



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

4822 Madison Yards Way
Madison WI 53705-9100

P.O. Box 7931
Madison, WI 52707-7931
<http://etf.wi.gov>

Date: November 5, 2018

To: All Potential Proposers to RFP ETH0039-48

RE: **ADDENDUM No. 1**

Request for Proposals (RFP) ETH 0039-48

Compliance audit services on third party administrator contracts for:

- **ETH0039** Internal Revenue Code Section 125 Cafeteria Plan and Employee Reimbursement Account Program
- **ETH0040** Health Savings Accounts Program
- **ETH0041** Commuter Fringe Benefit Accounts Program
- **ETH0042** Pharmacy Benefit Program
- **ETH0043** Income Continuation Insurance Program
- **ETH0044** Life Insurance Program
- **ETH0045** Uniform Dental Insurance Program
- **ETH0046** Wellness and Disease Management Program
- **ETH0047** Data Warehouse and Visual Business Intelligence Services
- **ETH0048** Wisconsin Deferred Compensation Program

Acknowledgement of receipt of this Addendum No. 1:

Proposers must acknowledge receipt of this Addendum No. 1 by providing the required information in the box below and including this Page 1 in Tab 1 of their Proposal.

Proposer's Company Name:	
Authorized Person (Printed Name and Title):	
Authorized Person's Signature:	
	Date

Please note the following updates to RFP ETH0039-48:

1. **ADD** to the RFP the following questions regarding RFP ETH0039-48 from Proposers and answers from the Department:

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Vendor Q&A

No.	RFP Section	RFP Page	Question/Rationale
Q1	N/A	N/A	For contracts that have been audited previously, is there any hours and fees information that can be shared?
A1			Department Contracts are posted at https://etfonline.wi.gov/etf/internet/RFP/rfp.html .
Q2	N/A	N/A	For contracts that have been audited previously, is the Board satisfied with the prior service provider? Please provide any details.
A2			Governing board meeting agendas and materials are posted at http://etf.wi.gov/gov_boards.htm . The Department has no comment on the Boards' satisfaction or dissatisfaction with any auditor.
Q3	N/A	N/A	Are governing boards for each of the programs different? Do presentations need to be made to a separate board for each program or do some programs fall under the same body of governance?
A3			Yes, as stated in the RFP, each of the Contracts will be overseen by one of the three Boards. Yes, presentations may be made to the appropriate Board. ETH0048 audits are reported to the Deferred Compensation Board. ETH0039, 40, 41, 42, 43, 44, 45, 46 and 47 audits are reported to the Group Insurance Board. All audits will go before the ETF Board audit committee.
Q4	Appendix 3 – Question 6.1.6	PDF page 45	The RFP asks for the provider's largest audit engagements. Should these be the largest audit engagements for the entire firm or should they be relevant to the services requested in the RFP and/or the key personnel who would be providing the services?
A4			The largest audit engagement should pertain to and be relevant to the Services requested in the RFP. It would also be helpful, if these engagements are different, to list the largest audit engagements pertaining to the key personnel who would be providing the Services.
Q5	Appendix 3 – Question 6.1.10	PDF page 45	The RFP asks for audited financial statements. If the provider does not have audited financial statements, what is the Board willing to accept as an alternative?

A5			<p>Proposer's current audited financial statements are preferred. If Proposer does not have audited financial statements, provide current financial information you provide to other entities that will enable assessment of your financial soundness, such as what is provided to creditors/investors when raising funds.</p>
Q6	<p>Example: Appendix 5 - Section 1.1.1</p>	<p>PDF page 81</p>	<p>The RFP states the following:</p> <ul style="list-style-type: none"> • The Proposer of this Contract Compliance Auditor Contract will provide the Department auditing reports, which will be further defined in the Statement of Work (to be developed after an auditor has been selected), on the following specifications: • Areas of focus may include: contract compliance, internal controls, record-keeping and accounting. <p>What is the likelihood that actual areas of focus or the statement of work will differ significantly? If there are significant differences identified, may hours and fees be revisited and potentially renegotiated?</p>
A6			<p>Actual areas of focus defined through a Statement of Work may differ from audit to audit but will be based on the scope of the TPA Contract. If the nature of audit work changes significantly, those changes and pricing would be documented in a negotiated Contract amendment.</p>
Q7	<p>Example: Appendix 5 – Section 2</p>	<p>PDF page 90</p>	<p>The RFP states the following:</p> <ul style="list-style-type: none"> • On behalf of the Board, the Contract Compliance Auditor will furnish the Department with a report addressing the results of the contract compliance or agreed upon procedures (AUP) audit of the ERA TPA's level of performance and compliance with the requirements of the ERA TPA Contract. <p>Can the Board be more specific on the type of service requested, i.e. AUP, compliance audit, or something else? The previously-issued report linked from this Appendix was not an audit or AUP. Should proposers assume a specific level of service and price based on that assumption?</p>
A7			<p>Proposers should provide in their Proposals the type of audit service they believe will fully and efficiently fulfill the audit requirements detailed for each program. The Department is looking for some level of flexibility to define the final Statement of Work for the Contract, to meet the Department's most critical needs at the time of the audit. The audit report included in the link was a consulting services engagement that was performed jointly between an audit firm and the Department's Office of Internal Audit due to a special circumstance. The Department would like the flexibility in defining the Statement of Work for each Contract, as needed, with the assistance of the Contractor, for future audits.</p>
Q8	<p>Example: Appendix 8 – Section 2.3</p>	<p>PDF page 120</p>	<p>The RFP states locations of the contractor, however, it is not clear whether travel will be required to an out-of-state location. Should proposers assume all work is local and assume travel costs, if necessary, will be negotiated at a later time?</p>
A8	<p>Example: Form H – Section 1</p>		<p>Current TPA locations are defined in each of the appendices. Travel expenses should be included in the Cost Proposal. If a TPA and/or TPA location changes, this change will be made in the associated Contract's Statement of Work agreed upon by the Department and Contractor.</p>

Q9	Example: Appendix 14	N/A	Would you expect the number of samples in each of the areas mentioned in the December 31, 2017 report online to change significantly for the next report period?
A9			No.
Q10	Example: Appendix 14	N/A	Is supporting information used for testing obtained from WDC or the TPA? Were there any difficulties in previous years obtaining the necessary information?
A10			Supporting information for WDC testing is obtained primarily from the TPA's secure record-keeping system, which has an "audit package" feature containing queries for commonly requested items and data. Data sets can sometimes be large, which may be an issue for some vendors. However, the process itself has worked well for WDC auditors in the past.

Q = Proposer's question; A = The Department's answer

END

This Addendum will be available on ETF's Extranet at <http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html>.