



Contract By Authorized Board

Commodity or Service:

Transformation, Integration and Modernization Consulting
Services for the Department of Employee Trust Funds
Wisconsin Retirement System

Request for Bid/Proposal No: ETB0033
Amendment #2 dated November 28, 2016

Authorized Board: Employee Trust Funds
Board

Contract Period: July 18, 2012 through December 31, 2019 with option by mutual agreement to extend the contract for one (1) additional two (2)-year period.

1. This Contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds, the State of Wisconsin Employee Trust Funds Board (Board) and LRWL, Inc., (Contractor) whose name, address, and principal officer appears on page 2. The Department is the sole point of contract for Board contracts.
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for the bid cited above, and in accordance with the Contractor's bid dated May 25, 2012 submitted for this request for bid (RFP) which request for bid is hereby made a part of this contract.
3. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stat., sexual orientation as defined in s.111.32(13m), Wis. Stat., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) working days after the award of the contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, ETFSMBProcurement@etf.wi.gov
5. For purposes of administering this Contract the Order of Precedence is:
 - A). The Contract with LRWL, Inc., and all cover letters, amendments and attachments;
 - B). the Business Associate Agreement;
 - C). This Contract Amendment #2 dated November 28, 2016 for change order #5 dated October 10, 2016 and #6 dated October 28, 2016;
 - D). The Contract Amendment 1 dated July 18, 2012;
 - E). The RFP ETB0033 dated April 26, 2012, including all appendices, attachments and amendments; and,
 - F). The technical and cost proposal for the RFP ETB0033 submitted by LRWL Inc., dated May 25, 2012.

Contract Number & Service: ETB0033 Transformation, Integration and Modernization Consulting Services for the Department of Employee Trust Funds Wisconsin Retirement System

Amendment #2 dated November 28, 2016

State of Wisconsin Department of Employee Trust Funds
By Authorized Board (Name) Employee Trust Funds Board
By (Name) Robert J. Conlin
Signature 
Title Secretary
Phone 608.266.0301
Date (MM/DD/YYYY) 12/01/2014

To be Completed by Contractor
Legal Company Name LRWL, Inc.
Trade Name LRWL, Inc.
Taxpayer Identification Number 45-3941738
Company Address (City, State, Zip) 10394 Democracy Lane Fairfax, VA 22030
By (Name) H. Ben Lott
Signature 
Title Chief Operation Officer
Phone 705.385.3440
Date (MM/DD/YYYY) 11/28/2016

CHANGE ORDER (CO) #5 AND #6

CO #5

BUSINESS PROCESS REENGINEERING (BPR) SERVICES

1. DESCRIPTION

LRWL, most recently, has been providing Wisconsin ETF with Quality Assurance (QA) Advisory Services associated with the Benefit Administration Services (BAS) Project, an implementation of the Vitech V3 solution referred to as myETF. Prior to focusing on QA, during the first rollout of myETF, LRWL provided guidance through the design process, focusing on ensuring that the BAS Project's "guiding principles" established by the steering team were carried out.

As the BAS project hits its half-way point, the project leadership team has identified challenges with the ability to institute best practices and there are concerns that ETF is missing potential opportunities to implement business process change. LRWL can assist by providing guidance and leadership in this area.

2. SCOPE AND ACTIVITIES

The primary focus of this effort will be on Rollout 3 functionality of the BAS project. Where possible, LRWL will evaluate and review staff procedures being put in place to support Rollout 2. This will be in conjunction with the QA efforts already underway by LRWL.

Initiation (3 Months)

Once onboard, LRWL will immediately begin laying the groundwork for the road ahead. Assuming this begins in November 2016, it will most likely continue through January of 2017. The key activities are as follows:

1. Formalize the governance structure for BPR efforts – to be documented by LRWL and adopted by ETF management. As part of this effort, LRWL will take advantage of current project processes and structures such as project design teams, steering teams, and decision formalization. LRWL will devise an approach to ensure the appropriate path is taken to initiate and formalize policy, procedure, and if necessary statute change. As part of creating this structure, LRWL will develop a roadmap that defines how a process will be taken from our initial assessment, through the design phase, and finally providing an overview to management at the completion of each process, summarizing the changes that were made. A key parameter is to ensure that there is clarity in ownership from the business areas. While we want the executives and management informed, we also have to consider the implications on the Vitech sprint schedule, as to not delay

decision making and impact the sprint schedule. As part of this effort we will define all standard templates/report formats to be used throughout the project.

2. **Work with ETF to define and prioritize which processes are candidates for change** – addressing all processes in Rollout 3, with the same level of effort and vigor is likely not possible. Therefore, LRWL will work with management to define those processes which will be a focus of BPR efforts. If necessary, guidelines will be established for how to rank and determine the processes.
3. **Work with ETF to identify staff associated with each candidate process** – ETF has already defined subject matter experts (SMEs), established a super user community, and in most cases these same staff will be involved in business process change. Where necessary the number of staff involved in the BAS project may require expansion. A component of this step is to ensure we have the 'right' people. The point person corresponding to each process must not only know the current process but have the ability, with coaching to accept suggestions and implement the change. Furthermore, the person has to be an advocate for the change and be comfortable supporting that with other staff.
4. **Prepare a project schedule** – Based on the above items, LRWL will prepare a project schedule of activities associated with each process where we will focus. This task, however cannot be completed until the Rollout 3 sprint schedule is available from Vitech. As part of this effort we expect to meet with Vitech and ETF to ensure the Vitech methodology for R3 will accommodate our goals. As an example, we want to ensure that online services and workflows are considered part of all process discussions and not treated as bolt-ons. These technical tools are some of the biggest enablers of change and need to be handled as such.
5. **Review associated business process artifacts, policies and procedures** – as part of the RFP development process a number of processes were documented and catalogued. These will be reviewed, prior to engaging with ETF staff.
6. **Spend time in the business units with current managers, supervisors and line staff to gain an understanding of current processes** – It is likely that since processes were last documented they have changed or supporting policies and procedures have evolved. By meeting with staff we can reconcile any differences, get to know staff, assess their ability to introduce and implement improvements, and begin discussing some high-level best practices we would suggest be considered (if not already part of BAS requirements). Furthermore, LRWL has found that we can learn a lot from spending one or two days monitoring a process in real-time, asking questions along the way that help drive staff to their own solutions.

Pre BAS Design

Once LRWL has gotten through the preparation phase, we will have become familiar with current processes and staff. Prior to entering into BAS design, it will be necessary to meet with each process owner/SME team to:

1. **Prep staff for the Design Phase** – work with project leadership to prepare the SMEs/process owners for all design activities, inclusive of business process change. Part of the discussion will focus on conditioning staff to describe how the process

SHOULD BE and not how it is currently. It is much easier for vendor staff and client staff to describe what they currently do rather than how it would work better. Based on outcomes of the initiation phase, this maybe something that is incorporated into Vitech's preparation for the sprints.

2. **Prepare a list of changes for consideration** – once LRWL has completed a review of a process with staff, we will be prepared to begin providing suggestions. We will initiate this discussion with staff in order to get their "buy-in" and when necessary log decisions for the appropriate escalation when they involve policy change. A large part of this discussion will be focused on embracing the myETF functionality to make improvements. As an example, rather than focusing on a paper-based retirement claim, begin focusing on the assumption that the majority of claims will be initiated via an online application. Such a change in focus often invites discussions on how we progress through the process without paper, signatures, notaries, employer certifications, and other artifacts of the past. Where applicable, LRWL will prepare potential To-Be diagrams to aid in discussion as well as metrics to be introduced to measure the process and which should be part of the reporting included in the myETF design.

BAS Design sprints

As LRWL has done in its previous roles at ETF, LRWL will actively participate in sprint (Design) sessions, led by Vitech. As part of the initial stages of a sprint and data collection through the Vitech ask list process, LRWL will work with staff to differentiate current practices from expected changes to implement along with myETF. As part of our participation in design we will integrate the recommendations made during the pre-design efforts, along with ensuring additional changes are introduced based on inclusion of Vitech in the discussions. Additional activities include:

- Continuously encourage and when necessary, challenge both Vitech and ETF staff to think in terms of improving processes rather than replicating the past;
- Begin preparing/revising recommended process flows to assist the BPACI Sessions (*Note: Prior to R3 it might be good to survey the design process for R2. Did the BPACI concept work as a separate track?*);
- Require streamlining of like processes – i.e. all benefit claims processes should look the same and be consolidated;
- Review Solution Design Documents, Workflow specifications, etc. delivered by Vitech;
- Maintain a log of key differences/changes being implemented by process (will assist with change management);
- Ensuring forms, letters, and reports are consolidated and minimized; and,
- Ensure test cases are clearly defined leading up to each test cycle.

Post Design

At the conclusion of the design phase for a Track, efforts will continue as follows:

1. **Delivery of a Change Summary Document** – as the design effort wraps up, LRWL will work with their ETF counterparts for each process to indicate which of the suggested changes will be implemented, additional changes that were introduced as part of Vitech's design, as well as future considerations. The document will highlight changes

made to policy, procedures, and other key decisions. It will highlight changes to processing steps and potentially changes to staffing divisions who will be involved in a process. This document will not only provide a summary of the changes, but it will help ETF plan for the changes and hold the BPR team accountable for showing progress and improvement.

2. **Executive Walk-through** – A walk-through of the new process will be conducted, along with a summary of all changes that will be incorporated into the solution. This will involve LRWL, each process owner, the area manager, needed SMEs, as well as the Vitech Solutions Analyst. The intent of these sessions is to keep the ETF Executives informed and to show progress, but at this point in the effort decisions will have been made and the Vitech design will have been completed.
3. **Process Documentation** – As design completes, Vitech has the obligation to deliver user materials and work process manuals. Without a doubt there will still be a gap to fill by ETF staff. In both instances, LRWL will review the materials to ensure they are consistent with the agreed upon process changes. As part of the rollout plan, having the new processes documented will be required and LRWL will evaluate this as part of the readiness for Go-live.

3. LEVEL OF EFFORT

To accommodate this effort, LRWL will dedicate a full-time resource, beginning in November 2016 and continue through July 2019. Bill Morton has been named as the LRWL resource because of his experience in the industry and understanding of the Vitech solution. Calculations are based on one-hundred seventy two (172) hours per month, with the exception of November and December 2016. These first (1) two (2) months were calculated at one-hundred (160) hours, due to expected start date and holidays.

4. COST

	Nov-Dec		Thru July		
	2016	2017	2018	2019	Total
BPR Total @ \$210/hr	\$67,200	\$433,440	\$433,440	\$252,840	\$1,186,920

CO #6

EXTENSION OF QUALITY ASSURANCE ADVISORY SERVICES

1. DESCRIPTION

LRWL, most recently, has been providing Wisconsin ETF with Quality Assurance (QA) Advisory Services associated with the BAS Project, an implementation of the Vitech V3 solution referred to as myETF. Those services were set to expire when the current contract ends on December 31, 2017. It is the mutual desire of ETF and LRWL to extend the term of the Contract for an additional two (2) years, thru December 31, 2019. As such, this change order addresses the additional costs required for QA services thru the extended end date.

2. SCOPE AND ACTIVITIES

There will be no change in the scope of LRWL's activities related to QA as identified in LRWL's Project Quality Assurance Approach document dated March 15, 2016. The first draft of the approach was reviewed and highlighted in a presentation to the Transformation, Integration, Modernization (TIM) Steering Team on February 2, 2016.

3. LEVEL OF EFFORT

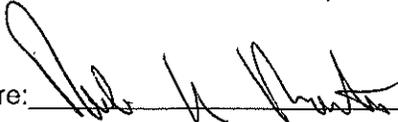
The level of effort is estimated to be seventy (.75) full-time equivalent (FTE) through July 2019.

4. COST

Total cost for this change order is \$357,576 per the August 19, 2016 letter to Bob Martin.

5. ACCEPTANCE

The signatures below indicate acceptance of these Change Orders by both parties:

Signature:  _____

Name: Robert H. Martin

Title: Director, Office of Enterprise Initiatives

Organization: WI Employees Trust Funds

Date: 11/24/16

Signature:  _____

Name: H. Ben Lott

Title: Chief Operating Officer

Organization: LRWL, Inc.

Date: 11/28/2016