



CITY OF ATLANTA

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DEPARTMENT OF PROCUREMENT
Adam L. Smith, Esq., CPPO, CPPB, CPPM, CPP
CIPC, CISCC, CIGPM, CPPC
Chief Procurement Officer
asmith@atlantaga.gov

Kasim Reed
Mayor

September 1, 2016

Dear Potential Proponents:

Re: FC-9013, Cost Allocation Services

Attached is one (1) copy of **Addendum Number 2**, which is hereby made as part of the above-referenced project.

For additional information, please contact Ms. Kyra Dixon, Contracting Officer, at (404) 865-8756 or by email at kddixon@atlantaga.gov.

Sincerely,

Adam L. Smith

ALS/kdd



ADDENDUM NO. 2

This Addendum No. 2 forms a part of the Request for Proposals and modifies the original solicitation package as noted below and is issued to incorporate the following:

- **A total of thirty-five (35) Questions and Answers; and**
- **Revised Appendix B- Insurance and Bonding Requirements (Revised per Addendum No. 2). Appendix B- Insurance and Bonding Requirements of the Solicitation document is hereby removed and replaced with Revised Appendix B- Insurance and Bonding Requirements (Revised per Addendum No. 2).**

Oral Interviews: The City shall reserve the right to host optional Oral Interviews. Oral Interview dates have been changed to September 26-27, 2016, at the City's sole discretion, if needed. Please note, that oral answers to questions during any scheduled oral interviews are not authoritative.

The Proposal due date HAS been modified and Proposals are due on Friday, September 9, 2016, and should be time stamped in no later than 2:00 P.M. EST and delivered to the address listed below:

Adam L. Smith, Esq., CPPO, CPPB, CPPM,
CPP, CIPC, CISCC, CIGPM, CPPC
Chief Procurement Officer
Department of Procurement
55 Trinity Avenue, S. W.
City Hall South, Suite 1900
Atlanta, Georgia 30303

****All other pertinent information is to remain unchanged****

Acknowledgment of Addendum No. 2

Proponents must sign below and return this form with Proposal response to the Department of Procurement.

Proponents must sign below and return this form with Proposal to the Department of Procurement, 55 Trinity Avenue, City Hall South, Suite 1900, Atlanta, Georgia 30303 as acknowledgment of receipt of this Addendum.

This is to acknowledge receipt of **FC-9013, Cost Allocation Services, Addendum No. 2** on this the _____ day of _____, 20__.

Legal Company Name of Proponent

Signature of Authorized Representative

Printed Name

Title

Date

**FC-9013, Cost Allocation Services
Questions and Answers
Addendum No. 2
September 1, 2016**

- 1. Several areas of the RFP reference a bond requirement. A performance and payment bond is typically used for construction, maintenance, and other similar types of services. As such and because areas of the RFP indicate a bond is not applicable, we initially interpreted the RFP to mean that a bond is not required for this engagement. However, based upon the pre-proposal meeting discussion held on Tuesday, August 16, we are seeking clarification/confirmation as to whether or not a performance and payment bond is required when contracting for this engagement. For ease of reference, we took the liberty of yellow highlighting instances in the RFP PDF document where the word "Bond" shows up. Please review and provide clarification.**

Answer: A Performance Bond is Not Applicable (N/A) for this Solicitation. A Payment Bond is Not Applicable (N/A) for this Solicitation.

- 2. If a performance and payment bond is required for this engagement, please report if the incumbent vendor provided a performance and payment bond during the most recently completed contract for these services.**

Answer: A Performance Bond is Not Applicable (N/A) for this Solicitation. A Payment Bond is Not Applicable (N/A) for this Solicitation.

- 3. We suspect that RFP PDF page 7, Part 1: Information and Instructions to Proponents, Item 9. Oral Interviews/Demonstrations should contain the dates September 12-13 instead of August 12-13. RFP Highlighted in red. Please confirm.**

Answer: Please be advised that optional Oral Interviews have been changed and scheduled for September 26-27, 2016, per Addendum Number 2.

4. **We suspect that PDF page 8, Part 1: Information and Instructions to Proponents, Item 15. Evaluation of Financial Information should name Form 3 instead of Form 2. RFP Highlighted in blue. Please confirm.**

Answer: Yes. Part 1: Information and Instructions to Proponents, Item 15. Evaluation of Financial Information should name Form 3 instead of Form 2. Please be advised that Part 1: Information and Instruction to Proponents, Item 15, should read as follows:

Evaluation of Financial Information: The City's evaluation of financial information concerning a Proponent and its consideration of such information in determining whether a Proponent is responsive and responsible may involve a review of several items of information required to be included in a Proposal. City will review the information included in Form 3; Company Financial Statements attached to this RFP and any additional information required on that form to be included in a Proposal. Further, if this RFP requires the provision of a Payment Bond and/or Performance Bond if an Agreement is awarded, the City will review the information included in Form 4; Proof of Insurance and Bonding Capacity.

5. **RFP PDF page 27 Contractor Disclosure Form, Item 9. With regard to this question pertaining to lobbyist compensation, would this mean "ever" or just for this proposal?** Answer: Please be advised that with regards to the Contractor Disclosure Form, Item 9, proponents should interpret this question to mean at any time in the past not just regarding this Solicitation.

6. **RFP PDF page 39 Acknowledgment of Addenda. Corporate Proponent contains a line for Corporate Secretary/Assistant Secretary (Seal). Is this a signature line for the Corporate Secretary/Assistant Secretary, an area where we type in the Corporate Secretary/Assistant Secretary's name, an area where a corporate seal is to be affixed, or a notarial seal area?**

Answer: Proponents should fill in every line as indicated on the document. The name of the company should be listed on the first line and the name, signature, and title of an individual with signature authority on the following lines. On the final line proponents should provide a Corporate Seal (if applicable) or a Notarized Public Seal, the individual providing the Seal should also sign the line directly above the Seal.

- 7. RFP PDF page 68 Cost Proposal Form. Corporate Proponent contains a line for Corporate Secretary/Assistant Secretary (Seal). Is this a signature line for the Corporate Secretary/Assistant Secretary, an area where we type in the Corporate Secretary/Assistant Secretary's name, an area where a corporate seal is to be affixed, or a notarial seal area?**

Answer: Proponents should fill in every line as indicated on the document. The name of the company on the first line, and name, signature, and title of an individual with signature authority on the following lines. On the final line proponents should provide a Corporate Seal (if applicable) or a Notarized Public Seal, the individual providing the Seal should also sign the line directly above the Seal.

- 8. Are the OEAM Contractor Acknowledgement form and the Contractor Check List found on RFP PDF pages 102-104 required with proposal submission or are they informational? If required, in which section should they be provided (Volume I or II)?**

Answer: Proponents should provide these documents in Volume II.

- 9. Part I, number 10. Of the RFP notes "proposal guarantee (Not Applicable)" 10.1 and 10.2 are in reference to furnish a proposal guarantee in the amount of five (5%) of the total cost proposal amount. Can the City please confirm/ clarify that a proposal guarantee as noted, is not necessary for this the RFP response?**

Answer: A Proposal Guarantee Bond is Not Applicable (N/A) for this Solicitation.

- 10. Appendix B, insurance and bonding requirements lists, "Performance Bond and Payment Bond Contractor/Consultant shall furnish a Payment Bond and a Performance Bond to the City in an amount equal to 100 percent of the total contract value and for the duration of the entire term." May a performance bond, or, payment bond be issued? Or are both a payment bond and performance bond required?**

Answer: A Performance Bond is Not Applicable (N/A) for this Solicitation. A Payment Bond is Not Applicable (N/A) for this Solicitation. Please review Revised Appendix B- Insurance and Bonding Requirements (Revised per Addendum No. 2).

- 11. Is there a bonding requirement in addition to the insurance requirements? The forms included with the RFP (page 12 and Form 9) indicate that Form 4.2 and Form 8 are not applicable, but the Appendix B sample agreement indicates that a bond is required.**

Answer: No. A Performance Bond is Not Applicable (N/A) for this Solicitation. A Payment Bond is Not Applicable (N/A) for this Solicitation. Please review Revised Appendix B- Insurance and Bonding Requirements (Revised per Addendum No. 2).

- 12. During the pre-proposal conference, the City's Risk Management representative mentioned that the bond can only come from one of the City's pre-approved insurers. May we have a list of those pre-approved insurers?**

Answer: Please be advised that Performance Bonds and Payment Bonds are Not Applicable (N/A) for this Solicitation. Please review Revised Appendix B- Insurance and Bonding Requirements (Revised per Addendum No. 2).

- 13. The RFP requests evidence, and proof of insurance. Is a certificate of insurance adequate for the RFP response to the City?**

Answer: Upon being awarded the contract you will be required to provide a certificate of insurance to show proof of insurance.

- 14. What is meant by the following sentence which is found in three locations of the RFP? "Proponents must provide at least one example of reports required to be generated on a monthly basis to the City of Atlanta." RFP Highlighted in green.**

Answer: Please provide sample(s) of written methodology, schedules and final reports such as summary schedules, narratives, detail department costs, incoming costs, etc. Such examples should be similar to the interim and final product prepared by Proponent for similar city clients. Modified examples using a reduced number of departments is acceptable.

15. Would you disclose the vendor and SBE that prepared the City's 2015 based Cost Allocation Plans (CAPs)?

Answer: MGT of America, Inc. and Choice Business Solutions.

16. How many days did this vendor spend onsite each year (conducting department interviews, gathering data, and verifying sources)?

Answer: Information not available for proponents.

17. What was the annual fee paid to the vendor to prepare the 2015 based CAP?

Answer: Interested proponents should abide by the formal Open Records Request formality.

18. Was the 2015 based CAP developed using proprietary software or Excel spreadsheets?

Answer: Information not available for proponents.

19. Was the 2015 based CAP prepared using a single step-down or double step-down cost allocation methodology?

Answer: Double step-down is the City's methodology.

20. Is the City satisfied with the current vendor?

Answer: Yes.

21. Please provide an electronic copy (e.g. original PDF or a scan) of the 2015 CAP engagement deliverables. Specifically both the OMB and Full-Cost CAPs, any Indirect Cost Rate Proposals and the report outlining strategies and procedures to be used by the City to optimize its potential recovery.

Answer: This is the City's current request from the Proponents for evaluation of suitability. Interested proponents should abide by the formal Open Records Request formality.

22. Will financial and statistical information be readily available in both hard and soft copy for the periods under review? Financial information refers to revenue and expenditure summary and detail, payroll, invoices, etc.

Answer: Yes. Information to be provided based on Proponent's scheduling.

23. When are year-end financials typically available to the vendor?

Answer: This reporting is on a one-year lag, year-end financials are available 5 to 6 months after the City's year-end.

24. The RFP asks to provide resumes for the individuals that the “team will use to fill the following positions: Key Account Principal, Key Account Manager, and Key Account Representative.” If there are several project team members to support the cost allocation project, should they be aligned with one of the three titles, or would the City of Atlanta (City) prefer one key representative per category with additional team support members/titles listed separately.

Answer: Proponents may use their own specific titles and disclose how many individuals they wish to utilize and include in their summarized total fee.

25. The RFP requests to “state the approximate number of operations the Proponent has managed within the past five (5) years”. Can the City please clarify what operations refers to? As an example, is this in reference to provide the number or projects the firm, or project the team, has managed within the past five years?

Answer: The number of operations is the number of similar clients (example cities) that the proponent has provided similar services.

26. Can the City provide the most recently completed, or prior fiscal year, full cost allocation plan report?

Answer: Information not available for proponents.

27. When was the last time a cost allocation service was performed?

Answer: Provided and prepared annually.

28. Who performed the last allocation services.

Answer: MGT of America, Inc.

29. How much was paid by the city for the most recent cost allocation service?

Answer: Interested proponents should abide by the formal Open Records Request formality.

30. The RFP requires sample reports (cost allocation plans) be submitted with our proposals. Sample cost plans can be approximately 450 pages each. In an effort to conserve paper, would it be acceptable to include the sample plans with the original proposal and then reference the reports in the seven copies?

Answer: Please provide sample of questionnaires, written methodology, schedules and final reports such as summary schedules, narratives, detail department costs, incoming costs, etc. Such examples should be similar to the interim and final product prepared by Proponent for similar city clients. Modified examples using a reduced number of departments is acceptable.

- 31. The RFP (Part 1; Section 4; third bullet and also Page 9: 3.2.4.9.4) asks for example reports that are required to be generated on a monthly basis. Can you give an example of what type of monthly reports the City is looking to receive? Cost allocation plans are created annually, not monthly.**

Answer: Please provide sample of questionnaires, written methodology, schedules and final reports such as summary schedules, narratives, detail department costs, incoming costs, etc. Such examples should be similar to the interim and final product prepared by Proponent for similar city clients. Modified examples using a reduced number of departments is acceptable.

- 32. Form SBO-2 and SBO-3 found as RFP PDF pages 117 through 119 contain a Printed Signature line. What is meant by a “Printed” signature? Do proponents enter an authorized person’s name here or does that person physically sign the forms in these spaces?**

Answer: That signature line is designated for the person who fills out pages SBO-2 and SBO-3.

- 33. Is the Diversity Firm Termination/Substitution Acknowledgement Form found on RFP PDF page 122 required with proposal submission or is it informational? If required, should this form be part of the OCC Contract Compliance Submittals as part of Volume II following Form SBO-1, Form SBO-2, SBO-3, and Subcontractor Letter of Intent?**

Answer: This form is informational. It is only to be utilized if it becomes necessary to make substitutions to you SBO subcontractor list. That would not be determined until after contract award.

- 34. Is the minimum qualification (must have a minimum two (2) years of experience within the last five (5) years in consulting with government finance departments with specific experience working on projects doing cost allocation) applicable to subcontractors? The recommended level of participation in the RFP is 35%. In essence, the certified SBE will perform 35% of the tasks/work identified in the scope of services and will be compensated accordingly. This is a significant portion of the overall project and indicative that the SBE should also meet the minimum qualification in order to provide a meaningful contribution to the success of the engagement.**

Answer: No. The minimum qualifications are guidelines for the prime contractor ONLY! The certified Small Business Enterprises (SBE) will not be held to that same standard. However, the City of Atlanta expects all prime contractors to engaged competent and qualified SBE subcontractors on their respective teams. As part of our evaluation process, teams will be graded on the strength of the team(s).

35. If subcontractors must also meet the minimum qualification of two (2) years of experience within the last five (5) years in consulting with government finance departments with specific experience working on projects doing cost allocation, how should forms SBO-3, Subcontractor Letter of Intent, and (if applicable) the Diversity Firm Termination/Substitution Acknowledgement Form be filled out if we are unable to find a firm that meets this minimum qualification? Do we submit the forms leaving non-applicable areas blank or do we not submit these forms?

Answer: Only the prime contractor will be held to the years of service minimum qualifications. As regards to forms SBO-3 and the Letter of Intent, there is no correlation between the required submittals and the years of experience guidelines. The prime contractor must submit all Appendix A required submittals for its subcontractors. The exception is the Substitution form (which will only be used if a need arises to make changes to the listing of certified subcontractors).

**Revised Appendix B- Insurance and Bonding Requirements
(Revised per Addendum No. 2).**

APPENDIX B
INSURANCE & BONDING REQUIREMENTS
FC-9013 Cost Allocation Services

A. Preamble

The following requirements apply to all work under the agreement. Compliance is required by all Contractors/Consultants. **To the extent permitted by applicable law, the City of Atlanta (“City”) reserves the right to adjust or waive any insurance or bonding requirements contained in this Appendix B and applicable to the agreement.**

1. Evidence of Insurance Required Before Work Begins

No work under the agreement may be commenced until all insurance and bonding requirements contained in this Appendix B, or required by applicable law, have been complied with and evidence of such compliance satisfactory to City as to form and content has been filed with City. Contractor/Consultant must provide City with a Certificate of Insurance that clearly and unconditionally indicates that Contractor/Consultant has complied with all insurance and bonding requirements set forth in this Appendix B and applicable to the agreement. If the Contractor/Consultant is a joint venture, the insurance certificate should name the joint venture, rather than the joint venture partners individually, as the primary insured. In accordance with the solicitation documents applicable to the agreement at the time Contractor/Consultant submits to City its executed agreement, Contractor/Consultant must satisfy all insurance and bonding requirements required by this Appendix B and applicable by law, and provide the required written documentation to City evidencing such compliance. In the event that Contractor/Consultant does not comply with such submittal requirements within the time period established by the solicitation documents applicable to the agreement, City may, in addition to any other rights City may have under the solicitation documents applicable to the agreement or under applicable law, make a claim against any bid security provided by Contractor/Consultant.

2. Minimum Financial Security Requirements

All companies providing insurance required by this Appendix B must meet certain minimum financial security requirements. These requirements must conform to the ratings published by A.M. Best & Co. in the current Best's Key Rating Guide - Property-Casualty. The ratings for each company must be indicated on the documentation provided by Contractor/Consultant to City certifying that all insurance and bonding requirements set forth in this Appendix B and applicable to the agreement have been unconditionally satisfied.

For all agreements, regardless of size, companies providing insurance or bonds under the agreement must meet the following requirements:

- i) Best's rating not less than A-,
- ii) Best's Financial Size Category not less than Class VII, and

- iii) Companies must be authorized to conduct and transact insurance contracts by the Insurance Commissioner, State of Georgia.
- iv) All bid, performance and payment bonds must be underwritten by a U.S. Treasury Circular 570 listed company.

If the issuing company does not meet these minimum requirements, or for any other reason is or becomes unsatisfactory to City, City will notify Contractor/Consultant in writing. Contractor/Consultant must promptly obtain a new policy or bond issued by an insurer acceptable to City and submits to City evidence of its compliance with these conditions.

Contractor/Consultant's failure to comply with all insurance and bonding requirements set forth in this Appendix B and applicable to the agreement will not relieve Contractor/Consultant from any liability under the agreement. Contractor/Consultant's obligations to comply with all insurance and bonding requirements set forth in Appendix B and applicable to the agreement will not be construed to conflict with or limit Contractor/Consultant's/Consultant's indemnification obligations under the agreement.

3. Insurance Required for Duration of Contract

All insurance and bonds required by this Appendix B must be maintained during the entire term of the agreement, including any renewal or extension terms, and until all work has been completed to the satisfaction of City.

4. Notices of Cancellation & Renewal

Contractor/Consultant must, notify the City of Atlanta in writing at the address listed below by mail, hand-delivery or facsimile transmission, within 2 days of any notices received from any insurance carriers providing insurance coverage under this Agreement and Appendix B that concern the proposed cancellation, or termination of coverage.

Enterprise Risk Management
68 Mitchell St. Suite 9100
Atlanta, GA 30303
Facsimile No. (404) 658-7450

Confirmation of any mailed notices must be evidenced by return receipts of registered or certified mail.

Contractor/Consultant shall provide the City with evidence of required insurance prior to the commencement of this agreement, and, thereafter, with a certificate evidencing renewals or changes to required policies of insurance at least fifteen (15) days prior to the expiration of previously provided certificates.

5. Agent Acting as Authorized Representative

Each and every agent acting as Authorized Representative on behalf of a company affording coverage under this contract shall warrant when signing the Accord Certificate of Insurance that specific authorization has been granted by

the Companies for the Agent to bind coverage as required and to execute the Acord Certificates of Insurance as evidence of such coverage. City of Atlanta coverage requirements may be broader than the original policies; these requirements have been conveyed to the Companies for these terms and conditions.

In addition, each and every agent shall warrant when signing the Acord Certificate of Insurance that the Agent is licensed to do business in the State of Georgia and that the Company or Companies are currently in good standing in the State of Georgia.

6. Certificate Holder

The **City of Atlanta** must be named as certificate holder. All notices must be mailed to the attention of **Enterprise Risk Management at 68 Mitchell Street, Suite, 9100, Atlanta, Georgia 30303.**

7. Project Number & Name

The project number and name must be referenced in the description section of the insurance certificate.

8. Additional Insured Endorsements Form CG 20 26 07 04 or equivalent

The City must be covered as Additional Insured under all insurance (except worker's compensation and professional liability) required by this Appendix B and such insurance must be primary with respect to the Additional Insured. **Contractor/Consultant must submit to City an Additional Insured Endorsement evidencing City's rights as an Additional Insured for each policy of insurance under which it is required to be an additional insured pursuant to this Appendix B. Endorsement must not exclude the Additional Insured from Products - Completed Operations coverage. The City shall not have liability for any premiums charged for such coverage.**

9. Mandatory Sub-Contractor/Consultant Compliance

Contractor/Consultant must require and ensure that all subContractor/Consultants/subconsultants at all tiers to be sufficiently insured/bonded based on the scope of work performed under this agreement.

10. Self Insured Retentions, Deductibles or Similar Obligations

Any self insured retention, deductible or similar obligation will be the sole responsibility of the contractor.

A. Workers' Compensation and Employer's Liability Insurance

Contractor/Consultant must procure and maintain Workers' Compensation and Employer's Liability Insurance in the following limits to cover each employee who is or may be engaged in work under the agreement. :

Workers' Compensation. **Statutory**

Employer's Liability:

Bodily Injury by Accident/Disease	\$1,000,000 each accident
Bodily Injury by Accident/Disease	\$1,000,000 each employee
Bodily Injury by Accident/Disease	\$1,000,000 policy limit

B. Commercial General Liability Insurance

Contractor/Consultant must procure and maintain Commercial General Liability Insurance on form (CG 00 00 01 or equivalent) in an amount not less than **\$1,000,000 per occurrence subject to a \$2,000,000 aggregate**. The following indicated extensions of coverage must be provided:

- Contractual Liability
- Broad Form Property Damage
- Premises Operations
- Personal Injury
- Advertising Injury
- Fire Legal Liability
- Medical Expense
- Independent Contractor/Consultants/SubContractor/Consultants
- Additional Insured Endorsement* (primary & non-contributing in favor of the City of Atlanta)
- Waiver of Subrogation in favor of the City of Atlanta

C. Commercial Automobile Liability Insurance

Contractor/Consultant must procure and maintain Automobile Liability Insurance in an amount not less than **\$1,000,000** Bodily Injury and Property Damage combined single limit. The following indicated extensions of coverage must be provided:

- Owned, Non-owned & Hired Vehicles
- Waiver of Subrogation in favor of the City of Atlanta

If Contractor/Consultant does not own any automobiles in the corporate name, non-owned vehicle coverage will apply and must be endorsed on either Contractor/Consultant's personal automobile policy or the Commercial General Liability coverage required under this Appendix B.

D. Professional Liability Insurance

Contractor/Consultant shall procure and maintain during the life of this contract Professional Liability Insurance in an amount of **\$2,000,000** per occurrence and annual aggregate. The policy will fully address the Contractor/Consultant's professional services associated with the scope of work contained in this document. The policy will include at least a three year Extended Reporting Provision.