



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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February 6, 2015

TO: All Potential Bidders

FROM: Bonnie Lindstrom, RFQQ 15-100 Coordinator
OFM Contract Services

SUBJECT: Amendment No. 2 -- OFM Answers to Bidders' Questions
Data and Expenditure Audit
RFQQ No. 15-100

The following OFM Answers to Bidders' Questions Numbers 1 – 12 is issued as Amendment No. 1 to the Request for Qualifications and Quotation (RFQQ) dated January 22, 2015.

OFM Answers to Bidders' Questions

Note: This OFM Answer to Bidders' Questions may only explain or clarify some aspect that is already addressed in the RFQQ. But some of the answers may also supplement or change what was previously stated in the RFQQ or in an exhibit.

Therefore it is important that bidders review all questions and answers, and not just those which they may have submitted.

Bidders' Questions & Answers

Question 1: *It appears that the information necessary to complete the engagement would all be available at the OFM offices in Olympia, with the potential exception of any specific testing of vendor payments. Is that a correct assumption?*

Answer:

Work plan documents	<ol style="list-style-type: none"> 1. Annual Report template that identifies county data and expenditures; 2. "private rental housing payments" documentation procedures; 3. grant terms and conditions 	Available anytime
Assess internal controls over Commerce related to compliance with the above RCWs	<p>Commerce is reviewing sample back up for "private rental housing payments" documentation from counties to confirm compliance. The procedures and materials reviewed to date are available to the auditor.</p> <p>Work with Internal Auditor and ASD Accounting Manager to ensure appropriate internal financial controls are in place.</p>	Anytime
Assess internal controls over Commerce related to compliance with the above RCWs	Annual Reports from counties with CY 2014 data and expenditures are due to Commerce February 28. It takes several months to reconcile data and expenditure information. Verify expenditures by fund and object for the program.	May 30
Test sample of local government/housing provider grantees	The auditor could start this anytime. Commerce would make appointments for them to visit grantees on-site to review back up documentation to test for compliance with "private rental housing payments."	

Question 2: *It also appears that a great deal of information could be reviewed and evaluated remotely to help contain costs to the OFM. Would a combination of remote and on-site procedures be acceptable to the OFM in meeting the objectives of the engagement?*

Answer: The Department of Commerce can scan and send materials electronically as requested.

Question 3: *The RFQQ appears to anticipate on-site visits to various, geographically diverse, local governments, contractors and housing providers will be necessary to accomplish the objectives of the engagement. Can you provide additional detail as to the scope of what may be expected from these trips or how the OFM anticipates the visits to support the objectives of the engagement?*

Answer: OFM anticipates a proposal represents a statewide sample of Washington State. The model should include diversity that acknowledges the difference in income and population from a statewide perspective.

Question 4: *The RFQQ indicates that the successful contractor will meet with representatives of OFM, Commerce and a landlord representative. How will the landlord representative be identified/selected?*

Answer: The Office of Financial Management will select the landlord representative, to be determined at a later date.

Question 5: *Has OFM developed a list of procedures required to be tested under AICPA Codification of Statements on Auditing Standards AT-201? Or is part of this scope of work include assistance with developing the list of procedures?*

Answer: This is part of the scope of this work..

Question 6: *Is there a specific sample table or set sample size that has been established by OFM? Or is part of this scope of work include working with OFM to establish a sample plan and size?*

Answer: This is part of the scope of the work. The RCW says: "The independent audit must review a random sample of local governments, contractors, and housing providers that is geographically and demographically diverse." In addition to the RCW, our expectation is that the sample is also representative of the nature of the population and size of contracts awarded.

Question 7: *Are all expenditures related to funds received under RCW 36.22.179(1)(b) for private rental housing payments paid directly to end providers of private rental housing or do expenditures include grants or payments that are then passed through by the receiving government or organization to end providers of private rental housing?*

Answer: Grants are given to local governments or non-profit entities. These grantees may be direct service providers who make payments to landlords on behalf of eligible clients. These grantees may also sub contract funds to direct service providers who make payments to landlords on behalf of eligible clients.

Question 8: *RCW 36.22.179(1)(b) lists the requirements related to both the use of the 45% set aside for private rental housing payments and also indicates the requirements related to the use of the remaining amounts as outlined in RCW 36.22.179(1)(b)(i) and (ii). Does this scope of work include testing a sample of expenditures related to the requirements in RCW 36.22.179(1)(b)(i) and (ii)?*

Answer: The scope does not include testing compliance with the specifics of the requirements in RCW 36.22.179(1)(b)(i) and (ii), and is instead focused on compliance with RCW 36.22.179(1)(b):

“...The department may use twelve and one-half percent of this amount for administration of the program established in RCW [43.185C.020](#), including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Of the remaining eighty-seven and one-half percent, at least forty-five percent must be set aside for the use of private rental housing payments...”

Question 9: *What is the proposal due date? Page 1 says 2/13 but page 6 says 2/16.*

Answer: The procurement schedule has been formally amended and the due date for proposals is February 16, 2015.

Question 10: *Is there a data base for all the expenditures? If so, what data fields does it contain?*

Answer: No, there is no database for all the expenditures. Commerce funds 40 lead grantees that subcontract with a network of over 200 providers. Commerce contracts have budget/expenditure line items dedicated to private rental housing payments, and a Contract Management System detailing the entire request for reimbursement against those line items. Commerce samples the documentation behind those line items, but does not have a database of the individual subgrantee expenditures.

Question 11: *How many expenditures were there in 2014 and what was the total dollar amount?*

Answer: There are six contract budget categories in each of the 40 contracts dedicated to private rental housing. If each contract charged expenses against those categories from July to December 2014, there would be 1,440 recorded expenditures. Expenditures from July to December 2014 is \$2,164,943 and includes 455 individual expenditures from budget categories dedicated to private rental housing payments. The total expenditures for the calendar year 2014 is \$19,128,340.

The actual number of expenditures is likely to be considerably fewer, since not every grantee charges against every category every month (40 contracts x 6 budget categories x 6 months = 1,440). The number expenditures by subgrantees under these contracts will be significantly higher and is not known by Commerce.

Question 12: *How many local governments, contractors, and housing providers received disbursements from the program?*

Answer: There are 40 grantees, but although Commerce samples subgrantee reimbursement documentation, Commerce does not know the total number of subgrantees at this time, but will once the annual reports are turned in and vetted in April.