

# **Request for Proposals (RFP)**

## **Lean Training and Pilot Project Consulting Services**

**Released June 26, 2013**

### **Background and Purpose of Consulting Services**

The Vermont Department of Environmental Conservation (DEC) is moving forward with a Business Transformation Initiative (BTI) which includes applying Lean principles to the DEC's internal processes. Funding authorized in the DEC's 2014 budget included three new positions to assist with BTI as well as funding for consulting services in support of these efforts. Although Department management has been working to create awareness of Lean principals and the tools and applications used in other states, the majority of staff have little to no formal training on Lean principles or processes.

### **Scope of Work**

The Department is seeking an experienced Lean consultant to assist us with our Business Transformation efforts related to increasing our ability to use the Lean principles within our organization and the associated training. To kick-off the implementation of our BTI, the DEC would like to complete a pilot Value Stream Mapping Analysis event. Currently, we have several candidate processes and would look to the selected consultant to help us choose the process which best fits our initial goals of conducting a Lean event. Further, we would like to create a plan that will result in implementing the outcome in a relative short time frame to achieve measurable results (ideally within 6 months or less).

There are three separate tasks we are soliciting through this RFP: (1) Project Planning Assistance; (2) Introductory Lean training; and (3) Value Stream Mapping Analysis. Each bid proposal must include a separate discussion and budget line item for each of these three tasks.

#### **Task 1. Provide Project Planning Assistance and Management**

We will seek assistance in: identification of key individuals in the organizations that should attend introductory Lean training and the best timing of that training (Task 2); pilot project and associated participant selection, and pre-pilot project planning and preparations. In addition, we would like to work with the consultant to provide follow up consultation services on our pilot project 6 months after the Value Stream Mapping Analysis (Task 3) is completed. We plan to execute Task 1 on an "as needed" basis and therefore, bidding for this task should be presented as an hourly rate with time and materials costs included.

#### **Task 2. Conduct Introductory Lean Training Course**

As part of this initial project, we would like to provide an introductory Lean training course to a group of 20 to 40 individuals. This training will include participants who are participating in the Value Stream Mapping Analysis (Task 3) and other staff in the department who have little experience with Lean concepts. A final decision on the group size will be dependent

on proposal costs and the overall available project budget. The bid proposal should be scaled to show the base number of participants that can attend the respective training and the cost for extra participants above that base number. The training proposal should also include the course details and duration (i.e. half day or full day) depending on time planned to cover the pertinent material.

Ideally the course shall include a combination of lecture and hands-on activities geared towards application of Lean principles in an office environment. The purpose of this training is to create awareness and empower staff with increased knowledge of Lean principles and processes so they can participate in Lean events and begin to effectively implement process changes after consultation services are complete.

Specific topics to include are:

- Description of Lean in office/government environments; how can it lead to increased operational effectiveness, better clarity to job roles and functions, increased process flow, and improved productivity.
- Introduction to a Lean tool kit
- Introduction on how to map processes to make waste visible and to determine where to make Lean changes
- Identifying non-value added steps in our processes that can be minimized or eliminated.

Course materials and handouts will be provided by the contractor and should be included in the bid proposals as noted above. The Department will be responsible for reserving an appropriate location to conduct the training.

### **Task 3. Value Stream Mapping Analysis Pilot Project.**

The purpose of this task is to apply the Value Stream Mapping technique to the selected pilot project through either a 2 or 3 day training session. The selected consultant shall review the Value Stream Mapping process with Department participants and guide them through the evaluation of the current state and the subsequent development of a future state, and use these findings to develop an improvement plan.

The first phase of the project will encompass the training of staff on the Value Stream Mapping process as it applies to this project.

The second phase of the project will develop a Value Stream Map for the selected process. We anticipate a group of approximately 12 participants to develop a snapshot of current conditions or the “current state”. The current state examines capabilities, production rates,

processing time, and typical demands on the process. After mapping the current state, the participants will identify areas of non-value added steps and develop an improved future state.

Once the future state map is complete, the team will discuss implementation issues specific to the chosen process. They will then develop a plan to achieve the improvements, prioritizing the activities to focus on those most visible to the customer. Keep in mind, as a government agency, there may be multiple “customers” for a single process.

The Value Stream Mapping process will generate broad outlines of an implementation plan. At the conclusion of this session, a brief presentation will be made to management summarizing the event.

Deliverables for this project outlined in Task 3 include:

- Current State Map, complete with existing operating performance measures
- Future State Map, which identifies a new information and production process
- Implementation plan (6 months or less) focused on activities to achieve future state

## **Funding**

Funding for this contract is from the DEC.

## **Contract Provisions**

Respondents to this RFP should be aware that they will need to agree to the State of Vermont Customary Contract Provisions in order to execute a contract for this project. These provisions, which include insurance requirements, are attached to this RFP for reference.

## **Content of Proposals**

**All proposals must include the following information and be printed double-sided:**

- A scope of work and project budget for each of the three tasks outlined above. The budget should provide hourly rates for Task 1 (Project Planning) and base rate and per participant rates for Task 2 (Introductory Lean Training) and Task 3 (Value Stream Mapping). The bid proposals should follow the format provided in Table 1.
- A brief description of the company or individual's primary business, years in operation, etc.
- A statement identifying individuals who were involved in the preparation of the proposal, project staff and a single point of contact.
- If applicable, identification of subcontractors and provide a brief description of the company or individual's primary business, years in operation, etc.
- A brief description of your past experience and/or your subcontractors working on Lean process improvements with government agencies or environmental organizations.
- The names, addresses and phone numbers of at least three companies or government agencies with whom you (and your subcontractors) have transacted similar business in the last 12 months. Include contact names who can talk knowledgeably about performance.
- A brief description about your plan to accomplish each task.
- **PRICING:** Please complete Table 1.

## **Method of Payment**

The contractor shall submit monthly invoices outlining detailed services and associated costs for payment.

## **Criteria for Selection**

Proposals will be reviewed and evaluated by Department staff members involved in the Business Transformation Initiative. Selection of a contractor will be based on the following criteria:

- Qualifications and experience of project staff, trainers and facilitators.
- Previous experience working with government agencies or environmental organizations.
- Recommendations from references.
- Understanding of the work to be performed and proposed work plan.
- Cost.

**Table 1. Contractor Costs for Tasks**

<b>Task 1: Project Planning Services</b>		
<b>Contract and subcontracted staff – Name, Title, Hourly Rate</b>		
<b>Name</b>	<b>Title</b>	<b>Hourly Rate</b>
<b>Travel expenses to Montpelier, Vermont</b>		
<b>Miles</b>	<b>Reimbursement rate</b>	

<b>Task 2. Introductory Lean Office Training</b>		
<b>Number of Participants</b>	<b>Cost</b>	<b>Cost per participant</b>

<b>Task 3. Value Stream Mapping (assume up to 12 participants)</b>	
2-day event (base rate)	<b>Cost:</b>
3-day event (base rate)	<b>Cost:</b>

## **Proposal Submission**

An original (clearly marked as such), one paper copy, and one electronic version of the proposal must be received at the address below by the close of business on **July 22, 2013**. The electronic copy may be sent on disk or via email to the address below.

Send proposals and direct all questions to:

Carey Hengstenberg  
Vermont Department of Environmental Conservation  
Administration and Innovation Division  
1 National Life Drive – Davis 2  
Montpelier, VT 05620-0301

(802) 595-1632

[Carey.hengstenberg@state.vt.us](mailto:Carey.hengstenberg@state.vt.us)

**ATTACHMENT C: STANDARD STATE PROVISIONS  
FOR CONTRACTS AND GRANTS (REVISED 11/12)**

- 1. Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
- 2. Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
- 3. Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
- 4. Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
- 5. No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
- 6. Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

- 7. Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations



Products and Completed Operations  
Personal Injury Liability  
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence  
\$1,000,000 General Aggregate  
\$1,000,000 Products/Completed Operations Aggregate  
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

- 8. Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
- 9. Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

A single audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a single audit is required.

- 10. Records Available for Audit:** The Party will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
- 11. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
- 12. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
- 13. Taxes Due to the State:**
  - a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State,

payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.

- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

**14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

**15. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in all subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

**16. No Gifts or Gratuities:** Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

**17. Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.

**18. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

**19. Certification Regarding Use of State Funds:** In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

(End of Standard Provisions)