



## SOLICITATION ADDENDUM

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Issuing Agency:	Division of Purchase and Contract
Solicitation Number:	DPC-646236801-MT
Solicitation Description:	Supplemental Internal Audit Services
Solicitation Opening Date and Time:	September 6, 2023 @ 2:00 PM ET
Addendum Number:	03
Addendum Date:	August 23, 2023
Purchasing Agent:	Melinda Tomlinson

### **FAILURE TO RETURN THIS ADDENDUM MAY SUBJECT YOUR RESPONSE TO REJECTION.**

- 1. The Solicitation is hereby modified as follows (begin on page 2):**

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Modification #	Solicitation Section	Current Solicitation Language	Updated Solicitation Language
1	2.8 Proposal Contents	<p>Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion.</p> <p>Vendor shall include the following items and attachments in the Sourcing Tool:</p> <p>d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1</p> <p>e) Completed version of ATTACHMENT A: COST PROPOSAL</p> <p>f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION</p> <p>g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM</p> <p>h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR</p> <p>i) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL</p>	<p>Vendors shall provide responses to all questions and complete all attachments for this RFP that require the Vendor to provide information and upload them to the Sourcing Event in the Sourcing Tool. Vendor may not be able to submit its response in the Sourcing Tool unless all required items are addressed. Vendors shall provide authorized signatures where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the State rejecting Vendor's proposal, in the State's sole discretion.</p> <p>Vendor shall include the following items and attachments in the Sourcing Tool:</p> <p>d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 5.4, 5.5, 6.1</p> <p>e) Completed version of ATTACHMENT A: COST PROPOSAL</p> <p>f) Completed and signed version of ATTACHMENT D: HUB SUPPLEMENTAL VENDOR INFORMATION</p> <p>g) Completed and signed version of ATTACHMENT E: CUSTOMER REFERENCE FORM</p> <p>h) Completed and signed version of ATTACHMENT F: LOCATION OF WORKERS UTILIZED BY VENDOR.</p> <p>i) Completed and signed version of ATTACHMENT G: CERTIFICATION OF FINANCIAL CONDITION.</p> <p>j) Completed and signed version of CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS and OMB STANDARD FORM LLL</p>
2	Section 4.11 Personnel	<p>In its proposal the Vendor shall provide information as to the qualifications and experience of current audit, accounting, managerial advisors, and data analytics personnel that may be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications may include documentation citing educational background, experience with similar projects and related certification, as well as the number of years of experience with each type of service category, as identified in the Section 5 Scope of Works, Audit Service</p>	<p>Section 4.11 has been removed from the solicitation. It has now been incorporated into the RFQ. See revised Exhibit 3.</p> <p><del>In its proposal the Vendor shall provide information as to the qualifications and experience of current audit, accounting, managerial advisors, and data analytics personnel that may be assigned to each of the service categories for which the Vendor submits a proposal. Personnel qualifications may include documentation citing educational background, experience with similar</del></p>

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		<p>Categories.</p> <p>Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third-party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).</p>	<p><del>projects and related certification, as well as the number of years of experience with each type of service category, as identified in the Section 5 Scope of Works, Audit Service Categories.</del></p> <p><del>Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by the State. Names of any third party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).</del></p>	
3	Section 5.3 Vendor Responsibilities	Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least one (1) qualified vendors in the requested category.	Soliciting Agencies shall complete a Statement of Work form (Exhibit 3 attached) and submit the form to at least two (2) qualified vendors in the requested category.	
4	Section 3.4 Evaluation Criteria - Original RFP Evaluation Criteria			
		<b>Evaluation Criteria</b>	<b>RFP Section</b>	<b>Points</b>
		Vendor's Relevant Background and Experience	4.4, 4.5	300
		Financial Statements	4.8	200
		Personnel	4.11	350
		Cost Proposal	4.9, Attachment A	150
		<b>TOTAL</b>	<b>700 required for the award</b>	<b>1000</b>
		NC License to Practice	4.6	Pass/Fail
		External Review/Regulatory Action	4.7	Pass/Fail
<b>Modified RFP Evaluation Criteria</b>				
		<b>Evaluation Criteria</b>	<b>RFP Section</b>	<b>Points</b>
		Vendor's Relevant Background and Experience	4.4, 4.5	275
		Financial Statements	4.8	150
		Project Staffing	5.4	250
		Technical Approach	5.5	200
		Cost Proposal	4.9, Attachment A	125
		<b>TOTAL</b>	<b>700 required for award</b>	<b>1000</b>
		NC License to Practice	4.6	Pass/Fail
		External Review/Regulatory Action	4.7	Pass/Fail

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5	Attachment A: Cost Proposal	See Current Attachment A	See Updated Attachment A – to provide for optional additional labor categories.
6	Section 5.1 General	<p>Audits, accounting, data analytics or managerial services are performed to either ascertain the validity and reliability of information; to provide an assessment of a system's internal controls or operations; to recommend improvements in efficiency and effectiveness of operations; adherence to laws and regulations, fill an unmet staffing needs, or provide forecasting.</p> <p>Any agency may identify a need for internal audit assurance, accounting, data analytics or managerial advisory service short term staff through the issuance of a Scope of Work (SOW). The hiring agency's staffing needs may vary in terms of resources required, dates of service and length of assignment.</p>	<p>Audits, accounting, data analytics or managerial services are performed to either ascertain the validity and reliability of information; to provide an assessment of a system's internal controls or operations; to recommend improvements in efficiency and effectiveness of operations; adherence to laws and regulations, or provide forecasting.</p> <p>Any agency may identify a need for internal audit assurance, accounting, data analytics or through the issuance of a Scope of Work (SOW).</p>

**2. The following are questions received about the Solicitation and the State's response to those questions:**

Question #	Document Section	Vendor Question	State's Response
1.	Att. B	Is Attachment B: North Carolina Instructions to Vendors considered part of the body of RFP and required to be returned with response?	Attachment B: North Carolina Instructions to Vendors should be read in its entirety; however, it is not required to return it with your vendor response. Refer to section 2.8 Proposal Contents for the items that are required to be included in your vendor response.
2.	Att. C	Is Attachment C: North Carolina General Terms and Conditions considered part of the body of RFP and required to be returned with response?	Attachment C: North Carolina General Terms and Conditions should be read in its entirety; however, it is not required to return it with your vendor response. Refer to section 2.8 Proposal Contents for the items that are required to be included in your vendor response.
3.	Section 2.8 Proposal Contents	RFP p. 11, Section 2.8 Proposal Contents does not list Attachment G: Certification of Financial Condition as required, however, this form is issued in the Ariba Sourcing portal. Should this form be provided as part of the offeror's response to Section 2.8.j.c?	<p>Vendors shall complete the Attachment G: Certification of Financial Condition provided in section 6.5 of the Ariba Sourcing Event.</p> <p>See solicitation modification #1 in previous section of this Addendum 2.</p>

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4.	Section 2.8 Proposal Contents	RFP p. 11, section 2.8 Proposal Contents lists items 2.8.a Title Page, 2.8.c Signed Addenda, 2.8.d Vendor's Proposal, and 2.8.j Response and Documentation. There are not specific line items in the Sourcing Tool portal for vendors to upload these items. Will the State consider adding specific sections in the Sourcing Tool portal for vendors to upload each of these items?	The State has assigned specific sections for vendors to submit the completed RFP attachments. Any additional required documents should be uploaded in section 6.1 labeled " <i>Return Solicitation Document</i> " within the Ariba Sourcing Event, unless specified otherwise.
5.	Sections 4.1 Pricing & 4.9 Cost Proposal	RFP Sections 4.1 Pricing and 4.9 Cost Proposal include no guidance on how the State will consider labor rate escalation over the period of performance of the STC. Will the State allow vendors to propose a process for labor rate escalation over the period of performance of the STC as part of their response to RFP Section 4.9?	Please refer to section 6.8 Contract Changes, for information regarding how to make changes over the life of the contract.
6.	Section 4.5 References	<p>RFP p. 13, Section 4.5 References states, "Vendor shall provide a list of at least five (5) contracts for which Vendor has performed services of a similar nature and scope, as identified in Section 5.2, within the last five (5) years."</p> <p>Are vendors to provide at least 5 contracts for each Section 5.2 type of service area that vendors are responding to (e.g., 5 contracts for Section 5.2.a, 5 contracts for Section 5.2.b, 5 contracts for Section 5.2.c, and so on) or provide a total of at least 5 contracts regardless of how many Section 5.2 services vendors are responding to?</p>	Vendors should provide a total of at least five (5) references within the last five (5) years for which Vendor has performed services of a similar nature and scope, as identified in Section 5.2.

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7.	Section 4.7 External Reviews and Regulatory Action	<p>RFP Section 4.7 External Reviews and Regulatory Action outlines a set of mandatory response and disclosure requirements. Subsection 4.7.a appears to specifically apply to vendors responding to the Compliance Audit (RFP Section 5.2.c), Financial Audit (5.2.g) and Accounting &amp; Financial Services (5.2.h) service categories. Further, Subsection 4.7.b seems to clarify that Subsection 4.7.a does not apply to vendors responding to service categories that do not cover services subject to the "American Institute of Certified Public Accountants external review requirements."</p> <p>Could that State confirm that it agrees with this interpretation and that Subsection 4.7.a only applies to vendors responding to service categories 5.2c, 5.2.g, and 5.2.h?</p>	<p>No, the type of services a Vendor responds to has no impact on this requirement. Section 4.7a applies to Vendors that are required by the American Institute of Certified Public Accountant or a State's governing body to have a peer review.</p>
8.	Sections 4.9 Cost Proposal and 5.2 Internal Audit Assurance...	<p>RFP Sections 4.9 and 5.2 as well as Exhibit 2 and Attachment A are inconsistent in their representation of service categories.</p> <p>Can the State confirm that Section 5.2 represents the authoritative list of service categories for vendors to respond to?</p>	<p>Yes, Section 5.2 represents the list of service categories to which Vendors should respond.</p>
9.	Section 4.9 Cost Proposal	<p>RFP p. 17, Section 4.9 Cost Proposal states, "For each service category, the Vendor shall provide the following:". Should this language state, "For each service category that the vendor is proposing for, the Vendor shall provide the following:"?</p>	<p>Vendors should refer to the previous sentence in section 4.9 for clarity, which states, <i>Vendors may provide rates for one (1) or more service categories but may not necessarily receive approval for all categories submitted.</i></p>
10.	Section 4.9 Cost Proposal	<p>RFP Section 4.9 Cost Proposal includes a paragraph allowing for the inclusion of additional labor categories under "d. Other professional staff...". The RFP apparently lists "d." as a subsection under the Data Analytics Services service category. However, the phrasing of the "Other professional staff" definition suggests that this might apply to other service categories as well, not just the Data Analytics Service category. Could that State confirm that vendors can propose additional labor categories, per the "Other professional staff" guidance, across all service categories?</p>	<p>Yes, "Other professional staff" may be applied across all service categories.</p>

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11.	Section 4.11 Personnel	RFP Section 4.11 Personnel appears to represent a proposal requirement. It is also an explicit evaluation factor under RFP Section 3.4. However, it is not included in RFP Section 2.8.d. Can the State confirm that vendors should include a response to RFP Section 4.11 in their respective proposal sections addressing RFP Section 2.8?	Vendors shall provide in their proposal the requirements requested in Section 4.11 Personnel.
12.		<p>RFP Sections 4.11, 5.4, and 5.5 all speak to personnel and staffing requirements, but don't clearly define which personnel the State would consider to be Key Personnel (who would be subject to the substitution rules under 4.11). In our estimation it would be appropriate for vendors to propose a State Term Contract Manager and Service Category Leaders as Key Personnel at this time, but to defer naming all other Key Personnel to the order level. All other personnel highlighted in the proposal response would be W-2 employees of the vendor but would not be explicitly labeled as 'Key Personnel'.</p> <p>Would this be acceptable to the State?</p>	<p>Yes, the State is agreeable to Key Personnel being defined for:</p> <ol style="list-style-type: none"> <li>1. Contract Manager</li> <li>2. Service Category Leaders (as defined in Section 4.9 of RFP.</li> </ol> <p>Enough staff qualifications should be provided to support each service category that are included in a Vendor's proposal.</p> <p>Key personnel are individuals that have the responsibility for ensuring milestones, deadlines and/or accomplishment of project objectives are achieved.</p> <p>See Modification Section 1, #2. See updated Exhibit 3 for RFQ Process.</p>
13.	Section 5.5 Technical Approach	<p>RFP Section 5.5 Technical Approach is a required proposal response section under Section 2.8 Proposal Contents, but it is not part of the evaluation criteria under Section 3.4.</p> <p>Since (1) the responses to RFP Sections 4.4, 4.5 (technical capabilities) and 4.11 (Personnel qualifications) should comprehensively cover the vendor's ability to meet potential future order requirements under this Term Contract and since</p> <p>(2) there is no specific task order scope included in this RFP that vendors could respond to with an 'approach', would the State consider removing the first two paragraphs from RFP Section 5.5? Paragraph 1: "Vendor's proposal shall..." (redundant with Sections 4.4 and 4.5); Paragraph 2: "Key Personnel qualifications..." (to be addressed in Section 5.4)</p>	<p>No.</p> <p><b>Response to (1)</b> - See Section 1, Modification #4 for updated Evaluation Criteria.</p> <p>See Section 1, Modification #2 for update to Section 4.11.</p> <p><b>Response to (2)</b> – Sections 5.4 and 5.5 are relative to the Scope of Section 5, in its entirety. Vendors should provide Approach and Project Staffing approach based on the provided Scope of Work in Sections 5.1 – 5.3.</p>
14.	Section 5.5 Technical Approach	For vendors proposing on service categories not commonly subject to the professional standards listed in RFP Section 5.5, would the government accept a brief narrative response outlining why the specific professional standard(a) does not apply to the vendor as a compliant response?	Yes. Vendors should provide a response to Sections 5.4 Project Staffing and 5.5 Technical Approach. for services that are commonly subject to the list of professional standards.

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15.	Section 1.3 Contract Term and Section 4.1 Pricing.	Since this new State Convenience Contract for services is for a 5-year period, how many instances will the State allow rates to be increased to match market fluctuations during the term of the contract?	The State is unable to provide a specific number of instances that would allow for rate increases during the contract. Vendors are advised to review section 6.8 Contract Changes to understand the State's policy on contract modifications throughout the duration of the agreement.
16.	RFP Section 2.4 RFP Schedule	<p><i>Submit Proposals section. Also referenced on Solicitation Addendum 1 with new due date for submission 8/29/23 at 2 pm.</i></p> <p>What is the purpose for this Teams meeting? What information will the State of North Carolina's Division of Purchase and Contract discuss or disclose during the meeting?</p>	The public bid opening is scheduled for August 29, 2023, at 2:00 PM. At the time of the bid opening, vendor's names and pricing that is not subject to negotiation or two-step opening shall be announced. This includes all timely bids received, including those that may later be deemed non-responsive.
17.	4.10 Additional Requirements	<p><u>4.10(a) Work Papers:</u> Would the State agree to language clarifying that this section is not intended to impact the ownership rights of our existing intellectual property or administrative records, or any intellectual property developed outside of the scope of our services?</p> <p><u>4.10(d) Records Retention:</u> Would the State agree to a modification to the records retention requirement to address typical issues associated with information stored electronically and for compliance with applicable professional standards?</p>	<p>This section is intended to impact work papers created within the scope of this agreement. This is not intended to impact the ownership of intellectual property developed outside the scope of the agreement. Administrative records applicable to the completion of audit services are included.</p> <p>The State intends to adhere to the records retention requirement as outlined in the policy set forth by the North Carolina Council of Internal Audition.</p>
18.	Att. C NC General Terms and Conditions	<p>2. Default and Termination: Will the State consider industry standard modifications for the services contemplated such as language disclaiming further responsibility for work product delivered which is designated as incomplete as of the date of termination and that the State's remedy against Vendor for any default shall be the return of any fees paid to Vendor for such nonconforming deliverables or services?</p> <p>Additionally, would the State accept additional language providing that the Vendor may terminate the Agreement upon written notice to the State, if the Vendor determines continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or Vendor's client acceptance or retention standards?</p>	The State reserves the right to negotiate this term of the contract prior to contract award.

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19.	Att. C NC General Terms and Conditions	13. Access to Persons and Records: Would the State accept language clarifying that these rights are limited solely to our time, billing and reimbursable expense records for services performed under the Agreement?	The State reserves the right to negotiate this term of the contract prior to contract award.
20.	Att. C NC General Terms and Conditions	16. General Indemnity: 16(a): Will the State consider industry standard modification to this provision to limit our obligations to claims brought by third parties that arise from the gross negligence or willful acts or omissions by Vendor during the performance of its services?  Additionally, would the State accept the addition of language providing that our total liability, except for our indemnification obligations, be limited to an amount equal to the fees we receive under the Agreement, and exclude indirect, consequential, exemplary or similar such damages?	The State reserves the right to negotiate this term of the contract prior to contract award.
21.	Att. C NC General Terms and Conditions	20. Care of State Data and Property: <u>Paragraph 2, Sentence 2</u> : Will the State consider adding the following language to the beginning of the second sentence in the second paragraph "Subject to the limitations of liability in the Agreement,..."?	The State reserves the right to negotiate this term of the contract prior to contract award.
22.	Att. C NC General Terms and Conditions	28. Federal Funds Provisions: <u>28(d)(2) and (3)</u> : Would the State accept our request to delete the liquidated damages provision, or substantive modifications to address failures to deliver which are outside of the Vendor's reasonable control?  <u>28(i) Access to Records</u> : Please see our Question in 13. <i>Access to Persons and Records</i> .  <u>28(k) Records Retention</u> : Please see our Question in 20. <i>Care of State Data and Property</i> .	The State reserves the right to negotiate this term of the contract prior to contract award.
23.	Section 4.3 HUB Participation	Do vendors need to meet 10% utilization of HUBs on this RFP? How does one become certified as WBE and Minority owned in North Carolina?	No. The 10% utilization applies to State agency's goal to spend at least 10% of their total expenditures with certified HUB vendors.  For information about becoming a certified HUB vendor, please visit: <a href="https://ncad-min.nc.gov/divisions/historically-underutilized-businesses-hub/certifications">https://ncad-min.nc.gov/divisions/historically-underutilized-businesses-hub/certifications</a>

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24.	Section 5.5 Technical Approach	Can you provide more clarity and detail on the requirements for Section 5.5 "Technical Approach"? If possible, can you provide an example?	<p>The proposal from the Vendor must describe their plan for completing the tasks specified in the Scope of Work section of this RFP, using narrative, outlines, and/or graphs. The proposal must include details about each task and deliverable, as well as a schedule for completing each one.</p> <p>The State is unable to provide an example.</p>
25.	5.0 Scope of Work (5.2.d)	Historically, how many audits and/or how many hours of the audit plan have been dedicated to Information Systems Audits for the in-scope agencies and campuses?	Last year for agency and universities information system audits completed were just under 20,000 hours. Not captured are 58 community colleges, 115 local education agencies and several regulatory boards that may use the new state term contract.
26.	5.0 Scope of Work (5.2.d)	<p>Are there any information systems audits that are required to be performed annually as a part of compliance/regulatory requirements?</p> <p>a) Are those annual audits performed for all in-scope agency and campus locations?</p> <p>b) Are there pre-defined state audit programs to execute or is the provider responsible for developing the scope and approach for each audit?</p>	Yes. There is only one(1) mandated information system audit requirement which is not within the scope of this RFP as identified in Section 5.2d.
27.	5.0 Scope of Work (5.2.d)	Has the state performed IT-specific risk assessments as part of this initiative? When were those last performed?	No IT-specific risk assessment was performed for this initiative.
28.	5.0 Scope of Work (5.2.d)	Is there a centralized IT department or IT Manager at the State that manages the scope and coordination of the IT audits?	The State has a centralized IT department however, that department has no responsibilities for overseeing or managing information system audits performed at state agencies or universities.
29.	5.0 Scope of Work (5.2.d)	<p>According to the NCOSA website, the Information Systems Audit reports are not public, but what entity (in addition to the entity being audited) receives the results of the Information Systems Audit Reports?</p> <p>a) Will the vendor present at NCOSA Board/Audit Committee meetings? Or prepare materials for such meetings?</p>	<p>There is no NCOSA Board or Audit Committee. NCOSA has no responsibility for the governance of work performed under this state term contract. The soliciting agency is responsible for receiving and disseminating the results of any work completed by a Vendor.</p> <p>There is a mandate that requires all executive branch internal audit functions to submit reports to the council of internal auditing; however, reports with confidential information must be redacted prior to submission.</p>
30.	5.0 Scope of Work (5.2.d)	Who determines the frequency of Information Systems Audits?	The soliciting agency requesting the audit.

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31.	5.0 Scope of Work (5.2.d)	Does the state have any requirements for in-person execution or can the audits be performed remotely with in-person visits, as appropriate?	The execution of the audits will be determined by the soliciting agency requesting the audit services and be specified in the Request for Quote (RFQ). Refer to Exhibit 3 of the RFP.
32.	5.2.f. Risk Assessment and Audit Plan Development	Historically, how many hours have been dedicated to risk assessment procedures at each agency/campus?	Last year just over 9,300 was spent on risk assessment. Not captured are 58 community colleges, 115 local education agencies and several regulatory boards that may use this state term contract.
33.	5.2.g. Financial Audit	Can you confirm an opinion on financial statements is not within the scope of this RFP?	Opinions on financial statements are not within the scope of this RFP.
34.	Section 5.0	Do any entities anticipate on-demand services as they arise or is there a pre-determined cadence and amount of consulting support already identified?	The State cannot predetermine the needs of the individual agencies; however, soliciting agencies are required to complete a Statement of Work (Exhibit 3) and submit the form to at least one (1) qualified vendor in the requested category.
35.	Section 5.0	Would you anticipate needing local, on-site support, remote assistance, or both?	The need for local, on-site support, or remote assistance will be determined by the soliciting agency and specified in the Request for Quote (RFQ). Refer to section 5.3 of the RFP
36.	Section 5.0	How long will we have to respond to Statement of Work that arises from any of the entities included in this proposal?	The timeline for responding to the Statement of Work will be determined by the soliciting agency and specified in the Request for Quote (RFQ); however, vendors will have a minimum of ten (10) days to respond. Refer to section 5.3 of the RFP.
37.	Section 5.0	There is some overlap in areas in regards to expertise, team, experience, etc. When responding, for sake of brevity, may we reference previous responses with appropriate name/number guidance or would you prefer a complete separate response?	Staff/personnel qualification/experience/education, is only needed once for each type of service included in the Vendors proposal, in response to Sections 5.4 and 5.5.
38.	Section 5.0	When the State has a project need, will it contact all of the firms on this contract (within the applicable category in the RFP) and provide them with an opportunity to submit a proposal? If no, what selection process will be used when project needs arise?	Soliciting agencies must fill out the Statement of Work form (refer to Exhibit 3) and submit it to a minimum of two (2) qualified vendors in the desired category. Refer to section 5.3 of the RFP.  See Section 1, Modification #3.
39.	Section 5.0	When the State has a project need, how much advanced notice is typically provided the consultant before the project needs to commence?	Soliciting agencies shall give vendor(s) a minimum of ten (10) days to respond. Refer to section 5.3.2 of the RFP.
40.	Section 5.0	How should we identify which areas we would like to considered for versus areas that are outside of our expertise?	Vendors shall indicate the service categories in which they wish to be considered by submitting base or upper rates for staff, supervisor, and executive hourly rate ranges for each on the pricing schedule (Attachment A). Refer to section 4.9 Cost Proposal.

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41.	Section 5.0	Can we propose on all or just certain portions of the work?	<p>State unable to determine details of this question.</p> <p>See Section 4.9 for details on how vendors should provide proposals for one (1) or more service categories.</p>
42.	Section 5.0	Do we need to include different personnel for each type of work and different references, fees, etc. for each type of work that they list in the RFP?	See Response for Questions 12 and 13 above.
43.	Section 5.0	In the RFP, they ask for expertise with Construction Audits but it is not specifically listed as one of the services...do they consider Construction Audit as a separate service?	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
44.	Section 5.0	Do they have an estimated number of hours of support identified for each component?	The State does not have an estimated number of hours for support identified for each component. Vendors should inquire this information of the soliciting agencies.
45.	Att. C NC General Terms and Conditions	How should the Offeror provide exceptions to the State's contractual terms and conditions for the State's consideration?	Please refer to section 2.7 Notice to Vendors Regarding RFP Terms and Conditions.
46.	Att. C NC General Terms and Conditions, Section 2	<p>In (a), would the State consider modifying the remedy for procurement of substitute services to provide that we may be found liable for such costs, since a party's damages should be based on the facts and circumstances and determined by dispute resolution processes?</p> <p>In (b), would the State consider providing a notice and cure period after which, if not cured, such termination for cause would be effective?</p> <p>Alternatively, if the State wishes to discuss specific language or better understand the concerns, would the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP?</p>	The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.

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47.	Att. C NC General Terms and Conditions, Section 15	<p>Would the State consider the clarifying modifications outlined below to align the insurance requirements with our industry-standard coverage? Alternatively, if the State wishes to discuss specific language, would the State please confirm that it is electing to leave open this section for later negotiation and amendment of this specific provision of the Contract as per Section 2.3 of the RFP?</p> <p>2(ii)./3(ii). Commercial General Liability – General Liability Coverage on a Comprehensive Commercial Broad Form...</p> <p>2(iii). Automobile – The minimum combined single limit shall be \$250,000.00 bodily injury and property damage combined. <del>\$250,000.00 uninsured/under insured motorist; and \$2,500.00 medical payment.</del></p> <p>3(iii). Automobile – The minimum combined single limit shall be \$500,000.00 bodily injury and property damage combined. <del>\$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment.</del></p>	<p>The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.</p>

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48.	Att. C NC General Terms and Conditions, Section 16	<p>Can the indemnity be modified to be for third party claims for bodily injury, including death, or damages to real or tangible personal property to the extent directly and proximately caused by Contractor's negligence or intentional misconduct in its performance of the services? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP?</p> <p>"The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from (i) liability of any kind, including all claims and losses, in each case accruing or resulting to any other person, firm, or corporation furnishing or supplying work, Services, materials, or supplies in connection with the performance of the Contract as a subcontractor or vendor of Vendor, and also from (ii) any and all claims and losses accruing or resulting to any person, firm, or corporation that may suffer personal be injured or whose/which real or tangible property is damaged by the Vendor in the performance of the Contract, in each of cases (i) and (ii) that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims."</p>	<p>The State is willing to negotiate any NC general terms and conditions if the Vendor's includes the modifications in their proposal as stated in Section 2.3.</p>
49.	Att. C NC General Terms and Conditions, Section 20	<p>Would the State agree to clarify that the Vendor is responsible for the loss or damage to the State's real or tangible property and, as to Data, the cost to restore the State's most recent backup? Alternatively, if the State wishes to discuss specific language, would the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a potential amendment of this specific provision of the Contract as per Section 2.3 of the RFP?</p>	<p>The State reserves the right to negotiate this term of the contract prior to contract award.</p>

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50.	Att. C NC General Terms and Conditions	<p>Prior to contract execution, would the State be willing to negotiate a mutual, aggregate limitation of liability for each party (other than for damages arising from a party's recklessness or intentional misconduct and any other damages for which a limit is specifically not allowed by State law)? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a limitation of liability as per Section 2.3 of the RFP?</p> <p>"Each party shall not be liable to the other party for any claims, liabilities, or expenses relating to or in connection with this Contract or any statement of work ("Claims") for an aggregate amount in excess of the fees paid by the State to Vendor under such statement of work, except to the extent resulting from their recklessness, bad faith or intentional misconduct."</p>	The State reserves the right to negotiate this term of the contract prior to contract award.
51.	Att. C NC General Terms and Conditions, Section	<p>New Section – Disclaimer of Damages            Would the State be willing to include a mutual disclaimer of consequential and punitive damages in the resulting Contract? We would propose the use of the following example. However, in the event the State does not agree with our example, we ask that the State please confirm that it is open to the possibility of later discussions and negotiation which may result in a disclaimer of consequential and punitive damages as per Section 2.3 of the RFP?</p> <p>"In no event shall a party be liable to the other party for any consequential or punitive loss, damage, or expense, relating to or in connection with this Contract or any statement of work."</p>	The State reserves the right to negotiate this term of the contract prior to contract award.
52.	Section 4.9 Cost Proposal	Should this read: The rate that the Vendor will provide an staff accountant with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.	The proposed rate provided by a Vendor will be the maximum rate that can be charged. The lower rate of for less experienced staff and the upper rate is for more experienced staff. The rate proposed will be the ceiling and vendor will not be able to charge soliciting agency high rates.

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53.	Section 2.8 Proposal Contents/ Section 3.4 Evaluation Criteria	The proposal contents listed in section 2.8 require a response to RFP 5.4 (Project Staffing), but not to RFP 4.11 (Personnel). However, the evaluation factors in Section 3.4 state that personnel (RFP 4.11) will be evaluated and are silent on whether and how RFP 5.4 will be evaluated. Please clarify whether vendors should respond to 4.11 and/or 5.4 and how each will be evaluated.	See Response for Questions 12 and 13 above.
54.	Att. A Pricing Form	Would the State please consider allowing bidders to include additional Labor Categories, outside of base rate and upper rate for an auditor, audit supervisor and audit executive? Additional labor categories, particularly in between the base and upper rates, will provide the State with more flexibility in execution to tailor the qualifications of their teams to the specific SOW requirement.	Yes. See Section 1, Modification #5 (Attachment A: Cost Proposal Form), updated to reflect optional additional labor categories.  Other professional staff – At their discretion, responding firms may include hourly rates for additional professional staff experienced in respective categories.
55.	Section 2.8 Proposal Contents	Please clarify where in the Sourcing Tool (Ariba) we should upload our response to Section 2.8 Proposal Contents, letter d ((d) Vendor's Proposal addressing all Specifications of this RFP: 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.4, 5.5, 6.1). We did not see a location specified in the tool.	The State has assigned specific sections for vendors to submit the completed RFP attachments. Any additional required documents should be uploaded in section 6.1 labeled "Return Solicitation Document" within the Ariba Sourcing Event, unless specified otherwise.
56.	ATT. G: CERTIFICATION OF FINANCIAL CONDITION	Should attachment G be added to the Evaluation Criteria table on page 12 and evaluated as pass/fail?	Although Attachment G is not part of the evaluation criteria, it is still required to be submitted along with the vendor's response to determine their level of responsiveness.
57.	Section 2.8 Proposal Contents	Would the State please provide Attachment E? It was not included with the Solicitation documents.	Attachment E Reference form has been added to section 6.3 of the sourcing event.
58.	Section 5.5 Technical Approach	Section 5.5. Technical Approach asks for "Key Personnel Qualifications - Education/Background, experience." This appears to be duplicative of what is required in sections 4.11 and 5.4. Would the State please clarify what is required for Key Personnel in section 5.5 and how it differs from section 4.11 and 5.4? Alternative, please state that the bidder can simply reference sections 4.11 and 5.4 in its response to section 5.5.	See responses for Questions 12 and 13 above.

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59.	Section 4.9 Cost Proposal	<p>Please clarify how the 4 Services included in 4.9 Cost Proposal (Assurance Services, Accounting Services, Managerial Advisory Services, Data Analytics Services) relate to the 9 Service Categories included in Section 5.2 ((a) Operational Performance Audits...(i) Managerial Audit Services).</p> <p>Please also clarify how the 4 Services included in 4.9 Cost Proposal should be used in completion of Attachment A. Pricing Form.</p>	<p>Section 4.9 Assurance Services equates to the following service identified in Section 5.2:</p> <ol style="list-style-type: none"> <li>1) operational/performance audits</li> <li>2) investigation audits</li> <li>3) compliance audits</li> <li>4) information system audits</li> <li>5) financial audits</li> <li>6) risk assessments and Audit Plan Development</li> </ol> <p>Section 4.9 Accounting Services equates to Section 5.2 Accounting and Financial Services.</p> <p>Section 4.9 Managerial Advisory Services equates to Section 5.2 Managerial Advisory Services</p> <p>Section 4.9 Data Analytics Service equates to Section 5.2 Data Analytics/Continuous Monitoring</p>
60.	General	My company is not based out of North Carolina and we plan on submitting a response to this RFP. I wanted to confirm if my firm can respond to this RFP as an out of state company?	Any vendor may submit a proposal for this solicitation.
61.	Section 5.2 References	I am reviewing your Excel spreadsheet and do not see attachment E? Alternatively, I can submit my own form with at least 5 references. I just want to make sure I am following the directions.	Attachment E Reference form has been added to section 6.3 of the sourcing event.
62.	Section 3.8 Proposal Contents	Item g, Attachment E: Customer Reference Form states that vendors are to include a, 'completed and signed version of Attachment E: Customer Reference Form.' There is not an Attachment E form issued. Can North Carolina Division of Purchase and Contract issue Attachment E: Customer Reference Form?	Attachment E Reference form has been added to section 6.3 of the sourcing event.
63.	Section 2.4 RFP Schedule	<p>RFP Schedule lists August 22, 2023 @ 2:00pm ET as due date and time for vendors to submit proposals. The Ariba Sourcing portal lists August 21, 2023 @ 2:00pm ET as due date and time for vendors to submit proposals.</p> <p>Can North Carolina Division of Purchase and Contract confirm the day and time responses for this opportunity are due by?</p>	The bid opening date was revised in Addendum #1. The bid opening is now scheduled for September 1, 2023 @ 2:00 PM. Any further modifications to the RFP schedule will be posted via an addendum posted in the Ariba Sourcing Tool.
64.	Att. A Pricing Form	The event indicates that the Pricing Form should be an Excel file, but it's a pdf. Should we provide the table from the pdf in an Excel file?	The Pricing form provided in the sourcing event is a PDF document.

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65.	Att. A Pricing Form	Will NCDOA allow Vendors to submit additional roles (e.g., for Subject Matter Experts) and associated rates outside of the four roles (Staff Base/Upper Rate, Supervisor, Executive) listed within the pricing form?	At the end of Section 4.9 – “Other professional staff” can be added to any of the service categories.
66.	Att. C General Terms & Conditions	Can Vendors utilize offshore resources to support the scope of work listed in the solicitation?	It is possible depending on the specific set of circumstances in which offshore resources are being utilized.
67.	Exhibit 2: Example Auditor's Professional Qualifications	<p>Within Exhibit 2: Example of Auditor's Professional Qualifications, most Base Rate qualifications require 2 or 3 years of experience within the service category.</p> <p>Are Vendors allowed to use resources that don't meet the minimum years of experience even if there is proper oversight of an individuals performance and quality of work?</p>	Exhibit 2 are examples and not requirements. The expectation for rates are that less experience staff would garner a lower hourly rate and more experience staff would have a higher hourly rate.
68.	Page 21, para 5.2g. Financial Audit	Please clarify the narrative found in this section pertaining to Financial Audits. The summary statement opening this section reads "Independent financial statement audits to attest to the fairness and accuracy of financial statements are not within the scope of this RFP." However the text that follows appears to clearly define audit services as they are defined in relevant professional guidance. Please advise as to what services are envisioned by DOA under this category.	<p>Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly.</p> <p>Opining on the fairness of the financial statement for an agency is not part of this RFP.</p>
69.	Exhibit 2: Example Auditor's Professional Qualifications	Please reconcile the service category for Construction Audits found on page 27, Exhibit 2, last row with the pages 19-22 - scope of work section. This category does not appear to be included in the RFP's scope section, please advise.	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
70.	Section 4.10 Work Papers	Please confirm that bidders will be permitted to retain copies of work papers in order to comply with applicable professional standards (e.g. AICPA)	<p>Per section 4.10a, Vendors shall not retain copies of any work papers unless the Vendor is required to comply with quality assurance review auditing standards and when the soliciting agencies agrees, in writing, to waive this requirement.</p> <p>Vendors required by the AICPA or a State governing body to maintain workpaper for external quality assurance review purpose will be allowed to retain copies but may not use any state data obtain during the scope of work, for any other purposes.</p>

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71.	Section 4.10 (c) Confidentiality and North Carolina General Terms and Conditions	Would the State please consider the negotiation of limited data disclosure to third party vendors who perform various administrative and clerical functions for the Firm?	The State reserves the right to negotiate this term of the contract prior to contract award.
72.	North Carolina General Terms and Conditions	Would the State consider the negotiation of a Limitation of Liability provision?	The State reserves the right to negotiate this term of the contract prior to contract award.
73.	Section 4.10 (Work Papers) and North Carolina General Terms and Conditions	Would the State please consider the negotiation of a mutually agreeable IP Ownership provision as it relates to any resulting contract? We would seek to protect our organization's intellectual property and allow for residual knowledge rights related to our services.	The State reserves the right to negotiate this term of the contract prior to contract award.
74.	North Carolina General Terms and Conditions	Would the State please consider the negotiation of a reasonable opportunity to cure for any material deficiencies which results in the Vendor's breach of contract?	The State reserves the right to negotiate this term of the contract prior to contract award.
75.	North Carolina General Terms and Conditions	Would the State please consider the negotiation of limited changes to the general indemnity provision which holds the Vendor responsible for third party claims related to death, bodily injury, or damage to tangible property?	The State reserves the right to negotiate this term of the contract prior to contract award.
76.	Section 5.2g Financial Audits	<p>We understand that independent financial statement audits attesting to the fairness and accuracy of financial statements are not within the scope of this RFP. However, this service category requests "verification of the financial statements, or a component of the financial statement, of a legal entity with a view to express an audit opinion. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly."</p> <p>Can you please provide further distinction between "independent financial statement audits" and "financial audits" related to the scope of services being requested? Or confirm if these services are all out of scope for this contract?</p>	<p>Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly.</p> <p>Opining on the fairness of the financial statement for an agency is not part of this RFP.</p>

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77.	Section 2.3 & North Carolina General Terms and Conditions	13. ACCESS TO PERSONS AND RECORDS - we request the following change: "...the State Auditor and any Purchasing Agency's internal auditors shall have access to persons and records related to the Contract to verify accounts and data affecting fees or performance under the Contract, as provided in G.S. 143-49(9), upon reasonable advance written request."	The State reserves the right to negotiate this term of the contract prior to contract award.
78.	Section 2.3 & North Carolina General Terms and Conditions	6. GENERAL INDEMNITY - we request replacing Paragraph A with the following: "Provided that the Vendor is notified in writing within 30 days of the date that the State has knowledge of applicable claim, Vendor agrees to indemnify, defend and hold harmless the State (including, without limitation, its officers, directors, shareholders, employees, agents, successors, and assigns) from and against any and all claims, debts, liabilities, damages, demands, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs), actions and causes of action arising from (a) the breach of any of the terms of the contract by Vendor or any party acting by or through Vendor (including, without limitation, any of its representatives); (b) the violation of any applicable law or regulations; or (c) a claim asserted by any third-party based on the negligence of the Vendor in the performance of the contract. This paragraph shall survive the termination of the contract including any renewal or extension thereof; provided, however, that the maximum aggregate liability of Vendor with respect to the indemnification obligations of this Contract shall not exceed the sum of ten million dollars (\$10,000,000.00)."	The State reserves the right to negotiate this term of the contract prior to contract award.
79.	Section 2.3 & North Carolina General Terms and Conditions	20. CARE OF STATE DATA AND PROPERTY - we request the following change: "The Vendor shall notify the State of any security breaches within 24 48 hours..."	The State reserves the right to negotiate this term of the contract prior to contract award.

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80.	Section 2.3 & North Carolina General Terms and Conditions	28. FEDERAL FUNDS PROVISIONS, i) Access to Records, paragraph 1 - we request the following change: "Upon reasonable advance, written notice, The Vendor agrees to provide the Purchasing Agency, the Administrator of the federal agency providing funds hereunder, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Vendor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions."	The State reserves the right to negotiate this term of the contract prior to contract award.
81.	Section 4.10 Additional Requirements	d. Records Retention - we request the following change: "Record retention requirements shall be consistent with any pertinent regulatory or other requirements and records shall be maintained for a minimum of <del>ten</del> eight years.:"	The State reserves the right to negotiate this term of the contract prior to contract award.
82.	Section 4.3 HUB Participation	Can the goal of 10% utilization be achieved with an MBE, WBE or Veteran firm?	The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service <b>or</b> strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the State's goal of meeting the 10%.
83.	Section 4.9 Cost Proposal	Is the State seeking one rate for each professional level, to remain applicable for the duration of the five-year contract, or should bidders provide rates by level with applicable increases for each year?	Vendors must provide their best current hourly rates. Changes to the contract during its duration must be agreed upon by both the State and the Vendor and documented through written contract amendments.
84.	Section 5.1 General	Will the vendor be required to follow up on reported findings and recommendations?	The Vendor will only be required to conduct follow up work, if the soliciting agency requesting a quote includes follow up to recommendations in a scope of work.
85.	Attachment F, Location of Workers Utilized by Vendor	Attachment F indicates the State will evaluate the use of potential resources out of the U.S. Are you able to confirm whether the use of offshore resources will be allowed for this work?  What percentage of the work can be estimated as needing to be done on-site at a State location vs performed remotely? I'm sure the nature of each audit will dictate that, but if there are no specific reasons (onsite physical observation of a data center for example) why on-site work would need to be performed is remote work acceptable?	Per Attachment F, The State will evaluate the additional risks, costs, and other factors associated with the utilization of workers outside of the United States prior to making an award.  The State cannot estimate the proportion of on-site work versus remote work that is needed. The decision on whether remote work is acceptable shall be mutually agreed upon by the soliciting agency and the contracting vendor. Please refer to Exhibit 3 for more information.

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86.	General Solicitation	Do you envision any of this work being performed as staff augmentation where the State will supervise the vendor's resources, or would all resources needed to perform work be supervised by the vendor's management and leadership team?	No. The purpose of this solicitation does not include scope for staff augmentation.
87.	Section 4.8 Financial Statements	<p>Related to the disclosure of financial statements, we are a privately held limited liability partnership and do not routinely disclose firm financial information like most large CPA firms. The RFP indicates financials are worth 200 points.</p> <p>Is it acceptable to provide you our insurance for liability claims and our bank contact information if you feel the need to discuss our firm's financial stability? This approach was acceptable the last time we bid on this same contract and want to ensure we do not lose points under this method as our firm is financially stable.</p>	Yes. Section 4.8(b)(1) requires the vendor to provide "...such other evidence that is accurate, reliable and trustworthy regarding the Vendor's financial stability."
88.	Att. A Pricing Form	If offshore resources are allowed to be used per the above question (#88), how would you like us to document those rates since there is no specific place for "Other" rates on the form and those rates would be lower than our staff base rate listed on the form?	<p>Section 4.9 last paragraph can be applied to any service category and states:            Other professional staff – At their discretion, responding firms may include hourly rates for additional professional advisory staff experienced in organizational operations, business administration, economic or revenue analysis and related managerial advisory tasks and functions.</p> <p>A vendor should list Off-shore staff and the applicable rates.</p>
89.	Section 4.10a Additional Requirements	If the State requires us to draft audit reports for internal audit work, would those reports be on our firm's letterhead or State of NC letterhead for the respective agency or university the report pertains to?	Audit reports should be on the firm's letterhead.
90.	Section 4.3 HUB Participation	<p>The RFP seems to indicate 10% is the goal for the usage of minority, women, and disabled businesses (historically underutilized businesses per the form).</p> <p>Can you confirm that is the goal of this RFP such that if my firm is not considered one of these types of organization that we should plan on subcontracting 10% of this work to firm that is classified as one of these types of organizations?</p>	<p>The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service <b>or</b> strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the <b>State's</b> goal of meeting the 10%.</p> <p>For information about becoming a certified HUB vendor, please visit: <a href="https://ncad-min.nc.gov/divisions/historically-underutilized-businesses-hub/certifications">https://ncad-min.nc.gov/divisions/historically-underutilized-businesses-hub/certifications</a></p>

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91.	Section 4.11 Personnel /5.0 Scope of Work	<p>Many of our Internal Audit consultants can also do Managerial Advisory work since there is some overlap and crossover.</p> <p>Can you confirm it is acceptable to leverage some of the same individuals in multiple scope areas such as these provided those individuals possess the required skills?</p>	Yes, this is acceptable.
92.	Section 5.0 Scope of Work	<p>The RFP discusses Compliance audits and Financial Statement audits and seems to indicate that the vendor may be asked to perform these.</p> <p>Can you confirm contractual compliance (for example), but a formal opinion won't be required as an attest financial statement audit would these won't be considered attest audits, such that the vendor may test financial controls or controls related to?</p>	<p>Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly.</p> <p>Opining on the fairness of the financial statement for an agency is not part of this RFP.</p>
93.	Section 2.8 Proposal Contents	Indicates we need to complete Attachment E – Customer Reference Form, but this did not seem to be on the portal to download. As discussed in the pre-proposal conference, can you add to the portal?	Attachment E Reference form has been added to section 6.3 of the sourcing event.
94.	Section 5.5 Technical Response	<p>Section 5.5 says we should provide a “description of each task and deliverable and the schedule for accomplishing each”.</p> <p>How would you like us to document this when no specific scope of work has been identified? Should we just provide a general description of how we typically perform an internal audit, forensic investigation, etc. for each in scope area?</p>	Vendors are required to provide their organization and approach to accomplishing Sections 5.1 – 5.3, as the Scope of Work for conducting described type of audits, using their current business practices.
95.	Att. A Pricing Form	<p>The rates listed are staff base rate, staff upper rate, supervisor, and executive.</p> <p>Can you confirm a staff upper rate would be similar to senior internal auditor and a supervisor would be similar to an internal audit manager role?</p> <p>Also, our firm, like many others, has a senior manager role. Can we document in the supervisor column on the form both a base rate for the manager role and an upper rate for a senior manager?</p>	<p>Do not deviate from the requirement in Att. A Pricing form. The prices provided are a ceiling rate. When a Vendor is responding to a request for quote from a soliciting agency, the rates provided in the quote may be lower but cannot be higher than the amounts provided in the Vendor's proposal.</p> <p>The Cost Proposal form has been updated to allow for additional position categories.</p>

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96.	Section 5.0 Scope of Work/Exhibit 2	<p>Construction audit shows in Exhibit 2 and the Pricing Form but is previously not mentioned as a requested service in Section 5 of the RFP.</p> <p>Can you clarify if this is in scope of this RFP and if we need to provide rates and technical experience in this area?</p>	<p>Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9</p>
97.	General Solicitation	<p>Does the Department of Information Technology in North Carolina provide the centralized governance standards that all other agencies in the state need to follow with regards to IT security, IT compliance, IT Systems Development and Acquisition, Baseline Configurations for Server Operating Systems and Databases, Identifying and Classifying their sensitive IT Systems and the frequency in which they are audited, etc.?</p>	<p>Yes.</p>
98.	General Solicitation	<p>Does North Carolina IT follow a particular governance standard for Information Technology and Information Security (e.g., NIST, ISO27001, other)?</p>	<p>You can view NC DIT Security, Privacy &amp; Data Protection Policies &amp; Forms here:  <a href="#">State IT Policies   NCDIT</a></p>
99.	General Solicitation	<p>Does North Carolina have IT Security governance standards in place that each state agency using Third Party vendor hosted or cloud-based systems must follow?</p>	<p>Yes. There are specific requirements and approvals needed for storing States data in cloud-based third party hosting sites. You can view NC DIT Security, Privacy &amp; Data Protection Policies &amp; Forms here:  <a href="#">State IT Policies   NCDIT</a></p>
100.	General Solicitation	<p>Does each North Carolina state agency support their own internal Infrastructure, or does the Department of Information Technology provide Managed Services IT support to state agencies?</p>	<p>It varies by agency but many cabinet agencies are supported by the Department of Information Technology (DIT) while most Council of State agencies are not supported by DIT and maintain their own infrastructure.</p>
101.	SECTION 5.G.2 Financial Audits	<p>Will the State provide more detail about the types of financial audits requested? Are previous audit results publicly available?</p>	<p>Financial audits can range from verifying information in program report is complete and accurate to verifying financial controls are working properly.</p> <p>Opining on the fairness of the financial statement for an agency is not part of this RFP.</p> <p>An agency's internal audit reports are subject to public records request.</p>

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102.	SECTION 2.8.B Proposal Contents	Can vendors provide proposal responses on their own letterhead and include the execution pages from the RFP, or must all responses be drafted and submitted within the RFP document?	<p>All responses must include all execution pages, along with the body of the RFP (with response to all questions answered), along with any addenda and attachments required to be returned.</p> <p>Additionally, (See Section 2.8.d) vendors shall provide response to all free form response addressing required response on their own letterhead.</p> <p>All information should be uploaded to the Sourcing Tool. Failure to provide all required items or submitting incomplete items may result in the State rejecting their proposal.</p>
103.	SECTION 5.0	Construction audit is listed in Exhibit 2 and Attachment A, but not in 5.0 Scope of Work. Can the State confirm if Construction Audit services are in-scope for this contract?	Construction audits are not a service category but will follow under compliance audits in Section 5.2 and Assurance audits in Section 4.9
104.	SECTION 4.3	Can the State confirm that the 10% HUB utilization is not required for this proposal response but rather for future responses to Request for Quotes under this contract?	<p>The vendor is not required to meet the goal of 10%, but documenting the vendors status of small, minority, physically handicapped, and women contractors in purchasing Goods and Service <b>or</b> strategic plan, should be provided in the Attachment, to allow the State to pursue efforts for the State's goal of meeting the 10%. For information about becoming a certified HUB vendor, please visit: <a href="https://ncadmin.nc.gov/divisions/historically-underutilized-businesses-hub/certifications">https://ncadmin.nc.gov/divisions/historically-underutilized-businesses-hub/certifications</a></p>
105.	SECTION 4.11	<p>Can the State confirm which labor categories it is evaluating in 3.4 Evaluation Criteria: Personnel (4.11)? Is the State evaluating the following labor categories per service category, as the Attachment A: Pricing Form suggests?</p> <ul style="list-style-type: none"> <li>a. Lower staff</li> <li>b. Upper staff</li> <li>c. Supervisor</li> <li>d. Executive</li> </ul>	<p>Pricing categories are not being evaluated for staff qualifications.</p> <p>For each service category in Section 5.2 that is included in a Vendor's proposal, the Vendor is responsible for providing information on staff qualifications that supports the ability to perform the specific service. Vendors may provide resumes for executives, supervisors (manager), or staff.</p>
106.	SECTION 5.2.f	Can the State provide information about how many auditable areas are there and expectation of time to complete each audit?	<p>The number of auditable areas is unknown. There are 38 State agencies and universities, 58 community colleges, 115 local education agencies and several regulatory boards that may use this state term contract.</p> <p>The time to complete each audit should be specified by the soliciting agency in the Request for Quotes/Scope Statement. Refer to Exhibit 3.</p>

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107.	SECTION 5.2.f	Does the State have personnel on staff to carry out some of the activities listed?	Soliciting agency requesting risk assessment and audit plan development may or may not have staff to carry out some of these activities. This would be indicated in the soliciting agency's Request for Quotes/Scope Statement.
108.	Section 4.5 References	Can the 5 projects be ongoing or do they have to be completed?	The projects may be ongoing.
109.	Section 4.4 a), Vendor Experience	May we provide a list of similar projects with client names and project titles, or does the State require short descriptions of each project as well? We will be submitting detailed project descriptions in our reference response.	Section 4.4 requires that Vendor demonstrate their experience with public and/or private sector clients with similar or greater size and complexity to the State. Vendor shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel that were assigned to similar projects. This information is different from what is requested in section 4.5.
110.	Section 4.7 a), External Reviews and Regulatory Action	Can we provide just the review letter and comments, not the whole report?	The Vendor must provide the opinion received and all deficiencies identified.
111.	Section 5.4, Project Staffing	May we provide a table with the names of consultants who may provide services, with columns indicating which service categories they would provide services for?	Yes. However, vendors must also provide information as to the qualifications and experience of audit, accounting, data analytics and managerial advisory personnel to be assigned to each of the service categories for which the Vendor submits a proposal.
112.	Section 5.5 Technical Approach	Does the state want a draft, detailed workplan for each service category, or would a more general description of our approach to each category be sufficient?	Vendors are required to provide their organization and approach to accomplishing Sections 5.1 – 5.3, as the Scope of Work for conducting described type of audits, using their current business practices. Vendors should provide a general description of the approach taken to complete each service category.
113.	Section 5.5 Technical Approach	What Key Personnel qualifications should be included in this part of our proposal? Is the State looking for principal, senior auditor, and project manager level qualifications?	Key personnel are individuals that have the responsibility for ensure milestones, deadlines and/or accomplishment of project objectives are achieved.
114.	General Solicitation	Due to technical issues with the eVP and Ariba systems, we were not able to access the Ariba event with the attachments and additional instructions until 7/31. Would the State consider extending the proposal due date to August 29th?	The proposal due date and bid opening has been changed to September 1, 2023.
115.	Exhibit 2	For the Qualifications listed in Exhibit 2, do these apply to all personnel working on the project or can they apply to only some?	These are examples that may relate to some personnel.
116.	Section 5.2e, Data Analytics /Continuous Monitoring	Are the firms providing Data Analytics services required to have audit experience?	No, firms providing data analytic skills are not required to have audit experience.

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Question #	Document Section	Vendor Question	State's Response
117.	General Solicitation	Will the State favor vendors that can provide all of the service categories?	All qualified proposals will be assessed by the State according to the evaluation criteria and requirements stated in the RFP. The State will award based on what is deemed most advantageous for the State.
118.	Section 4.6 Legal Right to Practice in NC	Could the State kindly provide clarification on the requirements specified under Section 4.6? Specifically, we seek clarification on whether vendors are obligated to furnish one of the mentioned points or if vendors are required to provide all of them.	The Vendor must demonstrate it is legally authorized to practice in North Carolina. One item on the list would validate this legal right.
119.	Exhibit 3	Under section 11 COST (AND PROJECT HOURS), could the State please clarify how they want vendors to address column "Number of Staff"?	. Exhibit 3 will only be completed once a soliciting agency request a quote for services. The number of staff would be the full-time equivalent. Example: Vendor provides one full-time and one-part time staff to work on the projects continually, staff = 1.5
120.	Exhibit 3	Under section 11 COST (AND PROJECT HOURS), could the State please clarify if vendors have to provide the number of resources, they are proposing in column "Number of Staff"?	Additional clarification should be inquired of the soliciting agency.
121.	Section 5.4 Project Staffing	Could the State please clarify if they must provide actual or sample resumes? If actual resumes are required, can we replace these resources at the task order level if they are not available?	Vendors must show how staff qualification and if these staff leave the Vendor's employment or do not have capacity, staff of similar years and experience may take their place.
122.	Section 4.9 Data Analytics Service	Data Analytics Service, it says, "Other Professional Staff" Could the State please clarify what information or positions the State wants vendors to provide?	Section 4.9 last paragraph can be applied to any service category not just Data Analytics.  The State is providing Vendors the opportunity to provide additional staff to the approved list. These would be subject matter experts such as economic or revenue analysis for data analytics or an organizational behavioral specialist for operational/performance audits.
123.	Section 4.9 Data Analytics Service	Data Analytics Service, it says "Other Professional Staff" could the State please clarify if vendors can provide any Data position under this category?	Section 4.9 last paragraph can be applied to any service category not just Data Analytics.  The State is providing Vendors the opportunity to provide additional staff to the approved list. These would be subject matter experts such as economic or revenue analysis for data analytics or an organizational behavioral specialist for operational/performance audits
124.	Section 4.8 Financial Statement	Could the State please clarify if vendors only have to provide one of these points, not all?	Yes, just one of the points.

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125.	Section 4.7 External Reviews and Regulatory Action	Could the State please clarify if vendors who can provide point b but not point a are still eligible to bid on this solicitation?	Only vendors required by the AICPA are required to meet 4.7a. Vendors not required to obtain a peer review must 4.7b and fully describe the system of quality controls.
126.	Section 5.2 d Information Systems Audits	Could the State please clarify if they are looking for vendors to provide IT Staff Augmentation services to recruit the positions once the contract is awarded, or is the State looking for a vendor who has In-house personnel to fill the positions required?	Soliciting agency will drive the types of services needed. Agencies may solicit for a turn-key IT audit where the Vendor is responsible for planning, testing and report writing.
127.	Section 5.2 d Information Systems Audits	Could the State please clarify if this solicitation is for IT Staff Augmentation services or deliverable-based project services?	Deliverable based project services only.
128.	Section 4.3 HUB Participation	Could the State please confirm if it is mandatory to use a HUB subcontractor to bid on this solicitation?	It is not mandatory to use a HUB subcontractor.
129.	Section 4.5 References	Could the State please confirm if vendors can provide ongoing contracts as references?	Vendors may provide references for on-going contracts.
130.	General Solicitation	Could the State please confirm if this a new contract? If not, could the State please share the incumbent names?	The State is seeking to establish a new Statewide Term Contract (STC). Information regarding vendors on the current STC can be found <a href="#">here</a> .
131.	Section 4.9 Cost Proposal	For the upper rate information systems auditor, can equivalent experience (such as 8 years) be substituted for a Master's degree?	Section 4.9 for assurance audits upper rate states: The maximum rate that the Vendor will provide an auditor with expert qualifications that demonstrated success. Upper Rates as quoted in this RFP will preclude any Vendor from offering a rate for an auditor higher than the established upper rate in response to a soliciting agency's request for services.  Exhibit 2 provides examples only.

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Check **ONLY ONE** of the following options and return one properly executed copy of this Addendum prior to the Solicitation opening time and date.

- A response was submitted prior to this Addendum. An updated response has been submitted to address the changes resulting from this Addendum.
- A response was submitted prior to this Addendum. **NO CHANGES have resulted** from this Addendum.
- A response was **not** submitted prior to this Addendum. **ANY CHANGES resulting** from this Addendum are included in our response.

**ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME**

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Authorized Signature

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Date

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Printed Name

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Title