strategic National Stockpile (SNS) inventory management system?	RFP Attachment 6.6. Pro Forma contains the requirements.
76 Will we get transcript of oral questions and answers from the pre-bid conference and copy of all q and A from the written questions to be submitted?	Yes. This amendment contains those questions and the State's answers.
77 Will we need to setup Point of Dispensing (POD) manager access so that remote managers in the state can sign in, order antivirals and track shipments?	Yes
78 Will we need to identify individuals receiving SNS medications, a particularly useful option in a recall?	Not as part of this RFP
79 Will this system need to handle everything from volunteers to Strategic National Stockpile (SNS) supplies?	Potentially
80 Will it need to integrate with any other State or federal systems?	No, this is a stand-alone system.
81 Are any food safety or tractability Barcodes such as GHS/GS1 be needed?	No.
82 RFP Section C.3.c. Ability to designate threshold levels to select items, and issue automatic orders as stock levels dictate. When stock quantities fall below minimum thresholds, is it preferred for the resupply order to be approved by a user before being submitted? Or just issue the PO directly to the supplier without any additional action involved?	See answer to question #57.

3. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.