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Auditor of State



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Auditor of State New RFP/IPA Contracting Process

Presented by: Deborah Liddil
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New RFP/IPA Contracting Process

Key Points:

- New process is effective Feb. 1, 2012 for 2012 engagements (2011 & prior – old process)
- New Tier Approach for entities
- New process for Bid List
- New Request for Proposal (RFP)
- All electronic processing
- Firm re-registration in August, 2012



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New Tier Approach for Clients

Contracted clients determined by AOS to be Tier 1, 2, or 3 each contract period

Tier 1 Clients

- More complex and/or special requirements
- May require specialized IPA experience
- All insurance pools are Tier 1



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New Tier Approach for Clients

Tier 3 Clients

- Small, low risk clients
- No specialized IPA experience necessary
- Multiple entities bundled/pooled in one RFP

Tier 2 Clients

- All others



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Web-Based Bid List

Firms will express interest to bid on each engagement on the AOS website

- An acknowledgement email will be sent to the contact person identified by the firm on the bid list
- Bid lists will be updated on the 1st and 15th of every month (**First bid list for new process Feb. 15, 2012**)
- Engagements subject to bid will only be visible during contact period (typically 2 to 4 weeks after posting.)
- Firms must address Tier 1 specifications
- Quick Guide on AOS web site [Quick Guide](#)



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Web-Based Bid List

AOS will identify firms invited to bid

- Tier 1 limited to 10 firms. Tier 2 limited to 5 firms.
 - Based on: (1) the firm's ability to meet the needs of Tier 1 clients as documented on the bid list; (2) the firm's backlog score; (3) other work already contracted to the firm in the region/rotation of firms; and (4) geographical location.
- Tier 3 – no limit as long as the firms are in good standing with the AOS.
- Clients may add one (Tier 2) or two (Tier 1) firms.
- MBE/EDGE firm will receive proposals unless certain a subcontract will be required.



Changes to the RFP Process

- RFP customized for Tier level & client.
 - **Proposals should be tailored accordingly.**
- Tier 1 will include certain specifications which must be addressed in the proposal.
 - Will include items from the bid list but may be expanded.



Changes to the RFP Process

- There is a series of **Mandatory Elements** (affirmations and other required elements) in Part I of the RFP that must be met for the proposal to be considered for further evaluation. These mandatory elements **MUST** be addressed at the **beginning** of each proposal.

If even one mandatory element is not met, the firm will be disqualified immediately.



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Changes to the RFP Process

Scoring Summary

- Y/N – to verify the firm has included all mandatory elements. If no, disqualified.
- Tier 1 and Tier 2 – scored on a 100 point scale (95 by AOS and 5 optional client preference points)
- Tier 3 – scored on a 50 point scale (47 by AOS and 3 optional client preference points)



Scoring – AOS Points

Tiers 1 and 2 (95)

- 25 points for past submissions/backlog
 - ❖ 10 Timeliness Points
 - ❖ 5 Report Quality Points
 - ❖ 5 Work Paper Quality Points
 - ❖ 5 **NEW** Capacity/Backlog Points
- 28 points relate to understanding of scope
- 15 points relate to recent relevant experience, expertise, and training



Scoring – AOS Points

Tiers 1 and 2 (95) (Cont'd)

- 2 points awarded to bidding MBE/EDGE firms
- 10 points for cost (based on formula)
- 15 points for compliance with bidding requirements and objectives (determined by legal)



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Scoring – AOS Points

Tier 3 (47)

- 25 points for past submissions/backlog
 - ❖ 10 Timeliness Points
 - ❖ 5 Report Quality Points
 - ❖ 5 Work Paper Quality Points
 - ❖ 5 **NEW** Capacity/Backlog Points
- 2 points awarded to bidding MBE/EDGE firms
- 15 points for cost (based on formula)
- 5 points for compliance with bidding requirements and objectives (determined by legal)



NEW Capacity/Backlog Score

A real-time computation of each IPA firm's current backlog based on:

- Total percentage of reports submitted on or before the Due Date for the last year.
- All reports currently past the due date which have not been received by the Auditor of State are included in the past due calculation, even if past 12 months.
- Graduated scale: 15% or more past due results in zero (0) points.
- It is **critical to meet established due dates**. Requests for extensions will be scrutinized by AOS.



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RFP Scoring

Relevant Recent Experience, Expertise, and Training:

Although experience for the overall firm is important, the qualifications of the specific assigned individuals will be the primary focus for rating this category. Therefore, firms should provide **detailed information** (e.g. name, title, hours, dates, topics) regarding the relevant recent experience, education, and training/continuing education **of assigned staff, relevant the requirements of each specific client/RFP**. Information regarding the anticipated number of hours each individual will contribute to the engagement should also be provided.



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RFP Process - Invoices

- The RFP requires all invoices include the number of actual hours worked during the billing period.
- The format of the final invoice has been changed to require the actual hours by billing category (assets, expenditures, IT, etc.). An example will be provided in the RFP document as an exhibit.



Lessons Learned

Issues noted during the pilot process which will not be acceptable as of 2/1/2012:

- Affirmations:
 - Must be stated as affirmations – not general statements.
 - The firm and all KEY staff (not just supervisors) must meet GAGAS (Yellow Book) CPE requirements.
 - Independence must be addressed for the public office and any applicable component units and oversight units.
 - Personal impairments must be addressed for the public office and any applicable component units and oversight units.



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Lessons Learned

- Other Required Elements:
 - Must immediately follow the affirmations.
 - The public office and contract period must be clearly stated in the required elements.
 - The scope must include all required testing/deliverables.
 - An engagement timetable (*including actual dates in accordance with the stated deadlines*) must be included in the required elements (*an exhibit or general statement that the timetable will be met is not acceptable*).
 - All contact information for the firm's responsible party must be in the required elements (not just on the cover).



Lessons Learned

- Proposals cannot exceed the number of PDF pages stated in the RFP (including the cover and any letters or exhibits that related to the proposal).
- Proposals **cannot include any modification to the terms and conditions** stated in the RFP, including the addition/deletion of terms and conditions. (*For any concerns with terms and conditions, consult with the AOS contact prior to submitting the proposal*).



Contract Modifications

- Form available on AOS website.
 - Changes to hours, cost, scope, etc.
 - Extensions to the contract period (not changes in Due Date)
 - Replacement subcontractor if original subcontractor is unable to perform
- Must identify information from the original contract and any prior modifications.
- Signed by the firm and client prior to submitting for AOS approval.
- Approved only for items not known at the time of the original contract.
- Hourly rate cannot exceed original contract.



How to Contact AOS

NEW AOS Domain Name

ohioauditor.gov

(former addresses are linked and will forward for a limited time)

IPACorrespondence@ohioauditor.gov:

- Contract modifications
- Nonaudit Services GAO Independence Notification/Evaluation Form
- Information/documentation related to the firms registration with AOS
- Requests for public records
- Other general correspondence not related to a specific contract



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How to Contact AOS

All IPA Invoices should be submitted to the **appropriate** region (see RFP):

- AthensIPAInvoice@ohioauditor.gov
- CantonIPAInvoice@ohioauditor.gov
- CincinnatiIPAInvoice@ohioauditor.gov
- ClevelandIPAInvoice@ohioauditor.gov
- ColumbusIPAInvoice@ohioauditor.gov
- DaytonIPAInvoice@ohioauditor.gov
- StateIPAInvoice@ohioauditor.gov
- ToledoIPAInvoice@ohioauditor.gov
- YoungstownIPAInvoice@ohioauditor.gov



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How to Contact AOS

The *complete* final “report package” should be submitted to: ipareport@ohioauditor.gov

All components, including GAGAS report, A-133 report (if applicable), management letter (if applicable), A-133 Data Collection Form (if applicable), properly completed/current distribution spreadsheet, and any other submissions required by the RFP, **must be submitted to be considered received** by AOS!

Important: Ensure you receive a response email (automatic) to verify AOS receipt for every email submitted!



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AOS Web Site

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Click on Resources/IPA Resources

- Bid List – interest to bid on a specific audit (May have two lists temporarily; web-based list for 2012 engagements and excel file for older engagements. Will be separately marked.)
- Bid List Quick Guide (for new web-based process)
- AOS Forms (Modification-Extension, Non-Audit Services, report recipient spreadsheet, etc.)
- Other guidance/reference materials (including the slides from this training)



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Reminders

- Tailor each proposal to address the specifics of the RFP for each client.
- Technical and cost proposals must be submitted in separate files attached to the same email.
- It is the firm's responsibility to ensure the delivery of the proposals by the stated deadline. Firm should receive a "received" reply from the AOS.
- Report submission to ipareport@ohioauditor.gov must include the **complete "reporting package"** to be considered **received** by AOS!
- Please **Do not use .zip file extensions** for email attachments – the AOS email system will not allow these files.
- Firm peer review should be conducted using GAGAS.



Upcoming Changes to Firm Registration

A re-registration process will occur for **all** IPA firms later this year.

Any firm which does not complete the re-registration process will not be eligible to participate in the bidding process.



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Upcoming Changes to Firm Registration

Anticipated to:

- Be effective August 30, 2012
- Be a web-based registration process
- Require firms pre-qualify for Tier 1 & 2

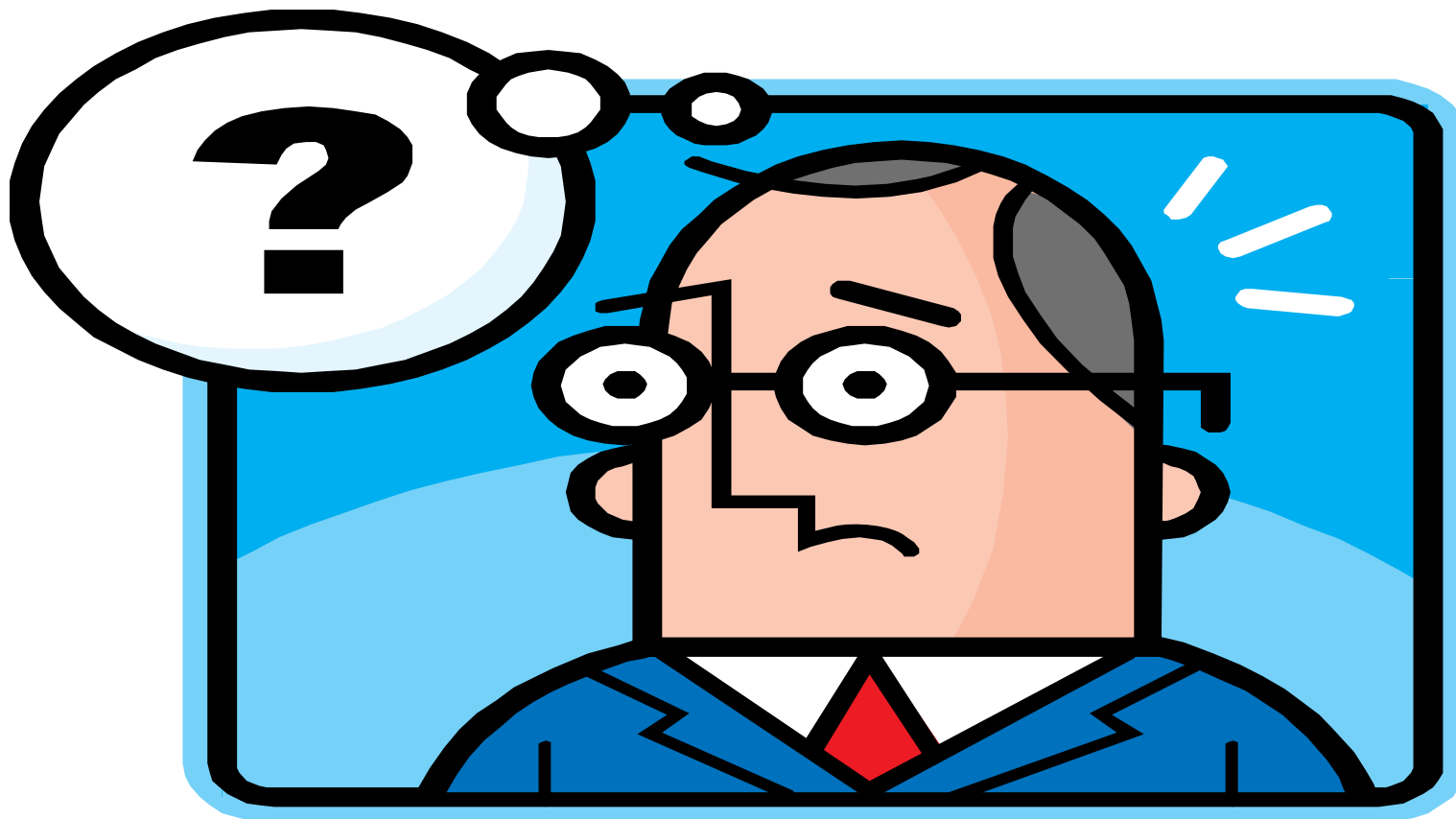
Details are not yet final. Stay tuned!



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Questions Now???



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Questions Later???

Submit any additional questions to:

IPACorrespondence@ohiauditor.gov

Responses will be provided directly via email or through a Q&A document which may be issued, if determined appropriate.



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