

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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<http://www.kslegislature.org/klrd>

August 28, 2015

The following information is a listing of all of the questions followed by the answers that have been requested.

1. What is the expected timing for contract award?

The contract is expected to be recommended at a Legislative Budget Committee tentatively scheduled on September 17 or 18.

2. Is there a limit to the number of professional references?

No, there is not a limit on the number of professional references.

3. Are there page limits for the proposal sections and sub-sections?

No, there is not a limit on the number of pages. Proposals are expected to be concise, but long enough to adequately explain the proposal.

4. Has Kansas identified peer states already for benchmarking purposes and if so, what states are considered peers?

Various state agencies have identified state programs as peers, but the state as a whole does not use another State as a peer for benchmarking purposes.

5. Has the State identified any priority policy areas that it views as critical to future operational efficiency and/or strategic objectives?

The State has major categories of expenditures that include K-12 education, higher education, and social services. This RFP does include all non-Judicial and Legislative expenditures and we are interested in finding efficiencies where they are available.

6. We are committed to helping the State identify potential areas of improvement. Has the State or any individual agencies completed any studies of a similar nature in recent years, and, if so, would the State consider making these studies available to prospective bidders?

The Division of Legislative Post Audit is the Legislature's agency that conducts efficiency and performance audits. Those audits are located at <http://www.kslpa.org/>.

7. Can the state clarify what is meant in Section 2.9 Cost Proposal where the RFP states, "The cost proposal shall include a position for a liaison to be appointed by the LBC pursuant to Section 4.16. Does the state intend for the bidder to fund the liaison position?"

Yes, it is the intent of the State for the bidder to fund the liaison position for the duration of the contract.

8. Please confirm that the official due date and time for the proposal is September 11th, 2015 at 5pm CST.

Yes, this is the correct time and date for the proposal to be submitted.

9. In what format will the state provide the budget data?

The State will provide the approved budget data in an excel spreadsheet. Additional information will be in available PDF format at the Kansas Legislative Research Department website at http://www.kslegresearch.org/KLRD-web/Approp-BA-SubcommRpt_links.html and at the Division of the Budget website at <http://budget.ks.gov/comparis.htm>.

10. Will the data be provided as individual agency files or one centralized file?

The information will be provided as one centralized file.

11. To what level of detail is the data available? Are consistent structures codes used across agencies?

The State budget is constructed around agencies budgeted at the program level. The state has developed and uses a consistent structure for programs across agencies, as well as a consistent expenditure code classification.

12. When will the data be made available to the selected vendor?

The State will provide the data to the selected vendor as soon as the contract is signed.

13. Other than the LBC liaison noted in the RFP, what other full or part-time state resources will be assigned to the project?

The State will not have other staff specifically assigned to the project, but does plan to have staff available to the contractor to assist with questions and organizational issues that might arise.

14. Does the State plan to conduct oral presentations? If so, what is the projected timing?

The tentative plan is for the top vendors provide an oral presentation to the Legislative Budget Committee on September 17 or September 18.

15. What is the anticipated start date of the project? This is important given the specified report deadlines.

The plan is to have a signed contract on or before October 1st, the vendor can start as soon as they are ready.

REQUEST FOR PROPOSAL

Date of Notice: August 6, 2015

Closing Date: September 11, 2015, 5:00 p.m.

Issuing Office: Legislative Coordinating Council
300 SW Tenth Ave.
Topeka, KS 66612

Authority: Ch. 104, § 52(a) of the 2015 Session Laws of Kansas

Contact Name: J.G. Scott, Assistant Dir. of Fiscal Affairs

Telephone: 785-296-3181

Fax: 785-296-3824

E-Mail Address: JG.Scott@klrd.ks.gov

Proposed Service: Kansas State Government Efficiency Study

Scope: This contract will provide consulting services to help define an innovative, customized blueprint to reinvent government and drive transformational cost efficiencies.

1. SCOPE OF WORK

1.1. Introduction

The State of Kansas (“State”) has as public policy objectives, with accompanying statutory requirements, the delivery of quality essential services to the citizens while achieving a constitutionally mandated balanced budget with adequate reserves. To that end, the State seeks to engage the services of a consulting firm that will help define and develop an innovative, customized blueprint to reinvent government and drive transformational service delivery and cost efficiencies.

1.2. General Objectives

This engagement will have three primary objectives:

- *Objective 1 (Budget Analysis)* – Conduct a comprehensive diagnostic analysis of the State or state authorized entity’s budget to identify spending trends and outliers.
- *Objective 2 (Efficiency and Cost Savings Recommendations)* – Develop a set of recommendations that prioritizes target areas with large and substantial expenditures of state general funds and where the State can become more efficient and thereby provide cost savings to the state’s taxpayers.
- *Objective 3 (Budget Process)* – Evaluate the State’s budgeting process itself and identify improvement opportunities based on best private sector and government sector practices.

1.3. Scope of Work: Objective 1 (Budget Analysis)

The bidder will be expected to conduct a comprehensive analysis of the State’s expenditures for the three most recently completed fiscal years (FY 2013, FY 2014, and FY 2015) and the planned expenditures for two upcoming fiscal years (FY 2016 and FY 2017). The budget analysis should include, but not be limited to, the following:

- *A trend analysis* examining line item specific and overall spending over the five-year time frame.
- *An analysis of state expenditures* and spending trends resulting directly from federal mandates and shared federal and state programs such as Medicaid.
- *A benchmarking analysis* comparing the State’s spending levels to peer states and other recognized benchmarks.

1.4. Scope of Work: Objective 2 (Efficiency and Cost-Savings Recommendations)

The bidder will be expected to explore savings that may be derived either directly through expenditure reductions, indirectly through enhanced investment or expenditures that may

result in greater efficiencies or productivity, or through process changes of any kind including, but not limited to, the following areas:

- *Government Role* – Identify current services or funding that could be considered outside the scope of essential state governmental services based on a comparative analysis of what essential services other states may or may not provide.
- *Service Levels* – Identify areas where the current level of service potentially exceeds what is necessary and could be reduced to decrease costs.
- *Service Delivery* – Identify current service delivery models and opportunities to deliver services more efficiently.
- *Consolidation* – Identify opportunities to combine agencies or activities to realize economies of scale, eliminate redundancies, or otherwise improve efficiency.
- *Shared Services (Internal)* – Identify common functions across agencies that could be incorporated into a shared services model to improve efficiency.
- *Shared Services (External)* – Identify state agency functions or services that could be more efficiently delivered in cooperation with non-profit and/or for-profit organizations and entities.
- *Leveraging Federal or Charitable/Educational/Medical/Research Etc. Foundations and/or Grants*– Identify opportunities solely within existing state services to leverage or maximize federal or foundational monies, grants or programs in order to lower state expenditures and save the state taxpayer money.
- *Technology*– Identify opportunities to digitize services, automate processes, or otherwise expand the use of technology to improve both efficiency and effectiveness.
- *Human Resources* – Identify areas where the structure, capabilities, or incentives for the State’s workforce could be improved.
- *Privatization* – Identify opportunities to outsource or privatize functions the State currently performs in-house. As part of this effort, develop and execute a process whereby private sector entities can offer unsolicited proposals or white papers to enhance service quality, employee productivity, or cost savings.
- *Facilities* – Identify opportunities for the State to make more efficient use of its facilities and other real assets.

Responses are to include the recommendations on priority areas or agencies where the bidder believes significant opportunities for efficiencies and cost savings may exist. State agencies with no or relatively insignificant state general fund expenditures, except those with significant dedicated state revenue sources, are not priorities in this Request for Proposal. The agencies completely excluded from the scope of this Request for Proposal include:

- The Legislature and agencies within the Legislative Branch are excluded.
- The Judicial Branch and agencies within the Judicial Branch are excluded.
- City and county local governments and any subdivisions thereof are excluded.

1.5. Scope of Work: Objective 3 (Budget Process)

The bidder will be expected to identify opportunities to improve the State's budget process itself, based on best practices observed elsewhere in governmental areas and within the private sector. Those best practices could include, but are not limited to, the following:

- Zero-based budgeting
- Budget roles and accountability
- Sunset process
- Performance-based budgeting
- Priority-based budgeting

1.6. Deliverables

This engagement will be conducted in two phases. The bidder will be responsible for providing a report to the Legislature at the end of each phase.

1.6.1. Phase 1 (Preliminary Report)

The bidder will provide a preliminary report on its recommendations to the Legislature by January 1, 2016. At a minimum, the preliminary report will include the following items:

- The bidder's *diagnostic analysis* of the State or state authorized entity's budget (Objective 1). This will include an analysis of historical, current, and future trends, and an identification of any spending outliers.
- A prioritized *opportunity list* of savings and efficiency recommendations (Objective 2). These recommendations should be grouped into *short-term opportunities* which can be implemented within the current budget cycle, *medium-term opportunities* which can be implemented within one to three years, and *long-term opportunities* which may require three or more years to implement.
- The bidder's analysis of opportunities to make improvements to the State's *budget process* (Objective 3).

1.6.2. Phase 2 (Final Report)

The bidder will provide a final report on its recommendations to the Legislature by April 1, 2016. The final report will include an implementation plan for each of the recommendations identified in the Preliminary Report. At a minimum, each implementation plan will include the following items:

- A list of the required *critical steps*, including any statutory or regulatory changes.
- An estimate of the *financial and personnel resources* required.
- An estimate of the *timeframe* to implement the recommendation.

2. INSTRUCTIONS

2.1. Proposal

The proposal, as indicated on the first page of this Request for Proposal, must be shown on all correspondence or other documents associated with this Request for Proposal and must be referred to in all communications.

2.2. Cost of Preparing Proposals

The cost of developing and submitting the proposal is entirely the responsibility of the bidder. This includes costs to determine the nature of the engagement, preparation of the proposal, submitting the proposal, and other costs associated with this Request for Proposal.

2.3. Submitting Proposals

Two copies of the cost and technical proposals are required. The outside of the envelope shall be clearly marked "Cost Proposal" or "Technical Proposal" referencing the "Kansas State Government Efficiency Study." Sealed envelopes will be sent or delivered to:

J.G. Scott
Kansas Legislative Research Department
300 SW Tenth Ave., Ste. 68-W
Topeka, KS 66612

The bidder shall be responsible for ensuring that proposals are received by the closing date and time. Delays in mail delivery or any other means of transmittal, including couriers or agents of the issuing entity shall not excuse late proposal submissions. Faxed, e-mailed or telephoned proposals are not acceptable.

The face of the envelopes must say, "Kansas State Government Efficiency Study", the time and date of the deadline for receipt of proposals, the proposing firm and office, and the name and telephone number of the person authorized by the firm to answer questions concerning the proposal.

Proposals received prior to the closing date shall be kept secured and sealed until closing. The State shall not be responsible for the premature opening of a proposal or for the rejection of a proposal that was not received prior to the closing date because it was not properly identified on the outside of the envelope. Late proposals may be retained unopened in the file or may be returned to the bidder. Late proposals shall not be considered.

2.4. Modifying Proposals

A bidder who wishes to modify a proposal must submit a written request to the Legislative Budget Committee (“LBC”) at any time prior to the closing date and time for receipt of proposals. An authorized partner of the firm must sign the modification.

2.5. Withdrawing Proposals

A bidder who wishes to withdraw a proposal must submit a written request to the LBC. An authorized partner of the firm must sign the withdrawal.

2.6. Other Communications

All inquiries, written or verbal, shall be directed only to the LBC using the contact information reflected on the first page of this Request for Proposal. There shall be no communication with any other State employee or any of the members of the LBC regarding this Request for Proposal. Violations of this provision by the bidder or State personnel may result in the rejection of the proposal.

2.7. Bid Proposal Content and Format

The State understands there is a wide scope of services offered by state government. Due to this fact, an individual bidder may not have in-house expertise or experience in one or more priority service categories. The State welcomes responses that leverage the experience and expertise of subcontractors to successfully help execute the project’s objectives, in particular, Objective 2 as outlined in Section 1.4. In order to be considered for selection, proposals must be completely responsive to this Request for Proposal.

The following format should be followed as closely as possible:

- *Technical Proposal.* Indicate how your firm intends to meet the requirements stated in this Request for Proposal. As stated above, the State welcomes a proposal from a primary contractor with support from one or more subject matter expert subcontractors.
- *Cost Proposal.* Submit fee information for the proposed work. While cost is important in the final award process, the State ultimately will be seeking best value.

2.8. Technical Proposal

The technical proposal must provide details addressing the bidder’s experience, finances, integrity, organizational staffing, and methodology as specified below.

2.8.1. Experience

The proposal should provide a general overview describing the bidder's business operations, such as: the year founded; a brief history of the firm; the current size of the firm in terms of staff, revenue, and profit; and the principal owners/officers of the firm. The firm's history should include information that demonstrates financial strength, integrity, experience, industry focus, and government experience.

The proposal must provide evidence of similar work experience describing its qualifications, including knowledge and experience of the firm and its key project personnel, in conducting projects of similar scope and scale. This should include examples of dealing with strategic and operations planning for enterprise or agency services, identifying operational efficiencies, savings and revenue maximization initiatives, and public sector governance models. Evidence of similar work experience must be supported by the following:

- Proof of the firm's ability to meet the Scope of Work requirements of this Request for Proposal. This should focus on the deliverables associated with previous experience and highlight metrics pertaining to cost savings and efficiencies.
- A minimum of two client references for which the firm was responsible as the primary provider of services of similar type and scope to those as defined in this Request for Proposal. Such projects must have been completed within the past five years previous to the publication date of this Request for Proposal, or for current engagements as the primary provider of services. One of the clients must have been in state or local government. The reference information should include a description of the relevant services provided and current contact information for client staff that are authorized to validate the reference.

2.8.2. Statement of Finances and Integrity

The bidder will also provide a statement of finances and integrity as follows:

- If the bidder or any individual who will perform work under the contract has a possible conflict of interest (e.g., employment by the State) and, if so, the nature of that conflict.
- The bidder must have arrived at prices in the bid proposal independently, without bidder, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other bidder or firm. The bidder has not disclosed prices which have been included in the proposal and shall not disclose the prices prior to award directly or indirectly to any other firm. The bidder has made no attempt and shall make no attempt to induce any other bidder or firm to submit or not to submit a proposal for the

purpose of restricting competition. The bidder shall affirm these statements in its proposal.

- If, in the last five years, the bidder has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors, and if so, an explanation providing relevant details.
- If there are any pending Securities Exchange Commission investigations involving the bidder, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counsel as to whether the pending investigation(s) will impair the bidder's performance in a contract under this Request for Proposal.
- The bidder should provide details regarding its total annual revenue, profit, and cash flow by providing audited financial statements for the past three years and any other documentation the bidder deems necessary to demonstrate its financial size and cash flow capacity.
- If the bidder is facing any open or pending litigation initiated by the bidder or where the bidder is a defendant in a client matter or any other matter related to an engagement similar to the scope of services being requested in this Request for Proposal. Include any prior litigation, consent orders, agreements or settlements with any state or federal agency issued to the bidder or to any subcontractor the bidder plans to use for the services described in this Request for Proposal.
- If the bidder plans to utilize a subcontractor, the bidder is responsible for providing the above-mentioned financial and integrity statements for each proposed subcontractor.
- The State reserves the right to research the bidder and any proposed subcontractor independently to corroborate and evaluate the information provided by the bidder.

2.8.3. Organizational Staffing

The proposal should provide an organization chart for proposed project team(s) for fulfillment of the deliverables. This should include qualifications and experience of all executive, managerial, legal, and professional personnel expected to be assigned to this project, including resumes citing experience with similar projects, education, and training and the responsibilities to be assigned to each person.

If a bidder intends to subcontract portions of the products or services, the proposal should include specific designations of the tasks to be performed or deliverables to be produced by the subcontractor. The subcontractor shall be required to produce firm and staff qualifications to demonstrate their ability to provide the product or service as previously outlined in this Request for Proposal. This includes demonstration of subcontractor financial capacity and integrity as defined for any potential bidders.

Copies of any agreements planned to be executed between the bidder and subcontractor(s) should be included in the proposal.

2.8.4. Methodology

The proposal should detail a timeline and summary of project implementation and how the bidder will accomplish the requirements in the Scope of Work. This section must include the following:

- *Project Priorities.* The bidder is expected to provide its proposed priority areas that may reasonably yield in the near and immediate term significant cost savings and/or efficiencies.
- *Project Approach.* An overview of the bidder's methodology in the delivery of the services described in this Request for Proposal. Items to be addressed should include, at a minimum, the concepts and processes to be utilized in development of each of the deliverables specified in the Scope of Work.
- *Project Management Plan.* The bidder's comprehensive project management plan that addresses data collection, analysis, planning, and development of the deliverables as specified the Scope of Work. The project management plan should describe tasks necessary for collection and analysis of information, collaborative development of plans and models, and implementation of a framework to capture tracking metrics associated with the management and oversight of resulting projects. The work breakdown structure should include a description of the task or deliverable, the estimated duration of the task or deliverable, including the start and end dates.
- *Status Reporting.* The bidder will provide monthly progress reports to the LBC that would include the establishment of milestones and the progress towards the completion of those milestones.
- *Risk Management Plan and Procedures.* The bidder should describe its approach to identifying and assessing potential risks to the project as well as identifying and managing actions to avoid, mitigate, or manage those risks.

2.9. Cost Proposal

The proposal should provide an executive summary in the bidder's cost proposal which describes any pricing approaches and reasons why the bidder's combined technical and cost proposal are of value to the State. When outlining costs, the bidder should use attached templates for each deliverable specified in the Scope of Work and the total cost. The total cost template should equal the aggregate of each phase's cost template.

The Legislative Coordinating Council ("LCC") will provide office space and internet access to the bidder for the project. The cost proposal should include a position for a liaison to be appointed by the LBC pursuant to Section 4.16.

2.10. Disclosure of Proposal Content and Confidential and Proprietary Information

All proposals become the property of the State. The Open Records Act (K.S.A. 45-215 et seq.) of the State of Kansas requires public information be placed in the public domain at the conclusion of the selection process, and be available for examination by all interested parties. No proposals shall be disclosed until after a contract award has been issued. The State reserves the right to destroy all proposals if the Request for Proposal is withdrawn, a contract award is withdrawn, or in accordance with Kansas law.

Trade secrets or confidential and proprietary information legally recognized as such and protected by law may be requested to be withheld if clearly labeled “Confidential and Proprietary” on each individual page and provided as separate from the main proposal. Pricing information is not considered confidential or proprietary and the bidder’s entire proposal response package will not be considered confidential or proprietary. The bidder shall provide detailed written documentation justifying why this material should be considered “Confidential and Proprietary.” The State reserves the right to accept, amend or deny such requests for maintaining information as confidential and proprietary in accordance with Kansas law.

The State does not guarantee protection of any information which is not submitted as required.

2.11. Amendments

Changes to this Request for Proposal shall be issued only by the LBC in writing. Any changes will, along with questions and answers concerning this Request for Proposal, be posted on the Kansas Legislative Research Department’s website:

<http://www.kslegresearch.org/KLRD-web/Publications/Resources/Documents/RFPs/LBC-2015-08.pdf> .

2.12. Exceptions

By submission of a response, the bidder acknowledges and accepts all terms and conditions of the Request for Proposal unless clearly avowed and wholly documented in a separate section of the technical proposal to be entitled: “Exceptions.”

2.13. Authorized Signature

Each proposal shall give the complete legal name and mailing address of the bidder and be signed by an authorized representative by original signature with his or her name and legal title printed below the signature line.

2.14. Presentation to the Legislative Budget Committee

Bidders may be requested to appear before the LBC to briefly explain their understanding and approach to the project. Bidders should also be prepared to answer questions or provide additional information as requested by the LBC.

2.15. Timeline for Submission of Proposals

The following is the anticipated schedule for questions and answers concerning this Request for Proposal and for submission of proposals:

- 10 days from the Date of Notice for potential bidders to review this Request for Proposal.
- 5 days following the initial review period for bidders to submit questions regarding this Request for Proposal.
- 5 days following the submission of questions for the State to respond with answers.
- 15 days following the State's response for bidders to submit a proposal.

3. BID PROPOSAL EVALUATION AND SELECTION PROCESS

The State shall conduct a comprehensive, fair, and impartial evaluation of all proposals received. The State may reject any proposal that is incomplete or in which there are significant inconsistencies or inaccuracies.

This section describes the evaluation methodology and criteria to be used to evaluate each proposal submitted. It is the State's intent to select the proposal that is most advantageous to the State now and in the future.

3.1. General Information

3.1.1. Approval of Final Contract

Pursuant to section 52(a) of chapter 104 of the 2015 Session Laws of Kansas, the Legislative Coordinating Council will approve a final contract for the review and evaluation of state government. The LCC is comprised of seven members: the President of the Senate, the Speaker of the House of Representatives, the Speaker Pro Tem of the House, the majority leaders of the Senate and the House, and the minority leaders of the Senate and the House. Prior to the final approval of a contract, the Legislative Budget Committee, a seven member committee appointed by the LCC, will evaluate applicant proposals and recommend a(an) applicant(s) to the LCC for approval.

3.1.2. Clarification of Proposal

The State reserves the right to seek clarification from bidders where deemed appropriate to understand the intent of certain points in one or more proposals. Any such clarification request and response will be provided in writing and maintained as part of the documentation for the respective proposal. Bidders must respond to requests for clarification within two working days of request. Failure to do so may affect the bidder's score or result in rejection of their proposal.

3.1.3. Two-phase Selection Process

The selection process will be conducted in the following two phases:

- Technical Proposal
- Cost Proposal

The technical proposals will be reviewed and evaluated prior to the opening and evaluation of the cost proposals.

3.2. Additional Requirements

The bidder must not have any delinquent taxes due the State of Kansas. The bidder shall submit a tax clearance certificate prior to entering into a written contract with the LCC.

3.3. Contract Formation

The successful bidder will be required to enter into a written contract with the LCC. No contract shall be considered to have been entered into until all statutorily required signatures and certifications have been rendered and a written contract has been signed by the successful bidder and the chairperson of the LCC.

If the LCC is unable to enter into a contract with any of the selected bidders, the LCC shall request the LBC to provide another list of bidders to be reviewed by the LCC and, upon receipt of such list, the LCC shall repeat the process.

The bidder may decline to sign a contract after selection by the LCC.

4. TERMS AND CONDITIONS

4.1. Contract Documents

The State of Kansas DA-146a (Contractual Provisions Attachment), this Request for Proposal and any amendments to this Request for Proposal, the proposal and any amendments to the proposal of the bidder, shall be incorporated by reference into the written contract, which shall compose the complete understanding of the parties.

Any conflict in the provisions of the written contract and the documents incorporated herein by reference shall be determined and resolved by applying the following priority order:

- Written modifications to the executed contract signed by the parties
- Written contract signed by the parties
- Form DA-146a

- Amendments to the Request for Proposal
- Request for Proposal
- Bidder's written proposal submitted in response to the Request for Proposal

This contract and the documents described above which are incorporated by reference constitute the entire contract of the parties hereto. The written contract in its final composite form, shall represent the entire agreement between the parties and shall supersede all prior negotiations, representations or agreements, either written or oral, between the parties relating to the subject matter hereof. This contract between the parties shall be independent of and have no effect on any other contracts of either party.

No oral agreements will be effective to alter the written contract. The contract can only be amended by written agreement signed by the parties. Every amendment shall specify the date on which its provisions shall be effective.

4.2. Term of Agreement

Subject to termination as stated herein or a subsequent amendment to this contract, the term of this contract will run October 1, 2015 through June 1, 2016.

4.3. Termination Right

Notwithstanding any other provisions of the contract, the State reserves the right to terminate the contract for any reason at any time without cause or penalty by giving ten days advance notice thereof in writing to the bidder. In the event of the termination of the contract, the bidder also agrees that the State shall not be obligated to pay for any deliverable not already completed and delivered to the State prior to termination date. In the event of termination, all finished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared for the State under the contract, become property of the State upon payment for services rendered through the termination date.

4.4. Partial Performance

Should the bidder fail to comply with the provisions of the contract to the satisfaction of the LCC, payment for portions of the contract will be withheld until such time as the contract terms have been implemented. This condition also allows for administrative, contractual, and legal remedies as determined appropriate by the Attorney General of the State of Kansas where it appears that the contractor has violated, breached, or defaulted on the contract terms.

4.5. Responsibility for Services

The bidder shall be responsible for all services in this contract whether or not the bidder produced them.

4.6. Subcontractors

Any subcontract to which the LCC has consented shall be in writing and shall be attached to the contract as an exhibit and shall in no way limit the terms and conditions of the contract. No substitutions may be made after the award or amendment of the contract as described in this section below.

Bidder is allowed to subcontract part of the contract if the bidder has provided adequate information about the subcontractor, including staff and office qualifications, and described specifically what areas the subcontractor will audit, in the proposal.

The bidder is also allowed to subcontract part of the contract if deemed necessary by the bidder after the award of the contract. Any subcontractor shall be approved in writing and signed by the parties and shall be attached to the contract as an amendment. The bidder shall provide information about the subcontractor, including staff and office qualifications, and describe specifically what areas the subcontractor will audit. If the LCC does not approve the subcontractor, then the bidder shall conduct the audit work.

All terms, conditions and requirements of the contract shall apply without qualification to any services performed or goods provided by any subcontractor. All subcontract agreements shall contain provisions for the LCC's access to the subcontractor's books, documents and records and for inspections of its work by the LCC. No subcontract agreement or delegation of work shall relieve or discharge the bidder from any obligation, provision or liability under the contract. Any action of a subcontractor which, if done by the bidder, would constitute a breach of the contract shall be deemed a breach by the bidder and have the same legal effect.

The State requires tax clearance certificates for all subcontractors be submitted with the proposal, and that the bidder additionally provide subcontractor(s) legal company name, contact information and tax ID number (FEIN/TIN) as well.

4.7. Assignment

The bidder shall not assign, convey, encumber, or otherwise transfer its rights or duties under the contract without the prior written consent of the LCC. The LCC may reasonably withhold consent for any reason. The assignment, conveyance, encumbrance or other transfer by the bidder without the prior written consent of the LCC may result in termination of the contract.

4.8. Conflict of Interest

The bidder shall not knowingly employ, during the period of the contract or any extensions to it, any professional personnel who are also in the employ of the State and providing services involving this contract or services similar in nature to the scope of the contract to the State. Furthermore, the bidder shall not knowingly employ, during the period of the contract or any

extensions to it, any State employee who has participated in the making of the contract until at least two years after such individual's termination of employment with the State.

If the bidder becomes aware of any non-audit relationships with any State agency, employee, component unit, or subrecipient, or if the bidder becomes aware of any conflict of interest or potential conflict of interest in fact or in appearance, the bidder will notify the LBC within five business days by providing to the LBC a written description of the facts and circumstances. Failure to disclose any such situation or any potential conflict of interest may result in termination of the contract.

4.9. Confidentiality

The bidder may have access to private or confidential data maintained by the State to the extent necessary to carry out its responsibilities under the contract. The bidder must comply with all the requirements of the Kansas Open Records Act (K.S.A. 42-215 et seq.) in providing services under the contract. The bidder shall accept full responsibility for providing adequate supervision and training to its agents and employees to ensure compliance with the Act. No private or confidential data collected, maintained or used in the course of performance of the contract shall be disseminated by either party except as authorized by statute, either during the period of the contract or thereafter. The bidder shall return any or all data furnished by the State promptly at the request of the State in whatever form it is maintained by the bidder. On the termination or expiration of the contract, the bidder will not use any of such data or any material derived from the data for any purpose and, where so instructed by the State, will destroy or render it unreadable.

The bidder agrees that acquiring or possessing confidential information as defined in K.S.A. 45-221 et seq., or any other state or federal law, specifically including personally identifiable information such as names, addresses, or social security numbers, shall be restricted to those situations in which possession of such information is necessary for implementation of the project.

4.10. HIPAA Confidentiality

Per the Health Insurance Portability and Accountability Act (1996) (HIPAA), state agencies are a covered entity under the act and therefore the bidder is not permitted to use or disclose health information in ways that state agencies cannot. This protection continues as long as the data is in the hands of the bidder.

The bidder shall establish and maintain procedures and controls acceptable to the LBC to protect the privacy of members' information. Unless the bidder has the member's written consent, the bidder shall not use any personally identifiable information obtained for any reason other than that mandated by the contract.

4.11. Inspection

Failure to adequately inspect the premises, prior audit documentation and reports, or other resources or to understand the Scope of Work shall not relieve the bidder from furnishing without additional cost to the State any materials, equipment, supplies or labor that may be required to carry out the intent of the contract. Submission of a proposal shall be construed as evidence that the bidder has made necessary examination, inspection and investigation.

4.12. Submission of the Bid

Submission of the bid will be considered presumptive evidence that the bidder is conversant with local facilities and difficulties, the requirements of the documents and of pertinent professional or regulatory bodies, state and/or local codes, state of labor and material markets, and has made due allowances in the proposal for all contingencies. Later claims for labor, work, materials, equipment, and tax liability required for any difficulties encountered which could have been foreseen will not be recognized and all such difficulties shall be properly taken care of by bidder at no additional cost to the State.

4.13. Price Adjustments

Prices shall remain firm through the completion of the contract. The price shall reflect all deliverables including, but not limited to, report drafts, status reports, site visits, fieldwork, presentations, travel, and expenses associated with deliverables. The price shall also include all costs and expenses associated with the bidder's attendance at and participation in any public meetings held following the submission of the bidder's final reports to present, explain or discuss the reports. Also, the price shall include all costs and expenses associated with any quality control review conducted by any oversight agency for audit, any professional or regulatory body of the audit in this Request for Proposal.

If the bidder is contacted by any regulatory agency or other agency for information regarding the State, the bidder shall notify the LBC in writing within five business days. The bidder shall not charge for any additional work unless both parties have agreed to additional fees in writing in the form of an amendment to the contract.

Any increase in the work processes or services provided by the bidder without a written amendment to the contract signed in advance by the parties shall be at the bidder's own risk. The cost and expense will be the responsibility of the bidder, and the bidder shall not submit a claim for compensation for work, materials, or equipment in connection with such changes.

4.14. Billing and Payment

Final payment shall be made in accordance with the Prompt Payment Act (K.S.A. 75-6401 et seq.) after all of the following have occurred:

- The bidder has completed all of the objectives set forth in the contract.
- The bidder has delivered a complete, legible copy of both the Preliminary Report and the Final Report to the Legislature.
- The LCC has completed a review of the Preliminary Report and the Final Report.
- The LCC has mailed a letter to the bidder accepting the Preliminary Report and the Final Report.
- The bidder has billed the Legislature for the final payment.

Progress payments may be allowed on the contract. However, they shall be made no more often than once per month. Progress payments shall be based on the bidder's estimate of the current percentage of completion. Documentation may be reviewed by the LCC to support the bidder's estimated percentage of completion.

Limits have been set on the total amount of payment that shall be made by certain points in the process per the table below:

Point in the Audit Process	Maximum
Upon completion of fieldwork	75%
Upon acceptance of the Preliminary Report	90%
Upon acceptance of the Final Report	100%

The final payment shall be made the earlier of completion of review and acceptance of the Final Report by the LCC or 45 days after the receipt of a complete, legible copy of the Final Report by the LCC. However, should the LCC determine that the bidder failed to comply with the contract provisions, payment for portions of the contract will be withheld until such time as the LCC determines that the bidder is in full compliance with the contract. This condition does not waive and is in addition to any administrative, contractual, or legal remedies as determined appropriate by the LCC. Where it appears that the bidder has violated, breached, or defaulted on the contract terms, the LCC agrees that it will not exercise its discretion in an arbitrary or capricious manner. The LCC will provide to the bidder with the notice of rejection a list of the specifications, terms, conditions or other items that the bidder must rework, revise, change or complete for the LCC to accept the Final Report. The bidder shall be responsible for all material errors and omissions in the performance of the contract and shall correct the errors and omissions at no additional cost to the state, state agencies or the LCC.

4.15. Bidder Project Manager

The bidder shall designate a project manager who shall be the contact with the LBC. The Project Manager will oversee all activities for the bidder.

4.16. LBC Liaison

The LBC shall appoint a liaison to the bidder throughout the project. The bidder shall include the liaison in scheduling all entrance, update, or exit conferences with any State agency or component unit.

Prior to the bidder contacting any State agency or related entity, the bidder shall give notice to the liaison. The liaison shall send an introduction letter to the agency head and copy agency staff that are determined to be contacts for purposes of the project.

4.17. Open Records Act

Once the Preliminary Report and Final Report have been issued, those documents are public records under the provisions of the Kansas Open Records Act (K.S.A. 45-215 et seq.) Requests for access to or copies of the audit documentation shall be referred to the LCC as the applicable public agency under the Act.

4.18. Compliance with Laws

The bidder shall be responsible for complying with applicable federal, state, and local laws and regulations.

4.19. Jurisdiction

The written contract shall be governed by the laws of the State of Kansas and should be deemed executed in Topeka, Shawnee County, Kansas. The parties shall bring any and all legal proceedings arising under the written contract in the State of Kansas, District Court of Shawnee County. The Eleventh Amendment of the United States Constitution is an inherent and incumbent protection with the State and need not be reserved, but prudence requires the State to reiterate that nothing related to the written contract shall be deemed a waiver of the Eleventh Amendment.

4.20. Proof of Insurance

The bidder shall have general professional liability insurance or specific professional liability insurance in an amount sufficient for this engagement. Evidence of this coverage shall be made available to the LCC before contract execution.

4.21. Personnel, Supplies and Equipment

The bidder shall be responsible for personnel, supplies, and equipment.

4.22. Materials and Workmanship

The bidder shall perform all work and furnish all supplies and materials, machinery, equipment, facilities, and means, necessary to complete all the work required by the contract, within the time specified, in accordance with the provisions as specified.

4.23. Publications

None of the provisions of the contract shall be construed to prohibit the publication by the bidder of any reports, information, data or other documents prepared or assembled by the bidder under the contract; EXCEPT, as follows:

- No reports, maps, or other documents produced in whole or in part under the contract shall be the subject of an application for copyright by or on behalf of the bidder.
- Contents of the Preliminary Report or Final Report may not be released in violation of the contract or state law.
- No reports, maps, or other documents may be used as or within advertisements or marketing material for the bidder.

4.24. Notices

All notices, demands, requests, approvals, reports, instructions, consents or other communications (collectively “notices”) which may be required or desired to be given by either party to the other shall be in writing and shall be made by: (1) personal delivery, (2) United States mail, postage prepaid, return receipt requested, (3) by overnight delivery, prepaid, (4) e-mail, or (5) facsimile. Notice by mail shall be presumed to have been received within three days of mailing.

Notices to the State of Kansas shall be addressed as follows:

J.G. Scott
Kansas Legislative Research Department
300 SW Tenth Ave., Ste. 68-W
Topeka, KS 66612

Total Cost Template

Personnel Costs (All executive, managerial, legal, and professional staff listed individually)	Amount	Title	Hourly Rate	Total Hours	Subcontractor (Y/N)
Example: John Doe All Other Staff <i>Total Personnel Costs</i>	38,400	Project Manager	\$20.00/hr	1920	N
Other Project Related Costs					
Travel and Subsistence Other Expenses <i>Total Other Costs</i>					
Total Costs					
Total Personnel Costs (from 1 above)					
Total Other Project Related Costs (from 2 above)					
<i>Total Cost</i>					

Phase 1 Template

Deliverables	Amount	Due Date	Title	Hourly Rate	Total Hours	Subcontractor (Y/N)
Diagnostic Analysis of the State's Budget (Objective 1)						
Personnel Costs (All executive, managerial, legal, and professional staff listed individually)						
Example: John Doe			Project Manager	\$20.00/hr	320	N
Other Staff						
Travel and Subsistence						
Other Expenses						
<i>Subtotal</i>						
Opportunity List of Savings and Efficiency Recommendations (Objective 2)						
Personnel Costs						
Travel and Subsistence						
Other Expenses						
<i>Subtotal</i>						
Analysis of State's Budget Process (Objective 3)						
Personnel Costs						
Travel and Subsistence						
Other Expenses						
<i>Subtotal</i>						
TOTAL						

Phase 2 Template

Deliverables	Amount	Due Date	Title	Hourly Rate	Total Hours	Subcontractor (Y/N)
Budget Analysis (Objective 1)						
Personnel Costs (All executive, managerial, legal, and professional staff listed individually)						
Example: John Doe			Project Manager	\$20.00/hr	320	N
Other Staff						
Travel and Subsistence						
Other Expenses						
Subtotal						
Efficiency Recommendations (Objective 2)						
Personnel Costs						
Travel and Subsistence						
Other Expenses						
Subtotal						
Budget Process (Objective 3)						
Personnel Costs						
Travel and Subsistence						
Other Expenses						
Subtotal						
TOTAL						