



**Request for Proposal (RFP)**

**For**

**Data Sources and Policies Special Study Report**

**Issued By**

**National Association of State Workforce Agencies (NASWA)  
UI Integrity Center**

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**Bidders Webinar/Teleconference  
September 11, 2017 – 1:00 PM EST**

**Proposal Submission Date  
5:00 PM EST September 29, 2017**

## 1. Introduction

The Unemployment Insurance (UI) Integrity Center (Center) provides innovative tools, training, and support to states in their effort to reduce improper payments and combat fraud in the UI program.

One of the critical issues facing states is the need to access and utilize additional data for integrity cross- matching purposes. There are a number of national and state level data sources (ex. death records, incarceration records) that would, if accessed, provide a powerful tool for states' efforts to identify and prevent improper payments and fraud. The process of gaining access to these data sets is challenging, posing many obstacles and requiring a dedicated and consistent effort.

In addition, many state IT departments are overwhelmed and under-resourced, affecting their ability to create the electronic connections necessary to effectively utilize the data sources. The increasing need to create integrity-related IT solutions also impacts, and disrupts, state UI IT modernization efforts. Many states are forced to prioritize the modernization of antiquated benefit payment systems over integrity-related IT projects.

In order to provide much needed support to state integrity efforts, the Center is developing an Integrity Data Hub (IDH) with interfaces to multiple national and state data sources for purposes of cross-matching and data retrieval. In addition, the IDH concept is envisioned to include a robust data analysis/data analytics capability to assist states in detecting and preventing fraud and improper payments.

The purpose of this Request for Proposal (RFP) is to identify a contractor to conduct research and provide recommendations on data sources and associated policies regarding access, privacy, and data sharing that may be integrated into the IDH construct.

## 2. Background

The National Association of State Workforce Agencies (NASWA) was founded in the depths of the Great Depression, in the early years of unemployment insurance and employment service programs. It is an organization of state administrators of unemployment insurance laws, employment services, training programs, employment statistics and labor market information. Throughout its more than seventy-five year history, NASWA has strengthened the workforce system through information exchange, liaison, and advocacy.

The Center for Employment Security Education and Research (CESER), a 501(c)(3) entity, was incorporated in August 1994 as an arm of NASWA. In supporting NASWA and its partners, CESER serves as an incubator for research, analysis, training and technology. It is the leading education, research and information technology center focused on workforce development and unemployment insurance issues. The Center is housed within CESER.

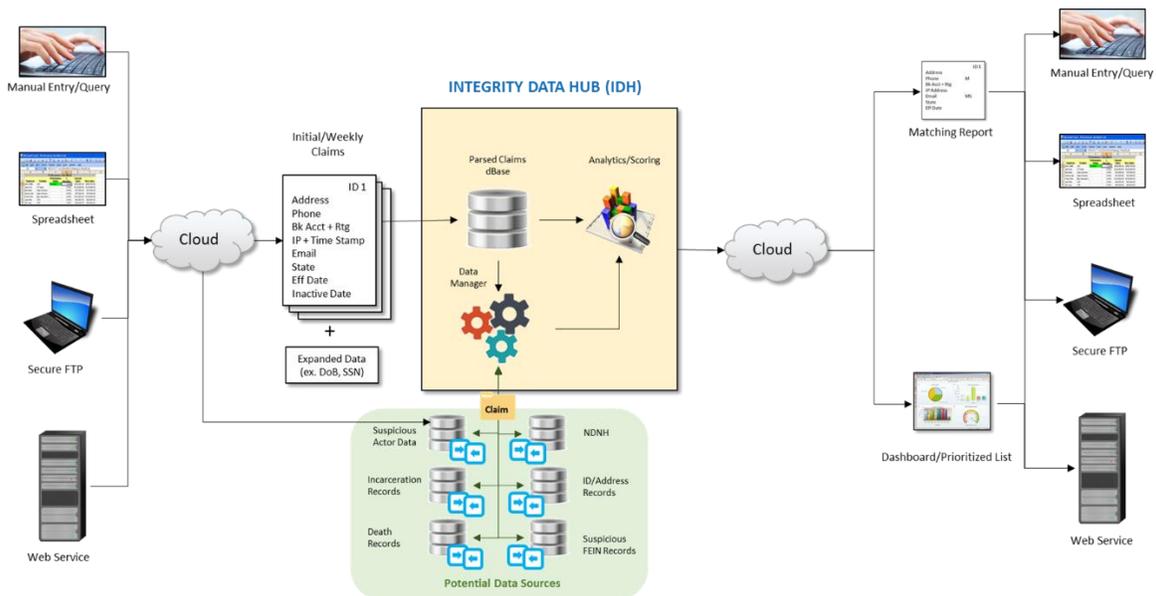
## About the Center

Overpayments, errors, and instances of fraud within the UI program have been long-standing concerns for Congress, the Federal Office of Management and Budget (OMB), the U.S. Department of Labor (USDOL), and state UI administrative agencies. To address these concerns, the USDOL and states have initiated multiple strategies and initiatives designed to reduce the risk of overpayments and prevent fraud.

The Center is charged with developing “innovative UI program integrity strategies to reduce improper payments, prevent and detect fraud, and recover any improper payments made” [UI Program Letter (UIPL) 28-12].

## About the IDH project

The IDH is envisioned to be a tool made available to states to enhance cross-matching of UI claims against multiple data sources. The high-level IDH concept is shown below.



Key functional areas of the IDH include the following:

### Parsed Claims Database

The IDH is envisioned to collect specific data elements from state initial and continued (weekly) UI claims information and to hold this information in a secure database that will be maintained by the Center.

### Interface/Cross-Match Engine

The IDH is envisioned to interface with an expanding set of data sources for purposes of cross-matching UI claims. Examples of potential data sources include: suspicious actor data, incarceration records, and death records. The Center expects to add additional data sources throughout the IDH lifecycle.

### Data Analytics/Scoring

Based on analysis of claims data and results of cross-matching claims data against external data sources, the IDH is envisioned to provide states the ability to analyze/score claims using data analysis/analytics.

### Output

The IDH is envisioned to provide output to states that is easily consumable, and useful to states based on cross-match hits and data analysis performed by the IDH, such as a prioritized list of claims worth further investigation.

### Data Sources

The IDH is envisioned to interface with multiple data sources for purposes of cross-matching with state UI claims data (and other data as appropriate). Data sources may include government/public data, or private data.

### Suspicious Actor Repository (SAR)

The Suspicious Actor Repository (SAR) was developed by the Center and is ready for implementation by select pilot states. The SAR represents the initial development efforts for the broader IDH concept.

The SAR will allow states to perform basic cross-matching of weekly and continued claims against a single, specific data source (a set of suspicious data elements provided by the states). SAR functionality will be expanded to include interfaces with additional data sources based on the information and recommendations from the special study being solicited here.

## 3. Estimated RFP and Contracting Timeline

- Bidders Conference: September 11, 2017
- RFP deadline: September 29, 2017
- Contract award: October 13, 2017
- Kick-off meeting: October 25, 2017
- Contract period: October 13, 2017 – February 15, 2018

## 4. Materials

The vendor(s) must possess the necessary technical expertise, staffing, equipment, office materials, and other tools necessary to develop the special study.

## 5. Place of Performance

Work for this task will be done primarily off-site. Most meetings and activities can be managed through conference calls and webinars.

## 6. Travel

All responses should include pricing for travel for a project kick off meeting and a project summary meeting to be held at the NASWA office in Washington, D.C. Both the kickoff meeting and summary meeting are expected to last one day. Other off-site follow up meetings may be required as needed.

## 7. Price

The Center anticipates allocating a maximum of \$150k for this study.

## 8. Statement of Work (SOW)

Contractor shall prepare a comprehensive report providing recommendations and information to inform the expansion of the SAR application/architecture to achieve the goals (vision) of the IDH. The report shall be organized into sections as follows:

### Data Sources

A significant concern is often the availability of the data needed to verify eligibility for UI. In some cases, data may not exist to allow workforce agencies to independently verify eligibility. In others, data may be available, but states are prohibited from using it or do not have matching agreements in place to take advantage of it. Finally, data may exist and can be matched, but there may be problems with the data itself, such as poor quality.

States currently perform cross-matching of UI claims against various data sources. These data sources include incarceration records, death records, wage records, and hiring/employment records. Due to privacy considerations and data sharing restrictions, each individual state typically performs cross-matching against data collected from intra-state resources such as the state office of vital records. Selected states perform cross-matching against public and private national data sources e.g., The National Directory of New Hires (NDNH), Appriss Inc. incarceration records). IDH is expected to benefit states by providing access to cross-matching against national (vs state-specific/local) data sources.

- Contractor shall review information on state cross-matching efforts and other documents and information provided by the Center. The Center will provide the selected vendor a list of policies and legislation that affect the eligibility of an unemployment insurance claimant.
- Contractor shall prepare an interim summary report that identifies national data sources that will potentially provide value to state cross-matching efforts.
- Data sources shall be organized (prioritized) based on factors including:
  - Value/Return on Investment (ROI)
  - Restrictions/Ease of implementation
  - Cost to deploy nationally (incremental pricing)

- Data format

## Policy Analysis

Significant federal, state and local laws, statutes, regulations, and policies can restrict access to and utilization of Personally Identifying Information (PII) useful in cross-matching and fraud detection. This includes the collection of data that potentially creates a “federal system of records.” See <https://www.gsa.gov/portal/content/104253> for additional information.

The federal government continues to face challenges in effectively addressing increasing concerns about the protection of the privacy of PII. The number of reported security incidents involving PII at federal agencies has increased in recent years, rising from 10,481 incidents in 2009 to 27,624 incidents in 2014. In addition, the recent high-profile breaches of PII at federal agencies and commercial entities have heightened concerns that personal privacy is not being adequately protected. There is an increasing reluctance by states to share PII with outside entities.

The SAR currently stores “level two” PII: including email address, home address, phone number, and bank account number. However, the system currently does not use, or store, any “level one” PII: SSN, name, gender, and date of birth. In order to implement more sophisticated cross matching prospects, IDH/SAR will need to collect and store level one PII including the name, SSN, date of birth and gender of claimants.

- Contractor shall document potential issues with state policies and legislation in collecting and storing PII in a centralized database.
- Contractor shall identify and summarize Federal legislation, guidelines and policies concerning the use of PII.
- Contractor shall provide recommendations on ensuring Center policies and procedures are adequate to protect PII shared by the states.

## Program Evaluation

Other Federal agencies, notably benefit programs such the Center for Medicare and Medicaid Services (CMS) and Food Stamps (SNAP), have implemented similar data sharing projects or initiatives similar to the Center’s IDH project. These related programs may provide insight into the successful development and fielding of the UI IDH.

- Contractor shall gather information on related data sharing programs. Information shall include:
  - Project summary
  - Points of contact
  - Current status
  - Development, implementation, and recurring support costs
  - Results/Performance
  - Applicable Technology/Innovation

- Opportunities for collaboration

### Available Technology Tools

Technology resources are becoming more readily available to assist both public and private entities to identify and prevent fraud. Software applications are now being used to analyze things like an applicant’s social media, IP addresses, email addresses, etc., to determine if an application was likely fraudulent.

The Contractor will generate a report with the following:

- A list of software tools being used in the private or public sector to identify fraud which could economically be used by the IDH to help discover potential UI fraud. The report must include volume pricing options and potential ROI.
- Other available options the Center could pursue to more effectively discover potential fraud.

## 9. Eligible Entities

To be considered, interested firms must be able to document their approach and experience in preparing similar special studies.

## 10. Delivery Schedule

<b>Task</b>	<b>Deliverable</b>	<b>Format</b>	<b>Days After Project Award</b>
1a	Project kick-off meeting	In-person	14 days
1b	Project plan to include plans and timelines for data gathering, analysis, preparation, review and delivery of the final study.	MS Project (or similar)	21 days
2a	Project update	Conf. Call	Bi-weekly
2b	Status report	Written	Monthly
3	Final study report	Written	120 days

## 11. Invoicing Schedule

Contractor shall invoice for payment based he following milestone payment schedule.

- Kick-off meeting 10%
- Acceptance of project plan 15%
- Interim data sources report - 30 days 15%
- 60 Days from contact award 20%
- Final report 40%

## 12. Proposal Requirements and Organization

All RFP responses should be prepared in MS Word or .PDF format using 12-point Times New Roman font and 1” margins. Responders may include links to, or copies of, similar reports. Responses should be organized as follows:

Section	Title	Content
1	Covers Sheet	1 page maximum.
2	Executive Summary	Summarize RFP response. (3 pages maximum).
3	Technical Approach	<ul style="list-style-type: none"> <li>Describe the proposed approach for gathering information, performing analysis and preparing the study report. 10 pages maximum).</li> </ul>
4	Staffing Plan	<ul style="list-style-type: none"> <li>Provide information on proposed staffing including proposed labor categories and associated experience/qualifications.</li> <li>Include resumes as appropriate.</li> <li>(6 pages maximum).</li> </ul>
5	Previous Experience	<ul style="list-style-type: none"> <li>Provide up to 3 project references. Contractor format, but must include: project summary, budget, customer POC and contact information. (6 pages maximum – 2 pages per reference).</li> </ul>
6	Cost Proposal (separate from Technical Proposal).	<p>Response should include itemized pricing for the following elements:</p> <ul style="list-style-type: none"> <li>Labor</li> <li>Materials/Equipment</li> <li>Travel</li> <li>Other</li> </ul>
7	Optional: State of NY Minority and Women-Owned Businesses	NASWA is encouraged to award a specified percentage of subcontracts to certified Minority and/or Women-Owned Businesses with the State of NY. Qualifying firms are encouraged to respond to this RFP.
8	Additional Information	Other information as appropriate. (3 pages maximum).

## 13. Proposal Submission

All RFP responses shall be submitted via email to [Data-Study-RFP@naswa.org](mailto:Data-Study-RFP@naswa.org) by 5:00 PM EST on September 29, 2017.

## 14. Additional Information or Clarification

NASWA will hold a bidders' webinar and teleconference question and answer session on September 11, 2017, at 1:00 pm EST. Information will be forwarded to all bidders who make a request to attend. This will be the only opportunity for interested vendors to ask questions for clarification on the RFP. NASWA will answer all questions to the best of its ability during this webinar/teleconference. Questions submitted in advance via email will be answered during the conference call. Additional questions not submitted in advance may be posed during the conference call.

A written summary of questions asked and responses provided will be posted as an addendum to the RFP on NASWA's website. Please note that no questions received after the close of the webinar/conference call will be addressed.

Bidders' conference attendance requests and questions may be submitted, in advance, electronically to:

James Cotter, Project Manager  
UI Integrity Center/CESER  
[IDH-Study-RFP@naswa.org](mailto:IDH-Study-RFP@naswa.org)

### Proposal Evaluation

The following criteria will be used to evaluate and score vendor proposals:

Section Number	Section Title	Max Points Allowed	Review Criteria
1	Cover Sheet	Required	<ul style="list-style-type: none"><li>To include entity name, point of contact, type of entity (ex. Corporation, minority-owned), federal tax ID, signature of authorized representative and date.</li></ul>
2	Executive Summary	10	<ul style="list-style-type: none"><li>Provides overview of the proposal in clear, concise language.</li></ul>
3	Technical Approach	30	<ul style="list-style-type: none"><li>Demonstrated understanding of the project goals.</li><li>Description of proposed solution(s), in clear concise language.</li><li>Proposed solution demonstrates ability to meet all requirements and deliverables.</li></ul>
4	Staffing Plan	10	<ul style="list-style-type: none"><li>Demonstrated knowledge, skills, and experience of staff proposed to accomplish the work, including the time available of designated key staff to commit to the project.</li></ul>
5	Previous project experience	30	<ul style="list-style-type: none"><li>Familiarity/experience with UI policies and processes.</li></ul>

			<ul style="list-style-type: none"> <li>• Organizational size is sufficient to support project of this size and scope.</li> <li>• Experience conducting similar special studies.</li> <li>• References that describe the previous project work.</li> <li>• Consideration will be given to the vendor's reputation in terms of quality, problem resolution, business control, timeliness, business relations, and customer service.</li> </ul>
6	Cost Proposal	15	<ul style="list-style-type: none"> <li>• Complete and concise budget and budget narrative documents.</li> <li>• Itemized cost description.</li> </ul>
7	Optional points	5	Additional points to be awarded for proposals that are contractors or include sub-contractors who are registered as MWBE firms with the State of New York.
8	Additional information from the vendor	N/A	Optional information at vendor's discretion.

The award will be made to the vendor determined by the Center to provide the "best value."