

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

Request for Proposals for Lean Training and Implementation

PROPOSALS ARE DUE NO LATER THAN October 23, 2017

RFP #: 1139

BUYER: Jason Hancock

EMAIL: Jason.Hancock@sdlegislature.gov

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

FEDERAL TAX ID#: _____ E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

1.0 GENERAL INFORMATION

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The mission of the South Dakota Department of Labor and Regulation (DLR) is to promote economic opportunity and financial security for individuals and businesses through quality, responsive, and expert services; fair and equitable employment solutions; and safe and sound business practices.

The DLR has been appropriated 375.7 full-time equivalent (FTE) employees for the current fiscal year. This includes 52.5 FTE in the Division of Administration, 74.0 FTE in Unemployment Insurance Service, 166.0 FTE in Field Operations, 16.0 FTE in State Labor Law Administration, 29.5 FTE in the Division of Banking, and 37.7 FTE in the Division of Banking and Securities. The DLR has offices located in 16 communities across South Dakota. The DLR intends to create a Lean culture by developing a Lean management system parallel to a Lean office system. The Legislature's Joint Committee on Appropriations has encouraged the DLR to explore Lean strategies to improve organizational performance and outcomes.

Prior to receiving services from the consultant, the DLR Lean staff will have attended the following training:

- A. South Dakota Department of Revenue:
 - Lean Core Concepts Training with SD DOR
 - 8 Wastes – TIM U WOOD
- B. Daktronics
 - Lean Core Concepts Training
- C. "Creating a Lean Culture" – David Mann Book Review

The South Dakota Legislative Research Council (LRC) seeks a qualified consultant to provide professional services on behalf of the State of South Dakota. The consultant will be charged with providing Lean training, mentoring, and assisting with the implementation of Lean in the DLR.

The consultant must have experience working with governmental entities in providing training and implementation of Lean in governmental setting. The selected consultant will work with the Deputy Secretary of the DLR and personnel within the DLR Lean Lead Team.

1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The LRC is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, LRC. The reference number for the transaction is RFP #1139 This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	September 22, 2017
Deadline for Submission of Written Inquiries or Clarifications	October 6, 2017
Responses to Consultant Questions	October 11, 2017
Proposal Submission	October 23, 2017
Rankings Completed	October 27, 2017
Contract Language Finalized	November 3, 2017
Executive Board Approval	November 13, 2017
Anticipated Contract Start Date	December/January 2017

1.4 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received in the Legislative Research Council by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

An original and 3 identical copies of the proposal shall be submitted.

All proposals must be signed, in ink, by an officer of the consultant, legally authorized to bind the consultant to the proposal, and sealed in the form intended by the consultant. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**REQUEST FOR PROPOSAL #1139
PROPOSAL DUE October 23, 2017
BUYER Jason Hancock
South Dakota Legislative Research Council
500 East Capitol Avenue, Pierre, SD 57501**

All capital letters and no punctuation are used in the address. The Legislative Research Council address as displayed should be the only information in the address field.

No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

1.5 NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the consultant certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.6 MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the consultant prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

1.7 CONSULTANT INQUIRIES

Consultants may make written or email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. The preferred method for submitting inquiries is via email. Email inquiries must be sent to Jason Simmons at jason.simmons@sdlegislature.gov with the subject line "RFP #1139". Inquires may also be faxed to 605.773.4576. If inquiries are submitted by mail the envelope should be addressed to: Jason Simmons. Be sure to reference the RFP number in your letter.

The Legislative Research Council prefers to respond to consultant's inquiries (if required) via e-mail. If a consultant does not indicate an email address, the State's response will be sent via fax. If no fax number is provided, the State will mail the response to the consultant. All consultants will be informed of any inquiries and the State's response. Consultants may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Consultants will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.8 PROPRIETARY INFORMATION

The proposal of the successful consultant(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Consultants must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

1.9 LENGTH OF CONTRACT

The contract will be for a period not to exceed six months. The LRC may pursue additional Lean training opportunities in the future.

1.10 DISCUSSIONS WITH CONSULTANTS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by a consultant to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the Consultant. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the consultant's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties:

- 2.1** The Contractor will perform those services described in the Scope of Work, attached hereto as Section 3 of the RFP and by this reference incorporated herein.
- 2.2** The Contractor's services under this Agreement shall commence on _____ and end on _____, unless sooner terminated pursuant to the terms hereof.

- 2.3** The Contractor will not use State equipment, supplies or facilities. The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.
- 2.4** The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$_____. The State will not pay Contractor's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.
- 2.5** The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.
- 2.6** The Contractor, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:
- A. Commercial General Liability Insurance:
- The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.
- B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:
- The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than \$1,000,000.00.
- C. Business Automobile Liability Insurance:
- The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.
- D. Worker's Compensation Insurance:
- The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.
- Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Contractor shall furnish copies of insurance policies if requested by the State.
- 2.7** While performing services hereunder, the Contractor is an independent contractor and not an officer, agent, or employee of the State of South Dakota.
- 2.8** Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

- 2.9** This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.
- 2.10** This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.
- 2.11** This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.
- 2.12** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
- 2.13** The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.
- 2.14** The Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.
- 2.15** Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.
- 2.16** The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals

become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

- 2.17 Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to _____ on behalf of the State, and by _____, on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.
- 2.18 In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.
- 2.19 All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

3.0 SCOPE OF WORK

The Scope of Work is to be used as a general guide and is not intended to be an exact list of all work necessary to complete the project.

The following are work tasks assumed necessary to provide training to the DLR staff members on Lean and to work with the department to implement Lean.

3.1 Training

Training needs to address Lean leaders, management/senior leadership, and support staff. Each training element should provide a different angle of Lean training specific to the audience.

A. Lean Leader Training

- 1. Consultant should provide a curriculum for Lean advanced level training including:
 - a. Common and consistent understanding of Lean among Lean leaders
 - b. Introduce them to advanced Lean tools
 - c. Provide them with skills needed to facilitate Lean events (including Value Stream Mapping and Kaizens);
 - d. Provide them with the skills needed to train basic Lean Concepts to support staff and managers/senior Leadership (Lean leaders should be actively involved in the Consultants curriculum for training managers and support staff)
 - e. Provide them with the knowledge and experience to become a Lean Sensei

B. Managers/Senior Leadership Training

- 1. Consultant should provide a curriculum for providing strategic consulting support to senior leadership.
 - a. Provide leaders with the fundamentals of Lean
 - i. Focus on the Process
 - ii. Eliminate Waste
 - iii. Continuous Improvement
 - b. Provide common and consistent understanding of Lean leadership Principal Concepts
 - i. Leaders Standard of Work
 - ii. Visual Controls
 - iii. Daily accountability process
 - iv. Leadership Discipline

2. The consultant should involve South Dakota Department of Labor and Regulation (DLR) Lean leaders in the training process.

C. Support Staff Training

1. Consultant should provide a curriculum for introductory level training for employees of DLR including:
 - a. Common and consistent understanding of Lean amongst employees;
 - b. Introduce them to the foundations of Lean;
 - c. Develop their awareness as to the cultural change aspects;
 - d. Introduce them to the basic concepts of Lean including:
 - i. Lean background
 - ii. Defining waste
 - iii. Lean principles
 - iv. Lean tools and techniques
 - v. Lean thinking
2. The consultant should involve DLR Lean leaders in the training process.
3. Suppliers shall take into account the training will take place in two to three geographical locations throughout SD.

3.2 Lean Implementation

- A. The Consultant should provide hands-on training to Lean leaders on implementing Lean methods, techniques and tools to facilitate Lean events including
 1. Using Lean tools, including value stream mapping, to analyze DLR processes and identify opportunities for Lean Events (Kaizen Events). The consultant should guide DLR Lean leaders through the evaluation of the current state and the subsequent development of a future state, and use these findings to develop an improvement plan.
 2. Work collaboratively with DLR Lean leaders to facilitate Lean Kaizen events
 3. Provide Implementation Progress Reports (for management and senior leaders)
 4. Provide Return-On-Investment (ROI) Analysis for management and senior leaders. The ROI analysis is to quantify the performance difference of a process before and after it was changed. The consultant should ensure:
 - a. The appropriate post-completion activities and process walks are conducted
 - b. The proper process performance data is collected
 - c. Any meaningful changes in the process performance are identified
 5. Provide Final Implementation Report (for management and senior leaders)
- B. The consultant should provide Lean methods, techniques and tools to:
 1. Identify and prioritize organizational needs and opportunities
 2. Define applicable Lean event parameters
 3. Document the DLR's current state
 4. Analyze and identify waste
 5. Optimize work flow and reduce flow friction
 6. Implement and validate corrective measures
 7. Measure and sustain the improved system

3.3 Sustainability (Continuous Improvement)

- The consultant should provide hands-on training to Lean leaders, management and senior leaders, and support staff regarding sustaining Lean improvements and promoting continuous improvement.
- The consultant should demonstrate how Lean tools (e.g. visual controls and Lean managements' four principal elements) are used to sustain improvements and encourage continuous improvement.

Upon completion of the contract, trained DLR staff should be knowledgeable enough to assist other areas of DLR in similar Lean implementations. The consultant must be available to discuss the project in person with members of the Joint Committee on Appropriations at least once during the contract period.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1 The consultant is cautioned that it is the consultant's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The consultant's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 **Consultant's Contacts:** Consultants and their agents (including subcontractors, employees, sub-consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Consultants and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Consultants and their agents who have questions regarding this matter should contact the buyer of record.
- 4.3 The consultant may be required to submit a copy of their most recent audited financial statements upon the State's request.
- 4.4 Provide the following information related to at least three previous and current service/contracts, performed by the consultant's organization, preferably for a governmental IT organization, which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years.
- a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
 - b. Dates of the service/contract; and
 - c. A brief, written description of the specific prior services performed and requirements thereof.

5.0 PROPOSAL RESPONSE FORMAT

- 5.1 An original and 3 copies shall be submitted.
- 5.1.1 In addition, the consultant should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word or PDF electronic format. Consultants may not send the electronically formatted copy of their proposal via email.
- 5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.
- 5.2 All proposals must be organized and tabbed with labels for the following headings:
- 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
- 5.2.2 **Executive Summary.** The one or two-page executive summary is to briefly describe the consultant's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the consultant. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.
- 5.2.3 **Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:

- 5.2.3.1 A complete narrative of the consultant's assessment of the work to be performed, the consultant's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the consultant's understanding of the desired overall performance expectations.
- 5.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP. The response should identify each requirement being addressed as enumerated in the RFP.
- 5.2.3.3 A proposed project timeline.
- 5.2.3.4 A clear description of any options or alternatives proposed.
- 5.2.3.5 The cost of the project, including the cost of any options or alternatives proposed.

6.0 PROPOSAL EVALUATION AND AWARD PROCESS

- 6.1** After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:
 - 6.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
 - 6.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project;
 - 6.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
 - 6.1.4 Availability to the project locale;
 - 6.1.5 Familiarity with the project locale;
 - 6.1.6 Proposed project management techniques;
 - 6.1.7 Ability and proven history in handling special project constraints; and
 - 6.1.8 Cost.
- 6.2** Experience and reliability of the consultant's organization are considered subjectively in the evaluation process. Therefore, the consultant is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- 6.3** The qualifications of the personnel proposed by the consultant to perform the requirements of this RFP, whether from the consultant's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the consultant should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.
- 6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.

6.5 Award: The requesting agency and the highest ranked consultant shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

6.5.1 If the agency and the highest ranked consultant are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.

6.5.2 The negotiation process may continue through successive consultants, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.