



New Jersey Schools Development Authority  
Office of Procurement  
32 East Front Street  
Trenton, NJ 08625  
Phone: 609-858-2915

**DATE:** June 10, 2020

**PROJECT:** GP-0272-R01 – Internal Auditing Consulting Services

**DESCRIPTION:** Addendum #1

This addendum shall be considered part of the Request for Proposals (“RFP”) issued in connection with the above-referenced project. Should information contained within this Addendum conflict with the RFP, this Addendum shall supersede the relevant information in the RFP.

**A. CHANGES TO THE PROCUREMENT PROCESS:**

**1. Notice regarding Interviews**

- a. NOTICE:** The tentative date for the interviews are July 1, 2020. Due to Executive Order COVID-19 State of Emergency precautions, the interviews may be conducted at either SDA’s Headquarters in Trenton, NJ or via video conferencing. The interview details will be communicated to the shortlisted firms, as determined by the Selection Committee.

**B. CHANGES TO THE PROCUREMENT DOCUMENTS:**

**1. Modifications to the Advertisement, Request for Proposals and Associated Documents**

- a. MODIFY:** All references in the RFP to the Technical Proposal and Fee Proposal submission requirements shall be modified to revise the submission dates and times. Submissions will only be accepted from 9 AM - 11 AM by overnight or hand delivery on Friday, June 12, 2020 or Monday, June 15, 2020 or Wednesday, June 17, 2020 at the following address:

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
32 East Front Street  
Trenton, New Jersey 08625-0991  
Attention: Dave Kutch, Senior Procurement Analyst  
Subject: Internal Auditing Consulting Services – GP-0272-R01

- b. REPLACE:** Delete the NJSDA Fee Proposal Form included as Attachment L to the RFP issued on May 15, 2020 and replace with the NJSDA Fee Proposal Form dated June 10, 2020 and included as Attachment 1.1 to this Addendum.

Addendum: 1  
Project #: GP-0272-R01  
Project Name: Internal Auditing Consultant Services

**B. BIDDER'S QUESTIONS, REQUESTS FOR INFORMATION AND RESPONSES:**

1. Question: In the RFP, it states that we must deliver one (1) unbound original and one (1) cover-to-cover copy in PDF format on USB Flash Drive for the Technical Proposal and one unbound original for the Cost Proposal. Given the current situation with COVID 19, are you still looking to receive hard copies of the documents, or are we able to send them via PDF in an email by the mentioned due date?

Answer: Responding firms must submit one (1) unbound original and one (1) cover-to-cover copy in PDF format on USB flash drive as set forth in RFQ Section 5.0 SUBMISSION REQUIREMENTS AND DELIVERY INFORMATION and as modified by B.1.a., above.

2. Question: In the RFP you have provided editable fields underneath the requested RFP questions. Did you want us to provide the entirety of our responses in the RFP editable fields? Or are we allowed to submit our proposal responses in a separate document format (will still be a PDF)?

Answer: Responses are to be provided on the SDA forms in the editable fields. If additional space is needed beyond that provided on a given SDA form, the responding firm may utilize additional pages consistent with the format of the SDA form.

3. Question: In having previously evaluated your financial risks, how many key internal controls have been identified? Have you identified governance (entity-level) controls, process level controls, and information technology general controls? How many controls are in each of these areas? Are they assessed and tested each fiscal year? How many deficiencies were identified last year?

Answer: In terms of internal controls, the Finance function is guided by several Process Narratives detailing the individual steps to be followed in each of the finance processes, and these Process Narratives are reviewed each year by the external auditors. There were no deficiencies identified last year by the External Auditors. In addition, the NJSDA has an Operating Authority which details the levels of approval within the Authority.

4. Question: Does management hold responsibility for identifying and documenting their processes and internal controls? Or does the internal audit team help facilitate this process?

Answer: Management is responsible for documenting processes in the form of Standard Operating Procedures, which incorporate control procedures, but there is no matrix detailing controls for each process. Finance has instituted the Process Narratives referred to in response to Question 3, above. In addition, the NJSDA has an Operating Authority which details the levels of approval within the Authority. IA is not responsible for this process, but does provide input where requested.

5. Question: Are you aware of any major system implementations and/or process changes in the coming year?

Addendum: 1

Project #: GP-0272-R01

Project Name: Internal Auditing Consulting Services

- Answer: Yes, the roll-out of a new project management solution, PMWeb, transitioning from Primavera Contract Management. This is most likely to be implemented in Q3 2020 or early Q4.
6. Question: How do you determine which operational areas to review/assess for opportunities of improving processes and reducing costs? How do you prioritize which areas to review/assess first? Will the selected firm provide input?
- Answer: IA performs a risk assessment, and based on this an audit plan is developed. The audit plan is then presented to the Audit Committee for their approval. The audits chosen for performance by the selected firm will be based on IA's risk assessment and the approved audit plan, although the audit plan is subject to change based on specific requests or new risks identified.
7. Question: Can you provide a list of the prior year audit plan?
- Answer: In 2019, all audits were of construction projects, with the exception of one related to Common Area Maintenance Costs.
8. Question: Are the management reporting tools of financial activity reliable? Are the systems reports baselined and spreadsheets identified/assessed?
- Answer: Management reporting tools of financial activity are "reliable." We are not sure what is meant by "baselined" system reports. However, with respect to spreadsheets used in the preparation of financial statements, these have been identified and the appropriate spreadsheet controls are in place.
9. Question: Does internal audit use automated software tools to analyze data for potential errors, transaction anomalies, and/or fraudulent activity?
- Answer: No.
10. Question: Have any fraudulent activities and/or cybersecurity attacks been identified in the past three years? If so, please briefly describe the event.
- Answer: This request seeks information inappropriate for disclosure in a public document. Relevant information, if such exists, will be provided to the Consultant if implicated by a task assignment.
11. Question: Is there an internal audit team at NJSDA or people that will serve as part of the internal audit team?
- Answer: Yes, there is presently 3 members. Director – Internal Audit and 2 Senior Auditors. Also, see Answer to Question #40, below.
12. Question: Given the current environment, will firms be permitted to submit their response to the RFP electronically?
- Answer: See Answer to Question #1, above.
13. Question: We understand that the RFP requests firms to complete the forms provided. As such: Do firms need to provide their responses within the RFP PDF file that was sent, or can they convert the forms to a "word" version?

- Answer: See Answer to Question #2, above.
14. Question: We understand that the RFP requests firms to complete the forms provided. As such: Is it acceptable to also include an executive summary where methodologies and other visual presentations can be demonstrated?
- Answer: Additional pages may be attached as necessary.
15. Question: Will NJSDA accept any changes or modifications to the Internal Audit Consulting Services Agreement?
- Answer: SDA is not accepting any proposed changes or modifications to the Agreement.
16. Question: Should our hourly rates include costs for travel related expenses? Is there a preference to use local resources or subject matter experts that may be required to work remotely or travel for engagement requirements?
- Answer: Quoted hourly rates should include all costs, including travel expenses.
17. Question: Scope of Services: What types of contracts are typically used for NJSDA construction projects (i.e. Lump Sum, T&M, GMP, CMAR)?
- Answer: GMP, either Design Build or Design Bid Build.
18. Question: How many task order assignments are anticipated on a yearly basis? What is the expected timeline and estimated duration of a typical work order engagement?
- Answer: It is not yet known how many task order assignments will be issued on a yearly basis. At the present time, it is anticipated that approximately 8 to 12 task orders may be issued on an annual basis throughout the year, with an estimated duration of 2 to 4 months, per assignment.
19. Question: Are travel costs incurred by the contractor reimbursed by the NJSDA? If so, are travel costs to be included in the “loaded hourly rate” or are they broken out separately?
- Answer: See Answer to Question #16, above.
20. Question: Do submitted case studies need to be directly related to construction audits? Or are other similar sized operational audit engagement case studies acceptable for submission?
- Answer: Ideally, the case studies should include construction related audits, but it is not a necessity.
21. Question: We typically build teams for larger projects as we sort out the actual project deliverables. Do we need to have all contractors pre-determined at time of submission? Is it acceptable for our team members to take on multiple roles?
- Answer: Names of proposed contractors with resumes should be included with the submission. It is acceptable for team members to take on multiple roles.

22. Question: How have your goals changed as a result of COVID-19?  
Answer: No significant changes.
23. Question: Can a proposing firm include team member roles for the Key Team Member list outside of Partner, Manager, Senior Auditor and Staff Auditor? For example, we have other disciplines that have complementary skillsets to our audits who are regularly utilized in our construction audits.  
Answer: No. The list of Key Team Members shall consist of those persons fulfilling the specified roles identified in Section 3.4 of the RFP (Partner, Manager, Senior Auditor and Staff Auditor). In the *Approach to Providing the Scope of Services Form* (responsive to Section 3.2 of the RFP), a proposing firm can identify additional staff resources with complementary skillsets that may be called upon to augment or assist with the audit services, depending on the nature of the tasks assigned, but the use of those resources will be determined at the time of task assignment, and those persons and resources should not be included in the Key Team Member list. However, for purposes of responding to Section 3.4 of the RFP (Resumes and Experience of Key Team Members) Firms will be evaluated based on the expertise and experience of those persons identified for fulfillment of the identified Key Team Member roles.
24. Question: Does NJSDA anticipate engaging a single Consultant to perform all task orders?  
Answer: Yes.
25. Question: Does the audit of active construction projects require the Consultant to perform on-site audit procedures in real time?  
Answer: Yes, the consultant will be expected to visit the site.
26. Question: Will the Consultant be given on-site access to active projects?  
Answer: Yes, the consultant will have access to active projects.
27. Question: Is the Consultant's staff expected to have OSHA or other site safety training?  
Answer: OSHA or other site safety training is not expected, but could be beneficial.
28. Question: Is a firm disqualified from bidding on this RFP if they previously or currently provided external auditing services to NJSDA?  
Answer: Firms currently providing external auditing services to NJSDA are disqualified from participating in this procurement.
29. Question: What is the current size and scope of both active and completed projects to be audited by the Consultant? Can you provide a list?  
Answer: It is presently anticipated that the below active and future projects will be subject to audits under this Procurement:

Opening	School	Current Status of School	Project Type	Total Est. Project Costs
2020	East Orange - George Washington Carver ES	Under Construction	Design Build	\$41.2M
2020	Harrison - New ES	Under Construction	Design Build	\$36.1M
2020	Pemberton - Denbo ES	Under Construction	Design Build	\$58.7M
2021	Camden - Camden HS	Under Construction	Design Build	\$132.6M
2021	City of Orange - Cleveland Street ES	Under Construction	Design Bid Build	\$33.2M
2022	City of Orange - Orange High School	Under Construction	Design Bid Build	\$51.9M
2021	Paterson - New Union Av MS	Under Construction	Design Build	\$113.9M
2022	Passaic City - Dayton Avenue ES Campus	Under Construction	Design Build	\$240.9M
2022 (Phased)	Millville - Millville High School - phase III	Under Construction	Design Build	\$137.5M
2022	Plainfield New Woodland Avenue	Design-Build Design Phase	Design Build	\$59.4M
2022	Keansburg Port Monmouth Road School	Constructability Review	Design Bid Build	\$28.4M
2023	Hoboken - Demarest ES	Design	Design Bid Build	TBD
2024	Perth Amboy HS	Design-Build Design Phase	Design Build	\$283.8M
2025	Union City - New Grade 7 to 9 School	Design	Design Build	\$75.5M

30. Question: Does NJSDA expect to issue multiple Task Orders concurrently or is there a limit of 1 active Task Order at a given point in time?

Answer: It is presently anticipated that multiple Task Orders will be issued concurrently.

31. Question: Does NJSDA currently have a vendor vetting or prequalification process for trade contractors and service providers utilized on NJSDA projects?

Answer: The NJSDA has a well-established, regulatory based, prequalification program. General information regarding the NJSDA's prequalification program is available at <https://www.njsda.gov/NJSDA/Business/Prequalification> and [https://www.njsda.gov/NJSDA/Content/Regulations/PDFs/19\\_38A.pdf](https://www.njsda.gov/NJSDA/Content/Regulations/PDFs/19_38A.pdf)

32. Question: Does NJSDA currently utilize a software system to store project data and documentation? If so, what program is utilized?

Answer: Primavera CM (for project data -- transitioning to PMWeb, as noted above) and Docuware (for documentation).

33. Question: Are Davis-Bacon or NJ Prevailing Wage guidelines applicable to these projects?

Answer: NJ Prevailing Wage rates are applicable to all NJSDA projects. Davis-Bacon requirements are applicable to any NJSDA projects that receive federal funding. To date, no NJSDA projects are subject to Davis-Bacon requirements.

34. Question: Are the certified payroll reports for these projects filed electronically? If so, what system?

Answer: Yes. Certified payroll reports are received and maintained electronically on a server managed by the NJSDA

35. Question: Do the construction sites have access control programs? If so, is the data the property of NJSDA or the Construction Manager / General Contractor?

Answer: Electronic access control is not required on our construction sites. Internal renovations in active schools may require access control; however, that information is the property of the school district.

Addendum: 1

Project #: GP-0272-R01

Project Name: Internal Auditing Consulting Services

36. Question: Did NJSDA hire a single program manager to oversee all construction? If so, what firm was hired?
- Answer: No.
37. Question: What entity holds the contract agreements with the trade contractors?
- Answer: The Design Builder or Design Bid Builder, as applicable.
38. Question: What types of contracts are utilized on the projects (i.e. lump sum, cost plus, time and materials, gross maximum price)?
- Answer: The type of contract utilized varies per project. Delivery method is primarily Design Build with a GMP, or Design Bid Build with a GMP.
39. Question: Will the Consultant have direct access to the NJSDA systems?
- Answer: Yes, the Consultant will be provided such direct access to NJSDA project management and documentation systems as is necessary to perform the assigned task.
40. Question: How many persons from the NJSDA's Internal Audit department will be assigned to this work?
- Answer: The audits may either be sourced entirely by the selected firm or have one member from NJSDA's IA department.
41. Question: Given the current COVID-19 situation and the fact that many consultant offices are not legally permitted to be occupied, can a proposer submit an electronic response either through e-mail or an FTP site?
- Answer: See Answer to Question #1, above
42. Question: Will the first-round scoring of all proposers be shared with all proposers?
- Answer: First round documents will not be available during the Procurement process. Documents relating to the Procurement will be available when the contract is awarded in accordance with the NJ Open Public Records Act.
43. Question: Is the NJSDA willing to consider exceptions to contract terms and conditions that are submitted with the proposal?
- Answer: No.
44. Question: The proposal submission instructions request a hard copy original version of the proposal be submitted to the NJSDA no later than 11am EDT on June 17. Given the effective stay-at-home order and limitations on the ability to print, would the NJSDA accept email submissions instead?
- Answer: See Answer to Question #1, above.
45. Question: What is the anticipated contract start date?

Addendum: 1

Project #: GP-0272-R01

Project Name: Internal Auditing Consulting Services

- Answer: September 2020.
46. Question: Is there an incumbent firm already providing the requested services to the NJSDA? If so, who is the firm?
- Answer: No.
47. Question: Does the NJSDA intend to outsource its Internal Audit function to the Consultant, or does the NJSDA intend to co-source with the consultant and NJSDA employees?
- Answer: See Answer to Question #40, above
48. Question: Should the Loaded Hourly Rates include any anticipated travel expenses, or will travel expenses be billed separately?
- Answer: See Answer to Question #16, above.
49. Question: On your scope of services you have listed various tasks. Do you have a timeline of when specific task orders will be generated and a preliminary idea of internal audit priorities and projects over the three year period?
- Answer: No timeline presently exists. It is anticipated that task orders will be generated throughout the year. Consistent with the Scope of Services, it is anticipated that task order assignments would initially include the audits of active or future construction projects (see Answer to Question #29, above) and audits of NJSDA internal operations, which could include but not be limited to: Standard Operating Procedures & Policies; impact of new legal requirements, such as legislation; deobligation of funds for projects; etc.
50. Question: Can you provide some recent internal audit reports that have been issued with the nature of findings and recommendations.
- Answer: Not at this time. Sample audit reports and/or relevant prior audit reports will be provided to the Consultant at task assignment.
51. Question: Your scope of services notes investigations of fraudulent activities. Based on public information we are aware of some of the personnel issues that have occurred at SDA over the recent years. Have these issues been investigated and resolved?
- Answer: The NJSDA rejects the implication that recent publicly disclosed investigations were in any way related to “fraudulent activities.” Relevant information, if such exists, will be provided to the Consultant if implicated by a task assignment.
52. Question: Our firm has previously worked with the SDA on review of the various construction projects to determine whether expenditures are in accordance with contract terms, SDA practices and State requirements. Is that scope of the audit task noted in the line item “Audit of Construction Projects, both complete and active?”
- Answer: Yes.



**53. Question:** Required forms – the RFP provides fillable PDFs for the respondent’s use. Are respondents able to provide supplementary information in another format, or are our responses limited to typing text directly into the forms provided?

**Answer:** See Answer to Question #2, above

**54. Question:** Attachment’s B, C & D include a blank 2nd fillable PDF page for respondent’s to complete. Can we replicate this form if our response goes beyond the 2 pages provided, or are we limited to the number of pages included in the RFP?

**Answer:** See Answer to Question #2, above

**55. Question:** Article 1 of the RFP states that NJSDA will forward the IA Consulting Services Agreement to the successful firm for immediate execution without modification. If the respondent takes exception to any of the terms and conditions included in the sample agreement provided, can those be presented in our proposal response?

**Answer:** No.

**56. Question:** The scope of services provided includes the audit of individual construction projects. Can NJSDA provide a listing of the known 3rd party construction contractors associated with projects to be audited? This would be helpful in identifying any potential conflicts of interest that may exist between respondents and the subject of this type of examination.

**Answer:** For informational purposes, a non-exhaustive list of third party firms that have worked or are working on projects that may be subject to audit is set forth below:

Contractor	Architect	Construction Manager
Dobco	NK Architects	STV Construction
Brockwell & Carrington	Fraytak Veisz Hopkins Duthie, P.C.	Joseph & Jingoli
Ernest Bock & Sons	SSP Architectural Group	Cambridge
Terminal Construction Corp.	DiGroup Architecture, LLC	CBRE
EPIC Management	Kliment Halsband Architects	EPIC Management.
Hall Construction	DMR Architects	Cambridge Management
Niram	Rivardo, Schnitzer, Capazzi, (RSC Architects)	Gilbane
	RSC Architects	Greyhawk North America, LLC
	LAN Associates	Heery International, Inc.
	Paulus, Sokolowski & Sartor, LLC	Anser
	Design Resources Group	Pinnacle Consulting
	AIA	

**57. Question:** NJSDA’s strategic plan and capital program information as displayed on your website indicates somewhere between 14 and 18 active or upcoming major projects, valued at approximately \$1B. If possible, it would be helpful if NJSDA was able to provide more specific / current information regarding the volume of construction projects that comprise the program within the scope of our work.

**Answer:** See Answer to Question #29, above.

**58. Question:** Research indicates the typical construction contract delivery methodology utilized by NJSDA for major projects is Design Build with a GMP. Can NJSDA confirm this is still the case? Please identify if any other contracting approaches are utilized for projects that would fall within the scope of this work (i.e. continuing / task order contracts, CM at Risk, traditional firm fixed price, etc.)

Answer: Delivery method is primarily Design Build with a GMP, or Design Bid Build with a GMP.

59. Question: Research indicates Primavera was the Authority's project management and document control system of record at one point, and all project information was available electronically. Please confirm if the technology system or availability of data has changed.

Answer: Primavera is still used, but is being transitioned to PMWeb, as noted above. Data is primarily available electronically.

60. Question: Research indicates multiple 3rd party construction managers are engaged across the Authority's portfolio of projects (CBRE Heery, Epic, Cambridge/Anser, etc.). Does NJSDA engage these firms (or others) to support program-level management activities, or is the use of 3rd party managers limited to specific projects?

Answer: Construction managers are separately procured for each specific project.

61. Question: Is there an incumbent already providing Internal Auditing Services for the school construction program? If so, and if possible, please provide the name of the firm(s) engaged, the average annual spend for these services, and the compensation structure / rates paid.

Answer: No.

62. Question: Does the Authority have an anticipated budget or volume of task orders planned for the next 3 years? Please share if possible

Answer: The NJSDA does not presently have an anticipated budget. Additionally, see Answer to Question #18, above.

63. Question: What are the Authority's primary risk concerns within the program? Change orders? Rising cost of labor / materials? Small, Minority, Women owned business compliance? Safety? While we will certainly provide our insights from comparable experience, we would like to know what is top of mind for NJSDA

Answer: The NJSDA is equally concerned with each of the referenced items, as well as those other items identified in the Scope of Services. Relating to audits of construction projects, from a financial perspective, the NJSDA is primarily interested in change orders and allowances.

**D. CHANGES TO PREVIOUS ADDENDA:**

1. Not applicable.

**E. ATTACHMENTS:**

1. Attachment 1.1 NJSDA Fee Proposal Form dated June 10, 2020
2. Attachment 1.2 "Notice of Intent to Participate" Contact List

*Refer all questions to NJSDA Procurement Staff. Any bidder attempting to contact government officials (elected or appointed), including NJSDA Board members, NJSDA Staff (except for Procurement), Selection*

Addendum: 1

Project #: GP-0272-R01

Project Name: Internal Auditing Consulting Services

*Committee members, NJSDA Consultants, and School District officials for information relating to this project or in an effort to influence the selection process may be immediately disqualified.*

**End of Addendum No. 1**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



New Jersey Schools Development Authority  
Office of Procurement  
32 East Front Street  
Trenton, NJ 08625  
Phone: 609-858-2915

**DATE:** June 10, 2020  
**PROJECT:** GP-0272-R01 – Internal Auditing Consulting Services  
**DESCRIPTION:** Addendum #1

**Acknowledgement of Receipt of Addendum**

Consultant must acknowledge the receipt of the Addendum by signing in the space provided below and returning an electronic copy via email to Dave Kutch ([Dkutch@njsda.gov](mailto:Dkutch@njsda.gov)). Signed acknowledgement must be received prior to the Bid Due Date. Acknowledgement of the Addendum must be made on the NJSDA Fee Proposal Form. Please include a copy of this signed acknowledgement form in the Technical Proposal Submission.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Addendum: 1  
Project #: GP-0272-R01  
Project Name: Internal Auditing Consulting Services

**ATTACHMENT 1.1**  
**NJSDA Fee Proposal Form**

Addendum: 1  
Project #: GP-0272-R01  
Project Name: Internal Auditing Consulting Services



**Addenda:**

The Bidder acknowledges receipt and incorporation into this bid of the following Addenda:

Number: \_\_\_\_\_

Dated: \_\_\_\_\_

I am duly authorized to sign this Fee Proposal on behalf of the named firm:

Firm: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT 1.2

### “Notice of Intent to Participate” Contact List

Baker Tilly Virchow Krause, LLP

BDO

BKD, LLP

CBIZ, Inc.

Crowe LLP

Exiger LLC

Experis Finance

Guidepost Solutions LLC

KPMG

Mercadien, P.C., Certified Public Accountants

Protiviti

RSM

Smolin, Lupin & Co., P.A.

Addendum: 1

Project #: GP-0272-R01

Project Name: Internal Auditing Consulting Services