



ADMINISTRACIÓN DE  
DESARROLLO  
LABORAL  
DEPARTAMENTO DEL TRABAJO  
Y RECURSOS HUMANOS  
ESTADO LIBREASOCIADO  
DE PUERTO RICO

# REQUEST FOR PROPOSAL

## ENGAGEMENT TO ON SITE MONITORING OF ADMINISTRATIVE AND FINANCIAL SYSTEMS IMPLEMENTED BY THE WIA LOCAL WORKFORCE DEVELOPMENT AREAS FOR PROGRAM YEAR 2012-2013

### I. BACKGROUND

The Workforce Development Administration (WDA) is an agency created under the Governor's Reorganization Plan Number 9, dated December 9, 2011, which amends Law 97, dated December 18, 1991, known as Technological Development System Act of the Commonwealth of Puerto Rico.

The WDA is a component of Puerto Rico's Department of Labor and Human Resources, and the agency designated by the Governor to administer the federal funds received under the Workforce Investment Act (WIA).

The WDA is responsible for the implementation of a State Monitoring System to assure that regular oversight and monitoring of the WIA activities, and those of its subrecipients, are conducted according to WIA Section 184(a) (4), on an annual basis. In such context, the WDA must conduct on site monitoring reviews of each Local Area and assure that the necessary corrective actions are taken timely.

### II. STATEMENT OF WORK

#### A. Scope of the examination

It is the intention of the WDA to contract independent certified public accountants or audit firms, with expertise and capability, to perform a verification engagement under the compliance requirements of the federal and state law and regulations. The examination will provide an assertion of whether the Local Workforce Development Areas (LWDA) has implemented administrative and financial standards and adequate corrective action for prior monitoring and audit findings.

The main objectives of the examination are:

1. Determine compliance and reach a conclusion regarding:
  - a. The provisions of the WIA, that expenditures have been made against the cost categories and within the cost limitations specified in the Act and its regulations, and state laws and regulations.
  - b. Compliance with the Department of Labor's Uniform Administrative Requirements for Grant and Cooperative Agreements to State and Local Governments, Part 29 CRF 97, of each Local Area Administrative and Financial System.
  - c. Local Areas Administrative and Financial Systems compliance with the applicable Cost Principles, OMB – A-87.
  - d. Local Workforce Development Areas Administrative and Financial Systems compliance with the applicable cost categories and cost limitations, and other requirements of the WIA, state laws and regulations.
  - e. Local Workforce Development Areas Administrative and Financial Systems implementation of corrective action for each outstanding audit and monitoring findings. (The WDA will provide a detailed schedule of previous findings.)
  - f. The State's Laws and Regulations.
2. Evaluate levels of expenditures to determine if the WIA funds were expended in an expedient manner for all programs. (Cost Allocations Plan)
3. Identify areas requiring technical assistance and improvement.
4. Validate the results of previous Single Audits and Administrative and Fiscal Monitoring performed at the WIA Local Workforce Development Areas during program and fiscal year 2011-2012, to determine whether such Local Areas implemented corrective actions, as required by the WDA.

The selected firm must perform the review as specified in the Monitoring Guide provided by the WDA.

### **III. MONITORING (EXAMINATION) REVIEW**

#### **A. Work Schedule**

The examination will cover the period from July 1 to December 31, 2012. The services must be planned in a manner that provides adequate time to comply with the timing requirements of this request for proposal.

The examination must be performed through the following phases/activities:

#### **1. Planning (Phase I):**

- a Study the monitoring guides developed by the WDA to test each Local Area's Administrative and Financial System, in order to design the methodology to gather sufficient, competent, and relevant evidential information to achieve the objectives of the examination.
- b Submit to the WDA, for approval, a work plan to be implemented simultaneously in all ten (10) LWDA, five (5) days after its approbation.

#### **2. On-site Examination and Preliminary Report (Phase II)**

- a. Coordinate with representatives of the WDA Monitoring Office and hold an entrance conference at each LWDA, to provide an overview of the purpose and scope of the review, discuss the agenda and logistics and present the monitoring team and the Local Area designated key contacts.
- b. Design a Sampling Plan (Sampling for Attributes) to evaluate the transactions, in order to draw conclusions related to the administrative and financial system as a whole.
- c. Review previous monitoring and audit reports, in order to follow-up on findings and recommendations.
- d. Evaluate the internal control structure to plan and design the necessary procedures to comply with the engagement's objectives.
- e. Perform the planned procedures at each LWDA.
- f. Perform the On-site Review through a timeframe of up to fifteen (15) labor days.

- g. Prepare within a maximum of ten (10) consecutive days a preliminary report for each LDWA, with the results of the examination and related findings, if any, for discussion purposes with the WDA representatives.
- h. Coordinate an exit conference with the LDWA representatives and inform in advance the date to the WDA representative. All exit conferences will be held in the WDA's Monitoring Office or in another designated office.
- i. The WDA will be submitting each preliminary report to the Board of Mayors' President, with a copy to the President of the Local Workforce Investment Board and the Executive Director of the LWDA. The Firm has to submit one copy to the WDA.
- j. Hold an exit conference for discussion of the preliminary reports and findings with the LWDA and WDA representatives. (Each LWDA will be requested to submit a Corrective Action Plan to the Firm within 10 labor days from the exit conference.)

**Note:** The Firm will report immediately to the WDA's staff any identified instance of fraud, illegal acts or violations of provisions of contracts and grant agreements, which could have a material effect on the WIA Programs.

### **3. Follow-up to Corrective Action Plans and Final Reports (Phase III)**

- a. Review the Corrective Action Plan presented by each LWDA.
- b. Incorporate to the report the determination regarding preliminary findings and modify the report accordingly.
- c. Submit the Final Report for each Local Area for the signature of the WDA's Administrator.
- d. Maintain the guides, instruments and working papers used during the monitoring review. Access to the records must be provided to the WDA and federal representatives through the retention period, through any extensions, due to litigations, claims or any other actions involving such records. The Firm has to satisfy Puerto Rico's Controller Office requirements regarding the retention of records.

#### **4. Executive Summary (Phase IV)**

The Firm must submit an Executive Summary of the monitoring (examination) reviews performed to the WIA Programs. The summary must include a determination regarding compliance with each administrative and financial standard, recommendations, and the appropriate technical assistance strategies needed, when applicable.

#### **B. CONTENT OF REPORTS**

The Firm (s) will prepare separate Monitoring (examination) Reports for the WIA Programs and Local Workforce Development Areas, consistent with the scope of the engagement and the steps detailed on the work schedule. The WDA will deliver an outline for the preparation of Preliminary and Final Report.

1. The Monitoring Reports have to include the following:
  - a. Transmittal letter.
  - b. A description of the LWDA's administrative and financial systems implemented to comply with the WIA requirements.
  - c. A Schedule of Findings that establish root causes and potential solutions, providing a reasonable basis for corrective action. Each finding must include the following elements:
    - Condition
    - Criteria
    - Cause
    - Effect
    - Recommendation
    - Local Area Corrective Action Plan
    - A determination regarding corrective measures implemented by the LWDA's.
  - d. A Summary Schedule of Prior Audit and Monitoring Findings, including the following for each outstanding finding:
    - Identification (Fiscal Years-Single Audit/Monitoring)
    - Condition
    - Evidence examined
    - Determination

e. Recommendation for Improvement

- Issues and concerns, such as the need to improve internal controls.
2. The Executive Summary for the WIA funds must include an integrated compliance analysis of each LDWA with financial and administrative standards, and recommendations for improvement and technical assistance. The Summary Report will allow the DWA to issue general policies and directives related to the WIA programs, and provide the necessary technical assistance to the LWDA.

**Note:** The Executive Summary due date is ten (10) consecutive days after the conclusion of all monitoring reviews. The examination reports have to be submitted to the WDA as scheduled in the approved Examination Work Plan.

#### IV. ORGANIZATION AND PROPOSAL'S CONTENT

To facilitate the evaluation process for the services requested and maximize the understanding of the proposals, the following format must be followed.

##### A. General Information

Proposals are to be submitted in sealed envelopes to the Evaluation Committee and sent to the address indicated on this RFP. The following general information must be included at the beginning of the proposal:

1. Title page showing the RFP subject: the Firm's name and address, the telephone number of the contact person and the date of the proposal.
2. Transmittal letter that briefly states the proposer's understanding of the work, in accordance with the requirements set forth in this RFP. It will clearly state that the fees quoted for the duration of the contract are the maximum amount billable for the work to be performed.
3. State the name, title, address and telephone number of the person authorized to represent the Firm, if other than the contact person identified on the title page. (The WDA is not responsible for any costs associated with the preparation of the RFP.)
4. The proposer must submit the certifications required in the RFP Guide.

## **B. Firm/Professional Qualifications**

Provide a Statement supporting the qualitative reasons why the proposer shall be considered for the engagement. The proposal should clearly demonstrate the qualifications of the firm/professional and those of the particular staff to be assigned to this engagement.

- C.** A description of preliminary activities and work plan for the performance of the services described in this RFP. Identify in chronological order the phases to be performed, methodology, staff assigned to each phase and the expected time schedule of work.

## **D. Cost Information**

The proposal should contain all pricing and staffing information to accomplish the scope described in this RFP. The Firm (s) should support the dollar cost for the services with a schedule of hour and rates for each personnel classification level (partners, managers, seniors, staff etc.) assigned, and any out-of-pocket expenses. The proposal should contain a summary of all costs. The WDA will not be responsible for expenses incurred in preparing and submitting the proposal.

## **V. EVALUATION CRITERIA**

All proposals received will be evaluated by a Committee, against the following criteria: mandatory elements, technical quality and price.

### **A. Mandatory elements**

The proposer must adhere to instructions for preparation and submission of proposals. A proposer must meet all requirements listed in Section III of this proposal.

### **B. Technical Quality**

1. Experience in governmental auditing. Recent governmental financial and compliance audit assignments should be listed, including the name and phone number of a contact person for each assignment.
2. The size of the Firm and the size of the Firm's governmental audit/services staff and staff qualifications.

3. Experience in similar services requested, and available personnel resources with experience relevant to the RFP scope.
4. Qualitative information about the Firm, including a description of its training activities and its quality control systems relevant to governmental auditing.
5. Detail of staff and supervisory qualifications and experience (Resume of key personnel to be assigned to the engagement is required. It should include the number of CPE hours of the two prior years.)

#### **C. Price**

The price will be analyzed in terms of the understanding of the work and the commitment of needed resources to perform it.

Although economy represents a fundamental criterion to be considered in a price analysis, the WDA could accept a proposal that is not lowest offer, if it presents a technical approach that better meets the WDA's expectations.

#### **D. Proposals Evaluation**

The Evaluation Committee will review all proposals received and will submit its recommendation to the Administrator, based upon the information included on the proposals submitted. The Administrator will make a final determination based on the Evaluation Committee's recommendations. After the evaluation and decision made by the Administrator, if the selected firm does not comply with the required documentation, the WDA reserves the right to cancel this process and request a review of the recommendation of the Evaluation Committee.

Proposals will be evaluated against the criteria included in this RFP, the elements of technical quality and cost consideration. The WDA will select the Firm/individual which best matches the services requested.

#### **E. Payment**

Progress payments will be made on the basis of the hours of work and the completion of the Monitoring Review Phases described in the Work Schedule section of this RFP for each Local Area, properly certified by the Firm/individual, as incurred and unpaid as of the date of each interim billing, until the final invoice at the contract termination.

## F. Proposal Submissions

Three (3) sealed copies of the proposal must be received not later than February 14, 2013 at 4:30 p.m. Proposals or unsolicited amendments to proposals after this date will not be considered and will be returned to the Firm (s). Proposals should be addressed to:

Evaluation Committee  
Administrative and Financial Systems Monitoring  
Workforce Development Administration  
PRIDCO Building  
2nd Floor  
355 F. D. Roosevelt Avenue  
Hato Rey, Puerto Rico 00919-2159

The WDA reserves the right to reject any proposal submitted and to request additional information to proposers. Notification of the award or non-award will be sent by mail.

Inquiries concerning the RFP should be directed to María E. Vázquez Álvarez, Acting Monitoring Assistant Administrator, by email [mevazquez@adl.pr.gov](mailto:mevazquez@adl.pr.gov) or calling (787) 754-5504, extensions 253 or 346.

Approval:



Sally López Martínez  
Administrator

Date: **4 de febrero de 2013**