
ADDENDUM # 1

to the REQUEST FOR PROPOSALS

Issued by:

The Federal Funds Commission



FEDERAL FUNDS RISK MODEL

RFP No. FFC 2014-02

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December 15, 2014

This Addendum modifies provisions of the Request for Proposals, RFP No. FFC 2014-02 (“RFP”), issued by the Federal Funds Commission on November 19, 2014.

The RFP is supplemented by the following additional information in response to the questions indicated:

Question 1: To predict the balance of federal funds at the state, one needs to know the balance sheet of the state from the finance department, if possible. Will the provider selected for this project have access to this information?

Answer to question 1: The state's balance sheet(s) is/are reported in the Comprehensive Annual Financial Report (CAFR), produced by the Division of Finance. The CAFRs are available online at finance.utah.gov from FY2006 through FY2014. Older CAFRs can be made available upon request. On the Finance website, click on financial reporting, then the CAFR link on the right side of the screen.

Additional information on federal funds is reported in the OMB Circular A-133 Audit Report (Federal Single Audit). This report is issued by the Office of the Utah State Auditor. These reports are on the Finance website (2006 through 2013) as well as the State Auditor's website (back to 2000).

The selected provider will have access to Division of Finance employees who can answer questions related to these reports.

Question 2: Will the provider selected for this project have access to information about how the State manages its balance sheet, whether active with a target net interest margin or duration?

Answer to Question 2: The provider selected will have access to state officials who can discuss how the state manages its balance sheet.

Question 3: With reference to Section IV, paragraph 2 of the RFP, does the Commission intend to maintain the Federal Funds Risk Model, including updates to the backend logic and software code used to develop the model?

Answer to question 3: It is likely that the State will want to maintain the model, but that decision will be up to future elected bodies.

Question 4: If the Commission intends to maintain the Federal Funds Risk Model going forward:

- a. will the Contractor be required to formally train and transfer knowledge to Commission staff as party of the contract delivery; and
- b. are there any restrictions in the skill sets of staff who will be responsible for maintaining the model?

Answer to question 4:

- a. No. That would be beyond the scope of this contract.
- b. Respondents are encouraged to propose technology tools that are generally accepted and widely used and to avoid the usage of programming languages for which there is a relatively limited number of available professionals with fluency.

Question 5: With reference to Section IV, paragraph 3 of the RFP, are there any restrictions on the software employed to develop the Federal Funds Risk Model?

Answer to question 5: No, but please refer to the answer to question 4b above.

Question 6: With reference to Section IV, paragraph 4 of the RFP, will the project require the Contractor to develop “specific recommendations of policy steps that can be taken to mitigate areas of significant impact,” or is the requirement only that the Federal Funds Risk Model be able to support the identification of these recommendations when the Commission begins using it?

Answer to question 6: The Contractor is not expected to provide comprehensive policy recommendations. However, it is anticipated that in the course of its work, the Contractor will come across a number of areas where specific recommendations for mitigation will be evident. It is expected that the Contractor will compile these items into a brief report.

Question 7: With reference to Section IV, paragraph 5 of the RFP, is the secondary consideration that the Federal Funds Risk Model “have a publicly available technology interface” an optional requirement only?

Answer to question 7: Yes, this is optional.

Question 8: With reference to Section IV, paragraph 6 of the RFP, would the Commission consider a managed services arrangement whereby the Commission (or other government stakeholders) provides the data on an as-needed basis and the Contractor reruns the model?

Answer to question 8: If the Respondent believes there are reasons why this would be preferable, then the Commission would consider it. Please articulate these reasons in the proposal.

Question 9: With reference to Section VI of the RFP, when developing the Federal Funds Risk Model, will the Contractor have access to Utah legislators, executive branch officials, or other decision makers/expert staff to elicit input on risk factors, consequences, probabilities, and prioritization?

Answer to question 9: The Commission cannot speak for all legislative and executive officials and staff, but assumes that all policymakers and staff that the Contractor will want to consult will willingly make themselves available to the Contractor to provide information the Contractor determines to be necessary to enable the Contractor to complete the work required under the Contract.

Question 10: With reference to Section VI, paragraph 4 of the RFP, what is the page limit for the third portion (detailed narrative) of the technical proposal response?

Answer to question 10: There is no set limit, but the Commission encourages Respondents to be as brief as possible and to avoid redundancy.

Question 11: With reference to Section VIII, paragraph 2b of the RFP, what is the minimum number of past project qualifications that should be cited to demonstrate the Respondent’s “experience and expertise in developing enterprise risk management models similar to a Federal Funds Risk Model?

Answer to question 11: There is no set minimum number. A Respondent’s experience and expertise may be demonstrated not only by the number of past projects but also by the nature of the projects and the quality of the work performed. The Commission leaves it to the Respondent to determine how many past project qualifications should be cited in order to demonstrate the Respondent’s experience and expertise.