

## **Request for Information (RFI) Announcement**

**National Association of State Workforce Agencies (NASWA)  
Center for Employment Security Education and Research (CESER)  
Unemployment Insurance Integrity Center (Center)**

### **Evaluation of Commercial-Off-The-Shelf (COTS) Technology and Data Sources to Support Development of an Unemployment Insurance Integrity Data Hub (IDH)**

This RFI is in support of the Center's efforts to develop "innovative Unemployment Insurance (UI) program integrity strategies to reduce improper payments, prevent and detect fraud, and recover any improper payments made" [[http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_28\\_12\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_28_12_Acc.pdf)]. Specifically, to "design and build a single hub with interfaces to multiple databases for purposes of cross-matching and data retrieval."

The Center is conducting market research on the availability and capability of COTS-based data analysis and data analytics tools, as well as data sources that may be leveraged in the development of the UI IDH.

The RFI in PDF format, and updates are posted on:

<http://www.itsc.org/Pages/DataHubRFI.aspx>

A webinar will be hosted on August 19, 2016, registration for the webinar can be found at: <http://www.itsc.org/pages/DataHubRFI.aspx>

#### **Important Dates:**

RFI Publication Date: August 12, 2016

RFI Webinar: August 19, 2016

Final Clarification Questions: August 26, 2016

Questions and Responses Posted: September 2, 2016

RFI Responses Due: September 9, 2016 by 5:00 p.m. EDT to [DataHubRFI@itsc.org](mailto:DataHubRFI@itsc.org)

**Request for Information:  
Evaluation of COTS Technology and Data Sources to Support  
Development of an Unemployment Insurance Integrity Data Hub (IDH)**

**Introduction**

This RFI is issued in support of the Center's efforts to develop "innovative UI program integrity strategies to reduce improper payments, prevent and detect fraud, and recover any improper payments made" [[http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_28\\_12\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_28_12_Acc.pdf)].

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 sets (ex. death records, incarceration records, and UI wage 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, once access becomes available, 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 address this issue and provide much needed support to state integrity efforts, the Center intends to evaluate the concept and, if appropriate, design and create a single IDH with interfaces to multiple national and state databases 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.

**Purpose**

The purpose of this RFI is to engage the vendor community and obtain information on existing data sources and COTS-based technology that might support the data exchange, data analysis and data analytics capabilities of the IDH. We also want to obtain information on estimated costs to implement these technologies, the extensibility and cost of adding additional users, and on recurring maintenance and support costs. Depending on information gathered in response to this RFI, selected vendors may be invited to provide additional information and demonstrate their capabilities. In addition, this process may lead to one or more competitively-awarded pilot/proof-of-concept projects.

**Timeline of Events**

In order to better inform participating vendors regarding the structure of the UI program, related efforts by the Center, potential data sources for cross-matching and our goals for the RFI, we are planning an RFI webinar to inform respondents and answer any questions.

The RFI timeline of events is shown below:

<b>Project Activity</b>	<b>Timeline</b>
RFI Published	August 12, 2016
RFI Webinar	August 19, 2016
Final Clarification Questions	August 26, 2016
Questions and Responses Posted	September 2, 2016
RFI Responses Due	September 9, 2016

Note: The Webinar is designed to afford the opportunity for vendors to ask additional questions and provide their input/comments. All questions and answers from the Webinar will be posted on the RFI website at: <http://www.itsc.org/pages/DataHubRFI.aspx>.

The Center reserves the right to invite vendors to participate in detailed discussions, clarifications to responses, and presentations/demonstrations subsequent to the RFI due date.

This RFI process may provide information that leads to potential pilot/proof-of-concept projects implemented through one or more separate competitive processes, likely to include participation by state partners. Some possible pilot/proof-of-concept examples include: demonstrating the benefits of performing data analysis/analytics using UI claimant data from multiple States, developing pricing models for state participation, or demonstrating the ability to add additional data sources for cross-matching.

**Organization Background**

**USDOL** – US Department of Labor (USDOL) is the federal agency responsible for oversight of the federal/state UI program. USDOL provides states with administrative funding to operate their UI programs and ensure that states operate those programs in accordance with federal law. USDOL also provides technical assistance to states to support their effective and efficient administration of the program. To learn more about USDOL and UI, you may visit their website at: <http://www.doleta.gov>.

**NASWA** –NASWA is an organization of state administrators of UI laws, employment services, training programs, employment statistics, labor market information and other programs and services provided through the publicly-funded state workforce system. The mission of NASWA is to serve as an advocate for state workforce agencies, as a liaison to workforce system partners, and as a forum for the exchange of information. NASWA was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from its member agencies and other revenue. To learn more about NASWA, you may visit the NASWA website at: <http://www.naswa.org>.

**CESER** – CESER, created in 1994, is a leading education, research, and information technology center focused on workforce development and unemployment insurance issues. CESER is proud to be the home of the Information Technology Support Center (ITSC) and UI Center.

**UI 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, the USDOL, and state workforce agencies. To address these concerns, the USDOL and states have initiated strategies and initiatives designed to reduce the risk of overpayments and prevent fraud. In 2012, USDOL selected the New York State Department of Labor (NYSDOL) to lead the development of the UI Center. NYSDOL has subsequently passed the leadership responsibilities for the Center to NASWA/CESER. 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” (UIPL 28-12).

### **UI: A Federal – State Partnership**

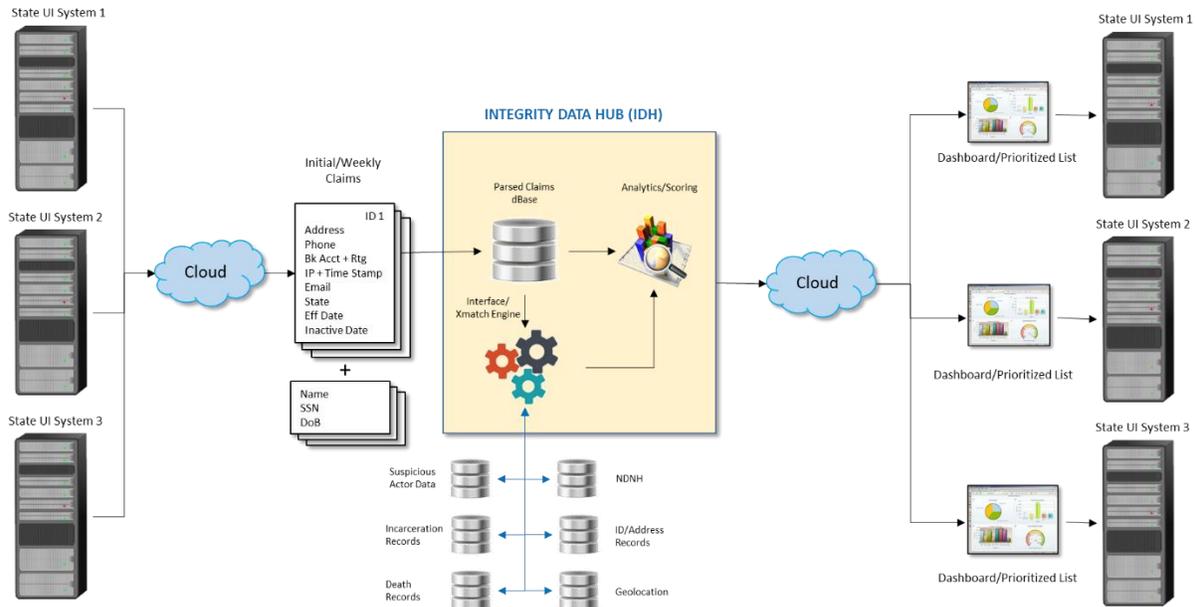
The federal-state UI program created by the Social Security Act (SSA) of 1935, is a social insurance program. It is designed to provide benefits to individuals out of work, generally through no fault of their own, for periods between jobs. In order to be eligible for benefits, jobless workers must demonstrate workforce attachment, usually measured by amount of wages and/or weeks of work, and must be available for work. The program also functions as an economic stabilizer by putting purchasing power in the hands of UI beneficiaries.

The UI program is a federal-state partnership based upon federal law, but administered by state employees under state law. Because of this structure, the program is unique among the country’s social insurance programs. The UI program is also unique in that it is almost totally funded by employer federal and state payroll taxes. Only three states collect taxes from employees. Under the Federal Unemployment Tax Act (FUTA), employers pay federal taxes for state UI administration funds, which are distributed to states through grants by USDOL. Employers also pay state UI taxes to fund UI benefits that claimants receive.

Federal law defines certain requirements for the program. The SSA and the FUTA set forth broad coverage provisions, some benefit provisions, the federal tax base and rate, and administrative requirements. The major functions of the federal government are to: set broad overall policy; ensure conformity and substantial compliance of state law, regulations, rules, and operations with federal law; determine administrative funding requirements and provide funding to states for proper and efficient administration of the program; monitor state performance; provide technical assistance as necessary; and hold and invest all money in the unemployment trust fund until drawn down by states for the payment of benefits. For a detailed description of the UI program visit the USDOL website at: <http://www.dol.gov/dol/topic/unemployment-insurance>.

## IDH Concept

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. The IDH is envisioned to provide pattern matching and predictive analytics across large amounts of data collected from multiple sources.

### 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. Particular consideration will be made in providing outputs that minimize the impact on state staff driven by the cross-match hits potentially generated by the IDH.

### 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.

Additional technical information:

- The IDH is envisioned to be operate as a cloud Infrastructure as a Service (IaaS) FedRAMP compliant system.
- Early versions of the IDH are envisioned to use the Apache Cassandra open-source distributed database management system.

### **RFI Response Requirements**

This Center's RFI consists of information requests, and questions that vendors are asked to address in as much detail as possible, within the page limits provided, to allow the Center to fully understand the products available and associated costs to support development of the IDH. Respondents are requested to address each of the items elaborated upon below.

#### **1) Company Overview**

Provide a brief description of your company, services, business size (revenue, employees, customers), and points of contact, including name, address, phone numbers, and email addresses.

*Limit response to 1 page.*

#### **2) Product Overview**

Provide an overview of your company's product(s) with potential application to the IDH, or portions thereof. For vendors with multiple products, please provide the information requested in 2), 3), 4), and 5) for each product.

*Limit response to 2 pages for each product.*

#### **3) Project Summary Citations**

Include up to three (3) project summary citations that outline how your product is/was used to provide functionality similar to that envisioned for the IDH. For each project summary citation, please include the following: project summary, project size/scope, initial/final budget, agency/organization, and agency/organization point of contact.

*Limit response to 3 pages for each product.*

#### **4) Product Application to the IDH**

Provide detailed information on how your product could be used to achieve the functionality envisioned for the IDH, or portions thereof. Include the following information:

- What functional areas of the IDH does your product support (ex. cross-matching, data sources, data analysis/analytics, reporting)?

- What data would your product need as inputs?
- What types of file formats are supported?
- Do you have relationships with any data providers that are applicable to the IDH concept and would/could be used as part of your solution?
- How soon could your product be implemented in a cloud based, multi-state format?

*Limit response to 5 pages for each product.*

### **5) Rough Order Magnitude Pricing**

For each product please provide Rough Order Magnitude (ROM) pricing in sufficient detail to allow the Center to understand the costs of IDH implementation and sustainment with a multi-state approach. Pricing should address the following line items:

- Development/Tailoring of the solution;
- Implementation costs;
- Licensing costs, including opportunities for bulk licensing discounts;
- Price of transactions;
- Price to add/interface with new data sources;
- Recurring license/access fees;
- Ongoing maintenance and support; and
- Other cost elements/line items as needed.

*Limit response to 1 page for each product.*

### **6) Other Considerations**

Provide any topics, solutions, issues for consideration or questions your company would like to submit related to the subject of this RFI for the Center's consideration.

*Limit response to 2 pages.*

### **RFI Description and Process**

Participation in this market research is voluntary. All costs incurred in responding to, or in participating in this RFI, will be the responsibility of the vendors, or other third-party organizations participating in the RFI, and not that of the Center.

### **Confidentiality**

Any document submitted in response to this RFI that contains confidential information must be marked by a watermark on the appropriate pages as "Confidential." The confidential information must be clearly identifiable to the reader as confidential. All other information will not be treated as confidential. Note all confidential information is for the Center's use in developing the IDH.

## Instruction and Response Guidelines

This is NOT a solicitation for proposals, proposal abstracts, or quotations, however, information provided may be used as justification to enter into agreements as appropriate. The response must be specific to each of the RFI requirements, listed above, to demonstrate that the respondent has the requisite skills and capabilities.

Responses to this RFI shall adhere to the page limits specified, and must be in narrative form and provide details on vendor product capabilities. Responses must be viewable with Microsoft Word 2003 or Adobe Acrobat and printable on 8.5" x 11" paper, must use 12-point font, the margins of each page should be at least ½ inch, and each page should contain a page number in the footer.

This RFI is for information and planning purposes only and shall not be construed as a solicitation or as an obligation on the part of the Center to issue a Request for Proposal (RFP) or award a contract. Sources responding to this RFI should submit the minimum information necessary for the Center to make a determination that the products described are capable of providing the required functionality.

However, should such as future RFP materialize, no basis for claims against the Center shall arise as a result of a response to this RFI or the Center's use of such information as either part of our evaluation process or in developing specifications for a subsequent RFP.

Responses must be received electronically by 5:00 p.m. Eastern Daylight Time on September 9, 2016. The interested parties will then receive a confirmation receipt within 24 hours of their submission. Responses will be sent to the email address of the sender along with any additional email addresses included in the submittal.

Please ensure that the submittal is in Microsoft Word or PDF format. All responses must be submitted electronically to the following email address: [DataHubRFI@itsc.org](mailto:DataHubRFI@itsc.org).

Telephone calls regarding this RFI will not be accepted. Questions may be submitted at the webinar event and also by email up to 5:00 p.m. Eastern Daylight Time, August 26, 2016. All questions received at the webinar will be posted on the RFI website along with answers provided by the Center. This RFI is for planning purposes only and does not commit the Center to pay for the information requested, issue a solicitation, or award a contract. No solicitation document exists at this time.

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