

Department of Labor and Human Resources
Human Resources and Occupational Development Council
(HRODC)

REQUEST OF PROPOSALS

**TECHNICAL ASSISTANCE IN CASH MANAGEMENT, COST ALLOCATION
METHODOLOGIES, AND ACCRUAL SYSTEM PROCEDURES**

HUMAN RESOURCES AND OCCUPATIONAL DEVELOPMENT COUNCIL
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I. Background

The Human Resources and Occupational Development Council (HRODC) is an agency created by the Governor's Reorganization Plan No. 2 of May 4, 1994. This law amends law No. 97 which created the Technological-Occupational Education Council, on December 18, 1991. Under the Reorganization Plan, the HRODC became a component unit of the Puerto Rico Department of Labor and Human Resources.

The HRODC is a component unit of the Puerto Rico Department of Labor and Human Resources, and the entity designated by the Governor, as the State-administering agency for the federal funds received under the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act of 2009 (ARRA).

The HRODC carries out the responsibilities regarding fiscal accountability of the Workforce Investment System, including its subrecipients, and the provision of technical assistance as necessary. Also, the HRODC is responsible for the implementation of fiscal and accounting procedures necessary to assure the proper disbursement and reporting of the use of the WIA funds at the state level and local areas, according to the applicable DOL uniform administrative requirements of each Local Area Administrative and Financial Systems.

During 2008, the Boston Region Office (RO) of the US Department of Labor performed a Consolidated Compliance Review of the operations and administration of the WIA funds allocated to the Government of Puerto Rico. This review includes findings regarding to the noncompliance of the HRODC and five local areas with WIA requirements, including cash management, cost allocation and accrual reporting. The review will include on site visits to local areas offices.

The HRODC received technical assistance from the US Department of Labor through on-site visits from the Firm Grant Thornton (GT) during fiscal year 2008-2009. As a result of the visits, the GT submitted the report *Assesment of the Operations and Internal Control Over Cash Management, Cost Allocation Methodology and Accrual System Procedures*. These reports, and its attachments, include the results of GT evaluation and recommendations regarding the areas covered by the technical assistance. Most of the recommendations of the report are applicable to all local areas.

II. Statement Of Work

A. Scope of the examination

The HRODC has determined the need to hire a professional services firm or certified public accounting firm, with the expertise and capability to implement a technical assistance process to address the areas of compliance with Cash Management, Cost Allocation Methodology and Accrual System Procedures, which are identified in the Technical Assistance Report. The main objective of the technical assistance is to provide the HRODC with the means to implement the recommendations received from the RO and GT in all WIA local areas and provide additional assistance to the HRODC personnel in the implementation and modifications to existing procedures in order to fully implement the recommendations.

III. Scope of Services

The services requested will be provided within the following categories:

Professional Services to HRODC: this phase includes consulting services to be provided to the HRODC in the implementation of the recommendations received from the RO and GT at the HRODC office and establishment of the work plan for the Local Areas services. The services will include the design and implementation of procedures, forms, and reports as deemed necessary to comply with the requirements of Cash Management, Cost Allocation Methodology and Accrual System Procedures. In addition, other consulting services may be requested by the Finance and Budget Office related to the improvement of its operations, which may result from the local area technical assistance process.

Technical Assistance to Local Areas: this phase includes professional services requested by the HRODC that will be performed at each of the fifteen WIA Local Areas in connection with the implementation of the corrective actions and recommendations received for issues of Cash Management, Cost Allocation Methodology and Accrual System Procedures. As an initial step, the selected firm will coordinate with the HRODC representatives to determine the work plan and timing of the services at each local area. The work to be performed at each local area will follow the structure and objectives included on the technical assistance report provided by GT. It will specifically include the assistance necessary to implement the methodologies and tools related to cost allocation distribution for the WIA and the One Stop Centers. Also, this phase includes the provision of classroom-type training sessions to the local area's staff, regarding Cash Management, Cost Allocation Methodology and Accruals. It is expected that the hired firm will also provide on site follow up on the implementation of policies and procedures designed.

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The technical assistance report submitted by GT will be available for revision during the proposal preparation period, for the evaluation and reference of any potential proponent.

IV. ORGANIZATION AND CONTENT OF PROPOSALS

To facilitate the review process and maximize understanding of the proposal, it should be organized in the following manner and must include, as a minimum, the following:

A. General format

Proposals are to be submitted in sealed envelopes to the Evaluation Committee at the address indicated in the Section V-A. The following material should be included at the beginning of the proposal:

1. Title page showing the RFP subject; the Firm/individual's name; the name, address and telephone number of the contact person; and the date of the proposal.
2. Table of Contents
3. Transmittal Letter briefly stating the proponent's understanding of the work to be done and the commitment to perform the work in accordance with the requirements set forth in this RFP, including a positive statement that the fees quoted for the duration of the contract are the maximum amount billable for the work to be performed. State the name, title, address and telephone number of the person authorized to make representations for the Firm/individual and bind the Firm/individual if other than the contact person identified on the title page.
4. Proposal

B. Proposal requirements

The proposal should clearly demonstrate the qualifications of the Firm//individual to undertake the services stated on this RFP and of the particular staff to be assigned to this service approach meeting the RFP requirements. As such, the substance of the proposal will carry far more weight than its form or manner of presentation.

The proposal should address all the phases and services outlined in the RFP. It should be prepared simply and economically, providing a straightforward, concise delineation of the Firm/individual capabilities to satisfy the requirements of the RFP.

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While additional data may be presented, the following items that must be included:

1. Description of the Firm/individual, location of responsible office and qualification of Firm/individual

State the size of the Firm/individual, the location of the office from which the work on this services is to be accomplished, the number and qualifications of the professional staff to be employed in this services on a full time basis, and the number and qualifications of the staff to be employed on a part-time basis, if any. A Resume of the key personnel to be assigned to the engagement is required.

2. General qualifications

A statement should be included, supporting the qualitative reasons why the Firm/individual should be awarded the contract. Factors to be included are:

- a. Level of experience and related seminars and trainings in the area of federal funds audit/consulting services.
- b. Available professional resources with experience relevant to the RFP scope.
- c. Other general but pertinent qualitative information about the Firm/individual, including a description of its training activities and quality control systems relevant to the services offered.

3. Staff and supervisory qualifications and experience

Identify the principal supervisory and management staff, including partners or principals, managers and other supervisors, who would be assigned to the engagement, and include their resumes.

4. Description of the services and preliminary work plan

Submit a preliminary work plan for performance of the scope of services described in the RFP.

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C. Cost information

The proposal should contain all pricing and staffing information relative to accomplishing the scope of the services described in the RFP. The Firm/individual should support the dollar cost for the services with a schedule of hours and rates for each personnel classification level (partners/principals, managers, seniors, staff, ect.) assigned and any out-of-pocket expenses based on the service estimates included on the RFP. The HRODC will not be responsible for expenses incurred in preparing and submitting the proposal. Also, the proposal should contain a summary of all costs per local area and HRODC level.

D. Certifications

The following certifications must be included in the proposal:

- a. Independence - List and describe the audit Firm/individual's most recent professional relationship with the Commonwealth or any of its agencies, public corporations or instrumentalities, together with a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed audit. Any possible conflict of interest should be informed, in writing, to the Executive Director prior to the audit proposal due date.
- b. Suspension and Debarment – a certification that the Firm/individual or any of its owners or officials have not been suspended or debarred from participation in federally funded activities.
- c. Lobbying Activities – A statement regarding anti-lobbying activities.
- d. Equal Opportunity Employer – a statement certifying adherence to the EOE requirements.
- e. Governmental certifications listed on attachment 1 and 2 of this guide.

V. EVALUATION CRITERIA

The Evaluation Committee will review all proposals received and will submit its recommendation to the Executive Director based upon the information included on the proposals submitted. The Executive Director will make a final determination based on the Evaluation Committee's recommendation. The Firm/individual finally selected will be subject to the procedural approvals for professional services contracts required by Law and by the agency's internal regulations.

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Proposals will be evaluated against the following criteria: mandatory elements, technical quality and price.

- A. Mandatory elements – Adherence to instructions for preparation and submission of proposal. A proposer must meet all of the requirements listed in Section III, in order to be considered acceptable, including the required certifications for the contract process with governmental entities.
- B. Technical Quality - Firm/individual/individual experience, staff qualifications, understanding of the engagement, technical approach and preliminary work plan, and project team capability. In evaluating the technical quality of the proposals, the Evaluation Committee will consider the following three elements: (a) qualifications of the Firm/individual/individual; (b) qualifications of the proposer's staff to be assigned to the services; (c) adequacy of services approach.
- C. Price - Cost will be a weighted factor in the evaluation process.

VI. ADMINISTRATIVE MATTERS

A. Liaison person

The liaison person will be the Auxiliary Director of Fiscal Management Office, who will be responsible for providing and coordinating with the selected Firm/individual all administrative matters, such as, job timing, progress reports, follow-up of services, and approval of additional services.

B. Method of payment

Progress payments will be made on the basis of hours of work completed during each month, in accordance with the scheduled hourly rates specified in the proposal and certified by the Firm/individual, as incurred and unpaid as of the date of each billing. Billings shall cover a work period of no less than thirty (30) calendar days.

C. Period of services

The selected Firm/individual's services will begin once the signing and registration of the contract have been formalized, unless additional time is agreed upon. All services must be completed by June 30, 2010.

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D. Submission of proposals

Three (3) sealed copies of the proposal must be received not later than ten (10) days after the public notice is published. Proposals or unsolicited amendments to proposals after this date will not be considered and will be returned to the Firm/individual. Proposals should be delivered to:

Evaluation Committee – Technical Assistance Services
Human Resources and Occupational Development Council
355 Ave. FD Roosevelt
Fomento Industrial 2^{do} piso
San Juan, Puerto Rico 00918

E. Procedure for the review and selection of proposals

The evaluation and selection of the proposals are to be conducted in accordance with the Procedure for Request, Evaluation and Selection of Professional Service Proposals of the HRODC, approved on August 2, 2006.

The HRODC reserves the right to reject any and all proposals submitted and to request additional information from all proposers in the best interest of the Agency. Firm/individuals whose proposals are not accepted will be notified in writing. Notification of the award or nonaward will be made in writing to all proponents.

F. Governmental Certifications

The minimum required governmental certifications to proceed with the evaluation by the HRODC Evaluation Committee of the proposal submitted, are listed on Attachment 1. If one of the documents listed on Attachment 1 is missing, the proposal will be excluded from the selection process.

Once the proposal is selected and before the engagement (or contract preparation) process is completed, the selected firm/individual has to present the documents required in order to contract with governmental entities, detailed on Attachment 2. If any of the documents are omitted, the HRODC reserves the right to reject any of the proposals submitted, and will perform a new selection, based on the above criteria.

G. Inquires during proposal drafting

Inquiries concerning the RFP should be directed to the Auxiliary Director of Fiscal Management Office, José F. Jiménez Alméstica, at (787) 754-5504 or 754-5510, Extention 293.

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H. Ammendment to request

If it becomes necessary to modify any part of the RFP or if additional data is necessary to enable the interpretation of the provisions of this request, the revised or additional data will be sent to all Firm/individuals that submitted the RFP.

VII. ASSISTANCE AVAILABLE

A. Staff assistance

The HRODC Finance and Budget Division staff and other responsible personnel subject to the scope of the RFP will be available during the process to assist in the preparation of information, related documentation and explanations.

B. Work areas, business hours and days

Work areas, telephones, desk, chairs and reproduction capabilities will be provided at the HRODC, subject to prior request. Supplies, binders, calculators, ect., are to be provided by the audit Firm/individual.

The usual business hours and days must be observed. Normal working hours are from 8:00 A.M. to 4:30 P.M., Monday through Friday, excluding holidays. Arrangements can be made to work additional hours, if needed.

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Attachment 1

Documents and/or Certifications Required for the Evaluation of the Proposal

1. Corporate Certification or, in its absence, a Certificate of Authorization to Conduct Business in Puerto Rico and copy of the corporate stamp.
2. Certification of Good Standing of the State Department of Puerto Rico (Submission of corresponding Annual Corporate Report).
3. Copy of most recent Financial Statement
 - a. The Financial Statement should be certified (compiled, revised or audited) by a Certified Public Accountant (CPA). Financial Statements will not be accepted if they are not to date and certified by a CPA.
 - b. If the proposer is a new business, a Projection Statement or the Business Plan prepared for the bank institution, with evidence of the loan approved or incentive granted, will be required.
 - c. Individually owned companies that are not corporations or associations will need to present the previous year's individual/personal income tax return presented to and certified by the Treasury Department.
4. Corporate Resolution of the representative authorized to contract on behalf of the company.
5. Evidence of the Federal Employer Identification Number (FEIN)
6. Evidence of the State Insurance Fund Corporation Policy (*Póliza de la Corporación del Fondo del Seguro del Estado*)
7. Sworn statement in accordance with Law Number 428 of September 22, 2004 as amended by Law Number 458 of December 29, 2000, as amended. (Declaración Jurada)
8. Resumes of the staff that will perform the services. The resumes should contain professional preparation, qualifications and capabilities to offer the services, including copies of licenses or accreditations related to the services to be provided.

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Attachment 2

Documents and/or Certifications for Contracting

1. Department of Labor and Human Resources
 - a. Certificación de Registro como Patrono y de Deuda por concepto de Seguro por Desempleo y Seguro por Incapacidad- Certification of employer registration and of debt for the concept of unemployment insurance and disability insurance
 - b. Certificación de Registro como Patrono y de Deuda por concepto de Seguro Social Choferil- Certification of employer registration and of debt for the concept of social security for motor vehicle operators
2. Treasury Department
 - a. Certificación de Radicación de Planillas de Contribución sobre Ingresos por los últimos cinco (5) años (Modelo SC 6088)- Certification of income tax returns for the past five (5) years
 - a. Certificación de No Deuda o Deuda del Departamento de Hacienda (Modelo SC 6096) o existencia de Plan de Pago- Certification of No-debt, or Debt or evidence of payment plan
3. Municipal Revenue Collection Center (CRIM) - From May 15, 2008 o latter
 - a. Certificación de Radicación de Planillas de Contribución sobre la Propiedad Mueble para los pasados cinco (5) años- Certification regarding property taxes for the past five (5) years
 - b. Certificación de Deuda por Todos los Conceptos- Certification of debt for all concepts
 - c. Declaración Jurada Certificando No Poseer Propiedad Mueble (si aplica)- Certified sworn statement that no property is owned (if applicable)
4. Child Support Administration (ASUME)
 - a. Personas naturales: Certificación Negativa de caso de Pensión Alimentaria o Certificación de Estado de Cuenta- Negative certificate of child support or certification of the state of account
 - b. Personas Jurídicas: Certificación de Estado de Cumplimiento con Obligaciones del Patrono bajo la ley Orgánica de ASUME- Certification of employer compliance of obligations with ASUME

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5. Evidencia de Patente Municipal- Evidence of municipal/county taxes
6. Copia de *Póliza de Responsabilidad Pública*- Copy of public liability coverage certification
7. Certificado de Registro de Comerciantes (Modelo SC 2918)
8. Certificación Ideal

All certifications listed above, are without limitation to the required certifications applicable under Title I of WIA, including: *Non Lobbying, Debarment and Suspension, Non Discrimination, Drug Free Workplace*, and any other documents or certifications deemed necessary by the HRODC.