Los Angeles County Employees Retirement Association

Performance Management System

Request for Proposal

April 29, 2005

Prepared by Francisco Jaranilla

Retirement Systems Division
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April 29, 2005
A. INTRODUCTION AND INSTRUCTIONS TO VENDORS

Part A of this RFP does not require responses.

A.1 Introduction

We invite application service providers (ASPs) to submit responses to provide a web hosted performance management application; implement and integrate the system; convert legacy data; provide the necessary network connectivity; and, warehouse, secure and manage the resultant data.

This RFP sets forth the requirements for all services and solicits a detailed response from vendors to include pricing and service descriptions in the specified format.

A.2 Background Information

The Los Angeles County Employees Retirement Association (LACERA) is a public pension fund headquartered in Pasadena, California with approximately 138,000 retired and active members. The association's total assets for the fiscal year ending June 30, 2004, were $31.2 billion. The approximately 350 staff provides retirement, disability, and death benefits to eligible County employees and their beneficiaries. LACERA also administers the retiree health care benefits program. The association collects, deposits, invests, and manages the retirement funds collected from the County, outside agencies and districts, and County employees. Each member is kept informed of their benefits and changes to the retirement laws through LACERA's web site (www.lacera.com) and various member publications and special mailings.

A.3 General Conditions

This RFP is not an offer to contract. Acceptance of a proposal neither commits LACERA to award a contract to any vendor, even if all requirements stated in this RFP are met, nor limits our right to negotiate in our best interest. LACERA reserves the right to contract with a vendor for reasons other than lowest price.

Failure to answer any question in this RFP may subject the proposal to disqualification. Failure to meet a qualification or requirement will not necessarily subject a proposal to disqualification.
A.3.1 Valid Period of Offer

The pricing, terms, and conditions stated in your response must remain valid for 60 days from the date of delivery of the proposal to our company.

A.3.2 Notice to Proposers Regarding the California Public Records Act

All proposals submitted in response to this RFP shall become the exclusive property of LACERA and will not be returned, and shall be subject to public disclosure pursuant to the California Public Records Act (Cal. Gov. Code Sections 6250 et. seq.). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act. In addition, if LACERA staff chooses to recommend any proposer(s) to the Board of Retirement for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for a public meeting of the Board of Retirement.

If a proposer believes in good faith that any portion of its proposal is exempt from public disclosure under the Act, such portion may be marked "CONFIDENTIAL." LACERA will deny public disclosure of any portions so designated, if LACERA believes there is a clear basis for denying disclosure under the Act. However, the confidentiality of proposals marked “CONFIDENTIAL” in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked. By submitting a proposal with portions marked “CONFIDENTIAL,” the proposer is representing its good faith belief that such material is exempt from disclosure under the Act. By submitting a proposal the proposer agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to LACERA's non-disclosure of any such designated portions of a proposal; and (b) any and all Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if disclosure is required by court order or is deemed by LACERA to be required under the Act.

A.3.3 Right of Rejection

LACERA may, at its sole discretion, reject any or all proposals submitted in response to this RFP.
A.3.4  Best and Final Offer

LACERA reserves the right to request a best and final offer.

A.3.5  Cost of Proposals

LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a proposal.
A.4 Proposal instructions and time frames

This section contains instructions governing the proposal to be submitted.

A.4.1 Proposal Delivery

Deliver five copies of your proposal to the following address not later than 5:00 p.m. (PST) on May 20, 2005.

Proposals received after the submission deadline will be considered for evaluation solely at the discretion of LACERA

Hard Copy

LACERA
300 N. Lake Avenue, Ste 750
Pasadena, CA 91101
Attention: Francisco Jaranilla

A.4.2 Intention to Submit

Vendors must notify us of their intention to submit or not to submit by May 12, 2005. Notification can be by fax, mail or e-mail. Please provide the name, address, telephone number, fax number and e-mail for the vendor contact who should receive answers to questions and RFP revisions and updates. Any vendor who elects not to bid is requested to destroy this RFP.

A.4.3 Application Demonstration

Application demonstrations will be held for invited vendor finalists. Attendance will be limited to two representatives from each vendor’s company. If invited, please confirm your attendance with Francisco Jaranilla by email at jaranc@lacera.com or by fax at (626) 564-6180.
A.4.4 RFP Questions

Questions regarding this RFP are encouraged and should be submitted in writing to:

Francisco Jaranilla  
RFP Coordinator  
LACERA  
300 N. Lake Avenue, Ste. 750  
Pasadena, CA 91101  
Fax: (626) 564-6180  
E-mail: jaranc@lacera.com

No further questions will be accepted after May 20, 2005. No questions will be answered by telephone.

A.4.5 Schedule of Events

<table>
<thead>
<tr>
<th>Dates</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/29/05</td>
<td>RFP distribution/publication</td>
</tr>
<tr>
<td>05/12/05</td>
<td>Deadline for intention to bid</td>
</tr>
<tr>
<td>05/20/05</td>
<td>Proposals due</td>
</tr>
<tr>
<td>05/23-05/26</td>
<td>Product demo (9:30am or 1:30pm time slot)</td>
</tr>
<tr>
<td>06/09/2005</td>
<td>Board approval</td>
</tr>
<tr>
<td>06/30/05</td>
<td>Contract signing</td>
</tr>
</tbody>
</table>
A.5 Proposal Preparation

This section provides specific instructions on preparing your proposal.

A.5.1 Hard Copy Proposal Preparation

- Bind each copy of your proposal in 3-ring binders.
- Number pages consecutively within a section using section and page numbering (e.g., Page 3-30).
- Follow the proposal outline below. For each response, identify the RFP item to which you are responding.
- Provide five copies to LACERA.

The following chart details the required proposal outline and specifies the content of the proposal sections.

<table>
<thead>
<tr>
<th>Section Number</th>
<th>Section Title</th>
<th>Section Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organization</td>
<td>Responses to Question 1-11 of RFP</td>
</tr>
<tr>
<td>2</td>
<td>Product Requirements</td>
<td>Responses to Question 12-55 of RFP</td>
</tr>
<tr>
<td>3</td>
<td>Operating Requirements</td>
<td>Responses to Question 56-115 of RFP</td>
</tr>
<tr>
<td>4</td>
<td>Pricing</td>
<td>Responses to Question 116-118 of RFP</td>
</tr>
<tr>
<td>5</td>
<td>Implementation</td>
<td>Responses to Question 119-125 of RFP</td>
</tr>
<tr>
<td></td>
<td>Appendices</td>
<td>Sample Contract</td>
</tr>
</tbody>
</table>

Part A and B of this RFP do not require responses.
A.6 Evaluation criteria

Factors used to evaluate proposals and their weighting are listed below:

- Organization 15 %
- Product Requirements 25 %
- Operational Requirements 25 %
- Pricing 25 %
- Implementation 10 %

100%
B. EXISTING PERFORMANCE EVALUATION FACTS AND FORMS

Fast Facts

LACERA has approximately 350 permanent, temporary and contractual employees.

LACERA’s HR Office has a total of 11 employees including management.

Performance evaluations currently follow the Los Angeles County standard form (see B.1). No electronic tracking currently exists.

The following are direct links to supporting documents.

B.1  [Sample County Report of Performance Evaluation and Report on Probationer Form](#)

B.2  [Case Study for Demonstration](#)

B.3  [Evaluation Flowchart](#)
C. PROPOSAL REQUIREMENTS

For all Product Requirement questions, please answer using the codes below.

<table>
<thead>
<tr>
<th>Code</th>
<th>Brief Description</th>
<th>Detailed Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>Standard</td>
<td>Standard with package</td>
</tr>
<tr>
<td>C</td>
<td>Customization</td>
<td>Available with simple customization which requires no major review/ rework on release upgrades</td>
</tr>
<tr>
<td>M</td>
<td>Major Customization</td>
<td>Not available without substantial customization</td>
</tr>
<tr>
<td>N</td>
<td>No</td>
<td>System cannot and will not support this requirement.</td>
</tr>
</tbody>
</table>

For all Operational Requirement questions please respond with a yes or no and an explanation (when necessary) on how your product/company can satisfy the objectives. State all qualifications or exceptions as needed. In all cases, state all additional infrastructure, software, interface, control system software and programming, engineering, installation, training and warranty that are needed to deliver the feature. The permitted codes are:

Bidders are welcome to expand on any of the responses with attachments (in which case, the question number needs to be referenced on the supplementary information). Attach any supplemental information if desired (e.g. organization charts and brochures).
ORGANIZATION

1. Please give an overview/profile of your company including a brief history and a profile of your key managers/board members.

2. What are your company's key success factors and what differentiates you from your competition?

3. Please indicate if your Company has been profitable in your last 4 years of business.

4. What awards or certifications (if any) has your company received?

5. Number of scheduled releases in past two years?

6. Does your company own full rights to the application and source code?

7. Does your company perform its own implementation and systems integration or do you outsource?

8. Do you require Clients to upgrade? If yes, what is your average time frame to upgrade? If no, do you provide support for older versions?

9. Does your company manage/own the data center? If not, please explain your facility arrangements.

10. Where would this facility be?

11. Please provide 3 government sector client references that are using your software.
PRODUCT REQUIREMENTS

Overview

12. Please give an Executive Overview of your product as an integrated suite and a brief description of the Performance Management, Goal Management, Learning Management and Competency Management modules.

13. Is your product available as an ASP hosted solution?

14. Can your product be deployed other than as a hosted solution? Please describe.

15. Describe the process to interface products with third party programs.

Performance Management

16. Product can accommodate large, decentralized global organizations? How?

17. Suggestions on phraseology based on competencies, are made available to managers, as needed.

18. Historical data is stored as read-only and retrievable for how many years?

19. Provides security of access by role (manager, matrix manager, employee, HR, etc.)

20. On-line help function is available throughout process.

21. Products link to HRIS/ERP (i.e. PeopleSoft). Allows for mechanized loading of employees and managers into system.

22. Provides capability to add, change, and delete employee and manager status, both manually and using input from HRIS/ERP (i.e. PeopleSoft).

23. Ability for a manager to view/update only their direct reports performance evaluations

24. Provides ability to display input screens individualized for multiple business groups, regions, etc.

25. Provide a list standard job based competencies and evaluation standards.
26. Ability to provide workflow routing and approvals

27. Allows employee to verify/change or add manager and matrix manager name and e-mail address

28. Allows for continual updating of objectives.

29. Provides reminder notices to employees prior to the deadline, and to manager and employee post-deadline.

30. Automatically submits completed objectives to manager and matrix manager (if required)

31. Allows changes to objectives based on meeting with manager and employee.

32. Allows manager to indicate final approval of objectives. Confirmation of approval sent to employee.

33. Provides capability to monitor and track objective setting completion status across department, group, business unit and corporate.

34. Includes delivered performance evaluation forms and templates, as well as includes the ability to include our current templates or forms to fit our specific performance management needs.

35. Provide free form text capability that would allow a manager to add “free-form” performance goals and text.

36. Ability to set cascading goals.

37. Provides option for business groups to choose whether to weight objectives.

38. Specify maximum number of objectives for each employee. Allows manager and employee to update and view results throughout year.

39. Provides tracking and monitoring of progress against goals and dates.

40. Issues warning message to employee when dates have passed.

41. At mid-year, provides reminder notices to employees prior to the deadline, and to manager and employee post-deadline.
42. Automatically submits mid-year documentation to manager and matrix manager (if required)

43. Manager updates employee submission, reflecting matrix manager and other feedback. Suggested phraseology is provided to manager, if needed.

44. Objectives, weighting, targets can be updated, as needed.

45. Individual Development Plan updated, if needed.

46. Comments recorded, if necessary. Manager and employee sign-off on mid-year documentation.

47. Provides capability to monitor and track mid-year review completion status across department, group, business unit and corporate.

48. Ability to send e-mail reminders for performance reviews and track pending evaluations.

49. Each business group can choose whether to have mid-year performance rating. Ability to integrate performance management results into year-end performance assessment.

50. Provides competency-based phraseology and improvement suggestions to manager.

51. Provides rating distribution guidelines and manager's actual distribution results.

52. Business unit can choose to rate on an objective-basis, as well as overall rating.

53. Business unit can choose whether an employee assigns himself/herself preliminary rating prior to final rating.

54. Manager and business group given option to rank employees by group, job level, function, etc.

55. Multi-layer results are able to roll up into organizational summaries.
OPERATIONAL REQUIREMENTS

Service Levels

56. If your company goes out of business, how will our account be handled?

57. What browsers are supported (provide minimum version supported)?

58. Can the application be modified to adhere to Human Resources’ standard look and feel (i.e. color scheme, images, buttons, etc.)?

59. What is the average length of time in resolving a support call?

60. Do you monitor system performance? How do you and what reports do you provide to your client base?

61. What kind of skill sets are required to maintain the application?

62. Do you provide a single source of contact for every need and problem resolution?

63. What is your policy on upgrading of existing software?

64. What are the types of agreements that exist between the various layers of the ASP (application, network, and infrastructure) and how strong are they?

65. What is the uptime guarantee?

66. What refunds are available if uptime is not met?

67. What is the guaranteed page download time per type of line connection (private/dedicated, internet) and line speed (e.g. 56k modem, dsl, cable, T1, DS3)?

68. If the ASP arrangement doesn't work out, what is necessary to terminate the agreement?

69. How do we get our data back once the agreement ends?

70. What penalties are assessed if the ASP fails to meet the guarantees?

71. Can we bring the application in-house if we choose to terminate the ASP contract?

72. How do you handle a significant increase in number of users or amount of data?
73. What will adding more users cost us?

Customer Support

74. Please describe the help desk/technical support capabilities of your company.

75. Are there different tier/service levels?

76. Are all support calls and other help desk related issues handled directly by your company, or is support outsourced?

77. Do you have user group meetings?

78. Who can contact your Help Desk? (Anyone, Named Users or Administrators)

79. Do you charge for new releases or is it inclusive of your maintenance charges?

80. How do you communicate upgrades/major new releases?

Physical Security

81. Is your data center a shared or co-located arrangement?

82. To gain entry to the data center, are individuals pre-authorized, checked against a list, or pass a biometric scanner or electronic key reader?

83. Do secure areas have closed circuit cameras that are recorded and archived?

84. Please describe your power outage protection scheme.

85. Please describe you fire prevention scheme

86. Does the data center have redundant cooling ensuring a constant climate within the data center at all times?

87. Does the data center’s earthquake protection comply under any seismic rating certification?
Network Security

88. How do you mitigate and deal with worm, virus and denial-of-service attacks?

89. Does your application employ any third party tracking spyware?

90. Do you have dedicated staff to monitor network traffic?

91. Do you perform third party security audit and how often?

Data Security

92. Do you employ a timeout feature to determine that a browser is no longer accessing its content?

93. How are repeated unsuccessful login attempts handled?

94. Can your password policy support 18 characters (minimum), upper and lowercase, complexity and lockout?

95. How do you ensure the security of the data transmission between the ASP and user?

96. How is our information safeguarded from other customers?

97. Describe your backup and archival process.

98. Do you store backup offsite?

99. How far back and inversely how early can data be restored from backup?

100. Do you have a security policy?

101. How do you ensure that the policy is enforced?

102. In case of a security breakdown and loss of important data what is the extent of the ASP’s liability?
Access Management

103. Can functional roles be created based on areas of responsibility (i.e. based on hierarchy – employee, manager, administrator, etc.)?

104. Can the same task be assigned to multiple function roles?

105. Can the roles be defined based on task and data?

106. Does the software record, maintain, and report an audit trail (i.e. who and when) of all changes made to system data?

107. Can the software limit access to selected reports by role?

Technology and Connectivity

108. Do you employ technology that makes the information available from two locations such that in a disaster where one location is unavailable, servers in another geographically remote location continue to service your hosted customers?

109. Specifically, how are you connected to the Internet and what level of redundant connection does your organization utilize?

110. What type of servers do you use for primary storage and hosting?

111. What service delivery methods do you offer? For example, can it deliver the application securely over the Internet? Over virtual private networks (VPNs)? Dial-up connections or wide area networks?

112. What future delivery methods does your company plan?

113. Do you have a bandwidth plan for unexpected traffic surges?

114. Can you deploy the applications globally or just in North America?

115. What are the minimum hardware, software, connectivity requirements to successfully run your application?
116. State the specific product and any applicable options that you will implement based on our product requirements.

117. Please provide costing for each component as described below. When costing please include all necessary expenses for a complete turnkey solution. Indicate which services or features you offer as part of your ASP agreements at no cost. Provide this in a table format as shown below.

<table>
<thead>
<tr>
<th>Component</th>
<th>@</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application license (per module and suite)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Please provide module pricing for Performance Management, Goal Management, Learning Management and Competency Management. If an enterprise suite pricing package applies, please state.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design and build</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Content Customization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data migration/conversion/population, templates and forms implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosting &amp; Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Costs (specify in detail)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
118. Do you agree to the payment schedule as outlined below?

A. 30% within three days after the last party signs Agreement;

B. 20% within three days after migration/population of tables, data, templates and forms;

C. 30% within three days after verification of functionality and user training by Vendor.

D. 20% within three days after final acceptance by LACERA.
IMPLEMENTATION

119. Can your company accept a three-year commitment at contract start-up with two additional term extensions of one fiscal year each with a 30 calendar day termination for convenience clause?

120. Do you have your own internal resources or do you rely on outside resources for implementation?

121. What is your implementation lead-time in days?

122. Provide a sample implementation plan that details

   • A brief description of the major steps in the implementation process.
   • Any major activity that involves our employees.
   • Time frames for critical activities and other tasks required of our company.

123. Identify the individual in your organization who will act as a focal point for implementation. Include an organizational chart depicting your proposed implementation team, including titles and functional roles, and any subcontractors.

124. Describe your escalation procedure for addressing problems during implementation.

125. Please submit a sample contract.