

Office of the Special Deputy Receiver  
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Chicago, IL 60654  
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[www.osdchi.com](http://www.osdchi.com)

**REQUEST FOR PROPOSAL**

**INFORMATION TECHNOLOGY ASSESSMENT  
AND RECOMMENDATIONS**

**Proposal deadline – January 19, 2009**

December 8, 2008

## Introduction

The Office of the Special Deputy Receiver (OSD) requests proposals for consulting services to assess the company's information technology infrastructure and to propose a strategic technology plan.

Goals include 1) an independent, comprehensive assessment of the OSD's computing infrastructure, 2) a strategic plan that addresses all major aspects of information technology for the OSD in the zero to two-year and two to five-year time frames, and 3) tactical recommendations for improvements.

In this RFP, information technology and IT infrastructure refer to business applications, software acquisition and development, computers, interconnecting hardware, system and utility software, security, and IT department processes.

Note that the OSD plans to publish separate RFPs to implement specific improvements at appropriate times following internal approval of a new OSD technology plan.

## Objectives

1. A report providing a high-level assessment of the OSD's information technology
  - a. Existing infrastructure
  - b. Infrastructure needed to meet company objectives
  - c. Required additions and changes
  - d. Comparisons of alternatives
  - e. Strategic and tactical recommendations
2. Recommendations for each process, skill, and technology area with a suggested plan and sequence of implementation
3. Estimated cost and implementation time for each recommendation and alternative
4. A presentation to OSD senior management including summaries of the information technology assessment and recommendations

## Background

The Office of the Special Deputy Receiver (OSD), a private not-for-profit corporation, administers the conservation, rehabilitation, and liquidation of insurance companies (estates) for the Illinois Director of Insurance.

All 102 OSD employees normally work at a single location – an office on the fourteenth floor of the Merchandise Mart in Chicago, Illinois. Some employees temporarily work in the offices of receivership companies, typically shortly after receipt of an applicable court order. OSD employees can remotely access the OSD

computer network via a secure, Web browser https connection to the Citrix Secure Gateway at the OSD.

The IT Department directs and coordinates the operation of all computer systems used by the OSD and all insurance companies in receivership in Illinois. IT uses insolvent companies' computers and data to identify potential claimants and collect financial and other electronic records and network backups.

IT currently has ten employees, each having multiple roles and responsibilities, a common situation in small companies. Those responsibilities include:

- On and off site, IT-related support for all estates
- Business applications – requirements specification, acquisition, design, development, maintenance, security, testing, and documentation
- Database design, administration, and security
- Network (AS/400 and LAN) administration, planning, architecture design, hardware and software acquisition and installation, licensing, printing disbursement checks and proof of claim forms, internal and external security, testing, equipment maintenance, troubleshooting, and problem resolution
- Disaster recovery and business continuity planning and support
- IT and claim processing related business analysis and consultation
- Help Desk functions and operational support.

All departments use information technology services at the OSD, and the demand and need for new and improved products and services are increasing. IT faces challenges in meeting requests for new and modified applications and services due in part to the age and performance limitations of the hardware infrastructure, legacy platforms, legacy software applications, and lack of up to date software development languages and tools. The *About OSD* page on the company's Web site [www.osdchi.com](http://www.osdchi.com) includes descriptions of the Accounting, Administrative Services, Audit, Claims, Claim Services, Human Resources, Information Technology, Legal, Reinsurance, Senior Management, Special Projects, and Tax & Compliance departments.

### Proposals

All proposals must be received by the OSD by 4:00 P.M. Central Time on January 19, 2009. Send or deliver one signed original and six copies of the proposal to:

Richard Hungsberg, IT Manager  
Office of the Special Deputy Receiver  
222 Merchandise Mart Plaza, Suite 1450  
Chicago, IL 60654

Although other OSD employees will participate in the pre and post proposal phases, the IT Manager will be the single point of contact for questions, suggestions, and requests. Send written communications to him at [rhungsberg@osdchi.com](mailto:rhungsberg@osdchi.com).

A consultant may participate in a pre proposal informational meeting and receive collected common questions and answers issued by the OSD. However, the consultant will be solely responsible for interpreting the RFP requirements.

Each responding firm will bear all expenses associated with preparing, providing, and presenting their response to this RFP. Consultants must treat all OSD information (documents, verbal, and electronic) as confidential and will be required to sign a confidentiality or nondisclosure agreement. Each consultant must sign and submit an OSD security policy – user acknowledgment form before they may be given access to the company's network.

Each proposal should include:

- Name of firm and addresses of the firm's headquarters and the office that will provide the consulting services
- Names and contact information for the organization's primary and alternate contacts
- Background and ownership of the company including years in business and number of employees
- Descriptions of bidder's areas of expertise and experience in providing this type of consultation
- Descriptions of similar projects for similar sized companies within the past three years
- Reference-contacts from those client companies – names and contact information
- Resumes of the consultant's employees who could work on the project
- Estimated fraction of each person's time devoted to the project
- Name of the technical lead person
- Identification of any sub contracting of services – name of firm, specific services, applicable experience, and reference-contacts
- Description of project management techniques and resources that would be applied to this OSD project
- Conditions, procedures, approvals, and rates for out-of-scope work
- Statement affirming that they do not have financial or vested interests in recommended companies or products
- Statement that substitute personnel must be pre approved by the OSD
- Statement that the bidder will meet each objective
- Description of how they will address each objective
- Estimated total cost with total time, hourly rates, and other costs
- Estimated elapsed time to complete the proposed project, from signing a contract to providing the assessment results and presenting the recommendations.

### Evaluation and selection

The OSD intends to enter into a contract with the consulting organization that in the OSD's opinion best meets the responsiveness and price criteria described below. However, this RFP does not commit the OSD to select or enter into a contract with any organization, and OSD reserves the right to reject proposals. The OSD will use a committee to review and evaluate proposals.

### Evaluation of compliance

The OSD will determine whether the proposals comply with this RFP, and we will reject late proposals. Failure to meet other requirements will affect our evaluation and may result in rejection.

### Evaluation of responsiveness

The OSD often, but not always, uses a point ranking system to aid in the evaluation process. The OSD reserves the right to use its discretion to eliminate proposals deemed unacceptable.

We will separately determine how well proposals satisfy the RFP objectives in terms of responsiveness, and we will rank proposals, without consideration of price, using a point ranking system (unless otherwise specified). The OSD will consider references in this portion of the evaluation.

The OSD will determine whether any failure to supply information, or the quality of information, will result in rejection or downgrading a proposal. Consultants who do not rank sufficiently high need not be considered for price evaluation and selection. Consultants whose proposals meet minimum responsiveness requirements will be eligible for further consideration. The following list describes the responsiveness evaluation point system.

1. The maximum number of points for responsiveness is 100.
2. Consultants who receive less than 75 responsiveness points will not be considered for price evaluation and selection.
3. The following table identifies the responsiveness evaluation criteria and their relative weights (points).

<b>Responsiveness Criteria</b>	<b>Points</b>
Qualifications and ability to perform	35
Bidder's experience on projects of similar scope and size	20
Qualifications and experience of proposed consulting team members	20
Quality and comprehensiveness of the proposal	10
Input from reference contacts	10
Direct experience in insurance or insurance receiverships	5
Total	100

### Evaluation of price

The OSD will rank prices on a relative basis. The maximum number of price points is 70. We will determine price points for a proposal using the following formula:

$$\text{Maximum price points} \times \text{lowest price} / \text{bidder's price} = \text{price points}$$

We will calculate prices based upon the bidder's estimated hours and applicable labor rates. When a proposal includes a range of hours, we will use the highest number in that range. The OSD reserves the right to disqualify proposals having prices that appear unrealistic or significantly understated for the services offered.

### Evaluation score

The maximum values of 100 and 70 points approximately represent a 60/40 ratio between responsiveness and price. The ratio may be different for actual point values. The maximum number of combined responsiveness and price points is 170.

### Alternate evaluation

If OSD receives three or fewer proposals, we may evaluate them using a simple comparative analysis of the elements of responsiveness and price instead of the announced method of evaluation.

### Timetable

December 8, 2008	RFP published
January 5, 2009	Notification of intent to attend the January 7 meeting
January 7, 2009, 10:00 A.M. Central Time	Pre proposal conference and informational meeting in the OSD's office (call-in will be available)
January 12, 2009	Share common questions and answers
January 19, 2009, 4:00 P.M. Central Time	Proposal deadline
February 11, 2009	Anticipated decision on proposals

## Computing environment and infrastructure

The network employs CAT 5 equivalent cabling installed shortly before the OSD moved to the Merchandise Mart in 1992. The company did a major upgrade of the AS/400s and LAN in 1999 and made subsequent, selective improvements. Employees now use Microsoft IE6 and Office 2003 applications running in a Window Server 2008 Active Directory, Window Server 2003 – Citrix Presentation Server 4.0, centralized client-server environment. They also use internally developed, RPG 4 applications running on a nine-year old, IBM model 620 mid-range computer with the IBM V5R2 operating system. IT develops and tests RPG programs on an IBM model S10 'test system'. They develop and maintain applications on the LAN using Microsoft Access and VBA.

The switched, client-server network primarily employs Compaq/HP servers and PCs. Most of the PCs are approximately nine years old. OSD purchased 25 new desktop PCs in January 2005, making the newest units almost four years old. Although the typical computer display is a nine-year old, 15" CRT monitor, there are small numbers of 17" and 19" CRT monitors and flat panel displays. OSD added an ADP application server in 2003, replaced the file and backup servers in 2004, and added a SQL server in 2005. We added HR and timesheet application servers in 2006 and replaced the Citrix, print, and e-mail servers in 2006, 2007, and 2008 respectively. The OSD introduced Microsoft Active Directory and upgraded from Exchange 5.5 to Exchange Server 2007 in October 2008.

Employees use either PCs or Windows-based terminals (thin client devices) to access LAN applications primarily running on seven Citrix servers. Most people connect to the AS/400 systems through the Citrix servers using IBM Client Access software on their PCs or the Citrix servers.

## Existing Applications

The OSD 'Liquidator' claims administration system, Accounts Payable, General Ledger / Investments, Cost Allocation system, Archives system, F & E inventory system, and other RPG programs run on a legacy, IBM model 620, mid-range computer. Those programs some of which were written in the 1980s have since been modified and updated to varying degrees.

The Liquidator system, an RPG application custom written for the OSD's insurance company receivership functions, includes modules for claim processing, proof of claims, return premiums, adjudication, distribution of assets, salvage and subrogation, Early Access, and claim statistics. The OSD uses the Uniform Data Standard (UDS) for exchanging data with the states' Guaranty Funds. The Liquidator is compatible with version 1.0 of UDS.

Claim inquiry and policy inquiry systems, the CASH system, Tenrox Timesheet application, HRMS Entre HR system, Pinetop Insurance reinsurance – retrocessional billing and accounts receivable systems, estate specific EOB (Explanation of Benefits) systems, and Microsoft Access 2003 database applications run on the Windows – Citrix LAN.

### RFP Scope

In basic terms, the OSD seeks an independent, high-level assessment of its current computing environment and recommendations for a related information technology plan. The assessment and plan would in part be guided by answers to the following questions and objectives that are offered as representative examples, relevant to information technology at the OSD.

- How can the OSD manage its IT needs in a cost-effective way where operational needs are difficult to predict?
- Should the company continue with its dual platform network?
- Assess the risks of continuing to use the two, legacy AS/400 systems if we retain the mid range IBM platform.
- Define plans for all legacy, AS/400 and LAN, applications and hardware.
- Should the OSD convert, replace, or rewrite any or all of the existing RPG applications?
- Should we continue to maintain and improve the Liquidator system?
- Do the existing accounting and financial systems meet current and future OSD needs?
- Consider current and future, development languages and software tools.
- Should the company introduce an up to date software development language such as Microsoft Visual Studio 2008 - Visual Basic?
- Define training, skills, experience, and staffing needed to support future software development and network administration.
- Consider the relative roles of Microsoft Access and SQL Server and the limitations of Microsoft Access 2003 in the OSD's environment.
- Review 64-bit and 32-bit hardware and software relative to technology trends and the OSD environment.
- Assess power protection (uninterruptible power supplies) for the AS/400s and LAN servers.
- Should the OSD introduce refresh cycles for different types of hardware, such as PCs and servers?
- Assess software-development quality assurance and quality control.
- Does the OSD need an e-mail archiving system?
- How can we better ensure that the AS/400 and LAN backup systems will meet future needs?
- Define needs for change management of LAN-based applications.
- Consider current and future needs for dashboard reporting, business intelligence, data mining and warehousing, and custom reports.
- Consider the potential relocation of the OSD's office in 2010.

- How should we best introduce online proof of claim filing and claim status functionality?
- Consider Web filtering and log analysis software.
- Assess the need for audits of internal and external security.

The OSD expects that the selected consulting firm would consider all pertinent aspects of information technology in their comprehensive assessment and that they would include but not limit their analysis to the topics in the above list.

#### Inquiries

Please submit all questions concerning this RFP to the OSD's IT Manager at [rhungsberg@osdchi.com](mailto:rhungsberg@osdchi.com).