

**Third Party Services: Fiscal and Support Services, Cash and Counseling Program
06-X-38314
December 8, 2005
Addendum #5**

Additional Questions Answers and Comments

Bid Opening Date; January 10, 2006

Revision Addendum #2 Question #1 Addendum #2, in the response to Question #1, the projected contract effective date was modified to January 14, 2006. With the bid opening date postponed to January 10, 2006, the projected contract effective date is amended to March 1, 2006, and the projected contract expiration date is amended to February 28, 2009. These projected dates assume that there will not be a need for clarification of bids, oral presentations, or other bid evaluation or contract award actions that could cause a delay. The actual contract effective date will be the date the bid proposal is accepted by the Director of the Division of Purchase and Property.

Question #59 **I am a sole Proprietor LLC. I just got registered as a small minority business. I have over 30 years of engineering, project management, and finance experience working with big A/E firms. I want to put my foot at the door of doing business with state/federal govt. I was advised to do joint venture/ or sub contract with a Prime contractor. Will you please refer me to the Prime Contractor on this project?**

Answer: See the answer provided to question #58 in Addendum #3.

Question #60 **Page 1, cover sheet for RFP 06-X-38314: The using Agency is the Department of Human Services, Division of Disability Services. Does this contract fall under their governing rules and regulations or is the price sheet service delivery all that is required? Are there restrictions of allowable expenses or general and administrative costs? If so, what are they?**

Answer: The contract is governed by the applicable laws and regulations of the State of New Jersey. All payments to the contractor shall be calculated based on actual quantities multiplied by the unit prices specified on the Price Schedules. There will be no other allowable payments to the contractor. Payment will be based on the contractor's awarded prices and the rules for payment specified in the RFP.

**Question
#61**

Page 24, section 3.2.4.1. and Price Schedule, page 2: "Employees that exceed the number of hours allotted on the CMP will not be paid by the Program but instead the Program Participant must pay the contractor for the processing of such checks directly from the Program Participants cash grant". The price sheet refers to processing both payroll and non-payroll checks as being paid by the participants. Are normal payroll checks covered by the payroll processing line or the check processing line?

Answer: We are modifying the RFP in an attempt to make this more understandable. On pages 1, 3, and 5 of the Price Schedules, there is a price line for Payroll Expenses. On these lines bidders should include all costs related to payroll and non-payroll expenses such as tax filings, withholdings, recordkeeping, and calculating payment amounts. Basically, these price lines are for all the work leading up to the issuance of a check. On pages 2, 4, and 6 of the Price Schedule there is a price line for Processing Payroll and Non-Payroll checks. This price is just for the cost of issuing checks, which is why the RFP limits the amount bidders may bid for this line item to a maximum of \$2.00. Therefore, the following changes are made to the RFP:

In Section 3.5.2, on page 35, delete item #3 and replace it with the following;
3. Payroll and Non-Payroll expenses – A price for processing all payroll and non-payroll expenses such as tax filings, withholdings, recordkeeping and calculating payroll and non-payroll payment amounts.

In section 3.5.3, page 36, delete item #1 and replace it with:
1. Issuing payroll and Non-Payroll checks – This is a price for the issuance of payroll and non-payroll checks and the price bid may not exceed \$2.00 per check.

In Attachment 5 - Price schedules, on pages 1, 3, and 5, delete the word "Payroll Expenses" and replace it with "Payroll and Non-Payroll Expenses".

In Attachment 5 0 - Price Schedules, on pages 2, 4, and 6, delete the words "Processing Payroll and Non-Payroll Check" and replace it with "Issuance of Payroll and Non-payroll checks".

**Question
#62**

Page 33, Section 3.3.9: Do the counseling services provided by the incumbent count against the limitations on counseling for the new contractor?

Answer: Participants are limited to 20 counseling hours per calendar year. Therefore, counseling service hours provided by the incumbent contractor to each participant in calendar year 2006 will count against the 20 counseling hours for 2006. For example, if the incumbent contractor provides a participant with 6 counseling hours in 2006 before responsibility for that participant transitions to the replacement contractor, that participant may only receive a maximum of 14 hours of counseling for the remainder of calendar year 2006 from the replacement contractor.

**Question
#63**

Page 33, Section 3.3.9 and Addendum 3, #28: Items 1 and 2 set limits for the number of counseling hours allowed within a 12 month period. Is that the same January to December calendar year as referenced in the addendum or is it the participants own fiscal year?

Answer: It is the same January to December calendar year.

**Question
#64**

Addendum #2 Question #11 (RFP Section 3.1.3-Page 26)---In response to the question, "What is the anticipated volume of records to be transferred..." from an incumbent contractor to a new awardee, you replied that, "...the state has no estimate of how many documents or pages are associated with each consumer." However, in Addendum # 2 to RFP 05-X-37470, the previous RFP for this contract, Dated 12/7/04, in Question # 26, you stated that according to the current contractor's estimate, the cost of obtaining the paper records alone would be \$76,125. According to that estimate, there are approximately 350 pages in each participant's file and approximately 870 files. That means that approximately 304,500 pages would have to be copied and transferred. In addition, the estimate goes on to forecast a cost of about \$5,000 for transfer of electronic files. Is this information still useful in determining the potential volume of files that a new awardee might have to obtain from the incumbent contractor? It is impossible for a potential new awardee to budget for this expenditure and include it in our overall pricing if we have no idea how much it will cost or how many files will have to be transferred?

Answer: We are amending the estimate from the last contract. We estimate that the new contractor will have to copy approximately 500 files with approximately 50 pages each. The contractor shall transfer records of all participants that are enrolled in the program from January 1, 2006 onward. The cost of transferring the electronic files is estimated at \$5,000. The bidder must estimate the cost of copying the records for himself.

**Question
#65**

**Addendum #2 Question #12 (RFP Section 3.1.3-Item (c)-Page 19)---
As a further clarification, is there a preferred or intended
mechanism for determining the amount of the cost that the
awardee will have to pay for obtaining all program files and
documents from the incumbent contractor? Also, how will this
transaction be carried out? Will the awardee negotiate directly with
the incumbent contractor or will the state play some part in this
process?**

Answer: See the question above. The new contractor shall negotiate with the incumbent contractor for accessing files and the State will intervene if problems arise.

**Question
#66**

**Addendum 3, #16, Shouldn't the taxes be filed for the participants
using each individual's FEIN as they are the employer of record?**

Answer: It is our understanding that starting in calendar year 2006, for Federal FICA and FUTA, the contractor will be able to file for all participants in the aggregate using the contractor's FEIN obtained for this contract. It is also our understanding that for State filings for income tax and unemployment, the contractor must file for each participant individually and that the FEIN will be used as the State EIN. It is the contractor's responsibility to comply with all laws and regulations and to complete all forms and filings needed to comply with all laws and regulation if those laws change during the term of the contract or if the rules differ from the explanation above.

**Question
#67**

**Addendum 3, #27: If a participant has employees and the hours
work exceed those in the Cash management plan, they still must be
paid for hours worked. Is it the responsibility of the Fiscal Agent or
the State Contract manager to obtain repayment of those excess
expenditures from the participant? if it is to be the Fiscal Agent's
responsibility, can the Fiscal agent have the participants sign a
contract to reimburse the Fiscal agent for these expenditures?**

Answer: This situation is rare. The contractor has a responsibility to compare the time sheets submitted to the approved CMP to assure that the proper hours are being billed. In the event of a discrepancy, the contractor must immediately contact the State Contract Manager to resolve the discrepancy.

**Question
#68**

**Addendum 3, #27: If the participant's employees go over in hours
worked for the cash management plans, how does the fiscal agent
get reimbursed for these hours?**

Answer: See the answer to the question above.

**Question
#69**

Addendum 3, #28: If the participant's CMP is tracked over a 12 month period (Jan-Dec) and then returned and participant may be enrolled in the program in any given month, how do participants saving for larger purchases retain those savings?

Answer: Participants saving for a larger purchase will have those savings accounted for in the CMP and the CMP will be followed. The only money that is returned at the end of the year is money that is not accounted for in the CMP.

**Question
#70**

Addendum 3, #28 and RFP page 22-23, Section 3.2.4: "The counselor will meet with program participants to determine if the accumulated cash is needed for the purchase for additional items or services." If all participants are being tracked on a calendar year, that places a tremendous burden on the counselors to meet with every participant at the end of the calendar year. Is this correct or shouldn't the 12 month period be based on the participants enrollment month?

Answer: Monitoring of accumulated cash is performed on a quarterly basis with the quarterly counseling visits to the participants.

**Question
#71**

Addendum 3, #29: Please clarify what is meant by the State agency moving from a paper time reporting system to an electronic one and the impact to the contractor if any.

Answer: Question 29 asked if the contractor could use an electronic time and attendance time system. The answer is yes, the contractor may use an electronic time and attendance system. Delete the last sentence in the answer to question #29 and replace it with "Yes, the contractor will be allowed to use an electronic time and attendance capture system."

**Question
#72**

Addendum 3, #46: Is the allowable amount exclusive to the new contractor's fist year operating the program or, since the incumbent is still operating during the first 60 day transition, is the incumbent still charging that same figure?

Answer: No, the entire amount will not be available during the contractor's first year because some of those funds will be needed by the incumbent for work performed during the transition. The details will be worked out during transition.

**Question
#73**

**Addendum #3 Question #29 (RFP Section 3.2.5.2 (#8)-Page 25)---
What is intended by the final sentence, "Yes, the State agency will be required to move from a paper time reporting system to an electronic one." ? Is this intended to indicate that the awardee will be required to employ an electronic time reporting system now in order to be considered for this contract? Is there an intended time frame for the transition?**

Answer: See the answer to question #71