



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 22, 2011

Mr. Robert Blackwell, Jr., President
Electronic Knowledge Interchange
33 West Monroe Street, Suite 1050
Chicago, IL 60603

RE: NYS Division of the Budget - Business Transformation Services

Dear Mr. Blackwell:

The Office of the State Comptroller has reviewed the protest letter dated August 18, 2011, which it received from you on August 26, 2011 challenging the determination by the New York State Division of the Budget ("DOB") not to select your firm, Electronic Knowledge Interchange ("EKI"), in its Business Transformation Services procurement. Awards were made to eight firms as copied on this letter.

In your protest, you assert that the selection by DOB's committee was biased in favor of very large companies. Your protest also states that, contrary to concerns expressed by DOB about the experience and qualifications of staff and the firm itself in a debriefing call on August 5, 2011, your candidate for Managing Principal and Lead Engagement Partner has qualified public sector experience leading initiatives for Cook County and the Los Angeles Unified School District. In addition, your protest states that your candidate for Project Manager, though fairly new to EKI with just under a year of employment, had a professional relationship with EKI a year prior to being hired during a project for the State of Illinois, as well as an extensive public sector background including five years working for the State of Illinois. Finally, you assert that your firm's public sector experience includes various relevant transformation and technology projects for Cook

County, the Chicago Department of Public Health, the State of Illinois, the City of Chicago, and the Los Angeles Unified School District.

In its response to the protest, DOB asserts the following:

- DOB notes that other small firms were among those selected (including one firm with 14 employees), while several very large firms (with over 1,000 employees) were not selected, and that this demonstrates that small firms were selected based on the merits of their proposals.
- EKI's proposal lacked sufficient detail in describing the public sector experience of its lead staff as well as the applicability of the projects cited by EKI in its proposal to meet the State's needs.
- EKI's proposal failed to address a component of the RFP that asked for an explanation of a firm's approach to assigning staff and forming teams for project assignments, causing concerns about EKI's ability to coordinate and complete projects.
- EKI's proposal lacked detail in describing results achieved in similar engagements, and other than the Cook County example, the relevance of EKI's other experience to New York State and the needs described in the RFP was questionable.
- EKI's proposal failed to address a component of the RFP asking bidders to describe their firm's organizational structure, by not including a discussion of the firm's functional units and, therefore, evaluators were unable to assess the strength of EKI's organizational structure and applicability of its specialized functions and resources.

Based on our review of the procurement, we are satisfied that DOB's response adequately addresses the issues raised in your protest. With respect to your assertion that the selection by DOB's committee was biased in favor of large companies, we note that, as pointed out by DOB, awards were made to several small and medium sized firms, and several large firms were not selected. Therefore, we are satisfied that there was no such bias. With respect to the scoring of proposals, this Office will generally give deference to an agency's determination in light of its expertise with regard to the subject matter of a procurement and knowledge of its own needs. In this instance, DOB, in its response to the protest has outlined the perceived

shortcomings of your proposal. Based upon our review, we accept DOB's evaluation and scoring of the proposals.

Based on the foregoing, we find that the issues raised in the protest do not provide a basis for this Office to overturn the awards made by DOB for the Business Transformation Services procurement and hereby deny the protest.

Sincerely,



Charlotte E. Breeyear
Director, Bureau of Contracts

CEB:arr

cc: Ronald Greenberg, NYS Division of the Budget
Alan Lebowitz, NYS Division of the Budget
Deloitte Consulting LLP
First Data Government Solutions
Grant Thornton LLP
IBM
KPMG LLP
McKinsey & Company
Public Financial Management
Public Strategies Group