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Questions and Responses to Request for Proposal # 10-03 October 8, 2010

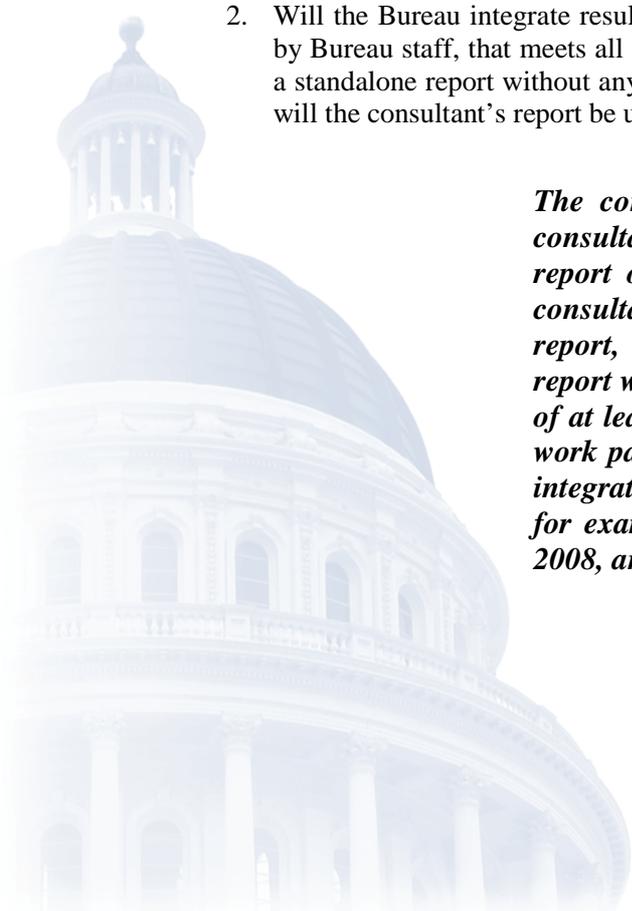
Bureau responses are in bold italics.

1. Given that Tasks 1 through 4 of the Scope of Work relate to Audit Request Objectives 5 and 6, and possibly other objectives, how does the Bureau's budgeted amount for this RFP relate to the \$458,400 (plus travel and administrative expenses plus the possible costs related to an outside consultant) indicated on page 23 of the RFP (i.e., Section V of Attachment A, under Resource Requirements)? In other words, does the Bureau have an idea of the outside consultant contractor maximum budget for this RFP?

The bureau has not established a maximum budget for the contractor. Further, the expected cost of the audit (\$458,400) expressed on page 23 of the RFP does not include consulting expenses. Accordingly, the \$458,400 is not "the Bureau's budgeted amount for this RFP," as that figure excludes the costs associated with the work performed pursuant to this RFP.

2. Will the Bureau integrate results of this assessment directly into a COS program audit, conducted by Bureau staff, that meets all of the Audit Request Objectives? Or will the consultant's report be a standalone report without any direct integration into a COS program audit? In other words, how will the consultant's report be used to respond to Audit Request Objectives 1 through 7.

The consultant's analysis and conclusions as set forth in the consultant's report will likely be integrated into the bureau's report on the COS program audit. If the bureau relies on the consultant's report for purposes of supporting the bureau's audit report, when the bureau's report is published, the consultant's report will become a public record and will thereafter, for a period of at least three (3) years, be maintained in the publicly-available work papers supporting the bureau's report. Examples of similar integrations in prior reports can be viewed on our Web site. See, for example, reports number 2005-115.2, issued on January 31, 2008, and 2007-120.2, issued on July 29, 2008.



3. Will the Bureau simultaneously be conducting audit work to respond to the Audit Request Objectives not covered by this assessment? Will the consultant have to coordinate any of our tasks with the tasks to be conducted by the Bureau's audit staff?

The bureau's audit team will conduct its work concurrently with the contractor. The consultant and the audit team will coordinate in that regard. For example, Task No. 3 and Task No. 4 on page 4 require the bureau's audit team to collect and analyze information, and provide that the consultant will make conclusions on the information gathered by bureau staff.

4. In Section 3 of the RFP (page 5), under Deliverable Two (i.e., Objective Two), there is a statement indicating that "the State expects that hours associated with this objective will be limited to less than 280 hours." However, under Section 7, subsection h (page 14), the RFP indicates that "the State does not anticipate needing any more than 150 hours of advice and assistance under Objective 2." These two statements appear to conflict. Should these statements reflect the same number of hours?

The RFP contains a typographical error. The hour limits on both pages should read 280 hours. The bureau will create an addendum to the RFP to clarify that the maximum number of hours in both sections of the RFP should read "280" hours.

5. On what basis will the State select the sample of 40 projects (20 for budget assessment purposes and 20 for cost assessment purposes) for the consultant's review (e.g., project size)? Will the contractor have any input on this project selection process?

The audit team will develop the criteria for sampling and select the projects for review. If the contractor provides a basis for us to reconsider our selections, we may do so. Ultimately, the criteria for the sampling selection will be determined by the State Auditor and her staff.

6. The travel section (Section 5 on page 9) indicates that "the audit will focus on a sample of projects from four Caltrans district offices to be selected by the State." Should we assume that all 40 projects selected for the consultant's review be from these four (4) districts only?

Yes, the projects selected will be from the four districts the audit team selects for review.

7. On what basis will the State select the four (4) district offices used for the review (e.g., number of projects, size of projects, budget)? Will the contractor have any input on this district selection process?

The audit team will select the districts. If the contractor provides a basis for us to reconsider our selections, we may do so. As with the sampling selection criteria, the selection of the four (4) district offices will be made by the State Auditor and her staff.

8. The scope of work for Phase III (iii) and Phase IV (ii) contemplate additional fieldwork which may or may not occur. Can the Bureau provide a maximum number of hours for these two potentially variable tasks so that we can bid these tasks accordingly?

At this time the bureau cannot provide a maximum number of hours, as the need for additional fieldwork would depend on the results of the contractor's work after all deliverables have been met. Instances where additional work is required by the contractor will be decided on a case-by-case basis and will be requested if the work arises after all other deliverables have been met. In order for the State Auditor to assess the potential cost of additional work, if needed, bidders should include the cost to the state on an hourly basis.

9. For what fiscal year(s) will the analysis of actual costs target (Task 3)?

We currently anticipate selecting projects completed within the last one (1) to five (5) fiscal years.

10. This question concerns the timing of the initial delivery of the workpapers (in Phase II) and submission of the final workpapers and draft report (in Phase III). Phase II requires workpapers be delivered to the Bureau by February 11, 2011, so presumably the Bureau can provide feedback to the consultant on the workpapers. In phase III, the writing phase, the consultant is to submit the initial draft report and finalize the workpapers by February 11, 2011, the same date as Phase II completion. Wouldn't the Bureau want to extend the Phase III due date beyond February 11, 2011, so as to allow time for feedback prior to finalizing the workpapers?

The dates as written are correct. As the work papers will provide support for the contractor's report, we anticipate reviewing the contractor's work papers and report together during Phase IV, Quality Assurance. As discussed in section 3(d)(iii) of the RFP, the consultant's work will be finalized during Phase IV and the contractor shall be available to perform those services necessary to revise and finalize the reports, as well as to perform other consulting services the State deems necessary.

11. Were there vendors who have already done this work for the bureau?

There have not been other vendors who have worked with the bureau specifically to audit the Capital Outlay Support program at the California Department of Transportation. In our answer to another question, we provide examples of reports on other topics where the bureau has used consultants to conduct some of the work.

12. Was there a pre-conference or any other meeting with potential vendors to discuss this RFP?

No.

13. On page 11, it says to submit 4 copies. Does that include the original, or should it be original plus 4 copies?

Please submit an original and three additional copies.