REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES:
ANSWERS TO QUESTIONS SUBMITTED FOLLOWING INSTRUCTIONS WITHIN THE RFP
AND RECEIVED BY 4:30 PM ON OCTOBER 22, 2020
DE Relief Fund Compliance Review & Recommendations
ISSUED BY DEPARTMENT OF STATE – DIVISION OF SMALL BUSINESS
CONTRACT NUMBER STA20001-DERELIEFGR

Answers are provided below to all of the questions that were submitted following the instructions within the RFP. Those instructions are pasted below as a reminder:

a. RFP Question and Answer Process
The State of Delaware will allow written requests for clarification of the RFP. All questions shall be received no later than 10/22/2020. All questions will be consolidated into a single set of responses and posted on the State’s website at www.bids.delaware.gov by the date of 10/26/2020. Vendor names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

Section number
Paragraph number
Page number
Text of passage being questioned

Questions not submitted electronically shall be accompanied by a CD and questions shall be formatted in Microsoft Word. (highlighting added for clarification)

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PAGE 1:

Question:
Section number - Overview
Paragraph number 1
Page number 1
Text of passage being questioned – “It is the goal of this Request for Proposal to identify a vendor(s) and execute a contract to review paid receipts and tax returns of small businesses that received DE Relief Fund Grants funded with CARES ACT funds in response to COVID-19 pandemic and to provide recommendations back to the Division of Small Business as it relates to each grantee’s compliance with the terms of the agreement.” Will the paid receipts to be reviewed be provided to the contracting firm by the Department of State? In what form will the selected tax returns and receipts be provided to the vendor(s)?

ANSWER: ALL DOCUMENTATION WILL BE PROVIDED BY DEPARTMENT OF STATE, DIVISION OF SMALL BUSINESS, VIA SALESFORCE.

PAGE 2:

QUESTION: Section 2 Scope of Services, page 2 - Is there an incumbent? If so, can you please provide the company name and contract number?

ANSWER: NO/NOT APPLICABLE
Questions A-H below: relate to the Scope of the work as set forth in Section II

- Section II: Scope of Services, Page 2, Paragraph 2:

“Department of State, Division of Small Business maintains a portfolio of approximately 100 grants and/or loans each fiscal year. The tremendous volume of DE Relief Fund Grants will require efficient and accurate financial and regulatory review and compliance checks by professionals with the expertise to perform detailed review of annual tax returns as well as to make determinations regarding whether the funds were spent on expenses that were proposed in each small business application and within the limitations described within the DE Relief Grant Program. The specific need for professional services requested within this Request for Proposal is to provide that expertise related to approximately 5,000 small business grant agreements and to provide professional recommendations to the Department of State, Division of Small Business regarding compliance of each grant recipient. Detailed Scope of Work may be found on Appendix B.”

**Question A:** What is the expected distribution by size/dollar value of grants for the recipients that are the subject of this RFP? For example, using the below tiers, do most of your recipients receive grants up to $30,000, $50,000, $72,500, or $100,000?

- $0 - $500,00 in revenue: Up to $30,000 (6 percent of 2019 revenue)
- $500,000 - $1 million: up to $50,000 ($30,00 +4 percent of 2019 revenue in excess of $500,000)
- $1 million - $2.5 million: up to $72,500 ($50,00 + 1.5% of 2019 revenue in excess of $1 million)
- $2.5+million: Up to $100,000 ($72,500 + 1 percent of 2019 revenue in excess of $2.5 million)

**Answer:** GRANT APPLICATIONS ARE STILL BEING ACCEPTED AT THIS TIME.

**Question B:** What tranche of the CARES Act is funding this particular grant program? (e.g., COVID-19 Relief Funds from the Dept of Treasury as administered by OIG)?

**Answer:** COVID-19 RELIEF FUNDS FROM DEPARTMENT OF TREASURY

**Question C:** How does the State plan to collect paid receipts and proof of expenditures that were not previously provided in the initial applications? Does the State currently have a designated portal for upload of receipts and how much information is a recipient required to key-in versus upload in document form?

**Answer:** SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM BEING USED THROUGHOUT THE GRANT PROCESS. RECOMMENDATIONS REGARDING COMPLIANCE OR NON-COMPLIANCE OF EACH GRANTEE WITH A BRIEF SUMMARY OF RATIONALE FOR NON-COMPLIANCE RECOMMENDATION.

**Question D:** Please provide copies of the guidance provided to grant recipients (or links to applicable sites) on what are indicative documents that should be provided for review.
ANSWER: [https://business.delaware.gov/relief/](https://business.delaware.gov/relief/)

**Question E:** Is there a process required under which documents reviewed are attested to by the applicants?

ANSWER: **APPLICANTS/GRANTEES ARE REQUIRED TO SUBMIT PAID RECEIPTS FOR ELIGIBLE EXPENSES AS WELL AS COPIES OF THE 2019 AND 2020 ANNUAL TAX RETURNS THEY FILED WITH IRS.**

**Question F:** Is there an expectation that qualifying expenditures are reflected and verified on a tax report and not just verified through a paid receipt (i.e., the expenditures are traced and verified within the tax report received)?

ANSWER: **NOT THAT SPECIFIC QUALIFYING EXPENDITURES ARE REFLECTED AND VERIFIED ON A TAX REPORT BUT THAT THE VALUES REFLECT REASONABLE DOCUMENTATION OF COMPLIANCE.**

**Question G:** Has consideration been made with regard to a change of business ownership, for example: a reorganization, mergers, acquisition, divestiture, etc., occurring in calendar year 2020?

ANSWER: **YES. ANY CHANGE OF BUSINESS OWNERSHIP FROM THE ORIGINAL APPLICATION WILL RESULT IN THE CONVERSION TO A LOAN.**

**Question H:** Please explain what constitutes “economic impact research” as used in the evaluation criteria, and how it relates to the scope of services described on Page 2, Section II, and in Appendix B.

- Section IV. C.2, Page 13, Paragraph 2 – Evaluation Criteria #5:

  EVALUATION CRITERIA
  1. Experience in Business, Analyzing Financial Statements & Regulatory Compliance – 20%
  2. Specific expertise in Government Contracting Compliance – 30%
  3. Pricing – 20%
  4. Professional References --10%
  5. Knowledge and expertise in economic impact research – 10%
  6. ACA Safe Harbor Additional Fee – 10%
  TOTAL SCORE 100%  

ANSWER: **QUALIFIED VENDOR DEMONSTRATES EXPERIENCE IN ECONOMIC IMPACT RESEARCH USING RESOURCES SUCH AS IMPLAN OR REMI TO MEASURE DIRECT, INDIRECT AND/OR INDUCED IMPACT TO A COMMUNITY**

PAGE 3:

**QUESTION:** Please explain the following evaluation requirement and the type of information the State is looking for in the response: “Distribution of work to individuals and firms or economic considerations.” Please elaborate on the criteria the State will use in evaluating this
ANSWER: DOES THE VENDOR HAVE SUFFICIENT RESOURCES IN-HOUSE OR WILL THE VENDOR DISTRIBUTE THE WORK TO OTHER PEOPLE OR ENTITIES TO PROVIDE THE SERVICES?

PAGE 5:

Question: Section IV (Professional Services RFP Administrative Information); B (RFP Submissions); 2 (Proposals); Page 5

Are email submissions of proposals permitted given certain COVID concerns? If so, please advise if the email address for such transmission would be patricia.cannon@delaware.gov or another email address.

ANSWER: EMAIL SUBMISSIONS MAY BE SUBMITTED IN ADDITION TO MAILED PAPER COPIES BUT NOT IN LIEU OF MAILED PAPER COPIES. PLEASE SEE PROPOSALS SECTION ON PAGE 5 OF THE RFP.

PAGE 13:

Question: Please explain how the “ACA Safe Harbor Additional Fee” is evaluated.

   Section IV, C.2, Page 13, Paragraph 2 –Evaluation Criteria #6:

   EVALUATION CRITERIA
   1. Experience in Business, Analyzing Financial Statements & Regulatory Compliance – 20%
   2. Specific expertise in Government Contracting Compliance – 30%
   3. Pricing – 20%
   4. Professional References – 10%
   5. Knowledge and expertise in economic impact research – 10%
   6. ACA Safe Harbor Additional Fee – 10% TOTAL SCORE
   100%

ANSWER: PLEASE SEE SAFE HARBOR ACT REQUIREMENTS AS OUTLINED ON PAGE 14 OF THE RFP. ASSURANCES BY THE VENDOR REGARDING COMPLIANCE WILL BE EVALUATED AS PART OF THE REVIEW PROCESS, AS APPROPRIATE.

PAGE 14:

Question: Section V. Terms and Conditions Paragraph 4 Subsection A Page 14
1) Are the 5,000 files per annum (so potentially 15,000 over the 3 year including extensions) or is that the total possible over the course of the 3 year process, assuming renewals?

**ANSWER: TOTAL POSSIBLE 5,000**

**PAGE 16:**

Section number – 8a
Paragraph number - 2

**Page number 16**

Text of passage being questioned – “It may be at the State of Delaware’s discretion as to the location of work for the contractual support personnel during the project period. The State of Delaware may provide working space and sufficient supplies and material to augment the Contractor’s services.” *Is it also possible that the Contractor perform the service at its location?*

**ANSWER: YES**

**PAGE 33:**

Section, “Important Please Note”/Required Reporting, **page 33**: Will training be provided on completing the Usage report and any other required reports, if necessary?

**ANSWER: NO TRAINING WILL BE PROVIDED TO THE VENDOR.**

**PAGE 36:**

**Attachment 2** Non- Collusion Statement **Page 36**

1) Are we able to use a remote notary to sign this form?

**ANSWER: YES**

**PAGE 37**

**Attachment 3** - Proposals must include all exceptions to the specifications, terms or conditions contained in this RFP

**QUESTION:** If awarded the contract, is the recipient precluded from negotiating any provisions of the contract that were not previously identified as an exception on attachment 3 of the RFP?

**ANSWER: NO**

**PAGE 39:**

Question
Section number – Attachment 5
Paragraph number 3

**Page number 39**
1. Text of passage being questioned – “The Business Case will require accurate and timely review and recommendations to be reported back within 30 days of delivery to the vendor. The project is estimated to produce 5,000 specific grantees with corresponding documentation, including 2019 & 2020 Annual Tax Returns and documentation to confirm whether the funds were spent within the terms of the program.” What is the estimated time period over which the contract is expected to start and finish?

**ANSWER:** ESTIMATED NOTIFICATION OF AWARD IS NOVEMBER 30, 2020. SELECTED VENDOR WILL HAVE 20 DAYS FROM DATE OF NOTIFICATION TO EXECUTE CONTRACT. PLEASE REVIEW GENERAL INFORMATION SECTION OF THE RFP ON PAGES 14 & 15, SPECIFICALLY ITEMS (a.) & (e.):

- **General Information**
  - The term of the contract between the successful bidder and the State shall be for one (1) year with two (2) optional extensions for a period of one (1) year for each extension.
  - The successful vendor shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after award of the contract. No vendor is to begin any service prior to receipt of a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful vendor.

**Attachment 5** Company Profiles and Capabilities Form **Page 39** Suppliers are required to provide a reply to each question listed below

**QUESTION:** Can we refer to other sections in our proposal that will cover these questions more in depth as there is limited space provided on this page?

**ANSWER:** YES

**PAGE 40:**

Attachment 6 – BUSINESS REFERENCES; **Page 40**

**QUESTION:** Regarding providing a list of State contracts held within the past five years, will a listing of the contract reference numbers and descriptions suffice, or is the State seeking all of the information as detailed for the requested references as well for these contracts?

**ANSWER:** CONTRACT REFERENCES MUST INCLUDE ALL OF THE INFORMATION. LISTING OF STATE CONTRACTS INCLUDING REFERENCE NUMBERS AND DESCRIPTIONS WILL SUFFICE.

**PAGE 42:**

Attachment 8 Monthly Usage Report – **Page 42**

**QUESTION:**
Are we required to submit time incurred by individuals working on the project or just expenditures in connection with the project?

**ANSWER: TO BE DETERMINED.**

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**PAGE 45:**

**Question** Given the limitations on access to offices that many organizations face due to COVID-19, will the State agree to waive the requirement for notarization?

- Appendix A – Minimum Mandatory Submission Requirements, **Page 45**, Paragraph 4:

  4. One (1) complete, signed and notarized copy of the non-collusion agreement (See Attachment 2). Bid marked “ORIGINAL”, MUST HAVE ORIGINAL SIGNATURES AND NOTARY MARK. All other copies may have reproduced or copied signatures – Form must be included.

**ANSWER:** ALTHOUGH WE CANNOT WAIVE THE REQUIREMENT, WE CAN ACCEPT REMOTE NOTARY DOCUMENTS AS FOUND HERE: [https://notary.delaware.gov/covid-19-coronavirus/](https://notary.delaware.gov/covid-19-coronavirus/)

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**Appendix A- Minimum Mandatory Submission Requirements, page 45 –**

QUESTION: Are resumes required for submission with the proposal?

**ANSWER: RESUMES OR BIOGRAPHIES**

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**PAGE 46:**

**Appendix B, Page 46:**

“The purpose of this Request for Proposal is to obtain sealed proposals for Compliance Review & Recommendations. It is the goal of this Request for Proposal to identify a vendor(s) and execute a contract to review paid receipts and tax returns of approximately 5,000 small businesses that received DE Relief Fund Grants funded with CARES ACT funds in response to COVID-19 pandemic to ensure compliance with the terms of the program. The grant agreements include recapture provisions through conversion of a portion, or all of the grant into a loan for any portion that fails to meet the stated requirements.”
• Compare Annual Revenue from 2019 and 2020 Annual Tax Return for each small business project, at their first annual reporting period.
• Review and compare Paid Invoices to 2020 Annual Tax Return to monitor compliance with the terms of the agreement for each small business project.
• Report results and recommendations back to the Delaware Department of State, Division of Small Business within 30 days of receipt of each file.”

QUESTION:
Section number - Appendix B
Paragraph number 1
Page number 46
Text of passage being questioned – “It is the goal of this Request for Proposal to identify a vendor(s) and execute a contract to review paid receipts and tax returns of approximately 5,000 small businesses that received DE Relief Fund Grants funded with CARES ACT funds in response to COVID-19 pandemic to ensure compliance with the terms of the program.” Is it the Department’s desire to assign 5,000 returns to one firm or to multiple firms?

ANSWER: THE DEPARTMENT OF STATE, DIVISION OF SMALL BUSINESS HAS NO PREFERENCE IN THIS REGARD.

2. Appendix B, bullet #2, page 46: “Review and compare Paid Invoices to 2020 Annual Tax Return to monitor compliance with the terms of the agreement for each small business project”:
QUESTION: In comparing paid invoices to the 2020 tax return, please explain the objectives of the comparison and what numbers from the 2020 tax return will need to be supported and to what extent (i.e. do invoices need to be provided supporting 100% of certain expense categories on the tax return?)

ANSWER: A QUALIFIED VENDOR WILL DEMONSTRATE KNOWLEDGE OF THE NUMBERS TO BE USED IN THIS COMPARISON.

Appendix B, bullet #3, page 46: “Report results and recommendations back to the Delaware Department of State, Division of Small Business within 30 days of receipt of each file.
QUESTION: What defines recommendations other than ‘in compliance’ or ‘non-compliance’?

ANSWER: VENDOR WILL PROVIDE BRIEF DESCRIPTION OF ANY NON-COMPLIANCE RECOMMENDATIONS.

Appendix B Scope of work and technical specifications Page 46
1) Is there a specific time frame the work is to occur or is spread out throughout the year?

2) Is there an expectation for how many files will be reviewed per month (assuming that the 5,000 are to be reviewed within the 12 months of contract award)?
ANSWER: QUALIFIED APPLICANT WILL REVIEW FILES WITHIN 30 DAYS OF RECEIPT, AS GRANTEES SUBMIT THE REQUIRED DOCUMENTATION.
3) Is there a prescribed format for which the grant recipient was supposed to submit eligible expenditures or was it a self-certify program? **ANSWER: SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM BEING USED THROUGHOUT THE GRANT PROCESS.**

4) Will the results be in a public domain or private for the state? **ANSWER: SUBJECT TO FREEDOM OF INFORMATION ACT REQUESTS**

5) Tax returns typically have full year summary expenses but not itemized by invoice – are the grantees required to itemize on the tax return or is there a supplemental filing? **ANSWER: STANDARD FILING REQUIREMENTS APPLY.**

6) The referenced small business project – does each individual grant have specific/unique requirements? **ANSWER: YES.**

7) Are we to validate the revenue (via sales review) or just take the reported total annual revenue as stated in the tax filing as accurate for procedure A? **ANSWER: NO ADDITIONAL VALIDATION WILL BE REQUIRED BY THE SELECTED VENDOR.**

8) After the file review, does the State want individual reporting or consolidated listing of files (procedure C)? **ANSWER: SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM USED THROUGHOUT THE GRANT PROCESS.**

9) Are the grant recipients required to submit supplemental data such as detail listing of transactions or copies of invoices that we are to review for procedure B? **ANSWER: DOCUMENTATION TO SUPPORT PAID INVOICES OF QUALIFIED EXPENSES**

10) Are we to review the copies of invoices or just the listing of expenditure provided by the grant recipient for procedure B? **ANSWER: REVIEW DOCUMENTATION OF QUALIFYING PAID EXPENSES.**

11) Are we to validate the grant recipient received the correct level of funding based on their 2019 revenue for procedure A? **ANSWER: NO**

12) Are we to calculate the percentage change for revenue from 2019 to 2020 to determine if the 7.5% drop in revenue threshold was met for procedure A? **ANSWER: YES**

13) Are the recommendations centered on if the grant should be finalized as a grant or revert to an interest bearing loan for procedure C? **ANSWER: YES**

14) In the reporting, procedure C, is it expected that we would provide to you a summary of our results, such as the 2019 revenue, 2020 revenue, revenue change (procedure A), the description and amount of all invoices and qualification of each invoice (procedure b), or just a summation of YES eligibility met or NO eligibility not met? **ANSWER: IN ADDITION, A BRIEF DESCRIPTION OF WHY ANY GRANTEE FAILED TO MEET ELIGIBILITY AND/OR COMPLIANCE WITH THE PROGRAM.**
1. Appendix B - SCOPE OF WORK AND TECHNICAL SPECIFICATIONS; Page 46

Has the state defined a process for applicant information to be routed to the reviewing firm? If so, please describe the process. **ANSWER: SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM USED THROUGHOUT THE GRANT PROCESS.**

2. Appendix B - SCOPE OF WORK AND TECHNICAL SPECIFICATIONS; Page 46

What is the process if a grantee application does not contain all required information? **ANSWER: THE GRANTEE WOULD BE NON-COMPLIANT AND THE GRANT WOULD CONVERT TO A LOAN.**

3. Appendix B - SCOPE OF WORK AND TECHNICAL SPECIFICATIONS; Page 46

What review alternative would the State like employed if grant expenses are not specifically identified in a tax return? **ANSWER: QUALIFIED APPICANT WILL COMPARE PAID INVOICES TO OPERATING EXPENSES.**

4. Appendix B - SCOPE OF WORK AND TECHNICAL SPECIFICATIONS; Page 46

Does the state have a contemplated report result format in mind, or specific recommendations for the report that you will share? **ANSWER: SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM THAT WILL BE USED THROUGHOUT THE GRANT PROCESS.**

PAGE 47:

Section # - Appendix C
Paragraph # - 3
Page # - 47

Text of passage being questioned:

"Report results and recommendations back to the Delaware Department of State, Division of Small Business within 30 days of receipt of each file."

Questions:

The RFP references approximately 5,000 grant application that will be reviewed by the selected vendor and the vendor will have 30 days from receipt of each file to report results. Will the Division issue a minimum or maximum number of applications per month, to effectively spread the review process over multiple months?

**ANSWER: THE DIVISION DOES NOT ANTICIPATE A MINIMUM OR MAXIMUM NUMBER OF APPLICATIONS PER MONTH AT THIS TIME.**

When it comes to reporting results, once the applicant’s file information has been verified for compliance with the grant requirements or not, will the Vendor be
required to report using the Sample Reports in Attachment 8 or a different format?

ANSWER:  **SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM USED THROUGHOUT THE GRANT PROCESS.**

Is the Division expecting a separate report and recommendation on each grant recipient after 30 days, or can the monthly recommendations be reported on a single report broken out by grantee?

ANSWER:  **SALESFORCE IS THE CUSTOMER RECORD MANAGEMENT SYSTEM USED THROUGHOUT THE GRANT PROCESS FOR EACH GRANTEE.**

**Question:** Would the State be open to alternative pricing approaches for the scope of work?
- Appendix C – Pricing Format, Page 47: “Vendors should submit pricing using the Table Format included below . . .”

ANSWER: Department of State, Division of Small Business would be open to exploring alternative pricing approaches if submitted in addition to the required Appendix C – Pricing Format. The Procurement Process requires that all qualified proposals return the required Pricing Format. Alternatives may be included but may not replace Appendix C.