



DEPARTMENT OF
BUDGET & MANAGEMENT

LARRY HOGAN
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BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

QUESTIONS AND RESPONSES # 2
PROJECT NO. 050B5400001R
Department of Budget & Management
Audit Services for Maryland State Agencies
March 13, 2015

Ladies/Gentlemen:

This List of Questions and Responses #2, questions #17 through #30, is being issued to clarify certain information contained in the above named RFP.

In most instances the submitted questions and the Department's responses merely serve to clarify the existing requirements of the RFP. Sometimes, however, in submitting questions potential Offerors may make statements or express interpretations of contract requirements that may be inconsistent with the Department's intent. To the extent that the Department recognizes such an incorrect interpretation, the provided answer will note that the interpretation is erroneous and either state that the question is moot once the correct interpretation is explained or provide the answer based upon the correct interpretation.

No provided answer to a question may in and of itself change any requirement of the RFP. If it is determined that any portion of the RFP should be changed based upon a submitted question, the actual change may only be implemented via a formal amendment to the RFP. In this situation the answer provided will reference the amendment containing the RFP change.

17. Pages 23 and 29 of the RFP set Participation goals of 30% for a Minority Business Enterprise ("MBE") and 5% for a Veteran owned Small Business Enterprise ("VSBE"). Can this goal be achieved by using 1 subcontractor that fulfills the requirements to be a registered MBE in the state of Maryland, as well as the requirements to be a VSBE as set forth by the Center for Veterans Enterprises of the Department of Veterans Affairs?

RESPONSE: Regulations are currently being considered to address this issue. The Department will clarify the policy at the TORFP level. See also Response to Question #7 in Q&A #1.

18. Pages 42 through 44 of the RFP set forth approved labor categories and minimum requirements. Is it the Department's expectation that proposing CPA firms have an employee titled in each category as laid out by the RFP, specifically the Cost Accountant, Financial Analyst, Subject Matter Expert, and Business Process Consultant categories?

~Effective Resource Management~

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RESPONSE: No, it is not necessary for the Offeror to have employees with job titles identical to the ones listed in the Labor Categories. The Offeror must provide staff of its own or subcontractors that meet the requirements listed. This ensures that the work being done under a particular labor category is performed by an individual with the requisite experience and qualifications to perform the duties listed for that labor category.

19. Section 1.28 (Page 21) (Verification of Registration and Tax Payment): This section states, "It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of Proposals," is it possible the Contractor can register with SDAT and the Office of the State Comptroller well before a Contract is signed, but after notification of intention from the State to award to the responsible Offeror?

RESPONSE: It is strongly recommended that all Offerors register with the State Department of Assessments and Taxation (SDAT) as early as possible. Once a notification of recommendation for award is issued, the recommended Offeror has a limited amount of time to submit required documents, including the signed Contract (see RFP §5.6). If any issues arise with SDAT or the Offeror fails to submit documents in a timely manner, the Offeror may be disqualified from further consideration.

20. A. Page 24: Must the Contractor submit their Firm's prospective MBE subcontractor information as part of this specific Master Contract proposal under section 4.4.2.13 (TAB L)?

RESPONSE: MBE and VSBE subcontractors that will fulfill the participation goals at the task order level are not required to be identified in the proposal response to this RFP. §4.4.2.13 pertains to all subcontractors proposed to be utilized by the Offeror to meet the Minimum Qualifications to be considered as a Master Contractor. If your firm will be utilizing other firms to meet the RFP requirements in order to be considered for award of a Master Contract, then the subcontractors would be listed within the Technical Proposal in response to the RFP. See also Response to Question 14 in Q&A #1.

20. B. Which additional MBE forms must be included with the proposal response to this initial Master Contract RFP, other than "Attachment D-1 Master?"

RESPONSE: The Attachment D-1 Master is the only MBE form that must be included with the proposal response to this RFP. See Response to Question #3 in Q&A #1.

20. C. Are Attachment D-1A (2 different D-1As), Attachment D-3A & D-3B all required with this proposal submission?

RESPONSE: No, these forms will be required to be submitted in response to a TORFP once an Offeror is awarded a Master Contract. See also Response to Question #3 in Q&A #1.

21. A. Page 29: Must the Contractor submit prospective VSBE subcontractor information as part of this specific Master Contract proposal under section 4.4.2.13 (TAB L)?

RESPONSE: See Response to Question # 20, above and Question # 14 in Q&A #1.

21. B. Is the "Attachment M-1 Master?" required to be included in this proposal submission?

RESPONSE: Yes. See also Response to Question # 3 in Q&A #1.

21. C. Is there a database or website in Maryland to identify VSBES, similar to the MDOT website for the DBE/MBE companies?

RESPONSE: The State of Maryland does not maintain a database or website to identify VSBES. VSBES must be verified by the Center for Veterans Enterprise of the United States Department of Veteran Affairs. The listing of verified VSBES may be found at <http://www.vetbiz.gov>. See RFP §1.41.7.

22. A. Section 3.2.6 (Page 35); "Master contractor is paid for services...in the TOP plus Non-Routine Travel Costs as may be identified and approved in a TOA, up to a specified cost ceiling..... The Master Contractor's Financial TOP and the final Not-To-Exceed dollar amount approved for each TOA are determined by multiplying the estimated number of Labor Hours by the approved Fully-Loaded Fixed Hourly Labor Category Rates, plus Non-Routine Travel costs, if applicable." For the sake of identifying and establishing accurate rates, including travel from our Office to the State Agency location(s): In the preceding paragraph, when the State mentions "non-routine" Travel, would "non-routine" only account for travel outside of the fieldwork performed at the auditee's (Agency, branch, etc..) headquarters, or would the fieldwork at the agency's main location count as non-routine travel?

RESPONSE: The RFP defines Non-Routine Travel as travel which is beyond the 50 mile radius of the requesting agency's base location, as identified in the TORFP, or the Master Contractor's facility, whichever is closer to the audit site. Allowable Non-routine travel will be identified within a TORFP or TOA, if appropriate, and will be reimbursed according to the State's current travel regulations and reimbursement rates, which can be found at <http://dbm.maryland.gov/Pages/FleetTravel.aspx>. See RFP §1.2(45)(2).

22. B. Are there special instructions for Travel-related expenses that I have not found in the RFP? (We would not want to inflate our rates to account for travel, if that will be reimbursed separately, however we would also not want to provide our standard hourly rates and be on the hook for travel expenditures. Also, I want to ensure this is clear before our financial proposal is evaluated.)

RESPONSE: As stated in the response to Question 22.A above, reimbursement rates for allowable non-Routine travel travel-related expenses can be found at <http://dbm.maryland.gov/Pages/FleetTravel.aspx>. See RFP §1.2(45)(2). The Fully Loaded Fixed Hourly Labor Category Rates for the nine labor categories should include any expenses deemed necessary to cover the Master Contractors costs as defined in RFP §§1.2(16) and 1.2(17). The financial proposals in the Master Contract establish the Not-to-Exceed Fully Loaded Fixed Hourly Labor Category Rates for any TOP in response to a TORFP. Master Contractors

proposing to a TORFP may offer lower rates than offered in the Master Contract proposal. See RFP §§3.2.5 and 3.2.6.

23. *Section 3.4.1.1 (Page 36) Kick-Off Meetings: Will this be required of all Master Contractors (approved/awarded under this RFP), even if not awarded a specific Task Order yet?*

RESPONSE: Yes. All Master Contractors are required to attend the Kick-Off Meeting as stated in RFP §3.4.1.1. The Kick-Off Meeting takes place before the TORFP/TOA process commences to establish guidelines and review processes with all Master Contractors. Accordingly, none of the Master Contractors attending will have received any Task Order Awards.

24. *3.4.1.2 (Page 37) "Periodic Meetings...": Will this be required for all Master Contractors, even if not awarded a specific Task Order yet? Are these required to be in-person?*

RESPONSE: The Master Contractor's Representative would be required to attend in person any Periodic Meetings requested by the Contract Manager pursuant to §3.4.1.2.

25. *A. Section 3.8 Labor Categories and Qualifications (Page 41-44): The state seeks 9 different labor categories, are these all required to be submitted and individually identified (Identify a relevant key personnel) with the Offeror's proposal for this Audit Services Master Contract proposal, or will these be required on a Task Order basis?*

RESPONSE: RFP §3.8 provides that the Labor Categories and requisite qualifications approved for the Master Contract are set forth in the Master Contract Summary of Approved Labor Categories and Minimum Requirements table and that Master Contractors shall utilize only these specified labor categories when proposing to a TORFP and providing subsequent services under a TOA.

25. *B. Aside from requiring correlating labor rates for each labor category (Attachment F), are Offerors required to specify personnel to be used in each labor category?*

RESPONSE: No. The only personnel required to be identified in the RFP proposal is the Contractor Representative. See RFP §4.4.2.7. Identifying specific personnel and providing resumes for the labor categories is required at the TORFP level. As stated in RFP §3.8, "Master Contractors shall utilize only these specified labor categories when proposing to a TORFP and providing subsequent services under a TOA." RFP §4 does not require Offerors to identify specific personnel for each labor category in response to the RFP to be considered for award as a Master Contractor.

26. *A. Section 3.8 Labor Categories and Qualifications (Page 41-44): The following 6 labor categories require a CPA license (in accordance with Title 2 of the Business Occupations and Professions Article of the Maryland Annotated Code): Partner, Manager, Cost Accountant, Financial Analyst, Audit Supervisor, and Senior Auditor. Does Mobility apply to these specific*

labor categories, assuming the specific individual has their active CPA license and is in good standing with another State with either identical or stricter requirements?

RESPONSE: Refer to RFP §2, Minimum Qualifications. To submit a proposal, an Offeror with its principal place of business in Maryland must hold a current license or permit to practice Certified Public Accountancy in accordance with Title 2 of the Annotated Code of Maryland, Business Occupations and Professions Article, § 2-301 or § 2-401, depending on its business organization (sole proprietorship or firm.) RFP §2.1.1 states “[i]f the Offeror is a licensed out-of-state accountant whose principal place of business is outside the State, it shall provide such information as required under Title 2 of the Annotated Code of Maryland, Business Occupations and Professions Article, § 2-321 regarding licensing. The same Minimum Qualification licensing requirements apply to the six labor categories that require a CPA license.

26. B. Does the state require the individuals obtain an individual permit for the State Board of Accountancy or is the firm license satisfactory for the purpose of signing off on engagements?

RESPONSE: If the Offeror is a firm, the firm’s license would be considered for award of a Master Contract under this RFP. All individuals proposed in response to a TORFP must meet the minimum requirements for each labor category being utilized in the Master Contractor’s TOP as stated in RFP §3.8.

27. Section 3.15 Problem Escalation Procedure (Page 48): Is this PEP plan required upon commencement of the Master Contract agreement? Please clarify it is not required with this proposal.

RESPONSE: The PEP is not required to be submitted with the Offeror’s proposal. Section 3, Scope of Work, only applies to Master Contractors, not Offerors. RFP Section 3.15.2 states that the Master Contractor must provide the PEP no later than ten (10) Business Days after Contract Commencement. Contract Commencement is the date the Master Contract is signed by the Department following any required approvals of the Contract. See RFP §1.2.10.

28. Section 4.4.3.2 Additional Required technical Submissions (Page 55): Please confirm that the following are not required: Attachment H (Federal Funds), Attachment I (Conflict of Interest Affidavit), Attachment L (Mercury), TORFP Attachments M-1, M-2, M-3, M-4 (VSBE additional forms), and Attachment N (Location).

RESPONSE: RFP §4.4.3.2 directs Offerors to “[s]ee appropriate RFP Section to determine whether the Attachment is required for this procurement or may be required under a future TORFP. Attachment H is not required for this procurement. See RFP §1.35 that states “[t]his Master Contract does not contain Federal funds.”

Attachment I is not required for this procurement. See RFP §1.36 that states Master Contractors responding to a TORFP shall complete and sign the Conflict of Interest Affidavit and Disclosure (Attachment I) and submit it with the Task Order Proposal.

Attachment L is not required for this procurement. See RFP §1.40 that states “[t]his solicitation does not include the procurement of products known to likely include mercury as a component.”

TORFP Attachments M-1, M-2, M-3 and M-4 are for future TORFPs and not required for this procurement. See RFP §1.41.3 – 1.41.5.

Attachment N is not required for this procurement. See RFP §1.42 that states “[t]his solicitation does not require a Location of the Performance of Services Disclosure.”

29. Section 4.4.2.6 (a) Technical Response to RFP Requirements states, in part, that: “The Offeror shall address each Scope of Work requirement (Section 3.2) in its Technical Proposal and describe how its proposed services, including the services of any proposed subcontractor(s), will meet or exceed the requirement(s). If the State is seeking Offeror agreement to any requirement(s), the Offeror shall state its agreement or disagreement. Any paragraph in the Technical Proposal that responds to a Scope of Work (Section 3.2) requirement shall include an explanation of how the work will be done...”

After looking at Section 3.2, it appears that there are primarily statements or assertions on actions which will take place throughout the life of the Master contract (if awarded) and subsequent TORFPs. There is no request for any type of audit approach. As such, is it acceptable for us to restate items 3.2.1 through 3.2.11 with a statement of understanding and acknowledgement?

RESPONSE: The instructions outlined in RFP §4.4.2.6 clearly state that the Offeror’s Technical Proposal shall include how its proposed services will meet or exceed the requirements in the Scope of Work. Refer to RFP §5.2 - Technical Proposal Evaluation Criteria to determine how an Offeror’s technical response will be evaluated. A general statement of understanding and acknowledgement of technical requirements may be acceptable; however, such a response will receive a lower ranking, as per RFP §5.2.1, stated below.

“5.2.1 Offeror’s Technical Response to RFP Requirements (See RFP Section 4.4.2.6)

The State prefers an Offeror’s response to work requirements in the RFP that illustrates a comprehensive understanding of work requirements and mastery of the subject matter, including an explanation of how the work will be done. Proposals which include limited responses to work requirements such as “concur” or “will comply” will receive a lower ranking than those Proposals that demonstrate an understanding of the work requirements and include plans to meet or exceed them.”

30. Would DBM consider amending the Minimum Requirements in Section 2 to allow for a minimum requirement of a Peer Review Report of “Pass with Deficiencies”?

RESPONSE: No. A Peer Review Report of “Pass with Deficiencies” indicates that the licensee or permit holder is not following proper standards.

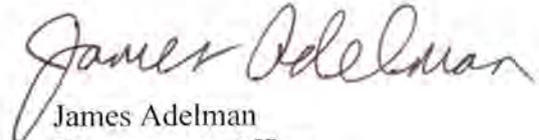
It is in the best interest of the State to maintain the Minimum Qualifications as currently constructed to ensure that Master Contractors are following proper Generally Accepted

Government Auditing Standards and providing quality and reliable audit services in response to any TORFP.

Remember proposals are due on March 20, 2015, no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at james.adelman@maryland.gov or call me at (410) 260-4053 as soon as possible.

Date Issued: 3/13/2015

By:


James Adelman
Procurement Officer