



REQUEST FOR PROPOSALS FOR
IT ASSESSMENT/CURRENT & FUTURE STATES
(RFP #05-20)

July 13, 2020



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I. Introduction & Summary of Key Dates

A. Introduction

1. The California Earthquake Authority (“CEA”) (collectively, “CEA”), is seeking to contract with a consultant to provide an Information Technology (“IT”) assessment of both the structure and function of CEA’s IT department, its current and proposed future states, and the alignment of IT’s vision and mission statements with those of the CEA.
2. CEA IT is responsible for providing CEA staff and stakeholders with the technical assets and services required to successfully execute the business functions of the CEA. Business functions include, but are not limited to:
 - Insurance policy administration & management
 - Earthquake risk mitigation for people and property
 - Financial risk transfer
 - Actuary services
 - Business accounting
 - Communication to the public and outside stakeholders
 - Legal services
3. CEA IT is also responsible for managing the technical assets and services required to maintain the following programs offered to CEA’s participating residential insurance providers (“PIs”):
 - Centralized Policy Processing System (“CPP”), a third-party software-based solution through which PIs may administer and process CEA residential earthquake insurance policies and claims. The CPP standard offering is provided to PIs at the CEA’s expense; and
 - Alternative Distribution Method (“ADM”) for Mandatory Marketing Documents (“MMDs”), a program in which the CEA causes the MMDs to be printed and distributed to PI policyholders, at the CEA’s expense, as an alternative to a PI distributing its own MMDs.

Please Note: Assessment of the CPP and MMD program functions is not in scope for this project. The program descriptions are provided for information purposes only, in the larger context of assessing the overall structure and function of CEA’s IT department.
4. This Request for Proposals (RFP) seeks to identify a qualified consultant to perform an assessment of CEA IT and its ability to provide the necessary assets and services to allow for the successful implementation of the CEA business plan. The general qualifications of the successful proposer are summarized below and are described with more particularity in the “Services to be Provided” section of this RFP.

B. Summary of Key Dates

The following schedule is subject to modification by CEA. Questions must be submitted as described in Section III, Submitting Questions.

Date	Activity
July 13, 2020	Issue Date for RFP #05-20
July 27, 2020	Questions Deadline. Questions must be submitted via email to CEARFP0520@calquake.com no later than 5:00 p.m. Pacific Time.
August 10, 2020	Submission Deadline. All submissions must be received no later than 5:00 p.m. Pacific Time.
August 11-21, 2020	Proposal evaluation
August 17-21, 2020	One or more proposers may be invited to participate in a video/audio conference call interview.
August 28, 2020	Announcement of successful candidate

II. Background: California Earthquake Authority

A. Description: CEA

CEA is a publicly managed, privately funded, not-for-profit organization whose mission is to provide residential earthquake insurance and encourage Californians to reduce their risk of earthquake damage and loss through effective risk education, damage mitigation, and insurance protection. The CEA offers earthquake insurance policies through its participating residential insurance providers.

Additional information and a list of CEA’s participating insurers is available at:

www.EarthquakeAuthority.com

B. How CEA Was Formed: Governance

1. Following the unprecedented losses from the 1994 Northridge earthquake, many insurance companies either ceased or severely restricted the sale of new homeowner

earthquake insurance policies in California. In response, the California Legislature created the CEA to provide earthquake coverage throughout California. CEA began writing residential earthquake insurance effective December 1, 1996.

2. Overseeing the CEA is a Governing Board composed of the Governor, State Treasurer, and Insurance Commissioner as voting members; the Speaker of the Assembly and President Pro-Tempore of the Senate serve as non-voting members. The Advisory Panel consists of consumer and insurance-industry representatives who advise the Governing Board. The day-to-day business and operations of the CEA are managed by a team of in-house executives.

C. What CEA Offers

Most residential insurance policies do not cover earthquake damage; a separate policy is required. CEA offers Californians that coverage by providing earthquake insurance policies through CEA's participating insurers. Without earthquake insurance to help cover the costs of repairs and other expenses that come with catastrophic earthquake damage, homeowners must pay out of pocket to fix or rebuild their house, replace their personal property, and live and eat elsewhere.

III. Submitting Questions

- A. Any questions that potential proposers might have about the RFP are to be submitted solely by email. All questions must be submitted by the date and time set forth in Section I, Introduction & Summary of Key Dates.

- B. Submit all questions by email to:

CEARFP0520@calquake.com

Subject line: RFP #05-20 Questions

IV. Proposers' Responsibilities Regarding Addenda

- A. CEA reserves the right, in its sole discretion, to modify any part of this RFP by issuing one or more written addenda.
- B. Each proposer acknowledges and accepts the affirmative responsibility to inquire regarding, and seek clarification of, any part or provision of this RFP that the proposer does not understand or that the proposer believes is reasonably susceptible to more than one interpretation. If a proposer discovers any ambiguity, conflict, discrepancy, omission, or error in the RFP, the proposer must immediately notify CEA via email to CEARFP0520@calquake.com and may request clarification by submitting a question in accordance with Section III, Submitting Questions.
- C. In its sole discretion, CEA may disregard any and all claims of ambiguity, conflict, discrepancy, omission, or other error received by CEA after the final submission date for proposals.

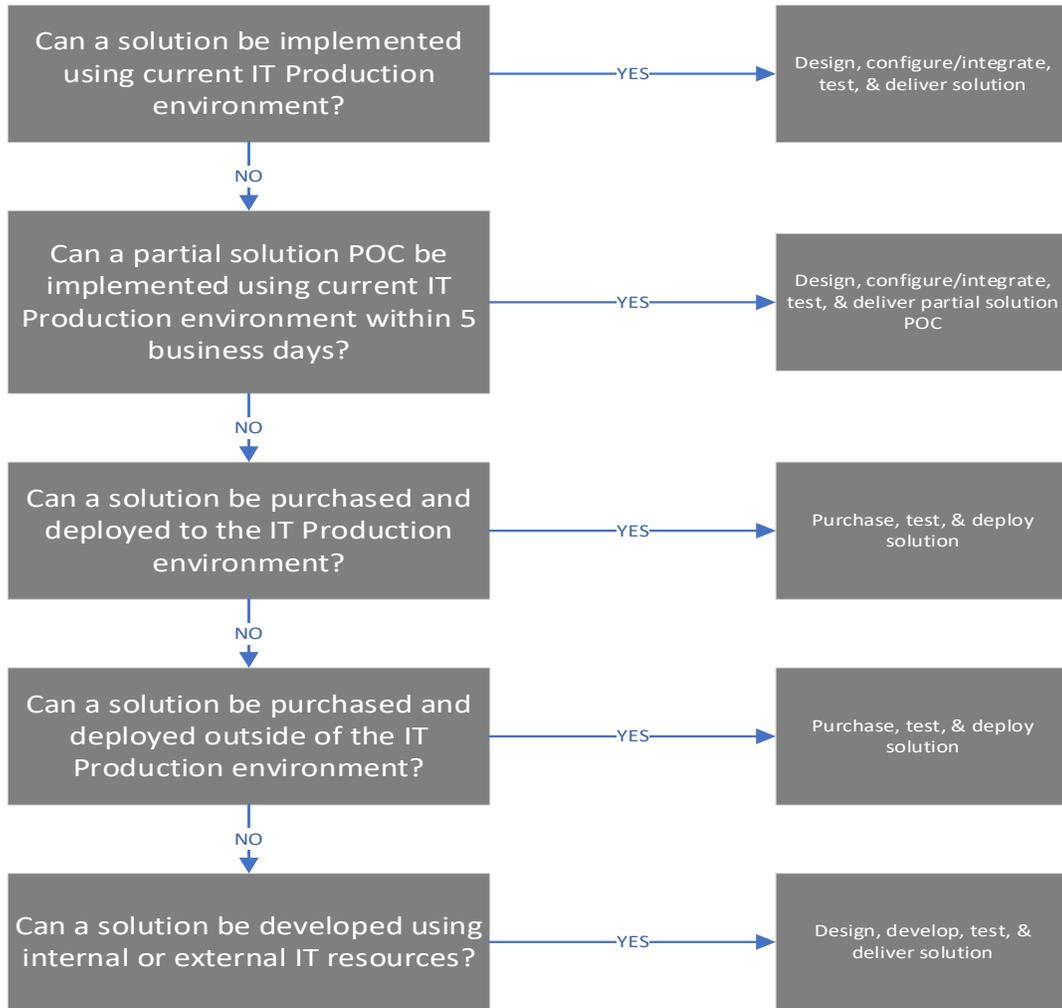
- D. Unless otherwise specifically stated by CEA, no additional time to meet any deadline will be allowed due to corrections or clarifications made by CEA.
- E. The provisions of any addendum formally issued by CEA are deemed to be incorporated into this RFP, and in addition and as appropriate, that addendum may be made a part of or otherwise reflected in any contract awarded as a result of this RFP.
- V. Services to be Provided
- A. Overview
1. The consultant will provide an independent assessment of CEA's current and proposed IT function and organizational structure ("Project"). The assessment will include:
 - a. a review and analysis of the current IT function and organizational structure, including identifying gaps and/or opportunities for improvement;
 - b. a review and analysis of the proposed future IT function and organizational structure, including recommendations; and
 - c. A three- to five-year roadmap illustrating the processes, milestones, and deliverables required to reach the ideal future IT function and organizational structure.
 2. CEA IT is an enterprise service provider that supports the CEA mission by providing the tools, assets, and information needed to successfully meet the business needs of the CEA. Historically, the IT function has focused on traditional application development. CEA IT is currently in the process of moving away from traditional application development and moving to a service provider model by integrating existing tools, platforms, and other available assets, and information within the CEA production environment. The maintenance costs associated with in-house developed software and applications is not sustainable within the CEA budget and resource model. The current CEA IT Vision Statement, Mission Statement, and Goals are:
 - a. IT Vision Statement

Provide the technology tools and support services needed to insure Californians against and mitigate their risk of earthquakes.
 - b. IT Mission Statement

Support the organization's business functions by efficiently providing scalable, flexible, and sustainable solutions.
 - c. IT Goals
 - Support the CEA Mission by providing effective strategic and tactical planning in the use of technology.
 - Provide available, reliable, secure, and governed technology solutions.

- Maintain a flexible IT environment able to adapt to changes in scale and configuration.
- Create and foster a culture of continuous improvement and learning.

3. CEA IT has adopted the following IT solution decision-tree:



4. CEA IT has established a key performance indicator (KPI) of providing solutions to 80% of all IT requests within five business days.

VI. Scope of Work

A. CEA IT seeks a consultant to provide the following deliverables:

1. Establish an accurate CEA IT current state assessment, including current work requests, and identify gaps and/or opportunities for improvement.
2. Develop a CEA IT future state or, if applicable, optional future states that align with the CEA IT vision and mission statements and allow CEA IT to meet business expectations.
3. Develop with IT leadership a future state implementation roadmap that includes action items and a schedule of milestones and delivery dates.

- B. The scope of the CEA IT future state deliverables described in Sections VI.A.2 and VI.A.3 above includes:
1. reviewing the CEA Microsoft technology stack for alignment to CEA IT work objectives and expectations;
 2. defining required CEA IT resource skillsets and experience;
 3. defining the number of CEA IT resources required to meet CEA IT work objectives and expectations; and
 4. structuring CEA IT to meet CEA IT work objectives and expectations in the most cost effective, efficient manner possible.
- C. Specific deliverables associated with this RFP include:
1. CEA IT Current State Assessment
 - a. a description of all artifacts that will be delivered to the CEA for the purpose of illustrating an accurate description of the current IT organizational structure;
 - b. a description of all artifacts that will be delivered to the CEA for the purpose of illustrating an accurate description of the current IT organizational function;
 - c. a description of the current CEA production environment including:
 - i. platforms;
 - ii. CEA IT-developed and -maintained applications and services; and
 - iii. third-party-developed and -maintained applications and services.
 2. Proposed IT Future State - Function & Organizational Structure
 - a. a diagram illustrating the ideal future IT organizational structure;
 - b. a flowchart illustrating the ideal future IT workflow; and
 - c. a gap analysis of illustrating the differences between the current and proposed future state.
 3. Future State Implementation Roadmap, illustrating:
 - a. milestones & deliverables;
 - b. a proposed implementation schedule;
 - c. the criteria to be used to validate the successful delivery of milestones; and
 - d. the estimated level of effort (LOE) and skillsets needed to successfully implement the roadmap.

VII. Minimum Qualifications

Each proposer must meet, to the CEA's satisfaction, all or materially all of the following minimum qualifications to be considered for a contract award opportunity. **The proposer must affirmatively attest to each of the minimum qualifications in its cover letter.** Failure to satisfy all minimum qualifications, in the CEA's sole judgment, may result in rejection of the proposal.

- A. The proposer must have been in business for at least five years; or, if the proposer has not been in business for at least five years, the proposer's senior principals must have at least 10 years of combined, relevant experience with a similar firm.
- B. Each of the Key Personnel assigned to the Project must have a minimum of 5 years of experience analyzing IT organizations and their function; experience in IT as a service provider is required.
- C. Portions of the work may be accomplished remotely. CEA is mindful of the unique challenges posed by the current COVID-19 pandemic. When U.S. domestic travel restrictions are lifted and if the parties determine on-site work is in the best interest of the Project goals and can be safely accomplished, the successful proposer will coordinate with CEA to agree on a work plan that addresses the timing and duration of CEA's desired on-site work. Once such a plan is in place, each of the Key Personnel assigned to the Project must be willing and able to travel to and work on-site at CEA's offices in Sacramento, California.

VIII. Proposal Submission Instructions and Requirements

A. Submission Deadline and Format

In submitting proposals in response to this RFP, each proposer must comply with the following deadlines and format requirements.

1. Proposals must be emailed as an attachment in PDF format, to:
 - a. Email address: CEARFP0520@calquake.com
 - b. Subject: Response to CEA RFP #05-20
2. If a proposal contains confidential proprietary information, a statement to that effect must be included in the cover letter, and each and every page containing confidential proprietary information must be so designated on the upper right-hand corner. CEA will use reasonable efforts to protect the marked pages from public disclosure, except to the extent provided in any resulting contract and to the extent required by law; CEA makes no representations or warranties that its efforts will be successful. Proposers are reminded that many of the CEA's records are subject to public disclosure under the California Public Records Act and other applicable laws.

Please note: no proposal can be considered confidential and proprietary in its entirety.

3. If, before the final filing date, a proposer discovers an error or omission in a proposal already submitted to the CEA, the only method of correction or modification is to withdraw the proposal in its entirety (via email following the requirements of Section VIII. A.1, adding "Withdrawal" to the Subject line) and resubmit the corrected or modified proposal before the final filing date and time. Corrections or modifications offered in any other manner will not be considered.
4. All proposals become the property of the CEA upon receipt.
5. All costs and expenses incurred by each respective proposer to develop a proposal and participate in the RFP process are entirely the sole responsibility of the proposer and cannot be charged to the CEA.
6. CEA accepts absolutely no responsibility for lost, misplaced, mishandled, or late delivered proposals, regardless of the reason or explanation.
7. Only one proposal per individual, firm, partnership, or corporation, or combination of such entities formed to propose under this RFP, will be considered. Any reasonable grounds for believing a proposer has submitted multiple proposals under more than one name is good cause for rejection by the CEA of all proposals in which the proposer is involved.
8. Proposals must be clearly identified "Response to RFP #05-20 – IT Assessment: Current & Future State." Additional information may be found under Section VII, Minimum Qualifications.
9. Each proposal must state the proposer's name and "RFP #05-20" on each page of the proposal.

B. Required Components of Submission

To assist CEA in the evaluation and comparison of responses, submissions should follow the order and format listed below. Submissions may include additional information, at the proposer's option.

1. Cover letter (signed). CEA will reject any submission that contains an unsigned cover letter. The cover letter must contain the following:
 - a. proposer's or proposing team's company (or individual) name(s), address(es), and telephone number
 - b. the name, title or position, telephone number, and email address of the person signing the cover letter and contact identification for any other persons authorized to make binding representations regarding the submission
 - c. a statement that the signer's signature constitutes unrestricted authority to make the submission regarding this RFP #05-20

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- d. confirmation that the proposer is willing to be bound by the contract provisions in Section XI, Terms and Conditions
- e. confirmation that each of the Key Personnel assigned to the Project is willing and able to travel to and work onsite at CEA's office, in accordance with Section VII.C.
- f. confirmation that if selected, neither proposer nor any member of proposer's team who will work on the Project will cause CEA to be in violation of applicable conflict of interest statutes.

(California's conflict of interest statutes prohibit certain former CEA employees (including contracted staff) from contracting with CEA for a period of time, unless one or more statutory exceptions apply. The prohibition is based on the term and scope of the staffer's tenure with the CEA, and applies for up to two years following the last day the staffer worked with the CEA. CEA desires to avoid both actual and apparent conflicts of interest with the successful proposer, if any. Please refer to California Public Contract Code, Sections 10335.5, 10365.5, 10411, and 1043, and in particular, the Section 10411 prohibition.)

- 2. Overview of the proposer (and any named, proposed subcontractors), including:
 - a. core products and services provided;
 - b. location of main office, including time zone;
 - c. hours of service;
 - d. number of employees;
 - e. applicable coverage amounts for candidate's insurance: errors and omissions, general liability, umbrella, and any other applicable insurance;
 - f. organizational structure (e.g., individual, partnership, corporation). Proposer must name affiliated companies and parent organizations, and identify owners who hold management positions;
 - g. a description of proposer's financial standing, including a statement of confirmation that the proposer is willing to provide financial statements upon CEA's request; and
 - h. number of instances the proposer has provided services equivalent to, or substantially like, those called for in this RFP #05-20.
- 3. Representative Clients. A description of representative clients for which proposer has provided services after January 1, 2017, for projects comparable to this Project. Include:

- a. references from clients for services performed within the past three years (ideally, representative clients should have operations comparable in size and scope to CEA's operations); and
- b. a description of the services provided to each such client.

C. Pricing, including:

1. the total estimated engagement cost; and
2. estimated pricing for all work, services, products, consulting, deliverables, and related expenses (including travel expenses), separating rates, hours, and extended fees from costs and expenses. If applicable, submissions must also include a comprehensive schedule of hourly rates or fees, or both (or other periodic or project-based rates or fees for the services described in the RFP).

Please note: the successful candidate's travel expenses will be subject to the CEA's contract terms governing travel reimbursement for contractors. Those terms include but are not limited to CEA pre-approval of travel, per diem meals allowance and mileage reimbursement based on IRS-established standard rates, and a requirement that contractor provide receipts for lodging and transportation expenses.

Please note: All submissions may be rejected if CEA determines, in its sole discretion, that they are not competitive, or the cost is unreasonable or excessive. CEA reserves the right to suspend or cancel, without notice and at any time, this procurement process if CEA deems suspension or cancellation to be in CEA's interests.

D. Work Plan

The work plan must describe, in narrative fashion, how the proposer will perform the proposed contract. The proposal should be specific and avoid generalizing. The work plan should address, without limitation, the following components and should be organized so that it is clear, comprehensive, and concise.

1. Identification of Key Personnel for the contract. For each key member of the team assigned to the Project, proposers must provide a brief resume that outlines the person's education and relevant experience, including relevant certifications or credentials and the length of time each has been held.
2. Description of the proposer's understanding of the work to be performed under this RFP, as that work is detailed in Section VI, Scope of Work, and a thorough description of the steps and processes the proposer would use to perform that work.
3. Proposal of any alternatives that conform to this RFP's intent, which the proposer believes would lead to a better, more efficient, or more cost-effective

result for the CEA, but which may vary from the specific description of the services of this RFP.

4. Identification of any “value-added” services the proposer would provide to the Project.
5. Identify details of any conflict of interest, or apparent or potential conflict of interest, that could be created by the proposer contracting with the CEA and propose how to address or resolve the conflicts.
6. Description of the proposer’s policy for ensuring the confidentiality of its clients’ matters.
7. Description of the proposer’s knowledge-management strategy for the Project.
8. If the proposer intends to use one or more subcontractors to deliver any of the services outlined in this RFP, it must provide all relevant information regarding the proposed subcontractor(s).
9. A thorough description of the proposer’s business continuity plan (or a separate attachment of the proposer’s written business continuity plan), describing the proposer’s business plan for maintaining a continuity of business operations and services during and following natural or human-caused emergencies or disasters, including the current COVID-19 pandemic.

IX. Proposal Evaluation and Scoring Criteria

A. Proposal Evaluation

1. The purpose of the proposal-evaluation process is to: (i) determine whether the proposal has satisfied the minimum qualifications, content, and format requirements; and (ii) identify the proposers most likely to satisfactorily perform the services described. The evaluation process will be conducted in a comprehensive and impartial manner.
2. Each proposal package will be electronically date-and time-stamped when received. Any proposal received after the final-filing time on the final-filing date will be received and a statement may, in CEA’s sole discretion, be sent to the proposing firm stating that the proposal did not meet the submission deadline, and that the proposal will be deemed not eligible.
3. Each timely submitted or accepted proposal will be reviewed to determine whether it satisfies the Minimum Qualifications specified in Section VII. Proposals that meet the Minimum Qualifications will be evaluated and scored. The highest possible score is 130 points.
4. At its sole option, CEA may invite finalists to participate in virtual interviews with CEA.

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B. Scoring Criteria

Criteria	Maximum Points
Submission Components 1 thru 3 (Section VIII.B. ; 10 pts each)	30
Pricing (Section VIII.C.)	50
Work Plan (Section VIII.D.)	50
TOTAL POSSIBLE SCORE	130

1. Submission components 1 through 3 (Section [VIII.B.](#)) will be scored on a scale of 1 to 10 (10 being the highest score a component can receive) based on the following criteria:
 - a. Did the proposer follow the instructions included in this RFP?
 - b. Did the proposer include all requested information?
2. Submission component C – Pricing (Section [VIII.C.](#)) will be scored on a scale of 1 to 50 (50 being the highest score a deliverable can receive) based upon CEA cost expectations and a comparative analysis between all proposals.
3. Submission component D – Work Plan (Section [VIII.D.](#)) will be scored on a scale of 1 to 50 (50 being the highest score a deliverable can receive) based upon:
 - a. Is the information associated with the deliverable easy to understand?
 - b. Does the presentation of the deliverable facilitate readability?
 - c. Does the deliverable include all information required to facilitate informed analysis and the development of action items, if appropriate?
 - d. Does the deliverable illustrate an understanding of the CEA goals and expectations as illustrated in the Statement of Work?

X. Award of Opportunity to Contract; Publicity

A. Award of Opportunity to Contract

1. If, at any time during or at the conclusion of the RFP process, CEA determines that, in its opinion, the results or prospects of this RFP process are unsatisfactory, CEA reserves the right to wholly discontinue this process and decline to award a contract to any proposer.

2. An opportunity to contract, if any, will be awarded to the proposer scoring the highest total points. All proposers will be notified of the outcome of the RFP.
3. CEA will attempt to negotiate a formal agreement with the proposer selected as the successful respondent in this procurement. If the parties are unable to reach a mutually satisfactory written agreement on all of the terms of the proposed engagement, CEA reserves its right to either:
 - a. reopen the procurement/selection process and select a different proposer, or
 - b. terminate this procurement process altogether.
4. If CEA reopens the procurement process, CEA will contact the unsuccessful respondents to determine whether they wish to have their responses reconsidered and participate in a reopened procurement process. If CEA determines that the remaining, available responses are competitive, CEA reserves the right to choose to either evaluate the responses available for reconsideration, make a selection, and move forward to attempt to negotiate an agreement with that respondent, or to decline to enter into any contract at all with respect to this RFP #05-20.

B. Publicity

News releases and other publicity pertaining to this RFP or any contract arising out of this RFP must not be made without the CEA's prior written approval.

XI. Terms and Conditions

Any contract that CEA proposes to enter into as a result of this RFP #05-20 process will include standard terms and conditions satisfactory to CEA.

XII. Services Commencement Date

The anticipated commencement date of services is within 30 days following contract execution.

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End of RFP.