

**URS-BLL JOINT VENTURE**  
**ON BEHALF OF THE**  
**CALIFORNIA PRISON HEALTH CARE RECEIVERSHIP**  
**CORPORATION**  
**OFFICE OF THE RECEIVER**  
**REQUEST FOR QUALIFICATIONS**  
**FOR**  
**PROGRAM AUDIT CONSULTING SERVICES**

**October 14, 2008**

**QUALIFICATIONS DUE: 2:00 PM November 13, 2008**

**SUBMITTAL PACKAGES SHOULD BE ADDRESSED TO:**

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## I. REQUEST

URS/BLL Joint Venture ("URS/BLL") is providing program management for certain capital projects of California Prison Health Care Receivership Corporation ("CPR"), which provides staff and infrastructure to support the work of the federal Receiver appointed over the California Department of Corrections and Rehabilitation's ("CDCR") prison medical system. On behalf of CPR, URS/BLL is seeking statements of qualifications from qualified firm(s) to provide program audit consulting services, including periodic performance, financial and construction audits (the "Services") for the Receiver's healthcare improvement, construction, renovation program (the "Master Program"). The Services shall be coordinated with, and in support of the CPR in determining whether the Master Program is being administered effectively and efficiently.

## II. BACKGROUND

As a result of the State of California's ongoing inability to provide medical care to prison patients at constitutionally acceptable levels, the United States District Court for the Northern District of California has established a Receivership to assume the executive management of the California prison medical system and raise the level of care up to constitutional standards. On February 14, 2006, the Court appointed a Receiver granting, among other powers, the authority to exercise all powers vested by law in the Secretary of the CDCR as they relate to the administration, control, management, operation, and financing of the California prison medical health care system.

The Court's actions stem from the case of *Plata v. Schwarzenegger* -- a class action law suit brought on behalf of the CDCR's adult inmates. Applicants should refer to the Court's October 3, 2005 "Findings of Fact and Conclusions of Law Re Appointment of Receiver" and the Court's February 14, 2006 "Order Appointing Receiver" for further information regarding the conditions underlying the Receivership and the powers and responsibilities of the Receiver. These and other relevant documents can be found on CPR's website at:  
<http://www.cprinc.org/materials.htm>.

The construction program is broadly divided into two parts: an upgrade program to improve medical and mental health facilities at CDCR's existing 33 institutions, and an expansion program to build seven new prison healthcare facilities for up to 10,000 correctional patients. Currently, URS/BLL is developing the planning, programming, pre-design and implementation strategy, followed by the management of the design and construction, of the facilities for the 10,000 bed program, while Vanir Construction Management, Inc. is providing similar program management services for the upgrade program. In addition, CPR is undertaking certain projects for the improvement of medical records and health system technology, pharmaceutical operations for correctional institutions, and other program-wide initiatives under separate project managers which tie into the expansion and upgrade programs.

For the expansion program, URS/BLL anticipates that the facilities will be delivered under an integrated project delivery ("IPD") approach (see <http://www.leanconstruction.org/readings.htm#PRIMER> and <http://www.aia.org/ipdg> for background information on integrated project delivery).

CPR desires a reputable audit firm to review the financials and performance of the Master Program and to assist CPR in taking actions to ensure that the Master Program is administered effectively and efficiently within the context of its innovative program delivery strategies. The performance audit activities are expected to include participation in key program meetings as requested and performance of special projects as requested upon mutually agreed scopes of work.

### III. ANTICIPATED SCOPE OF SERVICES

#### A. General Scope of Services

Consultant will provide performance audit, financial statement audits and construction cost audits to assist the CPR in determining whether the Master Program is being administered effectively and efficiently.

#### Performance audit activities are expected to include:

- At Program Level (e.g., 10,000 bed, existing site clinic upgrades, technology/medical records, pharmaceutical)

Completion of a semi-annual performance audit that includes:

- Audit initiation, scheduling and coordination
- Review of key documents
- Interview with key personnel; testing and analysis of expenditures; review of internal controls; and implementation of policies and procedures to address the following:
  - Complete scope of work accounted for in budget system
  - Completed estimates for all scope of work
  - Budgets include all components of soft costs
  - Uncertain/unpredictable costs (e.g., escalation) are accounted for in a logical and consistent way
  - Clear indication of degree of confidence in individual estimate numbers
  - Control systems for contracting/procurement activities
  - Administrative procedures including recordkeeping and document
  - Compliance with regulatory requirements and court-mandated procurement procedures
  - Compliance with and effectiveness of invoicing procedures including required due diligence, taking into account the type of contract involved
  - Compliance with institutional policies and best practices
  - Effectiveness of established communications/MIS procedures and best practices
  - Compliance with established controls for the following activities:
    - Cost and schedule management
    - Change order management
    - Project close out

- At Master Program Level (e.g., inclusive of all CPR facilities-related program and expenditures), completion of a semi-annual performance audit that includes:
  - Cross-platform standards across individual programs
  - Forms and effectiveness of communication across programs
  - Form and effectiveness of reporting procedures across programs
  - Consistency and completeness in program budget formats
  - Form and effectiveness of Master Program Level consolidated budget reporting
  
- Additional duties as requested:
  - Performance of special projects as requested
  - Assistance in establishing best practices and protocols for Master Program Level consolidation and reporting of information
  - Participation in key program meetings
  - Other duties as assigned

Financial audit activities are expected to include:

A semi-annual audit of the Statement of Project Costs for the Master Program in accordance with auditing standards generally accepted in the United States of America and standards for financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, with the objective of expressing an opinion as to whether the presentation of the statements conform with accounting principles accepted in the United States of America.

Construction audit services are expected to include the following services for those construction contracts with a significant cost reimbursement component (e.g., IPD agreements):

- Preconstruction Audit: Prior to construction, review and evaluate the contracting party's project-related accounting systems and records and advise CPR regarding same based on CPR's desired approach to construction cost accounting. If requested, assist CPR in negotiating a reasonable general and administrative overhead rate with contracting party based on auditor's review of contracting party's accounting systems and records.
- Construction Phase Auditing: During construction, perform periodic "spot" audits of targeted portions of the contracting party's job cost reports on a schedule acceptable to CPR.
- Post-Construction Audit: Following final completion by contracting party, perform audit
- Other construction cost accounting services as requested by CPR.

## **B. Timing and Schedule**

Time is of the essence. It is anticipated that upon selection of the firm(s) and negotiation of contract scope of work and fees, work will commence immediately upon issuance of the Notice to Proceed (NTP) and continuing until program completion (anticipated to be 2013).

## **IV. DELIVERABLES**

The deliverables required will be stipulated in conjunction with the approved work plan and associated staffing plans and schedules in a work authorization attached to the awarded contract.

ALL DELIVERABLES CREATED BY THE CONSULTANT UNDER THE AGREEMENT, WHETHER OR NOT IDENTIFIED AS CONTRACTUAL DELIVERABLES, WILL BE THE PROPERTY OF THE RECEIVER.

## **V. SELECTION AND CONTRACTING PROCESS**

An evaluation committee (the "Committee") will review the submitted qualifications in accordance with submittal requirements and evaluation criteria set forth below and will identify a short list of firms for further consideration. Upon acceptance of the short list, URS/BLL and/or CPR may invite short-listed firms to make oral presentations to the Committee.

If CPR elects to conduct oral interviews, the entire proposed key staff of any short-listed teams must be available to participate in these interviews. The Committee will then conduct a final evaluation, make a final determination and begin negotiations with one or more of the firms that have submitted their qualifications and whose responses are most advantageous to CPR.

CPR reserves the right to seek clarification of information submitted in response to this RFQ and/or request additional information during the evaluation process. CPR reserves the right to accept or reject any or all submissions when it is determined, in the sole discretion of CPR to be in the best interest of the Receiver.

CPR intends to negotiate and enter into a services agreement ("the agreement") with the selected respondent promptly upon selection. Prior to commencing the Services, the selected respondent must sign the Agreement and provide proof of insurance.

## **VI. EVALUATION CRITERIA**

The Committee will review qualifications in accordance with the following criteria:

**A.** Respondent's proven experience, capabilities and resources, at both the corporate and individual levels, in providing and performing audit services comparable in size, scope of work, and urgency covered under the CPR Master Program.

**B.** Qualifications, availability and commitment of key staff. Respondents shall clearly identify the key staff that will perform each of the above-described areas of scope, what role each is anticipated to fulfill in connection with the Project, and what percentage of their time will be devoted exclusively to this Project.

**C.** Proven systems, management techniques, required expertise and resources designed to facilitate timely and effective decision-making and stakeholder coordination.

D. Completeness and comprehensiveness of response to this RFQ and compliance with the submittal requirements.

E. Quality of oral interviews including technical analysis and presentation (if requested by CPR).

F. Legal actions or adverse events that might affect respondent's ability to perform as contracted.

G. Absence of any relationship that could constitute a conflict of interest or otherwise impede the ability of the respondent to protect the interests of the Receiver.

## VII. SUBMITTAL REQUIREMENTS

### A. RFQ Schedule

RFQ Issued	October 14, 2008
Deadline for questions regarding RFQ	October 24,2008
Responses to questions	October 29,2008
Qualifications due	November 13,2008
Notification for interviews (estimated)	TBD
Interviews (estimated)	TBD
Selection announced (estimated)	TBD
Estimated project start date	TBD

### B. Addenda

Any questions regarding the RFQ should be submitted to URS/BLL in writing. CPR will, at its discretion, respond to questions in an addendum. Any necessary information not included in this RFQ that CPR deems necessary and relevant to responding to the RFQ will also be issued in an addendum. CPR makes no guarantee that all questions submitted will be answered.

Addenda will be sent to all known applicants. If the Respondent did not receive this RFQ directly from URS/BLL, notify URS/BLL in writing of a request to receive any addenda by **October 24, 2008.**

### C. Format

Submission packages should be clear, concise, complete, well organized and demonstrate both respondent's qualifications and its ability to follow instructions.

7 (seven) copies of the submission package should be provided, with all materials bound together in a package of no more than twenty (20) 8-1/2" x 11" single-sided pages. At least one (1) copy must contain original signatures and be marked ORIGINAL. Do not include marketing materials.

Pages must be numbered. We will not count, in the total, the graphic cover sheet, cover letter, table of contents, blank section dividers (tabs), explanations about legal actions, and a maximum of 12 resumes, which may be included in an appendix. The entire submission (the

"Submission Package") shall also be submitted in electronic (pdf) format on CD, organized in the same manner as the printed submissions.

The Submission Package shall be placed in a sealed envelope with the submitting firm's name on the outside of the envelope.

All respondents are requested to follow the order and format specified below. Please tab each section of the submittal to correspond to the numbers/headers shown below.

Respondents are advised to adhere to submittal requirements. Failure to comply with the instructions of this RFQ may be cause for rejection of submittals.

CPR reserves the right to waive any informalities in any submittal and/or to reject any or all submittals. CPR reserves the right to seek clarification of information submitted in response to this RFQ during the evaluation and selection process. The Committee may solicit relevant information concerning the firm's record of past performance from previous clients or consultants who have worked with the respondent.

#### **D. Contents**

The Submission Package must include the following items:

1. A cover letter signed by an officer of the firm submitting the Submission Package, or signed by another person with authority to act on behalf of and bind the firm. The cover letter must contain a commitment to provide the required Services described with the personnel specified in the submission. The letter should certify that the information contained in the Submission Package is true and correct. Please also indicate the contact person(s) for the selection process along with contact information.

2. Executive Summary: The executive summary must include a clear description of the primary advantages of contracting with your organization. It should also include a brief explanation of how the respondent satisfies the evaluation criteria, and a brief statement that demonstrates respondent's understanding of the desired Services.

3. Demonstration of the Respondent's Qualifications: Please provide the following information:

(a) Your company's name, business address and telephone numbers, including headquarters and local offices.

(b) A brief description of your organization, including names of principals, number of employees, longevity, client base, and areas of specialization and expertise.

(c) A description of your company's prior experience related to correctional and healthcare facilities.

(d) A description of your company's prior experience in California.

(e) A description of your company's specific areas of technical expertise as they relate to this RFQ.

(f) Professional references: Describe previous work on no more than three (3) projects of comparable scope and magnitude for which you provided similar types of services. Provide complete reference information including project name, location, client, total contract amount (and firm's amount if different), principal-in-charge, day-to-day technical project director/manager, key staff, date completed, client reference (name, current position and phone number), and a brief narrative of project description for each project identified and described above. **Experience may not be considered if complete reference data is not provided or if named client contact is unavailable or unwilling to share required information.**

(g) Qualifications of Technical Personnel: Submit current resumes for key personnel committed to this project and a statement regarding their local availability. Specifically describe previous related experience, its pertinence to this program, and provide references including name, address and telephone number of a contact person who can verify the information provided. Provide brief description of referenced project(s), as well as any professional certifications, accreditation, special licensing or other qualifications which qualifies the professional to perform in their designated area of responsibility.

(h) Legal action or adverse events: Respondent must provide a listing and a brief description of all material legal actions or adverse events, together with any fines and penalties, for the past five (5) years in which (i) respondent or any division, subsidiary or parent company of respondent, or (ii) any member, partner, etc., of respondent if respondent is a business entity other than a corporation, has been:

(1) A debtor in bankruptcy;

(2) A defendant in a legal action alleging deficient performance under a services contract or in violation of any statute related to professional standards or performance;

(3) A respondent in an administrative action for deficient performance on a project or in violation of a statute related to professional standards or performance;

(4) A defendant in any criminal action;

(5) A principal of a performance or payment bond for which the surety has provided performance or compensation to an obligee of the bond; or

(6) A defendant or respondent in a governmental inquiry or action regarding accuracy of preparation of financial statements or disclosure documents.

(i) Default Termination: Disclosure whether your company has defaulted in its performance on a contract in the last five years, which has led to the termination of a contract. Describe briefly the circumstances involved.

(j) Conflict of Interest: Identify any existing financial relationships with other parties that may constitute a real or perceived conflict of interest.

(k) Proposed Rates: Provide a fee schedule for the specific individuals involved.

## **E. Modification or Withdrawal of Submission Package.**

Prior to the submission due date, Respondents may modify or withdraw their submitted qualifications. Such modifications or withdrawals must be submitted to URS/BLL in writing. Any modification must be clearly identified as such and must be submitted in the same manner as the original (e.g., appropriate copies, paper size, etc.). No modifications or withdrawals will be allowed after the submission due date.

## **F. Public Opening**

There will be no public opening of responses to this RFQ. However, after a contract is awarded all Submission Packages may be made available for public review. CPR makes no guarantee that any or all of a Submission Package will be kept confidential, even if the Submission Package is marked "confidential," "proprietary," etc.

## **G. General Rules**

1. Only one Submission Package will be accepted from any one person, partnership, corporation or other entity.
2. Submission Packages received after the deadline will not be considered.
3. This is an RFQ, not a work order. All costs associated with a response to this RFQ, or negotiating a contract, shall be borne by the respondent.
4. URS/BLL and/or CPR failure to address errors or omissions in the proposals shall not constitute a waiver of any requirement for these Services.

## **H. Reservation of Rights**

CPR reserves the right to do the following at any time, at its discretion:

1. Reject any and all Submission Packages, or cancel this RFQ.
2. Waive or correct any minor or inadvertent defect, irregularity or technical error in any Submission Package.
3. Request that certain or all candidates supplement or modify all or certain aspects of their respective Submission Packages or other materials submitted.
4. Procure any services specified in this RFQ by other means.
5. Modify the requirements for services defined in this RFQ, or the required contents or format of the Submission Packages prior to the due date.
6. Extend the deadlines specified in this RFQ, including the deadline for accepting Submission Packages.
7. Negotiate with any or none of the respondents.

8. Terminate negotiations with a respondent without liability, and negotiate with other respondents.

9. Award a contract to any respondent.

**All technical inquiries in regard to this RFQ should be addressed to:**

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