

**REQUEST FOR QUALIFICATIONS
FOR
MANAGEMENT AUDIT: DEPARTMENT OF EDUCATION**

**Issued by the
State of New Jersey
Department of Education**

Date Issued: March 26, 2007

**Responses Due by 3:00 p.m. Eastern Standard Time on:
April 13, 2007**

**Lucille E. Davy
Commissioner**

**State of New Jersey
Department of Education
100 River View Plaza
Trenton, NJ 08625**

**REQUEST FOR QUALIFICATIONS (“RFQ”)
FOR
MANAGEMENT AUDIT: DEPARTMENT OF EDUCATION**

1.0 PURPOSE AND INTENT

This RFQ is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Department of Education (DOE). The purpose of this RFQ is to solicit bid proposals from contacted firms and engage in a contract to provide a management audit of DOE’s oversight of the operations of school districts in the State and to make recommendations regarding staffing and organizational structure to improve the efficiency and effectiveness of the DOE’s oversight capacity.

During the past year, the DOE has been presented with new challenges and opportunities affecting its responsibilities for overseeing school district operations. As set forth in Joint Resolution 3, the purpose of the audit is to assist the DOE in analyzing its current structure and procedures for providing district oversight, and to make recommendations to “improve the capacity of the Department to oversee the operation of school districts and to respond immediately and effectively to operational and educational issues which may arise.”

The intent of this RFQ is to award a contract to that responsible bidder whose bid proposal, conforming to this RFQ is most advantageous to the State, price and other factors considered. However, the State reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State’s best interest.

1.1 BACKGROUND

1.1.1. Department Overview

The DOE is led by the Commissioner of Education, who is appointed by the Governor with the advice and consent of the State Senate, and who serves as the secretary to the State Board of Education. The State Board is the primary policy making body for elementary and secondary education in New Jersey. The State Board also approves the overall organizational structure of the DOE.

In the fall of 2006, the DOE identified five (5) primary core functions. These are, in order of priority:

1. To develop state-level policies and initiatives that will prepare all students for the 21st century workforce and their roles as citizens;
2. To monitor the activity of school districts for accountability in all their governance, personnel, fiscal, operational, and instructional practices in order to better identify districts needing assistance;

3. To improve student performance by establishing state standards for both teaching and learning that support the academic performance of all students, including special education, English language learners, and economically disadvantaged;
4. To deliver State and federal aid by established funding formulas to all local districts and charter schools; and
5. To oversee and administer all federal requirements and programs on behalf of local school districts as the State Education Agency (SEA).

In addition, four (4) secondary core functions were identified, as follows:

- a. To balance the department's role to implement federal and state performance goals and procedures with offering assistance tailored to help districts improve student achievement (first requires monitoring and compliance while the second requires collaborative assistance);
- b. To carry out regulatory and administrative functions established in federal and state laws and regulations;
- c. To approve long-range facilities plans for every district and approve local district construction projects; and
- d. To promote educational research and dissemination of successful educational practices.

The focus of this RFQ is on item 2 and b, above.

The DOE currently has approximately 940 employees. Of these, approximately half are supported by State funds; one quarter by federal funds; and the remainder by various direct revenue sources, including tuition paid by local school districts to the New Jersey School for the Deaf.

1.1.2 Oversight Responsibilities and Environment

Pursuant to N.J.S.A. 18A:7A-3 et seq., the DOE has begun implementation of the New Jersey Quality Single Accountability Continuum (NJQSAC) public school monitoring system (see <http://www.state.nj.us/njded/genfo/qsac/> for further information regarding NJQSAC). NJQSAC is designed to be a single, comprehensive accountability system that consolidates and incorporates the monitoring requirements of applicable State and Federal programs. NJQSAC is also intended to complement, and serve in part to implement, Federal requirements.

Under NJQSAC, public school districts are evaluated in five key component areas of school district effectiveness—instruction and program, personnel, fiscal management, operations and governance—to determine the extent to which public school districts are providing a thorough and efficient education. The standards and criteria by which school districts are evaluated will assess actual achievement, progress toward proficiency, local capacity to operate without State intervention, and the need for support and assistance provided by the State. With the implementation of NJQSAC, the Department will be better able to serve as a resource to districts as they strive to build capacity and improve performance.

Under NJQSAC, once a public school district is identified as requiring assistance in one or more of the five areas of school district effectiveness, the Department and the public school district will work collaboratively to improve public school district performance in those targeted areas.

The measures used to achieve this goal include evaluations of the public school district by the Department, development of a school district improvement plan, close monitoring of the implementation of the plan, and the provision of technical assistance as appropriate. NJQSAC also provides that in circumstances where a public school district fails to develop or implement an improvement plan as required, or other emergent circumstances warrant, the Department may seek partial or full intervention in the public school district to effect the changes necessary to build local capacity to provide a thorough and efficient education.

While the NJQSAC evaluation process begins with a self-assessment by the district, Department staff will be responsible for verifying the district's responses, assisting the district in developing an improvement plan, if necessary, monitoring the plan, providing technical assistance as appropriate, and monitoring State intervention, if required.

NJQSAC presents DOE with the opportunity to monitor all districts in the State pursuant to a uniform set of standards. As a result, particular attention will be given to reintegrating assessment of Abbott districts into the mainstream of DOE oversight.

In addition to NJQSAC, the Legislature has enacted or has under consideration other legislation that will affect the DOE's oversight and accountability responsibilities.

The "School District Fiscal Accountability Act" (N.J.S.A. 18A:7A-55; see http://www.njleg.state.nj.us/2006/Bills/PL06/15_.PDF) authorizes the Commissioner to appoint a State fiscal monitor in districts that have deficit balances, receive a qualified audit opinion or an opinion identifying material weaknesses in internal controls, or fail to develop and implement plans to overcome such audit findings. This provision places additional responsibility on DOE to identify districts in need of a fiscal monitor and to oversee the monitoring process. Moreover, the DOE has recently announced the establishment of the Office of Fiscal Accountability and Compliance to more closely monitor the fiscal practices of school districts, and to provide auditing and follow-up investigations of questionable spending practices.

In addition, newly enacted and pending legislation, including P.L. 2007, c.53 and the "Uniform Shared Services and Consolidation Act," (see http://www.njleg.state.nj.us/2006/Bills/A0500/4_R1.PDF), will have a substantial impact on DOE's oversight of district operations by transforming the roles and responsibilities of county superintendents and other county office staff. P.L. 2007, c.53 authorizes the Commissioner to conduct compliance audits, makes certain efficiencies mandatory for a district to receive State aid, and augments the criteria under which the Commissioner can appoint a fiscal monitor under the "School District Fiscal Accountability Act." The Uniformed Shared Services and Consolidation Act would create the position of executive county superintendent to monitor and promote administrative and operational efficiencies and cost savings within school districts in their counties, while ensuring that the districts provide a thorough and efficient system of education.

Finally, the federal No Child Left Behind Act (NCLB) and the United States Department of Education have placed increasing emphasis upon active monitoring of subgrant recipients (school districts and similar entities) and technical assistance to schools and districts that fail to make adequately yearly progress, as defined by NCLB.

1.2 PROPOSAL SUBMISSION

Eight copies of the proposal (1 original, 6 copies, 1 unbound copy) must be submitted marked “**Management Audit: Department of Education**” and addressed to:

Attn: Christine Weiland
Purchase Bureau - 9th Floor
Division of Purchase and Property
Department of the Treasury
33 West State Street, P.O. Box 230
Trenton, NJ 08625-0230

Proposals must be received by April 13, 2007 at 3:00 p.m. Eastern Standard Time.

All respondents must limit their proposals to 20 pages or less at no smaller than 12 point type.

Subsequent to bid submission, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, bid proposals will not be made public until the award is approved by the Treasurer’s office.

1.3 QUESTION AND ANSWER

The Purchase Bureau will accept questions electronically, pertaining to this RFQ, until 5:00 p.m. on March 29, 2007 from all potential bidders. Questions shall be directed via email to:

Christine Weiland
Christine.Weiland@treas.state.nj.us

Communications with other representatives of the State regarding this RFQ are prohibited during the submission and selection processes. Failure to comply with these communications restrictions will result in rejection of a firm’s proposal.

The State will not be responsible for any expenses in the preparation and/or presentation of the proposals, oral interviews or for the disclosure of any information or material received in connection with this RFQ.

The State reserves the right to reject any and all proposals received in response to this RFQ, when determined to be in the State’s best interest, and to waive minor noncompliance in a proposal. The State further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting proposals in response to this RFQ. In the event that all proposals are rejected, the State reserves the right to re-solicit proposals.

2.0 DEFINITIONS

Addendum – Written clarification or revision to this RFQ issued by the Purchase Bureau.

All-Inclusive Hourly Rate – An hourly rate composed of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

Amendment – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder – An individual or business entity submitting a bid proposal in response to this RFQ.

Contract – This RFQ, any addendum to this RFQ, and the bidder's proposal submitted in response to this RFQ, as accepted by the State.

Contractor – The bidder awarded a contract resulting from this RFQ.

Department of Education (DOE or the Department) – The entity, on behalf of which, the State has issued this RFQ and will enter into a contract.

Director – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

Division – The Division of Purchase and Property

Evaluation Committee – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFQ and to recommend a contract award to the Director.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

Internal controls - The plan of organization and all of the coordinate methods and measures adopted within DOE to safeguard its assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. Internal controls encompass, but are not limited to, internal administrative controls and internal accounting controls.

Management Audit - An independent, objective consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives through

a systematic, disciplined approach to evaluating and improving the effectiveness of control and governance processes.

May – Denotes that which is permissible, not mandatory.

Project – The undertaking or services that are the subject of this RFQ.

Request for Qualifications (RFQ) – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the DOE as identified herein.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

Should – Denotes that which is recommended, not mandatory.

State Contract Manager – State employee responsible for the approval of all deliverables and the main point of contact for the contractor.

Subtasks – Detailed activities that comprise the actual performance of a task.

State – State of New Jersey.

Subcontractor – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

Task – A discrete unit of work to be performed.

3.0 RFQ SCOPE OF SERVICES

The contractor shall evaluate the staffing and other resources necessary for the DOE to efficiently and effectively meet its school district monitoring and oversight responsibilities (with particular attention to NJQSAC and other legislative initiatives described above) as well as its capacity to provide the technical and other assistance to school districts that may be necessary to improve and enhance the educational achievement of students. The contractor shall make such recommendations as the contractor deems necessary to improve the efficiency and effectiveness of the DOE to meet its oversight and technical assistance responsibilities. The contractor shall take into consideration the recent reorganization of the management structure of the Department. The recommendations may include, but need not be limited to, changes to work flow and resource allocation. In particular, the contractor shall focus on the personnel needs required by the county offices to effectively meet their responsibilities for such monitoring and oversight of districts, support for improved student achievement and improved delivery of special education services.

3.1 THE AUDIT

3.1.1 Entrance Conference

Within two (2) business days of the award of the contract, the contractor shall meet with the State Contract Manager to review the audit work plan submitted with the contractor's proposal. The contractor shall make all revisions specified by the State Contract Manager within five (5) business days of the entrance conference.

3.1.2 Commencement of Work

Within ten (10) business days of the entrance conference, the contractor shall meet with DOE's senior staff.

3.1.3 Audit Standards

The audit shall be performed in accordance with generally accepted auditing standards including but not limited to AICPA, GAGAS, and GAO as applicable. Any audit report under section 3.7 must be certified by a New Jersey Certified Public Accountant and a New Jersey Certified Internal Auditor (CIA) employed by the contractor.

3.2 PROGRESS REPORTS AND STATUS MEETINGS

The contractor shall submit progress reports on a weekly basis to update the State Contract Manager on the progress of the audit. These reports should contain the status of fieldwork, identified findings, pending issues, target dates for completion of each audit component, and actual dates of completion of each audit component, and any other issue deemed important by the contractor and/or State Contract Manager. The weekly progress reports shall be in a format determined by the contractor and the State Contract Manager.

The contractor shall attend status meetings held at the discretion of the State Contract Manager. Status meetings will commence with the entrance conference with the State Contract Manager as specified in section 3.1.

Additionally, the contractor shall hold an exit conference with the State Contract Manager prior to the issuance of the final report.

3.3 DELIVERABLES

The contractor shall prepare and submit by June 11, 2007 to the State Contract Manager a draft audit report that summarizes the contractor's findings and makes recommendations regarding the staffing and other resources necessary for the DOE to efficiently and effectively meet its responsibilities under State and federal law and regulation as regards the monitoring of school districts and like entities, and the provision of technical assistance to the districts and like entities when required by such monitoring.

The State Contract Manager will review and provide comments on the draft within five (5) business days.

The contractor shall make all revisions specified by the State Contract Manager and shall incorporate the revisions into a final comprehensive and detailed written audit report of findings and recommendations. The **final audit report** shall be signed by the contractor and delivered to the State Contract Manager within five (5) working days after the State Contract Manager returned the draft with his/her comments, but no later than June 25, 2007.

The final audit report and seven (7) signed copies shall be delivered to the State Contract Manager at his/her office in 100 Riverview Plaza, Trenton, New Jersey 08625. One copy shall be unbound. All distribution of these reports shall be performed by the State Contract Manager.

All reports shall be addressed to the State Contract Manager. The final audit report and any related management letter shall be a public record and made available to the public through the Open Public Records Act.

3.4 LICENSES AND PERMITS

The Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The Contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal and shall not be paid by the State.

3.5 CONFIDENTIALITY AGREEMENT

The contractor will be required to complete a confidentiality agreement similar to the one attached to this RFQ, identified as Attachment 2.

The contractor shall, at all times, in performance of this contract, ensure that it maintains compliance with final Confidentiality Agreement.

3.6 WORKING SPACE

The State shall provide office space for the contractor's auditors.

3.7 FRAUD, SUSPICION OF FRAUD OR RECORDS UNABLE TO BE AUDITED

Immediately upon the suspicion of or recognition of fraud, major accounting system deficiencies or material misstatements of accounts, the contractor shall contact the State Contract Manager. No further work shall be performed relating to these items unless instructed to do so by the State Contract Manager. The contractor shall provide a written report to the State Contract Manager detailing the nature of its findings within 24 hours of recognition.

If the contractor determines at any time during the audit engagement that the records are not auditable or lack documentation such that the financial statements are materially affected and a disclaimer of opinion may be required, the contractor must notify the State Contract Manager immediately. The contractor shall provide a follow-up letter that details the reasons why the records are not auditable or why a disclaimer of opinion is necessary. The contractor shall not proceed to perform any further work until advised to do so by the State Contract Manager.

3.8 WORKING PAPERS

The contractor shall create and maintain audit working papers while performing the work of this contract. Audit working papers are not deliverable during the performance of this contract and payments are not dependent on the presentation of working papers to the State Contract Manager. However, it is expected as part of the generally accepted auditing standards that the contractor shall create files of working papers related to the entire audit.

The contractor shall, at any given time during the course of the audit and at the conclusion thereof and any time thereafter, make available to the State Contract Manager for inspection or review, the working papers developed during the engagement. These papers shall include:

- a) the facts gathered and documents obtained
- b) computations and analyses performed
- c) other pertinent data related to the audit

The contractor's working papers should contain sufficient written documentation and/or flow charts to document the internal control systems of DOE. Audit working papers shall be indexed in a logical manner and show evidence that each working paper or group of papers has been subjected to appropriate supervisory review. Working papers must show the name of the auditor who prepared the paper and must be clearly titled and dated. The contractor shall photocopy these papers upon request of the State Contract Manager or the State.

All DOE documents examined by the contractor remain the property of DOE. The contractor shall visually inspect all DOE documents on premises. No DOE originals shall leave the site. DOE shall provide adequate and secure facilities for the contractor to inspect the documents on-site.

All working papers must be retained for a minimum of seven (7) years from the date of expiration or termination of the contract, unless the contractor is notified in writing by DOE of the need to extend the retention period.

3.8 CHANGE OF PERSONNEL

In the event that the contractor determines that it is necessary to change the personnel assigned to the contract, including but not limited to substitution of staff or changes in the percentages of time devoted by personnel to the contract, the contractor shall submit the resume(s) of the new staff and other pertinent information to the State Contract Manager. The State Contract Manager must approve all changes to the staffing of the contract before such changes take effect.

4.0 REQUIRED COMPONENTS OF THE RFQ PROPOSAL

Proposals in response to this RFQ must respond to each of the following requests in the order indicated.

4.1 MANAGEMENT OVERVIEW

The bidder shall describe its approach and plans for accomplishing the work outlined above in 3.0 RFQ Scope of Services. The bidder must set forth its understanding of the requirements of this RFQ and its ability to successfully complete the contract. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract.

4.2 TECHNICAL PROPOSAL

The bidder shall set forth in detail its technical approach and plans to meet the requirements of the RFQ in a narrative format. The technical proposal must include an audit work plan of sufficient detail for the State to determine that tasks can be completed and milestones met. The audit work plan shall comprise all steps to be taken by the contractor to carry out the audit and fulfill the requirements of this RFQ. The audit work plan shall incorporate the approach and plans set forth in the bid proposal.

The technical proposal should convince the State that the bidder's detailed plans and proposed approach to undertake and complete the Scope of Services are appropriate to the tasks and subtasks involved, are realistic and attainable, and that the bidder's bid proposal will lead to successful contract completion. Mere reiterations of RFQ tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract.

The DOE has not determined that a specific approach to the evaluation is preferred. Rather, the DOE invites creative proposals that will accomplish the goals and objectives of the RFQ.

4.3 CONTRACT MANAGEMENT

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communication with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

4.4 CONTRACT SCHEDULE

The bidder should include a contract schedule. If key dates are a part of this RFQ, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Services. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

4.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

4.6 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and its ability to perform the services required by this RFQ.

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including subcontractor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual and the percentage of time each such individual will devote to the contract.

4.7 RESUMES

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope as this one. Resumes should include the following:

- Clearly identify the individual's previous experience in completing similar contracts.
- Beginning and ending dates should be given for each similar contract.
- A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFQ.
- With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

4.8 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFQ. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFQ. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the

services required by this RFQ. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

4.9 CAPABILITY OF BIDDER

The proposal must include a description of resources of the firm (i.e., background, location, experience, staff resources, financial resources, other resources, etc.).

4.10 LOCATION

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the name, telephone number email address, and fax number of the individual to contact.

4.11 STATUTORY REQUIREMENTS

All documents listed in **ADDITIONAL INFORMATION** (pg. 14 of RFQ) must be completed and submitted with the bid proposal.

5.0 SELECTION PROCESS

5.1 ORAL PRESENTATION

While the State does not anticipate requiring oral presentations, it reserves the right to do so, in person or by telephone. Proposals should be complete on their face. The State reserves the right to request clarifying information subsequent to submission of the bid proposals.

5.2 TECHNICAL AND PRICE EVALUATION CRITERIA

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be evaluated by an Evaluation Committee. The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, will be used to evaluate proposals received in response to this RFQ.

- The firm's general approach and plans in meeting the requirements of this RFQ.
- The firm's detailed approach and plans to perform the services required by the Scope of Services contained in this RFQ.
- The firm's documented experience in successfully completing contracts of a similar size and scope to those required by this RFQ.

- The qualifications and experience of the firm’s management, supervisory or other key personnel assigned to the engagement, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the services required by this RFQ.
- The overall ability of the firm to mobilize, undertake and successfully complete the required services. This judgment will include, but not be limited to the following factors: the number and qualifications of management, supervisory and other staff proposed by the firm to perform the services required by this RFQ; the availability and commitment to the Agreement of the firm’s management, supervisory and other staff proposed; the firm’s contract management plan, including the firm’s contract organizational chart.
- The firm’s cost proposal.

6.0 COST PROPOSAL

The bidder must provide a firm fixed price for the provision of a Management Audit, a Draft Report by **June 11, 2007** and a Final Report by **June 25, 2007**. Further, the bidder should provide a budget that includes a list of job titles to be used in meeting the requirements of this contract and the firm fixed hourly rates associated with those titles.

Failure to submit all information required may result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of a contract.

The State reserves the right to negotiate with the bidder, the final fee for services provided.

7.0 FORM OF COMPENSATION AND PAYMENT

Payments to the contractor will be disbursed following approval by the State Contract Manager in accordance with the following schedule:

May 15 – Weekly Progress Reports through May 11	30%**
June 11 – Draft Report	30%**
Final Audit Report	40%**

** Percentage of the firm fixed price negotiated between contractor and State prior to contract award.

ADDITIONAL INFORMATION

The documents listed below must be completed and submitted with the bid proposal. Purchase Bureau forms can be downloaded from the Department of Treasury website:

<http://www.state.nj.us/treasury/forms.html#pb>

- Ownership Disclosure
- MacBride Principles and Northern Ireland Act of 1989

- Affirmative Action Employee Information Report or, in the alternative, supply either a New Jersey Affirmative Action Certificate or evidence that the bidder is operating under a federally approved or sanctioned affirmative action program.
- Waivered Terms and Conditions for Services Contracts
- Vendor Certification - Executive Order #129 Compliance
- Vendor Certification under Public Law 2005, Chapter 51 (formerly Executive Order #134, see **Attachment 1**)
- Vendor Certification under Public Law 2005, Chapter 271

NOTE: A copy of a valid New Jersey Business Registration must be submitted. If not already registered with the New Jersey Division of Revenue, registration can be completed on line at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>

ATTACHMENT 1

Requirements of N.J.S.A. 19:44A-20.13-25 (Formerly Executive Order 134)

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 – 25 on March 22, 2005 (the “Legislation”), retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFQ:

Definitions

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person’s spouse or child, residing in the same household.

Breach of Terms of the Legislation

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of the Legislation, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of the Legislation; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

Certification and Disclosure Requirements

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State’s request. Failure to submit the required forms will preclude award of a contract under this RFQ, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

State Treasurer Review

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

Additional Disclosure Requirement of P.L. 2005, c. 271

Contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

ATTACHMENT 2

CONFIDENTIALITY AGREEMENT

This Agreement made and entered into between the State Of New Jersey, acting by and through the Director Of The Division Of Purchase And Property in the Department of the Treasury hereinafter referred to as the State or **Disclosing Party**, and _____ hereinafter referred to as the **Receiving Party**.

The State of New Jersey, Division of Purchase and Property, in connection with the contract for _____, intends to disclose confidential information to persons who agree to the terms of this Confidentiality Agreement. Any person who will require access to Confidential Information, as defined below, must agree to the terms set forth in this Confidentiality Agreement and evidence such agreement by signing and returning this Confidentiality Agreement to the State Contract Manager.

1. Confidential Information

- a. "Confidential Information" shall mean any information or data of a confidential nature, which is not considered public record, including but not limited to: (a) personal information about individuals and entities; (b) technical, developmental, marketing, sales, operating, performance, cost, know-how, methodologies, business and process information; (c) computer programs and related documentation, including related programming know-how and techniques; and (d) all record-bearing media containing or disclosing such information, know-how and techniques disclosed to [Receiving Party] under this Agreement.
- b. Confidential Information shall not include information that (a) is or becomes available to the public other than by disclosure by the [Receiving Party] in violation of this Agreement; (b) was demonstrably known to [Receiving Party] previously with no obligation to hold it in confidence; (c) is independently developed by either party without recourse to the Confidential Information; or (d) was rightfully obtained by either party from a third party without an obligation of confidentiality.

2. Disclosure to Third Parties

[Receiving Party] shall not disclose Confidential Information to any third party (including Receiving Party's agents, representatives, independent consultants/contractors, subcontractors, as well as any third party's agents, representatives, independent consultants/contractors and subcontractors) unless, prior to any disclosure, the [Receiving Party] has obtained [Disclosing Party's] written permission and the third party has executed a nondisclosure agreement provided by [Disclosing Party] which requires the third party recipient to consent to abide by the terms of this Agreement. [Receiving Party] shall not allow the Confidential Information to be accessed through a computer bulletin board or other "shareware" distribution process.

3. Protection of Confidential Information

The Confidential Information, including permitted copies, shall be deemed to be the exclusive property of the [Disclosing Party]. [Receiving Party] shall (a) only use Confidential Information as provided by this Agreement, (b) only disclose the Confidential Information to its employees or legal representatives who have a need to know and are advised by [Receiving Party] of the obligations of this Nondisclosure Agreement, (c) treat the Confidential Information with the same degree of care that it would afford to its own confidential information of a similar nature, but no less than reasonable care, (d) have no right, title, or interest in the Confidential Information except as provided for in this Agreement, (e) notify [Disclosing Party] within two (2) business days of any loss or unauthorized disclosure or use of the Confidential Information, (f) not remove, modify or obliterate any copyright, trademark, or other proprietary rights notice from the Confidential Information, and (g) return any and

all Confidential Information to [Disclosing Party] which may be in [Receiving Party's] possession immediately upon termination of this Agreement.

4. Relief/Remedy

[Receiving Party] acknowledges that any disclosure or use of any Confidential Information in violation of this Agreement may cause [Disclosing Party] irreparable harm, the amount of which is difficult to estimate, making any remedy at law or in damage inadequate. Therefore, [Receiving Party] agrees that [Disclosing Party] shall have the right to obtain from any court of competent jurisdiction specific performance or other temporary or permanent injunctive relief for any breach or threatened breach of this Agreement. This right shall be in addition to any other remedies available to [Disclosing Party] in law or in equity.

5. Termination

Upon termination of the purpose for which the Confidential Information was disclosed (or earlier upon the request of [Disclosing Party], [Receiving Party] shall promptly return to the [Disclosing Party] or destroy all Confidential Information and any copies of documents, papers or other material which may contain or be derived from the Confidential Information which is in its possession. At [Disclosing Party's] request, [Receiving Party] shall provide a certificate certifying that it has satisfied its obligations under this paragraph.

6. Miscellaneous

- a. Any notice required or permitted to be given under this Agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile, or overnight courier to the addresses set forth on the first page of this Agreement.
- b. This Agreement shall not be changed, modified or amended except by a writing signed by the parties. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The [Receiving Party] shall not assign this Agreement without the prior written consent of the [Disclosing Party].
- c. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any kind and every nature between them.
- d. The individual executing this Agreement on behalf of the [Receiving Party] hereby represents and warrants that he or she is duly authorized to execute this Agreement on behalf of [Receiving Party].
- e. The obligations with respect to Confidential Information created by this Agreement will survive until such time as the Confidential Information becomes publicly known.
- f. If any provision of this Agreement is held invalid under any applicable law, such invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision.
- g. This Agreement shall be governed in all respects by the laws of the State of New Jersey without giving effect to conflicts of laws principles. Any litigation arising out of or in connection with this Agreement shall take place in a State or Federal court of competent jurisdiction in New Jersey.
- h. Receiving Party agrees that it will keep all Confidential Information obtained from the Disclosing Party confidential and thus will not share any such information with any third party, including any current or future clients or other party. In agreeing to this provision, Receiving Party acknowledges that information it receives in the course of this engagement could be used to give an advantage to entities that contract or seek to contract with the State or local governments and

it pledges that it will not provide any such Confidential Information to any party that could use such information in that context.

Signature

Date

Print Name

Company Name (Print)

ATTACHMENT 3 – PRICE SCHEDULE

Bid Item	Task/Deliverable	Unit	Firm Fixed Price
1	Total firm fixed price for Management Audit and related reports.	Each	\$
* TOTAL FIRM FIXED PRICE			\$

The bidder must provide a firm fixed price for the Management Audit an all associated work and reports or the bid proposal will be considered non-responsive.

The bidder should also provide a budget that includes a list of job titles to be used in meeting the requirements of this contract and the firm fixed hourly rates associated with those titles.