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February 15, 2011

H. Ryan Bolles, Contract Administrator
DSCYF-DMSS
Room 177
1825 Faulkland Road
Wilmington, DE 19805

RE: Request for Proposals to Design, Develop, and Implement FACTS II, RFP # 07.

Dear Mr. Bolles:

Deloitte Consulting LLP is pleased to submit our Technical Proposal to your Request for Proposal (RFP) for the integrated management information system for integrated children services, known as the Family and Children Tracking System II (FACTS II), RFP #07.

We understand that the Delaware Department of Services for Children, Youth, and their Families (DSCYF) seeks an experienced Design, Development and Implementation vendor to deliver a fully operational, federally compliant FACTS II. The Deloitte team, with MAXIMUS as our teaming partner, brings a depth of experience in designing, developing, and successfully implementing State Automated Child Welfare Information Systems (SACWIS) across the nation that significantly exceeds that offered by any other vendor. As the first SACWIS integrator in 1994, we continue our proud lineage of national solutions today. We have had a long standing commitment to the State of Delaware since 1996. We are confident that you will find that Deloitte is uniquely positioned to team with DSCYF FACTS II project.

In accordance with RFP Section 7.2.1, we make the following statements:

- The signatory of this letter, Nicole G. Fuller, is authorized company officer who is empowered to bind the company.
- We confirm that we will comply with all provisions of the RFP.
- Deloitte accepts in principle the RFP contract terms. As required by the RFP, we have identified exceptions and clarifications to the contract provisions.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

- The proposed pricing was developed without any collusion or conflict of interest.
- Deloitte, as the prime Contractor, assumes primary and total responsibility for the scope of work identified in the RFP, proposal, and executed contract, and that the licenses of any proposed software, tools, or utilities acquired to accomplish this engagement are the property of the State of Delaware.
- Sections which contain proprietary information that should not be made available under the Freedom of Information Act are:
 - Section 9, Bidder's Qualifications and Credentials as Related to the Proposal
 - Appendix 10, Resumes
- Deloitte confirms that no relationship exists or will exist during the contract period between the Bidder and any other person or organization that constitutes a conflict of interest or that would interfere with fair competition.

We acknowledge receipt of the following addendum:

- Addendum 1 - no registration
- Addendum 2 - bidders list and bidders list update
- Addendum 3 - Q&A
- Addendum 4 - edits
- Addendum 5 - attendees update
- Addendum 6 - Nelson Present.
- Addendum 7 - Additional Info
- Addendum 8 - MIS
- Addendum 9 - DTI Present.
- Addendum 10 - deadline extension
- Addendum 11 - Q&A
- Addendum 12 - Q&A
- Addendum 13 - Q&A Update
- Addendum 14-Q&A clarification

Please contact me at (202) 340 3784 or nfuller@deloitte.com if you have any questions regarding our submission.

Sincerely,

DELOITTE CONSULTING LLP

By: _____
Nicole G. Fuller, Principal

Deloitte Consulting LLP (Deloitte Consulting) accepts in principle the contract terms and conditions as set forth in the RFP as drafts of certain provisions of a contract, the final terms of which will be negotiated by the State and Deloitte Consulting if we are chosen as the successful contractor. We recognize that, as with all complex engagements, there will be certain changes and/or additions to the terms and requirements in the RFP that the parties may wish to negotiate prior to initiation of the project, based on the requirements of the engagement as finally awarded.

We acknowledge that the State has broadly reserved the right to negotiate the applicable contract terms and conditions. We also acknowledge that the State has reserved the right to abandon negotiations with the Selected Bidder if the contract is not finalized within an acceptable timeframe. Given Deloitte Consulting's successful history of reaching agreement with the State of Delaware on terms and conditions on contracts such as DCIS II in the Department of Health and Social Services (DHSS), we are confident we can reach agreement on the applicable terms and conditions.

In accordance with RFP Section 1.3, we set out our exceptions below. We also attach our standard General Business Terms (GBTs) for purposes of negotiation of certain clarifications to the State's terms and for purposes of providing supplemental terms for discussion.

Exceptions and Clarifications:

1. Section 9 Terms and Conditions

- a. Any terms (as well as policies, guidelines, standards and the like) which the State seeks to be incorporated into the Contract, including those in Appendix B, require mutual agreement. Once the parties reach mutual agreement on all terms, the referenced Purchase Order will be issued.
- b. In the event the State seeks to require a performance bond, the amount and terms require mutual agreement. Because no bond amount was specified, there was no basis to price in the costs and as such, the costs will need to be added to the final agreed to price.
- c. No escrow appears to be required and license and ownership issues are to be negotiated, consistent with applicable federal requirements, in the final Contract.
- d. In the event of non-appropriation or an exhaustion of funds, the final Contract should provide for prompt notice of the funding constraint, an orderly shut-down of the project, and payment of all work in progress as of the effective date of the termination.
- e. We will agree to provide an indemnity the State for certain actions and conduct and that indemnity is set out in our GBTs.
- f. In connection with the requested insurance, we will validate conformance with the requested terms as part of the final Contract. We carry coverage that is routinely found acceptable by our clients, including the State.
- g. In connection with non-discrimination, we request the termination right be deleted

- h. In connection with Contract documents, we request that our proposal fall behind Contract Amendments in the order of precedence.
- i. In the event a Force Majeure event continues past a duration to be agreed to in the Contract, either party should have the right to terminate the contract for convenience and the parties should agree upon the process and related issues in the final Contract.
- j. We recognize the State's need to have termination rights, including those for an uncured material breach. However, certain adjustments are necessary to the provision for purposes of the final Contract.
- k. What constitutes successful completion should be aligned with the project in the final Contract.

2. Assurances and the Certification, Representation and Acknowledgements

- a. We will clarify the record keeping and audit rights in the final Contract. We understand the need to reserve the right to verify expenditures under the project, particularly any reimbursable type items.
- b. We understand the independent contract clause and indemnity in Appendix A, Assurances, is in context of the independent contractor clause that is the fourth paragraph of the Section 9 Terms and conditions. This clause should be clarified for purposes of the final Contract and addressed in context of the indemnities that Deloitte Consulting will provide to the State.
- c. All policies and procedures are to be identified and agreed to in the final contract as well as any remedies that may apply for nonconformance.
- d. In connection with the certification that there will be no charges other than those shown in the proposal, we understand this provision does not conflict with an agreed to changes or equitable adjustment provision.

3. Appendix B, Statement of Agreement

We understand that the State may seek to include certain of the standard State contractual provision from Appendix B into the final Contract. Some of the exceptions above apply to the clauses in Appendix B that are similar to other contract clauses contained in the RFP, certain other clauses appear to be not applicable or conflict with other provisions of the RFP. Since the State has not indicated what, if any, of the clause will be included, we generally identify below clauses that we take exception:

- a. The following provisions do not appear applicable: Article I--B.3.a., B.5., B.10-12; Article IV—B; and Article V—C.
- b. The following provisions require either clarification or contains portions that Deloitte takes exception to subject to negotiation: Article I--B.2., B.3.b, B.4., B.6-8; Article II—A and D; Article IV—A; Article V—G.4. and H.