

WSIB Real Assets Compliance Monitoring RFQQ 10-01 Questions and Answers

1. On 1-3. Page 2 of 20: Successful offerors will be awarded an “optional use” contract, base five years with a five year option. Those contractors will be eligible for “Work Orders” which may or may not be competed. Contractors must certify their rates are the lowest “charged any other client for the same services” in this response. Do the contractors have a continuing obligation to maintain their rates at or above the rates disclosed in this response?

Yes, at the rates quoted in the response, but not above those rates. Should the WSIB opt for an extension of the contract period a change in those rates will be entertained but not guaranteed.

2. On 1-3. Page 2 of 20 and section 4-3, page 8. Contract period. Clarification requested: under the optional use contracts, may a work order extend the optional use contract past the total ten year period, or must all work orders terminate before the last date of the five year option (December 31, 2019)?

Should there be a work order in place at the end of the contract term, the contract will be considered to be extended for a reasonable period to allow completion of the work order project.

3. 7, page 6 of 20; page 13 of 20; page 14 of 20; page 5 of 5. Offeror’s hourly fees must include conference costs and travel, but offerors may quote separately for access to proprietary research services or databases.

- a. Will offerors be able to bill any other costs? For example, a subscription to a third-party database?

Yes, but the rate for such subscription must be set forth so it can be considered when the fee proposal is evaluated.

- b. Offerors must certify their rates “do not exceed those charges to any other client for the same services.” Does this refer to the labor portion of the built up rate only?

Yes, the labor portion only.

- c. Per page 13 of 20, fees must be guaranteed for at least five years from contract execution. There is not a provision showing fee escalation. Are offerors expected to hold fees steady for the next five years?

We know this is an unusual request in most contexts, but as an agency of state government we are required to have an accurate expectation of what “total contract cost” might be prior to entering into the contract. An offeror can propose a fee with escalation should they choose to do so, but it must be readily quantifiable. A fee with a CPI escalator defies present-day calculation. If however an offeror proposed something like hourly fee \$100/first-year; \$110/second-year; \$125/third-year, etc., that affords us the ability to calculate it and thus evaluate it.

4. 3-1, page 7 of 20. How does WSIB define “key professional”?

An individual with professional-level subject-matter expertise who will be, or might be, assigned to the WSIB account.

5. 4-2, page 8 of 20; section 8, page 13 of 20; 1-3. Page 2 of 20; page 4 of 23 of Sample Contract. The first two sections state contractors’ compensation will be “for services or hours actually rendered...at rates set forth in the contract.” In contrast, section 1-3 states Contractors are to propose for Work Orders on a fixed price basis. How will contractors be compensated for

work orders – will they be paid for hours worked, or on a lump sum basis that will not be affected by the number of hours they actually work?

Typically our project work orders are in a “not to exceed” amount based upon the hourly fee proposed by an offeror and set forth in the signed contract.

6. 5-5, Page 10 of 20. Please list the “multiple categories” referred to in Section A?

This reference is in error, a vestige from a prior procurement. Please disregard it.

7. Question 9, page 2 of 5.

- a. Should the list of clients be limited to largest based a standard of measure?

We are uncertain what this question asks.

- b. What standard of measure should be used in selecting clients for this list? Client annual revenue? Client number of employees? Value of client funds managed?

It should be the clients from which your firm derives the largest revenue.

- c. Is there a minimum number of clients we should list?

Three.

8. Question 17, page 3 of 5. Disclosing when and why any staff left our firm would violate of our human resources policies. Can we submit statistical retention data or some other measurement of employee retention that does not require information specific to individuals/job title?

We don't ask any firm to violate their internal policies. All we can advise is to answer the best way you feel comfortable and the evaluators will consider it within whatever internal context you have which might limit a more thorough explanation.

9. Page 5 of 23, Sample Contract. What are the intended triggers for invoicing? At end of quarter for all work completed? Or as projects are finished in a given quarter? There appears to be references to both.

When a project work order is negotiated and signed the frequency of billing will be delineated. Our State Constitution prohibits government offices such as ours from making payment in advance of service, we must have received the deliverable(s) or services in order to make a payment. We can agree to interim payments but there must be based upon actual service delivery.

10. Page 16 of 23, Sample Contract. Can you confirm the ‘Rights in Data’ clauses here will be included in the contracts issued as a result of this procurement?

Yes. This is standard state of Washington government agency contract boilerplate. Since the WSIB is a square peg in the round hole of most government activities we are afforded some leeway in the wording of state boilerplate but it is only “some,” meaning “not a lot.”

11. In the RFQQ, page 10 paragraph A. Offerors must submit a separate questionnaire Exhibit C, however it appears that Exhibit B would be the correct reference here. Also, reference is made to appendices 1-2 that do not seem to be attached.

It is Exhibit B. Disregard the appendices references as well.

12. In Exhibit B - question 9 – “Provide a list of your largest clients” – does the state want the largest dollar value by contract amount clients or the clients with the largest assets? How many clients should be listed? (See also Question 7 above)

See answers to question 7 above.

13. In Exhibit B Question 22. “Describe the firm’s compliance.... As it relates to exhibit A.” Exhibit A is the compliance certificate. Could the state clarify this question?
This reference is in error. Look to pages 4-6 of 20 of the RFQQ document itself for the compliance testing we’re looking for.
14. On Exhibit A, the sample contract is referenced as Exhibit F. could the state confirm that it should read Exhibit E?
It should be Exhibit E.
15. On page 11 the RFQQ references Exhibit E in section 1 however the General Information sheet is labeled Exhibit D
It is Exhibit D.
16. Is there a page limit to the summary letter?
No, but keep in mind the operable word here is “summary.”
17. Section 3 and 4 descriptions on page 12 of the RFP: Which questionnaire should be saved to the thumb drive? Exhibit C does not appear to be a questionnaire – but a Certifications and Assurances document.
Exhibit B is the Questionnaire meant..
18. And is Exhibit C the document that should be referenced in Section 5?
Yes, Exhibit C, the Certifications and Assurances form.
19. In the scope of work, Section II, 5.G and 5.H appear to be duplicated paragraphs. Can confirm there is no omission of a scope item as a result of duplicate paragraphs?
You are correct. This is a duplicate paragraph. Disregard Paragraph 5.H. No other paragraph was omitted.
20. It is unclear where Exhibit A should be placed within the response format. Can you provide guidance?
It should comprise Section 3 of the response.
21. Is there any limit to the length of responses to Exhibit B, keeping in mind that succinctness is desired?
No, but you’ve put your finger on it, succinctness is appreciated. However, not at the expense of clarity of response.
22. What is the expectation around travel being built into the contract rates if the number of trips and locations are unknown? Are the travel expenses inclusive of flight/car/transportation charges or to be based solely on hourly travel charge?
The WSIB can reimburse for necessary travel and at the time of the execution of a project work order that will be fully set forth. However, it must be noted that there are state-imposed limits and rates as far as flight reimbursement amounts, mileage, per diem and other travel expenses which we must abide by.
23. Is subcontracting or joint-bidding allowed?
Yes, as long as the subcontractor meets the mandatory minimum requirements for the work assigned to it and as long as the WSIB has the opportunity to evaluate the subcontractor or joint-proposer.
24. Is subcontracting permissible to industry experts in certain fields such as commodities, agriculture, etc.?

Yes, but within the constraints set forth immediately above. If a project requires engagement of a subcontractor for completion the WSIB must approve the subcontractor prior to the commencement of work.

25. Based on the Washington State Investment Board's current plan, how many engagements would you expect to require domestic travel? How many would require international travel?

Travel will not be required for most engagements only those reviews that have special situations or compliance exceptions and it is determined by the WSIB that an onsite visit to follow up would add value to the review. With 67.1 percent of our real asset portfolio in the United States and 32.9 percent is outside the United States we expect most onsite engagements to be domestic.

26. Regarding your statement in Section 1-2 that "Firms intending to reply should have (i) a proven and robust process for consolidating real estate information and/or tools for risk analysis and reporting for real estate assets. . .", please explain your experience with prior firms in this area or some specific examples for audit engagements with regard to consolidation and risk analysis.

It is expected that the successful firm will understand that risk analysis is a key component of compliance monitoring and reporting of real estate assets.

27. Who are the incumbents for this work and what were the fees awarded in conjunction with this work for the three previous audit years?

This is an engagement of first impression for the WSIB. There is no incumbent.

28. Will the reports be issued as "agreed upon procedures"?

The reports will not be agreed upon procedures type reports. The reports will be proprietary; tailored to the needs of the WSIB based on the agreement terms, underlying assets and our relationship with the investment manager.

29. **Section 4-2 Compensation and Payment:** states the Quoted hourly or other rates must be all-inclusive, and the Fee Schedule identified in Exhibit B asks for a breakout of Un-Bundled Costs.

Are Un-Bundled cost/rates considered the same as Indirect/O/H rate, in which case the Firm would show its Overhead, Fringe, and/or other rates, by year for each of the 5 years?

Yes, that is correct.

30. **Section 5-8, Travel Costs:** Will travel and related costs applicable to each Task Order be considered an "Other Direct Costs", which is reimbursable to the Firm based on actual receipts and Travel guidelines of the Board?

Yes, based on actual receipts but limited to the travel guidelines imposed upon the Board.

31. After completion of the engagement/task order, is the firm required to submit its work papers to the Board/Audit Department for final retention?

Not work papers. However, should our Internal Audit Division or the Office of the State Auditor conduct an audit of this engagement a firm's work papers for a project it has completed for the WSIB are subject to their review.