

## ADDENDUM ONE, QUESTIONS and ANSWERS

Date: 11/19/2019

To: All Bidders

From: Connie Heinrichs, Buyer  
AS Materiel State Purchasing Bureau

RE: Addendum for Request for Proposal 6175 Z1 to be opened on 01/06/2020, at 2:00 P.M.  
Central Time

### Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
1.	V.A	27	Who is the current contractor providing the services in RFP?	Seim Johnson, LLP.
2.	V.A	27	What is the annual value of the current contract for the services in the RFP?	\$53,000 Note that current contract scope of work differs from this RFP.
3.	V.A	27	Does the current contractor use a web-based software to produce the required reports or is all work done in MS Excel?	The State is unaware of any web-based software being used by the current contractor. The State receives the current report in MS Excel compatible format.
4.	V.A	27	When was the current system implemented?	2014.
5.	V.D	27	Does DHHS anticipate the winning contractor will be expected to provide assistance with updating the narrative PACAP each quarter?	No.
6.	Cost Proposal	1	Could DHHS please confirm that in completing the cost proposal, vendors should include the quarterly price (not annual) for the production of the two required quarterly reports?	Yes, bidders should provide the quarterly cost in the cost proposal.
7.	n/a	n/a	Who is currently performing the PACAP activities?	See question 1.
8.	n/a	n/a	What is the current annual contract amount?	See question 2.

9.	n/a	n/a	How many contract employees support the RFP work?	The Scope of Work in the RFP differs from the current contract. This question is outside the Scope of the RFP.
10.	n/a	n/a	Does this RFP include the maintenance of the PACAP document, meetings with Operation and division stake holders as well as communication with DCA regarding PACAP changes, including Cost Impact Analysis and negotiation and other specific requirements included in the US DHHS Best Practices document?	See question 5.
11.	n/a	n/a	Does this RFP include the maintenance of any indirect rates (that may or may not be calculated with this RFP?)	No, the proposed cost for these optional services could be included under optional services on the cost sheet.
12.	n/a	n/a	Is the allocation posted by account number to benefitting programs or in summary using a transfer account?	The allocation is posted by account number. The State's "Account Numbers" are Cost Center numbers that contain all of the costs of a specific activity and they are only linked in terms of the "Business Units" (lowest level of account detail that costs can be charged to) that are associated with each Cost Center.
13.	n/a	n/a	How would the state divide up responsibilities for a "non-exclusive" contract?	The State intends to award to one contractor.
14.	A. Project Overview	27	In paragraphs 1 and 2, you mention providing DHHS with the accounting adjustments for each quarter's activity. <b>Is maintaining the PACAP part of this RFP?</b>	See question 5.

15.	A. Project Overview - Attachment 2	27	You mention that the "allocation methodologies change every quarter". Is that true or just when the Organization Chart changes or the structure of the Plan? I would expect the statistics to change each quarter, but not the methodologies.	Section V. A. Attachment 2 language has been deleted and superceded in its entirety with the following: Attachment 2 – Stats Cost Adj 06302019 is provided to the current contractor containing a compilation of all of the files, documents, emails and other statics used to allocate cost centers that have allocation <u>statistics</u> that change every quarter. In addition, allocation methodologies may change throughout the term of the contract, but less frequently than allocation statistics.
16.	A. Project Overview, Attachment 2	27	Within Attachment 2, several adjustments refer to RTMS. Is this RFP for support of those programs as well?	No.
17.	A. Project Overview, Attachment 2	27	Who runs the RTMS program for NE DHHS?	The current RTMS system was developed, implemented, and is maintained by the State of Nebraska Office of the Chief Information Officer.
18.	A. Project Overview, paragraph 1	27	Is the adjustment for DHHS overhead and administrative costs include division administrative costs?	Yes. The adjustments include division administrative costs, the adjustments are performed internally by the State.
19.	A. Project Overview, paragraph 1	27	Do the adjustment of division administrative costs fall within the scope of this RFP?	No. See question 18.
20.	B. Project Environment, paragraph 2	27	Confirmation – If the project begins March 2, then the first report due will be for QE 6/30/2020. Is this correct?	Yes. The report for QE 6/30/2020 would be the first report due within the time frame stated in Section V. F. of the RFP. Contractor readiness will be considered, if additional time is needed for the initial implementation.

21.	D. Scope of Work	27	What is your definition of a “reverse step-down report? We have an <u>Origin of Cost</u> report that shows the specific Central Service department in which an allocation (into a benefitting program) came. Is this to what you are referring?	DHHS has intermediary cost centers where a cost originates from a Central Services Department, allocates to the intermediary (i.e. a cost center that benefits multiple programs) which then allocates to several programs. In this instance, the reverse step will trace back from the program(s) that a cost landed on through the intermediary cost centers and then back to the “cost of origin”. If the bidders solution for the cost of origin is able to identify the amount in an intermediary cost center that is attributable to the specific Central Service Department cost, then it would be sufficient.
22.	D. Scope of Work, paragraph 2	27	Can you provide an example of the query to which you are referring? If we use a program allocating the costs, will the <u>Origin of Cost</u> report be enough, or will we need to convert the report into Excel for your requirements?	See Reverse Allocation attachment showing derivations. However, this file does not provide any query type form. We would like to see a drill-down feature where we can click on a final cost objective and see the origin of cost.
23.	H. Optional Services	28	Additional Services can be included if related to PACAP activities, but the cost proposal form indicates only an increase of 10% of RFP amount. Would this exclude RTMS and related services?	See question 16. Optional services can be submitted on the cost proposal; however, the total value of optional services cannot exceed 10% of the contract value over the life of the contract.
24.	PACAP, Appendix A	10	In the second paragraph, you indicate that “DHHS defines obligations as subawards, contracts, or purchase card transactions that have been paid [by] the vendor, but not yet had been paid by DHHS” may be incurred in one cost allocation period and recorded / reported in another. Is there an agreement with the federal cost negotiators with this practice? This seems to be outside the guidance of federal regulations.	Yes. The State’s approved Public Assistance Cost Allocation Plan indicates that the State of Nebraska is a Cash Basis state and expenditures are treated as such and reported as such with exception to one Federal entity. For that entity, the State utilizes the General Ledger to pull expenditures that were prior period, and report as Accrual on the Federal Financial Report.

25.	PACAP, Appendix A	12	Under "COST ALLOCATION PROCESS", is there a contractor assisting the Cost Accounting Office with the preparation, revision, and submission of the PACAP?	No.
26.	PACAP, Appendix A	15	In the section "SIGNIFICANT COST RECEIVERS", what happens to the allocation to those benefitting programs which are "less than 15%"?  It is mentioned that the "receivers" are re-evaluated annually. If a new program should receive costs, would it not until the next year's re-evaluation be completed? So TANF (a 100% federal program) would not receive any allocation where the allocation method is RMTS unless it was more than 15% during the last re-evaluation?	Programs that benefit less than 15% are treated no differently. The State made an agreement with Cost Allocation Services to only include the significant receivers because our current plan is 300+ pages and lists over 200 cost centers - listing every receiver would create an unnecessarily burdensome document when the allocation methodology appropriately serves to indicate the type of cost center that benefits.  The re-evaluation is simply for updating the plan narrative and has no impact on the actual allocations.
27.	PACAP, Appendix A	Various	Is it the contractor's responsibility to determine which programs do not achieve the 15% threshold?	No.
28.			What is the fee paid annually to the current vendor? Will this be the budgeted amount going forward?	See question 2. This RFP should not be compared to the existing contract. Therefore, the current contract amount is not to be considered a budgeted amount.
29.			Is DHHS satisfied with the current reports provided by the current vendor? What changes would DHHS like to see to the current report formats?	This question is out of scope for the current RFP.  Bidder should provide a solution to best meet all the requirements of the RFP.
30.			Can we have the examples provided with the solicitation (attachments) in excel or compatible format so we can have actual data to work with for demonstration reports?	Yes. Please see the website for the attachments provided in an excel format.

31.			<p>RFP Page 28 – <i>“The contractor must provide all labor, material, equipment, and software required to provide quarterly final distribution and reverse step-down reports as specified above.”</i> Is it NHHS’s intent to take the software and be able to run the reports in house or is the expectation to have the Contractor run the reports and provide NHHS with the reports? If NHHS wants to run the software in house, does the vendor need to include the training of the software in the proposal?</p> <p>RFP Page 28 – <i>“Provide samples of a final cost distribution report and reverse step-down report”.</i> Is it NHHS intent to have templates and examples of the applicable reports to mimic the current reports and their current format? Given that the designs of reports are client specific, this seems like an item that would be designed and discussed after the contract is awarded.</p>	<p>The intent of the RFP’s Scope of Work is that the contractor compiles the reports and provide only output to DHHS with options and capabilities as described in V. D. – Scope of Work. Information for additional services can be included with your proposal. See Section V, Paragraph H. Optional Services.</p> <p>No. Since each bidder may have a different method of performing cost allocation, the state would like the bidder to submit an example report based on the requirements of the RFP.</p>
32.			<p>RFP Page 27 – <i>“The reverse step-down file must provide a query by cost center to trace the path of cost items to the original source.”</i> What exactly does this mean? Can you provide more detail about what you are looking for here?</p>	See question 21.
33.			<p>Is NHHS looking for the vendor to merely allocate the quarterly costs and provide a series of reports detailing how the costs flowed from start to finish OR is NHHS looking for a more qualitative analysis of the quarterly data. Please expand on the requirements and expectations of the vendor.</p>	See question 31.

34.			RFP Page 28 – “Provide a sample reverse step-down report of allocated costs”. There was no example of this report with the RFP. Can you provide an outline or example of what is expected of this report?	The current contractor is not required to provide the report specified in this RFP. See question 21.
35.			RFP Page 5 – “completed state cost proposal template” is required. What exactly is NHHS looking for with this requirement? Can you be more specific with what you are looking to see.	Please complete and submit the Cost Proposal form with your response.
36.			What version of excel is NHHS currently using? Do you anticipate this changing in the foreseeable future?	DHHS recently upgraded to MS Excel 2016. Therefore, DHHS does not anticipate software changes anytime soon.
37.	General		Does DAS have a current contract for the scope of services? If yes, who is the incumbent?	Current contract’s scope of work differs from this RFP. See question 1.
38.	General		If there is a current contract, what is the current annual value of that contract?	See question 2.
39.	General		What is the budgeted amount for the scope of services?	Bidder should provide a solution to meet all the requirements of the RFP including the Cost associated to accomplish the scope of services.
40.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	Does the State or vendor use any cost allocation software to process the cost plan?	Yes, the current contractor uses proprietary software.
41.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	What financial software does the agency use?	DHHS uses J. D. Edwards Enterprise One software, Version 9.2.3.1 (2018).
42.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	Who is the current vendor?	See question 1.
43.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	What is the cost of the current contract?	See question 2.

44.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	What is the time estimate and number of people assigned from vendor quarterly?	Bidder should provide a solution to best meet all the requirements of the RFP.
45.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	How much of the assigned people's time is spent on-site?	None.
46.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	Is the vendor expected to provide advice or guidance regarding PACAP amendments?	No.
47.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	Will the vendor need to provide any QC on the submitted financial and statistical data?	The vendor is not expected to provide quality control on information submitted by DHHS. However, the Contractor must notify DHHS of any flagrant errors it finds. Also, refer to Section V. F. and V. G. of RFP.
48.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	What is the time estimate and number of people assigned from vendor quarterly?	See question 44.
49.	V. PROJECT DESCRIPTION AND SCOPE OF WORK	27-28	If any discrepancies in the financial or statistical data are detected (e.g. mis-coded financial transactions), is the vendor expected to reconcile them? Or is that the responsibility of the state?	Vendor is responsible for notifying the State of Nebraska of any errors that are detected. The State of Nebraska will be responsible for reconciling them, whether it is through resubmitting a reconciled document or the State of Nebraska notifying the vendor of what needs to change in order to reconcile.

This addendum will become part of the RFP and should be acknowledged with the Request for Proposal response.