



Attachment D – Relationship Management

RFP-23-01-UI

Relationship Management Overview

This Attachment D, Relationship Management, sets forth the roles and responsibilities of the parties for the relationship processes and activities provided under the Contract as part of the Unemployment Insurance System Services. These processes and activities are required to provide and support the overall relationship between the State of Hawaii (State) and the Contractor.

Relationship Management

The State recognizes that relationship management processes are an essential component for successful ongoing State-Contractor relationship satisfaction. The State requires a relationship with the Contractor based on a number of key ingredients, including:

- (a) Mutual trust and respect
- (b) Excellent communication between both parties
- (c) Well-defined objectives and service levels
- (d) Appropriate governance structures
- (e) Well-defined roles and responsibilities

The Contractor relationship management team will work with the State team to achieve the State relationship goals and objectives, including:

- (a) Delivery of high-quality services to support the State business needs.
- (b) Continued high customer satisfaction from all technical and operational users of services.
- (c) Continuous recommendation of improvements to the functionality, creation, and delivery of services to the extent that the State business objectives would be better served.
- (d) Development of the business rationale and benefits of any proposed changes and communication to the team and other State stakeholders, as appropriate
- (e) Working within the mutually agreed upon structure regarding processes and procedures.
- (f) Assisting the State in its planning activities, as required; and
- (g) Ensuring sufficient and continued communication.

Key Roles

The State and Contractor shall each establish and maintain relationship management teams of senior business and technical professionals that throughout the Contract life cycle will:

- (a) Determine and protect the business interests and reputation of the State.
- (b) Dedicate sufficient time and resources to make the relationship a success.
- (c) Support the State strategic and tactical planning processes.
- (d) Monitor Contractor performance metrics including contracted Service Level Agreement (SLA) requirements (i.e., schedule, testing, scope, and additional options).

Key personnel will be managed as set forth in the Contract which includes the RFP and accepted Proposal or BAFO. To ensure consistency of service delivery and minimize personnel learning curves, Contractor agrees to minimize the amount of turnover in its staff assigned to the State's account to the goal of less than ten percent (10%) per contract year.

Executive Sponsors

The State shall designate an Executive Sponsor and Contractor shall designate a Contractor Senior Executive; each shall be responsible for the overall success of the Contract and be the primary executive point of contact for all matters relating to the Contract.

The Contractor Senior Executive shall be at a minimum:

- (a) Knowledgeable about the Contract requirements, the State UIS Program, and the Contractor, subcontractor, and third-party services and how all of these integrate to provide the Contract requirements for the State.
- (b) Responsible for approving changes to scope, schedule, and costs of the UIS Program.
- (c) The primary relationship manager between the Contractor and the State.
- (d) Responsible for ensuring services are delivered consistently and seamlessly across all service areas and State organizations.
- (e) Experienced at providing services equal in size and scope to those of the State.
- (f) Otherwise, acceptable to the State.

The Contractor Senior Executive shall be vested by Contractor with all necessary authority to act for the Contractor in connection with all aspects of the Contract.

Program Managers

The State shall designate an Unemployment Insurance System Program Manager and Contractor shall designate a Contractor Program Manager; each shall be the primary point of contact for all day-to-day matters relating to the Contract.

The Contractor Program Manager shall be at a minimum:

- (a) Knowledgeable about the requirements and activities of their business processes.
- (b) Knowledgeable about the Contract's services, phases, subcontractors, and third parties and how they impact service delivery and other State programs.
- (c) Experienced at providing services equal in size and scope to those of the State.
- (d) Otherwise, acceptable to the State.

Additional Relationship Management Functions

The State and Contractor shall each identify a Contract Administrator specifically for:

- Performance Management
- Contract Management

Performance Management

The Performance Management function takes overall responsibility for ensuring that Contractor performance meets business requirements. This function includes:

- Leading the measurement process by which SLAs are assessed.

- Reviewing and monitoring performance, cost workbook and delivery schedule. recommending corrective action, facilitating the development of improvement plans, and problem resolution.

Contract Management

The Contract Management function manages the contractual relationship between the State and Contractor. This function includes:

- Leading and facilitating contract activities from the point that the contract is signed through Contractor transition and ongoing operations.
- Monitoring and coordinating the approval activities specifically tied to contracted deliverables, invoicing, and payment.
- Monitoring compliance with contract terms and conditions and providing recommendations to resolve issues related to non-compliance.
- Creating, negotiating, and incorporating amendments into the Contract in accordance with the terms and conditions of the Contract, if needed.
- Coordinating the contract negotiations and renegotiations to accommodate changes, if needed.

Governance Process

Governance Structure

The Executive Team, Steering Committee, and the Project Management Team described below shall be responsible for administration of the governance processes. The State shall comprise the majority of members for each of the committees, teams, and groups described below.

Executive Team

The Executive Team will be comprised of senior decision-makers from each party, which includes the State's Executive Sponsor and designees and the Contractor Senior Executive and designees who will meet to discuss high-level strategic and operational issues relating to the Contract.

The Executive Team shall meet at least quarterly; responsibilities shall include the following:

- (a) Address relevant high-level issues appropriate for a board-level discussion.
- (b) Address major relationship and alignment issues and disputes that have been escalated to this level.
- (c) Approve operational and staffing changes.

For each Executive Team meeting, the parties shall agree upon the location for the meeting in advance. Prior to each meeting, Contractor shall prepare a suggested agenda with input from the State Executive Sponsor. Contractor shall deliver the agreed-upon agenda to the State at least ten (10) business days prior to the meeting. Either party from the Executive Team may invite industry subject matter experts to participate in the meetings to facilitate information exchange and increase the value of the strategies discussed, as appropriate.

Steering Committee

The Steering Committee shall provide input and advice concerning the overall business and technology relationship between the parties, including the effectiveness and value of the services provided by Contractor and guidance to improve such effectiveness and value.

The Steering Committee shall be chaired by State's Executive Sponsor. Its members shall include executives from the various jurisdictions or their designees, the Contractor Program Manager, and Contract Administrator; and from the State shall include the Chief Information Officer, Project Sponsor, Program Manager, and Contract Administrator. The Steering Committee membership should be between 6-8 people with balanced representation from each party.

The Steering Committee shall meet in person at State facilities on a monthly basis at a minimum or more often if required by the State (i.e., weekly). Responsibilities shall include the following:

- (a) Providing status of planned initiatives and discussing initiatives that may impact capacity requirements.
- (b) Reviewing performance and capacity status and approving plans and recommendations.
- (c) Defining and recommending innovation and improvement opportunities for more effective use of the services and how such innovative ideas and strategies can effectively impact services to the State.
- (d) Addressing problems, disputes, incidents, or requests for operational changes that have been escalated to this level.
- (e) Adjusting plans and projects as directed by the State.
- (f) Addressing other matters raised by either party.

Prior to each meeting, Contractor shall prepare a suggested agenda with active input, review, and approval from the State's Executive Sponsor. Contractor shall deliver the agreed-upon agenda to the State at least five (5) business days prior to the meeting if such meetings take place on a monthly basis. Contractor shall make available its senior management personnel to answer questions from the State's senior management personnel regarding the agenda items. Either party may invite industry subject matter experts to participate in the meetings to facilitate information exchange and increase the value of the strategies discussed.

Project Management Team

The Project Management Team, comprised of program and project management from the State, including a State Project Manager, and a Contractor Project Manager, shall oversee the overall operation of the Contract including the integration of the individual services provided by Contractor or third parties to service the Unemployment Insurance System Program, reviewing Contractor performance, and addressing tactical issues. Issues that cannot be resolved by the Project Management Team shall be escalated to the UIS Steering Committee.

Project Management shall be chaired by a state Program Manager ("State Program Manager"). State members shall include the State Project Manager, business process owners, and functional and technical leads. Contractor members shall include the Contractor Program Manager and

functional and technical leads. Any additional temporary Contractor attendees must be approved by the State in advance of the meeting.

The Project Management Team shall meet weekly or more often if required by the State at the project team facilities. Responsibilities shall include the following:

- (a) Reviewing the State's satisfaction with the Contractor key personnel.
- (b) Reviewing project forecasts and action items.
- (c) Addressing operational and service delivery issues arising during the previous week.
- (d) Reviewing root cause analysis of any previous issues.
- (e) Discussing Contractor's compliance with the SLAs for the services.
- (f) Reviewing problems, disputes, incidents, and requests for changes.
- (g) Reviewing all financial arrangements, including invoices submitted by Contractor.
- (h) Addressing problems, disputes, incidents, and requests for changes that have been escalated to this level.
- (i) Planning for the future.
- (j) Addressing other matters raised by either party.

Prior to each meeting, Contractor shall prepare a suggested agenda with active input and review and approval from the State Program Manager. Contractor shall deliver the agreed-upon agenda to the State at least two (2) business days prior to the meeting. Contractor shall make available its program and project management personnel to answer questions from the State's project management personnel regarding the agenda items for such meeting.

Either party may invite industry subject matter experts to participate in the meetings to facilitate information exchange and increase the value of the strategies discussed.

Day-to-Day Management Processes

During the planning phase, and on an annual basis thereafter, Contractor and the State will agree upon points of contact and a reporting structure covering day-to-day operations and reviews of Contractor's performance. These may include technical, financial, and SLAs performance reviews, terminations, extended absences, or reviews of other issues that may arise.

A regular meeting schedule will be required for the different reporting levels established, with ongoing twenty-four (24)-hour access to all of Contractor points of contact when required. These day-to-day points of contact and reporting structures shall be in addition to those described in the relationship governance structure described below.

State-Contractor Communications

Communications between the State and Contractor shall wherever possible, practicable and safe be in person. Video or audio conferences via Microsoft Teams or similar mutually agreed-upon application will be the second choice of communication medium. Where video or audio conferences are not practical, email will be the alternative communication medium.

All formal meetings whether in person or video or audio conferences shall be documented in the project's official record.

Governance Processes

Below are the governance processes the State and the Contractor will address to manage the relationship. Roles and responsibilities associated with the following key governance processes are described in Table 1 below:

- (a) Strategy and Planning
- (b) Contract Management
- (c) Relationship Management
- (d) Financial Management
- (e) Performance Management
- (f) Resource and Talent Management

State and Contractor Governance Functions

Table 1 identifies roles and responsibilities associated with the key governance processes that the State and Contractor shall address. Nothing in Table 1 should be construed to limit the responsibilities of the parties.

Table 1: Governance Functions and Responsibilities

Key*: "R" = Responsible, "A"= Accountable, "C" = Consulted, "I"= Informed		
Strategy and Planning	Contractor	State
1. Chair semi-annual Executive Team meetings	C	A
2. Provide support and commitment of State executives to participate in semiannual Executive Team meetings.	C	A
3. Provide support and commitment of Contractor executives to participate in semi-annual Executive Team meetings	A	C
4. Provide the Contractor with the State strategic business and technology imperatives that require Contractor support.	C	A
5. Provide input and recommendations in connection with the development of the State strategic business plans, as requested by the State.	A	C
6. Provide technical solutions, expertise, and advisory services that are appropriately aligned with the State's needs and business focus.	A	C
Contract Management	Contractor	State
7. Monitor contract terms and management processes.	R	A
8. Monitor and revise contracts as applicable and review recommended contract modifications.	C	A
9. Provide change requests and justification, as applicable.	A	R
10. Provide change request impact analysis, level of effort, and cost estimation, as applicable.	R	C

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11. Provide change orders, work order authorizations and termination assistance requests, as applicable.	C	R
12. Implement change orders, work orders and termination assistance	A	C
Relationship Management	Contractor	State
13. Provide support and commitment of the State executives to the relationship.	C	R
14. Provide support and commitment of the Contractor executives to the relationship.	R	C
15. Manage internal dispute escalation and resolution on behalf of the Contractor.	R	C
16. Manage internal dispute escalation and resolution on behalf of the State.	C	R
Financial Management	Contractor	State
17. Monitor and manage State financial administration practices and procedures associated with the Contract.	R	A
18. Monitor and manage Contractor financial administration practices and procedures associated with the Contract.	A	R
19. Provide invoices in accordance with the Payment Schedule and State invoice requirements.	A	C
20. Identify billing disparities and work with Contractor to identify corrective actions.	C	A
21. Implement corrective actions.	A	R
22. Maintain an audit trail and records of all costs incurred under the Contract.	A	R
23. Proactively ensure that all unnecessary costs are eliminated, and that costs are managed in an efficient manner.	A	R
24. Approve all cost controls.	R	A
Performance Management	Contractor	State
25. Manage and coordinate all delivery aspects of the Contract.	A	C
26. Provide periodic written performance management reports to the State on SLAs and conduct periodic scheduled and ad hoc review meetings as required.	A	C
27. Ensure the Contractor understanding of and adherence to SLAs and any implementations of required changes to achieve such SLAs.	A	R
28. Ensure the Contractor performance meets business and all other contract requirements.	A	R
29. Conduct a formal review and report on root causes of service delivery or other relationship related matters.	R	C
Resource Management	Contractor	State
30. Ensure that staffing, technology, and skill levels are adequate to achieve contract objectives.	A	C

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31. Inform the State of any potential Contractor Key Personnel staffing changes and of any new personnel assignments planned for new projects.	A	C
32. Review and authorize the Contractor Key Personnel changes to the Program.	R	A
33. Hire and manage subcontractors for delivery of services, if applicable.	R	C

* **Responsible** - Anyone responsible for completing tasks. **Accountable** - Anyone who is accountable for the project. **Consulted** - Anyone who should be consulted. **Informed** - Anyone who should be informed about project progress.