



*Delaware Health
And Social Services*

DIVISION OF MANAGEMENT SERVICES

PROCUREMENT

DATE: June 8, 2011

HSS 11 068

LOAN MAINTENANCE ACCOUNTING SERVICES AND SUBRECIPIENT MONITORING

FOR

DIVISION OF PUBLIC HEALTH

Date Due: July 21, 2011
11:00AM

ADDENDUM # 2

Please Note:

THE ATTACHED SHEETS HEREBY BECOME A PART OF THE ABOVE
MENTIONED BID.

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RFP HSS 11 068

Loan Maintenance Account Services and Sub-recipient Monitoring

Questions and Answers

Pre-bid Meeting June 8, 2011

Note Change - Page 10, Section c.3.

Amount changed from \$300,000.00 to \$500,000.00

Questions:

Q1 – Can everything required in monitoring be PDF, so that it can be emailed? Can we be able to store monitoring information on a secure site and HSP can access the site?

A1 – – No, the files should be complete for EPA review.

Q2 – How many loans are in progress?

A2 – 11 projects currently under way, 77 loans in portfolio now

Q3 – How many years?

A3 – Program started 11 years ago. The first loan was done in 2002 and loans run 25 to 30 year loans.

Q4– How long will this particular contract 11-068 last.

A4 – The initial contract is for 2 years with the possibility of renewal for up to 3 additional one year periods.

Q5 – Will bonding be needed?

A5 – No

Q6 – Who was handling the monitoring before?

A6 – Another state agency - Department of Natural Resources Environmental Control (DNREC)

Q7 – Can information from DNREC be shared?

A7 – The awarded bidder will have access to the information.

Q8 – What issues or problems are we going to encounter?

A8 – Every community and loan has its own unique challenges. Problems should be brought to the attention of Office of Drinking Water management where they will be addressed.

Q9 – Has a recipient not been cooperative? How often?

A9 – Recently some towns need more support. All that will be required is monitoring. The person making the final decisions for the towns repayments is Division of Public Health, Health Systems Protection (HSP) Fiscal Management Analysis and HSP Section Chief. Mainly want a records keeper service.

Q10 – How much manpower was required for previous agency?

A10 – 1.5 FTE, one full time and one part-time support person.

Q11 – How procedures work?

A11 – Loan payment due: Water system sends HSP a check and notifies the successful contractor that a check has been sent, for record keeping. This keeps document legit and creates a record for the quarterly or semi-annually audit review.

A11 – Financial review: Review town's information and revenue. The successful contractor is to review and determine if the town will be able to pay, "do the leg work", and HSP will make final decision.

A11 - Loan maintenance: Notify loan recipients of payments due

A11 – Subrecipient Monitoring: Monitor and request A-133 audits, send annual loan balance letters

Q12 – Other companies involved.

A12 – Saul Ewing (Lawyer), KPMG (State’s A-133 Audit firm), McBride & Shoppa (Financial Statement Audit firm)

Q13 – Who are loans with?

A13 – A vast majority is with municipalities. There are some with privately owned water systems.

Q14 – Experience Needed?

A14 – Accounting experience & education

Q15 – Insurance?

A15 – General Liability, Professional Liability - 1 million, 3 million in aggregate.

Q16 – How many CPA with licenses must we have in the firm?

A16 – A CPA license is not a direct requirement.

Q17 – Will a CPA with a certificate from the State of Delaware be adequate?

A17 – A CPA license is not a direct requirement.

Q18 – How many employees minimum are needed for the project?

A18 – There is no minimum employee requirement from our perspective.

Q19 – How many labor hours can be budget for?

A19 – This task was done by 1 State Full Time Employee with accounting support of an additional 0.5 Full Time Employee.

Q20 – What is the level of travel to estimate the mileage?

A20 – Most of the communications can be handled over the phone and postal service; However, occasional meetings may be necessary. Meetings would be in Dover area. (maximum of 8 per year)

Q21 – When you say review and audit, will our firm be doing the audit or another firm will be

doing the review and or audit?

A21 – When a community receives Federal Funds in excess of \$500,000 they are required to obtain an A-133 audit. This contract is for someone to contact the communities who we support to:

- Ask if an A-133 is required.
- Receive, review the A-133 and notify us if anything is out of norms.
- Maintain a file for each recipient we deal with.
- The selected company will be responsible for conducting financial reviews and making recommendations to the State on the borrowers' ability to re-pay loans, debt ratios, and income to expense ratios of applicants requesting loans from DWSRF.
- The selected company will monitor and coordinate the interest rate we charge with our legal council (Saul Ewing).
- The selected company will need to be available to provide requested information for the EPA for annual program reviews of the DWSRF, the DWSRF A-133 Audit (KPMG) and the annual financial statement and program audit (McBride & Shoppa) and other inquiries as needed.
- The selected company will follow the EPA guidance on "Sub-Recipient monitoring" (mostly listed above).
- The selected company will also advise DWSRF staff on "Disadvantaged Community" status (criteria provided by DWSRF Staff).

Q22 – What is the minimum level of qualifications do you require for each? Employee working directly on the project?

A22 – We expect the selected company to have years of experience and expertise in conducting these duties, but require no certification.

Q 23 – Please give us examples of Loan Recipients, who are they?

A23 – Although all our loans are Public Knowledge information, we do not routinely disclose that information. We have loans and grants out to many of the large cities and small towns that have publicly owned drinking water systems. Additionally we have loans out to privately owned "for profit" water systems.

Q24 – Must we have a CPA with license in the State of Delaware or one with a valid and active certificate will do?

A24 – A CPA license is not a direct requirement.

Q25 – What kind of insurance coverage will the bid require?

A25 – As stated in the sample contract in Appendix G of this RFP, the contract resulting from this bid will require Comprehensive General Liability in the

amount of \$1,000,000 and Professional Liability or Misc. Errors and Omissions coverage in the amount of \$1,000,000 for each occurrence and \$3,000,000 aggregate.