

2. AMENDMENT/MODIFICATION NO. 0003	3. EFFECTIVE DATE 12/18/06	4. REQUISITION/PURCHASE REQ. NO. R2007-AY-00064	5. PROJECT NO. (If applicable)
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6. ISSUED U.S. DEPARTMENT OF HOUSING & URBAN DEV. OFC. OF THE CHIEF PROCUREMENT OFFICER 451 7 TH STREET, SW., ROOM 5266 WASHINGTON, D.C. 20410	7. ADMINISTERED BY (If other than Item 6) U.S. DEPARTMENT OF HOUSING & URBAN DEV. OFC. OF THE CHIEF PROCUREMENT OFFICER 451 7 TH STREET, SW., ROOM 5266 WASHINGTON, D.C. 20410
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) TO ALL OFFERORS	(✓)	9A. AMENDMENT OF SOLICITATION NO. R-OPC-23053-FINAL
		9B. DATED (SEE ITEM II) 10/31/06
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 13)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended, [x] is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning 1 copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor [] is not, [] is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See attached continuation sheet.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) ROBERT B. WISSMAN CONTRACTING OFFICER		
15B. CONTRACTOR/OFFEROR _____ (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	16C. DATE SIGNED

1. The purpose of this amendment is as follows:
2. Provide questions and answers.
3. Notify potential offerors to assume an anticipated award date of June 1, 2007. The anticipated duration of the resulting contract/interagency agreement remains as follows:

Base Year	18 months from date of contract award
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Option Period	Period of Performance
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1	12 months
2	12 months
3	12 months
4	12 months
5	12 months
6	12 months
7	12 months
8	12 months
9	6 months

4. HUD expects to issue approximately two final questions and answers on or before 12/20/06.

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
451 SEVENTH STREET, S.W.
WASHINGTON, DC 20410**

**SOLICITATION NO. R-OPC-23053-FINAL
FOR
HUD INTEGRATED FINANCIAL MANAGEMENT IMPROVEMENT PROJECT
(HIFMIP)**

QUESTIONS AND ANSWERS

Question No.	Reference	Question	HUD's Response
105	General	To the extent that contract performance will require the purchase of commercial software license(s), will HUD sign the licenses and provide the software license(s) to contractor as Government Furnished Property?	HUD expects the successful offeror to manage the acquisition of all software licenses during contract performance. If specific issues relating to ownership of software licenses arise, HUD expects the matter to be referred to the Contracting Officer for assistance. Furthermore, at the conclusion of the resulting contract, it is expected that all software licenses will be transferred to HUD.
106	RFP Section C.8	The term "government-origin or provided information or data," encompasses a broad arena of information that may include information or data that is neither proprietary nor confidential in nature. Can HUD provide a definition of this term?	The use of the term "government-origin" in the context of the solicitation means, "all information and data received and/or processed by the contractor for work performed under the resulting contract."
107	Reference RFP Section I.1, Contract Clauses Incorporated by Reference, 52.222-41 SERVICE CONTRACT ACT OF 1965, AS AMENDED JUL 2005 and 52.222-43 FAIR LABOR STANDARDS ACT; SERVICE CONTRACT ACT-PRICE ADJUSTMENT MULTIPLE YEAR	Pursuant to FAR 22.1003-1, this procurement is exempt from the SCA and FLSA because it is for the purchase of equipment/software (commercial items) and is not for the principle purpose of furnishing services through the use of service employees. In accordance with Section 4.113 of the SCA implementing regulations, the contract resulting from this procurement is exempt from the provisions of the Act because the work to be performed will be done essentially by exempt employees who qualify as professional / highly skilled personnel. As well, the Service Contract Act and Fair Labor Standards Act seems to be in conflict with 52.222-46 Evaluation of Compensation for Professional Employees.	Pursuant to FAR 22.1003-1, the Service Contract Act applies to the resulting contract. The primary purpose of the contract is for services and the contract value exceeds \$2500.

	<p>AND OPTION CONTRACTS) MAY 1989, pg 42; Section I-7, FAR 52.222-42</p> <p>STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 1989), pg 46; and Section I-8, FAR 52.222-49</p> <p>SERVICE CONTRACT ACT - PLACE OF PERFORMANCE UNKNOWN (MAY 1989), pg 47.</p>	<p>Recommendation: Since the FAR defines exemptions to including 52.222-41 in solicitations and contract and because RFP is requiring an employee compensation plan for professional employees, we recommend that HUD delete the referenced requirements.</p>	
108	RFP Section I.8	<p>This section states that the Service Contract Act is applicable to the solicitation. Even though the primary purpose of this solicitation is for IT professional services, will HUD reconsider its position that the SCA applies? If SCA indeed applies to the solicitation, please specify the labor categories that are covered under the SCA for offerors to submit wage determination.</p>	<p>See our response above. HUD expects the offeror to determine the applicable labor categories that are covered under the SCA.</p>
109	RFP Section J Attachment 11	<p>Help Desk. ATT 11, Help Desk requirements. Requirements call for 24x7 user support. However, hours of operation are stated as 7am to 7pm EST, Monday through Friday. Please clarify.</p>	<p>Attachment 11 states user support is required 24x7. Tier 1 or Level 1 support is User Support. The SSP should expect to receive calls from the National Call Center 24x7x365.</p> <p>Attachment 11 states hours of operation should be 7 a.m. to 7 p.m. Eastern Standard Time, Monday through Friday which pertains to Tier/Level 2 and Tier/Level 3 support.</p>
110	RFP Section J Attachment 11, Page 3 describes the Help Desk Requirements.	<p>The table below the diagram seems to contain conflicting information, as follows:“ 24 x 7 user support;” and“Hours of operation should be 7 a.m. to 7 p.m. Eastern Standard Time Monday through Friday.” Is the Level 2 user support to be 12 hrs x 5 days OR 7x24x365? If the Level 2 support is 12 x 5, does the SSC support need to be 7x24x365? Note that “internal operations support” will be 24 x 7 x 365 to ensure successful HUD processing.</p>	<p>See our response above.</p>

		Page 3 – Please clarify the hours of operations of 7 am – 7pm with the 24x7x365 customer support requirement.	
111	RFP Section J, Attachment 18 Section 7.1.1, page 7-2	The government discusses the risks of unavailability and the safeguards to protect against it. Has a business impact analysis been performed related to availability?	This information is not available.
112		Does FHASL currently using the EPM Warehouse and workforce analytics? If yes please provide user counts for these modules.	No. FHASL does not currently use EPM Warehouse and workforce analytics.
113		Will HUD require the Offeror to sign a Memorandum of Understanding (MOU) and/or an Interconnectivity Agreement in relation to security controls?	Yes. The successful offeror will be required to sign an Agreement regarding compliance with security controls.
114	RFP page 92, Section L.17(4), Volume 3 Small Business Participation	Will the Prime be allowed to flow-down and count the requirement for 40% Small Business Participation to their major subcontractors? Additionally, recommend the Government place a ceiling on the number of relevant references discussed.	HUD will review the prime’s subcontracting plan in light of HUD’s small business goals contained in section M, subfactor 5.1 Small Business Subcontracting Plan. In addition, please see our response to question no. 83 in amendment no. 0002.
115	RFP Section L, Volume 2 – Section 2C) pg. 88 #9	Rollout and Post Implementation Support – discusses support requirements. In the last part of the paragraph “dual processing” is mentioned: Would HUD please clarify what the “dual processing” requirement support relates to.	If the offeror proposes to perform the rollout in increments, there would be some groups in post implementation and other waiting on rollout. In addition, depending on the ‘go live’ system date, the legacy system may need to post additional transactions during the implementation of the new COTS core financial system. This section asks the offeror to describe their approach for handling this dual situation.
116	RFP Section L, Volume 2 – Section 2B) pg. 84 #9	This section discusses life-cycle documentation and program deliverables. The paragraph requests the offeror to “... identify the deliverables in outline fashion (table of contents) by tasks/phases: The document outlines (Table of Contents listings) could be quite lengthy and in some cases will be the HUD SDM templates. Do the outlines count as part of the page counts for this section? Would the government consider identifying the documents by topic only?	Document outlines will have no page limits. HUD SDM templates do not need to be included. No additional changes will be made.
117	RFP Section L, Vol 5 (5)	Does this holdback apply to each Option Year individually or to the whole contract? Do the acceptance requirements apply to All CLINS, not just	Pursuant to Volume 5, PRICE PROPOSAL, paragraph (6), the 15% holdback applies only to CLINs 0003, 1004C, 2009C, and

		the Sys Integration CLIN? Why is payment for these CLINS subject to acceptance of other CLINS such as the Business Process Improvement CLINS?	X002C. In addition, the holdback is applicable only to final payment.
118	RFP Section L, Vol 5 (17)	Does this requirement mean that any proposal assumptions or exceptions to the T&C's must be addressed formally with the government through a Q&A process prior to proposal submission? Will the government consider Assumptions or Exceptions in the proposal if they have not been raised in the pre-proposal time period?	In accordance with Volume 5, PRICE PROPOSAL, paragraph (17), "Any exceptions to the terms and conditions of the solicitation shall only be addressed in the event discussions are held."
119	SOO (as revised with Amendment 1) Paragraph 4.2.6, pg 10.	The referenced paragraph indicates that there is to be "online real-time ICFMS interfaces" for the five systems named. We recommend that HUD set specification limits to quantify HUD expectations for data transfer, conversion, and online real-time accessibility.	The Government has not set any limits. However, transaction timing targets in the FRD (Attachment 18) Section 4.1.2 have been provided.
120	SOO, pg 12, 4.2.15	SOO states that FHASL Implementation will be leveraged by HUD for HIFMIP. How similar/dissimilar are the business processes between FHA and other HUD areas? Did the FHASL Implementation Team take in to consideration the HIFMIP requirements when designing the solution for FHASL? For example, did FHASL Implementation design the Chartfields with the eye towards future integration with ICFS?	The business process for FHA are very similar at a macro level. The FHASL team did not have a requirement to design the solution for HUD-wide usage.
121	SOO, pg 12, 4.2.15	Data Conversion: All historical data must be converted according to the SOO. What is the volume of this historical data? What are the usage statistics for the older historical data (e.g., 5 years or older)? How much of this data is required to be online or can some of these historical data be retrieved through reports?	HUD requires that all historical and current financial data be converted and migrated to the integrated system and available online regardless of the usage statistics for the historical data. The Data Requirements Document (DRD) Section 2.6 provides an estimated annual ICFS Data Storage Requirements by Data Entity or Table Name based on existing HUDCAPS, PAS, and LOCCS transaction volumes that correspond to the data entities. The total rows = 5,658,627 and total memory required for storage = 288,904,468 bytes based on a total of 489 Numeric Data Elements (4 bytes – 32 bits for decimal variables) and 754 Charter Data Elements (1 byte – 8 bits for character variables).
122	SOO, Attachment (1) Page 23 section	Indicates the ICFMS system will include four real-time systems. One of the	HUD expects that the Single

	8.2	systems listed is “Single Family Asset Management’s outsourced service provider”. We believe this is an FHA system that is currently undergoing implementation. Does HUD expect that implementation to be complete prior to the hosting migration for FHA? If so, then the ICFMS action will be to migrate and then integrate this completed, operational interface. If not, then ICFMS will be required to implement this interface. Will there be any further work on the new Single Family Asset Management activity that the ICFMS project will need to perform?	Family Asset Management implementation will be complete prior to hosting migration for FHA. HUD is not currently planning further work on the new Single Family Asset Management activity, other than work required under sustainment.
123	I.2, FAR 52.204.9 -	Does HUD have alternative requirements in light of the recent delays related to the HSPD-12 program?	No. HSPD-12 is a federal government-wide requirement.
124	Section J, Attachment 11	After the review of Attachment 11 regarding sizing please provide the following information: <ul style="list-style-type: none"> - Number of vendors in the HUD environment (both external and employees) - Number of vendor invoices recorded per year - Number of journals processed per year or Journal lines - Number of accounts receivable (AR) customers - Number of AR invoices issued per year - Number of assets in the HUD asset change 	<ul style="list-style-type: none"> - HUDCAPS Vendor File (Employees) 22,233 - HUDCAPS Vendor File (Non-Employees) 27,975 - LOCCS Vendor File 53,048 TOTAL – 103,256 - Number of vendor invoices recorded per year (HUDCAPS Journal Expense #6100 transactions) 1,671,437 - Number of journals processed per year or Journal lines (HUDCAPS Journal Lines FY 2006) 29,224,984 - Number of accounts receivable (AR) customers (DARTS records) 3,000 (AR paid when recognized) NLS receivables 5,500 (loan receivables) - Number of AR invoices issued per year – Not enough AR invoices (billings) to warrant reporting. Many AR are offset by future payment to grantee - Number of assets in the HUD asset change. This information is not currently available.
125		Can HUD provide user breakdown by type, e.g., heavy users, moderate, self-service? Can user information be provided for HUD, Ginnie Mae, and OFHEO similar to that provided for FHASL? Can user breakdown by PeopleSoft module be provided?	This information is not available.

126		Will the Shared Service Provider (SSP) be expected to conduct, deliver, and maintain a Certification and Accreditation (C&A) package?	HUD requires the Shared Service Provider (SSP) to have a Certification and Accreditation (C&A) prior to the SSP being the system of record for HUD. The SSP will be required to maintain a C&A.
127	Page 88 (Volume 2 - Section 2C) #9 - Rollout and Post Implementation Support	Discusses support requirements. In the last part of the paragraph “dual processing” is mentioned: Would HUD please clarify what the “dual processing” requirement support relates to.	See our response to question no. 115 above.

128. Section J, Attachment 27 and 28 provide information about the FHA environment from April 2005. Please provide updated information. Please complete the tables below with current information for all the environments.

HUD's RESPONSE: We do not currently collect these metrics and cannot complete the below table. For more information on Use types, please refer to the Data Requirements Document (Attachment 17) Section 3.5 and Section 3.7 for types of users and the financial process they use.

1. Usage Levels:

	HUD	FHA	GINNIE MAE	OFHEO
Details of Production Usage				
# of Professional Users (100% of day)				
# of Medium Duty Users (50% of day)				
# of Query / Light Users				
# of Self Service Users				
# of Administration Users	8-10			
# Concurrent Users				
Total Employees	8-9,000			
List any peak periods				

HUD estimates that by the end of December 2006, total users will be approximately 1100. FHA estimates that by the end of 2007, total users will be approximately 1300, and peak concurrent users will be 300. Peak periods are, in order from most activity, year-end, quarter-end, and month-end.

129. Do the required HUD environments (e.g. test, etc) at the SSC need to fully mirror the production environment in terms of performance and data storage?

HUD's RESPONSE: We expect potential offerors to have the knowledge/experience and expertise that will allow them to propose the best environment solution to meet HUD's objectives. FHA's experience has been that test and development environments do not have to duplicate production performance and capacity at all times. When testing requires production level data storage, this capacity has been provided through management of available resources and coordination of activities using those resources.

130. Expected upgrade requirements at integration point for FHA & Ginnie Mae: Please provide updated information and complete the tables with current information for all the environments.

HUD's RESPONSE: The offeror is requested to propose the target versions for PeopleTools and the PeopleSoft COTS modules. Ginnie Mae information is not available at this time.

	HUD	FHA	GINNIE MAE	OFHEO
PeopleTools Upgrade Information				
Will a PeopleTools upgrade be required at time of implementation?	NA			NA
Current PeopleTools version	NA	8.46.08		NA
PeopleSoft Application Upgrade Information				
Source version	NA	8.8	8.9	NA
Target version	NA	8.8		NA

131. What are the current data base sizes and software versions for FHA? Please complete the table below with the information.

HUD’s RESPONSE: Current FHA data base sizes and software information are provided in the attached FHASL Infrastructure Requirements (Attachment 27) and FHASL Updates System Acquisition Plan (Attachment 29).

The FHASL Infrastructure Requirements document includes references to database capacity requirements for PeopleSoft CRM and Portals applications as well as PeopleSoft Financials and Revenue Management. HUD’s responses to Questions 69 and 75 explained that FHA was not using PeopleSoft CRM and Portals. However, the database capacity requirements assigned to PeopleSoft CRM and Portals in the FHASL Infrastructure Requirements continue as current requirements. FHA is implementing alternative technical solutions for the PeopleSoft Customer Relationship Management and Portals applications that require equivalent capacity. FHA’s alternative solutions rely primarily on custom procedures and modification to Revenue Management using PeopleSoft development facilities.

Additional information is not available.

FHA: Current PeopleSoft Environment – Database and Application Server Information	Database Size	Database type (Oracle, DB2, etc)	Database Version	Application Server (Tuxedo Version)	Web Server (WebSphere, WebLogic, Oracle)
DEMO					
DEV					
TEST					
PROD					
Other: add rows as required					

132. Please identify any “third party software” (e.g. Crystal Reports, Cognos, Autosys, Stat!, etc) not included in the above lists or the RFP that will need to be hosted.

HUD’s RESPONSE: Current “third party software” in use for FHASL has already been identified in the RFP and Attachment 29. Any additional “third party software” necessary to meet HIFMIP’s ICFS/IFMS requirements should be proposed by the Offeror.

133. What are the current hardware configurations for FHA, i.e. what are the HW environments and which instances are currently run on each HW platform?

HUD's RESPONSE: Attached FHASL Infrastructure Requirements (Attachment 27) and FHASL Infrastructure Requirements Addendum (Attachment 28) represents the best available statement of FHA's current capacity requirements. The hardware in use at this time does not meet FHA's current requirements. Additional information is not available at this time.

FHA: Current PeopleSoft Environment Information – Hardware Information	Manufacturer	Model	Qty	Describe Configuration	CPU Qty	RAM Qty	Other
DEMO							
DEV							
TEST							
PROD							
Other: add rows as required							

134. What are the current transaction volumes and expected growth rates?

HUD's RESPONSE: The FHASL Infrastructure Requirements (Attachment 27) and FHASL Infrastructure Requirements Addendum (Attachment 2) provide transaction quantities and other capacity requirements. Additional information is not available at this time.

Batch Information (enter quantities for each HUD org)	HUD	FHA	GINNIE MAE	OFHEO
General Ledger				
Journal Lines to Process/ Night	FY 2006 – 29 M/260 days = avg. 11,538/night			
Number of Financial Statements run monthly				
Accounts Receivable				
Invoice Items to Process/ Night				
Number of payments to apply online				
Number of payments via lockbox				
Average number open items				
Accounts Payable				
Vouchers to Process / Night	958 K/280 = 3,684/night			
Average number of open items				
Average number of payments per pay cycle	958 K/280 = 3,684/night			

Batch Information (enter quantities for each HUD org)	HUD	FHA	GINNIE MAE	OFHEO
Average frequency of pay cycle				
Asset Management				
Transactions to Process / Night				
Average number of assets on the books				
Average depreciation schedule per asset				
Customer Information System (CIS)				
Bills to Process / Night				
Hours to process				
Batch growth per year over the term as a %				
Estimated % of total batch jobs to be run outside of prime hours of operation				
Estimated peak time during a 24-hour period				

135. What are the current reporting volumes?

HUD's RESPONSE: The metrics to complete this table have not been collected at this time.

Reporting	FHA		Ginnie Mae	
	QTY	#	QTY	#
Please enter quantities and peak # of concurrent reports				
HP-UX (Unix) or Windows Based				
SQR				
COBOL				
Only Windows Based				
PeopleSoft Query				
Crystal Reports				
Nvision				
Cognos – Powerplay				

136. Please provide a summary of the current scripts usage by FHA and Ginnie Mae.

HUD's RESPONSE: The metrics to complete this table have not been collected at this time.

Scripts	FHA	Ginnie Mae
# of scripts		
Language used		
Description of scripts – indicate if SQL or other		

137. Please summarize the Integration technologies in use (and new interfaces being implemented before the integration date). Please provide one table each of the four HUD units (HUD, FHA, Ginnie Mae, OFHEO).

HUD's RESPONSE: The metrics to complete this table have not been collected at this time.

Interface Type	Qty	Description	Frequency	Unique Destinations
Online/HTTP/HTTPS				
PeopleCode calls to 3 rd party software not HTTP based				
PeopleSoft Integration Broker				
Real-time ODBC or similar direct database interfaces				
SMTP connectivity to/from customer site				
Inbound/Outbound flat-file interfaces crossing the hosting firewall				
XML				
FTP used				
LDAP (describe)				
Active Directory				

139. Is there a need for any open Internet applications? (Y/N)

HUD's RESPONSE: The future may require open internet applications; however, none have been identified at this time. The metrics to complete this table have not been collected at this time.

Internet Access	HUD	FHA	GINNIE MAE	OFHEO
<ul style="list-style-type: none"> If "yes" which applications require the open Internet server? 				
<ul style="list-style-type: none"> What % of total users will be from the public Internet? 				