

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS**

**ENGAGEMENT: REQUEST FOR QUOTE**

**PROGRAM AND PROCESS MANAGEMENT AUDITING, FINANCIAL  
AUDITING AND GRANT MANAGEMENT, AND INTEGRITY  
MONITORING/ANTI-FRAUD SERVICES FOR DISASTER RECOVERY  
ASSISTANCE**

Date Issued: May 23, 2013

Questions Due: May 27, 2013

Proposals Due: 5 days after date answers posted to questions

## NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

### ENGAGEMENT: REQUEST FOR QUOTE

The New Jersey Department of Community Affairs ("DCA") is seeking quotes pursuant to Section 1.4 of the Program and Process Management Auditing, Financial Auditing and Grant Management, and Integrity Monitoring/Anti-Fraud services for Disaster Recovery Assistance RFQ 768892S from the prequalified contractors in Pools 1, 2, and 3.

DCA is seeking the services of an Integrity Oversight Monitor ("the Monitor") to serve as its primary contractor and centralized point of contact in the oversight of its Community Development Block Grant Disaster Recovery ("CDBG-DR") programs which are described in DCA's Action Plan. Through the issuance of several RFQs, DCA has procured contractors and program managers to plan and implement several CDBG-DR funded programs. DCA is also utilizing several state departments as sub-recipients of CDBG-DR grant funds to plan and implement programs. DCA and its partners have begun to develop and draft policies, procedures and process maps for these programs. (See attached documents.)

The successful bidder will effectively work with DCA's Sandy Recovery Division ("SRD") as its partner to develop, monitor and ensure an effective system of internal control for DCA's CDBG-DR projects and activities with respect to: 1) compliance with federal and state laws, regulations, policies and contracts, 2) operational efficiency and effectiveness, 3) financial management and related controls, 4) prevention and detection of fraud, waste and abuse, and 5) reporting of performance outcomes.

### SCOPE OF WORK

Consistent with RFQ 768892S, DCA will issue Task Orders to the Monitor selected to perform this contract specifying the tasks the Monitor shall perform concerning one or more programs. The tasks may include, but are not limited to, the following:

**A) Conduct a review of all existing procedures and processes for compliance with federal and state laws, regulations and policies, and fraud and cost abuse risks.** At the outset, the Monitor would obtain information on all entities engaged in Sandy-related CDBG-DR projects and activities on behalf of the State of New Jersey as described in DCA's Action Plan. For each project or activity, the Monitor may be tasked with developing a risk assessment methodology and instrument and identify all risks inherent in existing procedures/processes including, but not limited to, the following: intake/eligibility; duplication of benefits; pre-construction, construction and post-construction procedures; procurement processes; invoice procedures; prevailing wages and labor standards compliance, if applicable; and record-keeping. Subsequently, the Monitor will be required to conduct semi-annual risk assessments throughout the term of the contract.

F) **Budget reviews and monitoring.** The Monitor may be tasked with periodically reviewing the program managers' and/or the construction managers' budgets, including specific budgetary amounts allocated for each trade, general condition and contingency costs; changes in scope, holds, contingency, allowances or other miscellaneous additions or credits.

G) **On-site and remote monitoring.** The Monitor may be tasked with conducting on-site and remote monitoring for compliance with CDBG-DR requirements, cross cutting federal requirements including Section 3 compliance, FEMA, SBA, EPA, OMB circulars and other federal and state requirements and reporting to DCA concerning findings or other noted deficiencies in such areas.

### **DELIVERABLES**

The Monitor must ensure compliance with the timelines set forth in DCA's Task Orders and the required documents developed by the State Contract Manager.

- I. Required Timelines: All specific tasks to be performed by the Monitor shall be set forth by Task Orders issued by DCA.
- II. Required documents (See also Schedule 1 below):
  - The Integrity Oversight Monitor must provide a Monthly Budget Report which shall detail activities that the contractor will complete in the prospective month which shall include the estimated dollar amount anticipated to be expended, the specific tasks to be performed and the staff that will be assigned to each specific task. The monthly budget report is due to the Contract Manager 10 days prior to the 1<sup>st</sup> of the month.
  - The Integrity Oversight Monitor must provide a Monthly Activity Report due to the Contract Manager within 15 days from the end of the month which details all activities actually performed over the last month.
  - The Integrity Oversight Monitor must provide a Fraud Management Report due within 15 days from the end of the month which describes its analysis of data as to fraud detection, outlier trends and progress by sub-recipients, agencies, or contractors to correct anomalies and system processes to provide verification and prevention of reoccurrence;
  - The Integrity Oversight Monitor must provide a Resolution and Closure Report due within 15 days from the end of the month which describes the resolution and closure of issues identified as a result of any audit or monitoring from agencies providing oversight; and
  - The Integrity Oversight Monitor will be required to maintain copies (and upon request, originals) of time logs and information on the allocation of staff hours to the work it performs under this RFQ or any associated Task Order for any federally funded programs in such that it meets all federal requirements.

**B) Work in consultation with the SRD to design and implement comprehensive risk mitigation, prevention, and detection programs.** Based on the above risk assessment, the Monitor may be tasked with recommending and implementing procedures designed to mitigate all risks identified in its initial risk assessment, and with providing training, technical assistance, monitoring, audit and investigative services as specified in the task order. Such services may include, but are not limited to, the following: ensuring contractors' compliance with contract deliverables; developing and conducting HUD compliant agreed-upon procedures monitoring programs for all projects and activities; establishing a Fraud Prevention Hotline and/or interfacing with the NJ Office of the State Comptroller concerning its Superstorm Sandy tip-line; developing analytical software programs that enable SRD management and compliance staff to predict and more readily detect fraud indicators, high-risk areas, anomalies and irregularities; conducting audits (performance, financial, forensic) as determined to be necessary; conducting on-site inspections of work, making recommendations and conducting follow-up on exceptions and/or findings to ensure implementation of corrective actions.

**C) Financial management system reviews.** The Monitor may be tasked with performing financial management system reviews which may include, but are not limited to, review of the following: system of internal control including general and application IT controls; components of financial management system; accounting records for accuracy and completeness; eligible, allocable and reasonable costs; cash management/drawdown procedures; management of program income; maintenance of source documentation; budget control; revisions to financial plans and close-out.

**D) Operational reviews, oversight, and investigatory support.** As specified by task order, the Monitor shall conduct the following for all CDBG-DR projects and activities, including but not limited to, the following: conduct process evaluation/enhancement reviews to ensure that all procedures/processes incorporate best practices concerning efficiency, effectiveness, auditability, and transparency and make recommendations to correct and cure identified process deficiencies and/or backlogs; provide close-out or post-construction reviews to include a forensic audit of all CDBG-funded costs; interface with and provide general and litigation support to the SRD when dealing with law enforcement agencies, HUD's Office of the Inspector General, NJ Office of the Attorney General and the NJ Office of the State Comptroller.

**E) Administrative reviews and oversight.** The Monitor may be tasked with conducting reviews, including forensic reviews if necessary, of the following: project costs, including the analysis of all contractual documents; payment requisitions and supporting documentation; payment vouchers; change-orders; invoices; certified payroll reports; budget projections vs. actual expenditures; system reconciliations; verification and comparison of performance reports and records; client files; environmental records; bidding processes; file and record management; and other administrative reviews as determined necessary by the SRD.

## LIQUIDATED DAMAGES

In accordance with Section 5.5 Liquidated Damages in RFQ 768892S and 24 CFR 85.36, the State maintains the right to impose liquidated damages to compensate for the failure of the Monitor to meet performance standards. Accordingly, the State and the Monitor agree that DCA's Task Orders shall contain any required performance standards and liquidated damages associated with the deliverables contemplated in the Scope of Work.

Moreover, the State and the Monitor agree to the specified liquidated damage amounts associated with the required milestones and standards set forth in the Deliverables- Required Documents and Schedule 1 below:

### Integrity Oversight Monitor- Schedule 1

<b>Deliverables</b>	<b>Scope Requirement</b>	<b>Performance Requirement</b>	<b>Time Frame</b>	<b>Performance Guarantee</b>
Required Documents	Monthly Budget Report	Planned activities for prospective month.	Ongoing, to be submitted 10 days prior to the 1 <sup>st</sup> of the month	\$250 per day later than 10 days prior to the 1 <sup>st</sup> of the month
Required Documents	Monthly Activity Report	Detailed report of all activities actually performed during the month.	Ongoing, to be submitted within 15 days from the end of the month	\$250 per day beyond the 15 <sup>th</sup> day
Required Documents	Fraud Management Report	Detailed report of fraud management analysis.	Ongoing, to be submitted within 15 days from the end of the month	\$250 per day beyond the 15 <sup>th</sup> day
Required Documents	Resolution and Closure Report	Detailed report of the resolution and closure of all issues/exceptions/deficiencies identified through monitoring, audits, review, etc.	Ongoing, to be submitted within 15 days from the end of the month	\$250 per day beyond the 15 <sup>th</sup> day

## **LENGTH OF ENGAGEMENT**

This initial engagement will be for a period of two (2) years, which may be extended for all or part of any four (4) extension periods of six (6) months' duration.

## **CONFLICT FOR FUTURE ENGAGEMENTS**

Pursuant to Section 10.0 Conflict of Interest in RFQ 768892S, the successful bidder(s) will be prohibited from acting as a contractor for both the auditing and integrity monitoring requirements for the same project.

## **PROPOSAL CONTENT**

Contractors can pose questions regarding this engagement by email to the contact listed below. Questions are due by May 27, 2013. Proposals will be due five (5) business days after all questions and answers are provided to all contractors receiving this engagement letter. Contractors will provide the detailed proposal with a detailed budget to perform the Scope of Work to:

Robert Bartolone, Director  
Department of Community Affairs  
Office of Auditing  
PO Box 800  
101 S. Broad Street  
Trenton, NJ 08625  
robert.bartolone@dca.state.nj.us

Potential contractors should familiarize themselves with DCA's HUD Action Plan and the other attachments and submit a detailed proposal describing how it plans to assist DCA with compliance of the key areas of its CDBG-DR grant award. If the contractor has a conflict of interest or scheduling, it must provide notice to the DCA within three (3) business days of the receipt of the Request for Quote.

The proposal must contain the following elements:

- 1) A contract schedule identifying performance milestones and associated deliverables;
- 2) Person-hour and/or labor category mix, including a chart that shows the person-hours proposed, reflects the tasks, sub-tasks or other work elements required and identifies the labor category by person hours. The person-hours must be those bid or lower;
- 3) A detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recovery; and
- 4) A detailed budget with person-hours and estimated travel and direct costs for the duration of the engagement.

Attachments:

Attachment 1 - DCA's HUD Action Plan

Attachment 2 - DCA's CDBG-DR Policies/Procedures/Process Maps

Attachment 3 - RREM RFQ

Attachment 4 - SSHIP RFQ

Attachment 5 - CDBG-DR Abbreviated Program Descriptions





**Bartolone, Robert**

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**From:** Bartolone, Robert  
**Sent:** Friday, May 31, 2013 5:39 PM  
**To:** Bartolone, Robert  
**CC:** Macchia, Paul B.; Bonnaffons, Stacy  
**Subject:** DCA - Integrity Monitoring RFQ  
**Attachments:** DCA Response to questions submitted concerning Integrity Monitoring Oversight Engagement Query.docx

**Importance:** High

<b>Tracking:</b>	<b>Recipient</b>	<b>Read</b>
	Bartolone, Robert	Read: 5/31/2013 5:40 PM
	Macchia, Paul B.	
	Bonnaffons, Stacy	
	Mia.Leswing@cliftonlarsenallen.com	
	Denise.wu@cliftonlarsenallen.com	
	Paul.Raffensperger@CohnReznick.com	
	lpichini@deloitte.com	
	david.milkosky@ey.com	
	John.short@us.gt.com	

**Respective Bidders:**

DCA received 52 questions in response to its Integrity Monitoring Engagement Query-Request for Quotes. Accordingly, please find attached a listing of all questions with DCA responses for your review.

Please note that bid proposals are due to DCA no later than Friday, June 7, 2013 at 5 pm EST.

Thank you for your potential interest in this engagement.

Sincerely,  
Bob

Robert Bartolone, MBA, CICA  
Director, Office of Auditing  
NJ Department of Community Affairs  
101 S. Broad Street  
Trenton, NJ 08625  
Phone: 609-984-2698

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## DCA Response to questions submitted concerning Integrity Monitoring Oversight Engagement Query

- 1) Will this order have multiple awardees or a single awardee?

DCA Response: DCA intends to award this engagement to one awardee. However, additional awards may be made to remedy any conflicts pursuant to the provisions set forth at Section 10.0 Conflict of Interest in RFQ 768892S.

- 2) How will potential conflicts be addressed under this contract?

DCA Response: Potential conflicts will be

- 3) There is not clarity with regard to the size and scope of this effort, accordingly, is there some subset of tasks or some particular and clearly defined effort that you would like us to base our price for comparative purposes?

DCA Response: The proposals may be based on the following initial tasks for comparative purposes:

- a) Assist DCA in the development and implementation of a comprehensive compliance, monitoring and fraud prevention plan in conjunction with other DCA contractors/consultants.
- b) Develop a risk assessment mechanism that will be used to assess compliance, operational and financial risks associated with all of DCA's projects and activities as described in DCA's HUD Action Plan that was attached to DCA's Engagement Query.
- c) Conduct semi-annual risk assessments using the mechanism described in (b) above and make recommendations to DCA on how to eliminate or mitigate potential or identified risks.
- d) Conduct HUD compliant agreed-upon procedures monitoring of all DCA's sub-recipients and contractors. For comparative purposes, please base proposals on DCA's RREM contractors overseeing the rehabilitation, reconstruction, elevation and/or mitigation of 2,000 units.
- e) Provide investigatory/audit/litigation support to DCA, as necessary.

- 4) At what level of the program will the integrity monitoring be done, for example at the intake/outreach level, construction management (prime role) level or at the actual contractor level that is doing the work?

DCA Response: Monitoring will be conducted at least once annually at the sub-recipient and prime contractor levels. Monitoring below the sub-recipient and prime contractor levels will be determined based on risk as determined by the results of the risk assessments.

- 5) How many contracts will be monitored on this task?

DCA Response: DCA will have a minimum of three (3) sub-recipients (EDA, NJFA, HMFA) and five (5) prime contractors will require monitoring at least once annually.

- 6) Is the work performed on this task subject to the Government Accountability Office (GAO) Yellow Book Standards?

DCA Response: All work performed under this contract shall adhere to Yellow Book Standards as promulgated by GAO.

- 7) Is the scope of this task order for Round 1 funds only?

DCA Response: This initial engagement will be for a period of two (2) years, which may be extended for all or part of any four (4) extension periods of six (6) months' duration.

- 8) HUD has a defined set of financial guidelines and monitoring standards and procedures that all CDBG-DR programs are to be managed within as a program grantee. Will this monitor be required to create additional measures or to make sure that those documented are followed accordingly?

DCA Response: The Integrity Oversight Monitor will be charged with assisting DCA with the development and implementation of HUD's CDBG-DR standards and with monitoring for compliance to such standards.

- 9) HUD utilizes within its financial management and monitoring guidelines a risk assessment for mitigating risk of grantees, sub-grantees and sub-recipients. Will this risk assessment process be sufficient or will additional measures need to be created and executed?

DCA Response: DCA will look to the its Integrity Oversight Monitor, in conjunction with DCA's staff and other consultants, to provide guidance and advise concerning the most appropriate mechanism for conducting risk assessments of DCA's CDBG-DR programs.

- 10) There are essentially four (4) reporting deliverables that this task order will be requesting as defined within both the Deliverables on Page 4 and within the Integrity Oversight Monitor – Schedule 1 on page 6; Will the contract awardee also be responsible for tracking and monitoring the other required reporting documents for HUD such as Section 3, Davis-Bacon, Fair Housing, Procurement, etc.

DCA Response: Yes, to the extent that such cross-cutting federal requirements apply to DCA's programs, the Monitor may be tasked with assessing compliance risk and monitoring compliance.

- 11) In addition to the aforementioned reporting deliverables, will the contract awardee also be responsible for uploading and reporting to HUD in either IDIS or DRGR on behalf of the State and/or other sub-recipients or sub-grantees?

DCA Response: No. The Monitor will not be responsible for uploading and/or reporting to HUD using IDIS or DRGR.

- 12) Integrity Oversight Monitor – Schedule 1, on page 6, under Required Documents – Resolution and Closure Report, is this to be interpreted that any and all monitoring, auditing or review

issues will have had to be “resolved and closed” at the time of the report being submitted by the 15<sup>th</sup> of the following month?

DCA Response: No. The Resolution and Closure Report shall report on the status of all issues/findings/exceptions revealed during monitoring, auditing or other engagements. DCA recognizes that each issue/finding/exception may have varying degrees of complexity which will affect the timeframe required to resolve and close such items. However, DCA may either unilaterally set a definitive date and/or require that the Monitor, in consultation with DCA, provide a definitive date for closure and resolution of such items.

Question #	RFO Section	Question
13	General	When does the Department of Community Affairs (DCA) anticipate the task order will be awarded? <u>DCA Response:</u> DCA anticipates awarding this contract within 7 days after the proposal submission date.
14	General	What are the award factors of this task order? <u>DCA Response:</u> In addition to the elements described in DCA’s Engagement Query under Proposal Content, the award factors shall include: the firms experience in dealing with similar projects of size and scope; the quality of the proposal’s technical approach to the specified deliverables; the firm’s past experience and performance in conducting engagements on time and on budget; and the cost proposal.
15	General	How many contracts is the State expected to award under this task order? In other words, will this be a single award or multiple awards? <u>DCA Response:</u> Answered previously.
16	General	What is the level of details expected by the DCA on the technical approach? Is DCA expecting a written technical approach for each of the tasks included in the scope of work requirements? Is there a page limitation for the technical proposal? <u>DCA Response:</u> The technical approach should provide the detail necessary to allow professional staff of varying experience and financial acumen the ability to understand how the prospective bidder intends to assist DCA in the following areas as it relates to the specific deliverables described in DCA’s Engagement Query: 1) compliance with federal and state laws, regulations, policies and contracts, 2) operational efficiency and effectiveness, 3) financial management and related controls , 4) prevention and detection of fraud, waste and abuse and 5) reporting of performance outcomes.
17	General	Can the State provide the expected budget or anticipated level of effort for each of the tasks included in the scope of work?  <u>DCA Response:</u> No. Each prospective bidder should comply with the provisions of the Proposal Content section of DCA’s Engagement Query

Question #	RFQ Section	Question
18	General	<p>which requires the submission of budget/cost proposals.</p> <p>How many contractors did DCA award under its RREM and SSHIP RFQs? <u>DCA Response:</u> 4 prime contractors.</p>
19	General	<p>The work product requested is to provide a third-party general oversight, QA/QC function to assist with the management of these various programs, analyze and interpret this data and to provide timely reporting of progress and to flag potential problems.</p> <p>Question: What does the org chart look like for these inter-related state entities and where in this org chart does this Monitor position fit? Does this position only act in an advisory role or is this position also empowered with monitoring and enforcement? <u>DCA Response:</u> Organizational Charts will be provided upon award. The Monitor will be charged with assessing risk, monitoring and assisting DCA with enforcement and/or ensuring corrective actions.</p>
20	Scope of Work	<p>Does DCA currently have a risk assessment model (RAM) on its ongoing programs? Has a RAM been developed for the Sandy Recovery program? <u>DCA Response:</u> DCA intends to have the Monitor assist in the development of and/or construct a risk assessment model specific to the criteria relevant to its HUD CDBG-DR programs.</p>
21	Scope of Work	<p>It appears that there is no dollar threshold established for specific oversight/monitoring activities. Is that correct? <u>DCA Response:</u> Each prospective bidder should comply with the provisions of the Proposal Content section of DCA's Engagement Query which requires the submission of budget/cost proposals.</p>
22	Scope of Work	<p>Without knowing the level and volume of forensic reviews or audits necessary for the program, the level of onsite compliance monitoring needed to ensure program integrity, degree of cooperation and completeness of documentation provided by other parties, how does DCA recommend the bidder to go about building a budget? <u>DCA Response:</u> Answered previously.</p>

Question #	RFQ Section	Question
23	Scope of Work	<p>The introductory section states that "DCA will issue Task Orders to the Monitor selected." Does this mean that the RFQ is to select a Monitor, and then individual task orders will be issued to execute the particular activities? How will this process work – for example, will DCA and the Monitor work together to develop the TO scope, the Monitor will estimate the cost using the pre-set labor hour rates, and DCA and the Monitor will negotiate the ceiling amount? <u>DCA Response:</u> Yes, this RFQ is issued to select a Monitor. DCA will then issue Task Orders to the Monitor to conduct and complete specific deliverables associated with the contract. DCA and the Monitor will work in collaboration to define the TO scope. Costs are subject to the pre-set labor hour rates. All TOs will be issued with a not to exceed clause and include liquidated damages provisions.</p>
24	Scope of Work, A)	<p>Task A identifies the development and management of a detailed and flexible database for program management. It specifically identifies the DCA's Action Plan. Is this Action Plan part of the documentation identified as attached? <u>DCA Response:</u> Not in Task A. DCA's Action Plan was attached to the RFQ. DCA has awarded a contract to a vendor that will provide a comprehensive IT system to manage and administer the CDBG-DR programs and activities.</p>
25	Scope of Work, A), C) & E)	<p>Does this task include a review of all activities conducted by the State or is the respondent contractor:</p> <ul style="list-style-type: none"> <li>a) To assume that all State actions are automatically in compliance with all requirements of the law, regulations, guidelines and Section 6 of the HUD approved DCAA action Plan; and therefore</li> <li>b) Will be relieved from any responsibility related to the State's own actions?</li> </ul> <p><u>DCA Response:</u> In addition to the liquidated damages' provisions in DCA's Engagement Query, Task Orders shall include liquidated damages' provisions to ensure the timely and appropriate delivery of services.</p>
26	Scope of Work, A) & E)	<p>If the item above is true, what is the contractor's responsibility and course of action should State malfeasance come to the attention of the respondent contractor? <u>DCA Response:</u> As an agent of DCA, the Monitor is contracted to identify any state malfeasance to include malfeasance by DCA sub-recipients or other DCA contractors. Accordingly, any potential or known malfeasance shall be immediately reported to DCA's Accountability Officer. DCA's Accountability Officer shall handle reported instances of malfeasance in accordance with DCA policy which is consistent with federal and state law and regulations.</p>

Question #	RFQ Section	Question
27	Scope of Work, A) & E)	Will the respondent contractor be given access to all State available related risk items such as, but not limited to, those noted in Section 6 of the HUD approved DCA Action Plan? <u>DCA Response</u> : Yes.
28	Scope of Work, A)	Section A states, "the Monitor would obtain information on all entities." Do "entities" include the organizations running the projects (e.g., state or local government, public housing authorities, not-for-profits), or, for example, individual homeowners? <u>DCA Response</u> : Yes. The Monitor will be provided access to all necessary data and information to enable it to adequately satisfy the Task Order deliverables. Among other potential entities, this shall include the data and information from DCA's sub-recipients and prime contractors.
29	Scope of Work, A)	Section A states, "For each project or activity, the Monitor may be tasked with developing a risk assessment methodology." May we assume that we will develop a single methodology, and apply it to each project or activity? <u>DCA Response</u> : Yes, to the extent that a single methodology is applicable and appropriate to both sub-recipients and contractors. However, please note that the risk criteria concerning contractors may be different by project/activity.
30	Scope of Work, A)	Section A lists "intake/eligibility; duplication of benefits; pre-construction, construction and post-construction procedures; procurement processes; invoice procedures; prevailing wages and labor standards compliance, if applicable; and record-keeping." Will we also be determining compliance with such things as environmental reviews, fair housing, OMB A-87, and building codes as mentioned in the Action Plan? <u>DCA Response</u> : Yes. The scope of work will include such additional items. DCA intends to take a risk based approach to the compliance activities.
31	Scope of Work, A)	The Action Plan Section 6.6.5 includes activities such as audit of paper application files through risk-based judgmental sampling, evaluate and test internal controls including IT controls, train staff, anti-fraud brochures, and a tip line. Will the Monitor conduct all of these activities? If it will include training staff, how many people would need training? <u>DCA Response</u> : The monitor may assist or conduct in the monitoring activities enumerated in Section 6.6.5 of DCA's Action Plan. DCA intends to have approximately 100 staff members assigned to its Sandy Recovery Division. Accordingly, it is plausible that the Monitor will be tasked with providing such compliance/monitoring related trainings.



Question #	RFQ Section	Question
32	Scope of Work, A)	Should we plan to update the risk assessment methodology prior to each semi-annual assessment? <u>DCA Response</u> : At this juncture, it is not possible for DCA to definitively answer this question. However, we should anticipate modifications to the risk assessment model based on substantial amendments to DCA's HUD Action Plan, or other regulatory or operational modifications to program delivery.
32	Scope of Work, B)	Establishing and staffing a Fraud Prevention Hotline and performing follow up on tips from an existing hotline are two very divergent responsibilities. Has a decision been made yet as to the effectiveness of the existing hotline? <u>DCA Response</u> : DCA plans on utilizing the NJ OSC Disaster Fraud Tip-line and having close collaboration with the NJ OSC concerning any related CDBG-DR calls.
33	Scope of Work, B)	What is the approximate quantity of Sandy related hotline tips currently being received? <u>DCA Response</u> : At this juncture, we are not able to provide an estimated number of calls.
34	Scope of Work, B)	What software programs does the State currently use? Is the State willing to obtain license, training, and/or expertise to utilize a new software product? <u>DCA Response</u> : DCA has advertised and awarded a RFQ for its Sandy Integrated Recovery Operations and Management System (SIROMS). The RFQ which details the SIROMS scope of work may be found on DCA's website at <a href="http://www.state.nj.us/dca">www.state.nj.us/dca</a> .
35	Scope of Work, B)	Section B says "developing analytical software programs that enable SRD management and compliance staff to predict and more readily detect fraud indicators, high-risk areas, anomalies and irregularities." Is the data of interest already automated, or would we need to develop a system to capture the data and then apply analytics? <u>DCA Response</u> : DCA is currently in discussions with the SIROMS contractor concerning the most feasible and appropriate methodology for implementation of running data analytics. While both options are currently being explored fully, the Monitor may base cost decisions on embedding the analytics into an automated system.
36	Scope of Work, B)	Section B says "conducting on-site inspections of work". The Action Plan states that each site will be visited at least once. How many sites are there? <u>DCA Response</u> : DCA is unable to determine the exact number of sites at this time. There will be 9 intake centers and a minimum of 3 sub-recipients. We are initially estimating approximately 2,000 construction projects.

Question #	RFO Section	Question
37	Scope of Work, C)	Are these reviews for grant recipients only or inclusive of State systems? How many grant recipients is DCA anticipating awarding? <u>DCA Response</u> : Answered previously.
38	Scope of Work, C)	Are the appropriate areas of the financial management system reviews to be performed before the grant is awarded or at least early enough in the process to preclude mass discrepancies that may be unrecoverable? <u>DCA Response</u> : Yes. The financial management system reviews shall be completed before any significant amounts of federal funding are disbursed.
39	Scope of Work, C)	Section C requires financial management system reviews. May we assume that these reviews would be for organizations and not individual homeowners? <u>DCA Response</u> : Yes.
40	Scope of Work, D)	How many financial management systems are included in Task D? Can DCA explain what those systems are and whether they are manual vs. electronic systems. <u>DCA Response</u> : There are 4 financial management systems – NJCFS at the State level (DCA) and 3 other financial management systems that are utilized by DCA's sub-recipients. All financial management systems are automated.
41	Scope of Work, D)	Why does this task begin with the phrase "as specified by task order?" Will this function require additional RFQs for each review? <u>DCA Response</u> : No. DPP's Qualifying RFQ and DCA's Engagement Query (RFQ) will control this contract with individual Task Orders issued by DCA concerning the specific deliverables required under the contract.
42	Scope of Work, D)	Is the work for this task subject to the "Conflicts for Future Engagements" provision of this current task order? <u>DCA Response</u> : Yes.
43	Scope of Work, D)	Since these reviews have the possibility to reveal either or both civil and criminal violations, does the State have an efficient mechanism for handling such an eventuality? <u>DCA Response</u> : Yes. DCA has policies for effectively dealing with such eventuality.
44	Deliverables	A previous task order RFP referenced P.L. 2013 c.37, N.J.S.A. 52:15D-1, -2 (the Law) which has a quarterly reporting requirement. In addition to the deliverables listed in this section, will we need to provide a quarterly report, and what will it include? <u>DCA Response</u> : No. However, DCA may ask for ad-hoc reports from the Monitor, if necessary.
45	Deliverables	Should we assume "days" means calendar days or business days? <u>DCA Response</u> : Calendar days

Question #	RFQ Section	Question
46	Deliverables	Does the Fraud Management Report include only analysis conducted in the reporting month, or will it be cumulative? <u>DCA Response:</u> Answered previously.
47	Deliverables	P.L. 2013 c.37, N.J.S.A. 52:15D-1, -2 excludes sensitive information that could compromise a potential criminal investigation and requires a "privilege log." Should we handle such information separately? <u>DCA Response:</u> That provision of the statute is specific to the report that the State Treasurer must send to the Legislature. However, the Monitor will be responsible for complying with the statute. Therefore, the Monitor, in conjunction with DCA, shall devise the most effective methods for compliance.
48	Deliverables	Can we combine the Fraud Management Report and the Resolution and Closure Reports? <u>DCA Response:</u> No, although we recognize that some duplication may exist.
49	Deliverables	The fifth bullet requires us to "maintain copies (and upon request, originals) of time logs and allocation of staff hours." We have an automated timekeeping system. Will reports from the system suffice? <u>DCA Response:</u> As long the automated timekeeping system complies with HUD regulations. In addition, the automated timekeeping system should be able to produce hard-copy reports if necessary and upon request.
50	Proposal Content	The State asked for a detailed list of engagements or task orders in which the firm is currently providing services for any type of disaster recoveries. Will the State suggest the offeror to include the offeror's past experience related to disaster recoveries if the offeror is currently not providing disaster recoveries services to its clients? <u>DCA Response:</u> Yes. A description of the bidders past experience should be included in the proposal.
51	Proposal Content	Please confirm whether the State requires resumes with the proposal or only budget details by labor category by tasks, sub-tasks, or other work elements.  <u>DCA Response:</u> Yes. Please submit the resumes of all individuals who will be involved with this engagement.

Question #	RFQ Section	Question
52	Proposal Content	<p>The RFQ requires "a chart that shows the person-hours proposed for the tasks, sub-tasks or other work elements required and identifies the labor category by person hours. The person-hours must be those bid or lower." May we assume that the estimate will be provided for each Task Order once the Monitor is selected? If not, can DCA provide an estimated level of effort on which we can base our labor mix?</p> <p><u>DCA Response:</u> Answered previously.</p>