



WASHINGTON STATE AUDITOR'S OFFICE

WORK REQUEST

STATEWIDE INFORMATION TECHNOLOGY RISK ASSESSMENT K405-WR-0214

Professional Consulting Services: Work Request

This Work Request is issued under your Convenience Contract #0313-C-K356 with the Washington State Auditor's Office.

Work Request Number:	<i>K405-WR-0214</i>	Date Issued:	<i>5/15/2014</i>
Service Category:	<input checked="" type="checkbox"/> Subject Matter Expertise	<input type="checkbox"/> Performance Audit	
Number of business days to respond to this request:	<i>15</i>		
Responses are due by 2:00 pm local time on:	<i>6/5/2014</i>		
<i>Late submissions cannot be considered.</i>			
Please have your response submitted via email to:	<i>contractmanager@sao.wa.gov</i>		
A Pre-Proposal teleconference will be held May 22, 2014 at 1:00 pm.	Participants should call Phone-360-407-3780, Pin code 880587#		
Questions regarding this solicitation are due by 5:00 pm local time on:	<i>5/22/2014</i>		
Expected Work Period of Performance			
From:	<i>6/30/2014</i>	To:	<i>5/15/2015</i>

I. REQUEST FOR SPECIFICATIONS

A. Title – State-wide Information Technology Risk Assessment

B. Project Background

Washington state government is increasingly dependent on information technology (IT) solutions to conduct its business and to interact with citizens. In response, the state recently restructured how it oversees and provides IT services to state agencies. Additionally, the state has placed increased emphasis on developing and implementing a statewide IT strategic vision through strengthening the role of the Office of the Chief Information Officer (OCIO) within the Governor's Office of Financial Management. The OCIO is also responsible for providing statewide policies and standards that govern different aspects of information technology.

Other state agencies involved in delivering enterprise IT services statewide include the Consolidated Technology Services Agency (CTS), and the Department of Enterprise Services (DES). The CTS mission is focused on delivery of infrastructure (i.e. data center, network, hosting, and storage), and IT utility type services (i.e. email, security). The DES has a broader mission related to traditional back office operations such as facility management, accounting, contracting and procurement, but also manages enterprise IT applications that support core financial management, human resource management, fleet management and the like. All state agencies manage their own line of business applications, some infrastructure and provide customer support to their users. All executive branch agencies, including CTS and DES are responsible for complying with OCIO policies and standards, as well as other IT-related state and federal regulatory requirements

Given the high level of risk associated with IT for the state, the Washington State Auditor's Office (SAO) has a role to play in ensuring the state is doing all it can to effectively plan for, develop, manage, and secure IT resources. SAO has the authority to conduct a variety of audits of state government. For IT, these audits could include performance audits, compliance audits, and information system control audits at both a statewide level and a state agency level.

C. Project Scope of Work:

The Washington State Auditor's Office is initiating this Work Request to firms interested in developing an approach and methodology to conduct and/or participate in a comprehensive statewide information technology risk assessment, and in helping SAO define its role in auditing the state's IT programs and functions. SAO plans to use the information gathered through this Work Request to develop a multi-year risk-based IT audit workplan, and to position itself to effectively execute that workplan.

Proposals should be developed to address the following four areas:

1. Developing an inventory of the state's information technology audit universe
2. Developing an approach to identify and assess those areas presenting the highest level of risk to the state and conducting that assessment
3. Assessing possibilities and making recommendations on the role of the State Auditor's office in auditing the state's information technology programs, functions, and systems, and the management and oversight of those programs, functions, and systems.

4. Assessing possibilities and making recommendations on how the State Auditor's Office could best be organized to effectively audit the state's information technology programs, functions, and systems, and the management and oversight of those programs, functions, and systems.

Proposals should focus on those areas of greatest significance to the state and with the greatest potential to improve security, savings, and services; while at the same time ensuring adequate coverage of state agencies, programs, and systems. Inclusion of those state and agency systems material to SAO's annual statewide financial audit and single audits is required. Particular topics of interest to SAO include:

- planning and managing IT portfolios
- approval and oversight of IT investments
- IT risk assessment
- managing IT projects
- ensuring security of IT assets
- planning and funding for IT disaster recovery and business resumption
- enterprise architecture
- enterprise-wide services
- emerging technologies
- contracting and procurement
- vendor management
- system like cycle requirements
- life cycle management and replacement
- maintenance and operations

Based on the information gathered under this Scope of Work, SAO is interested in developing a comprehensive multi-year IT audit workplan that includes performance, compliance, and information system control audits at the state and agency level. Proposals should fully explain how the contractor proposes to gather the information needed.

Additionally, SAO is interested in increasing its ability to conduct future IT risk assessments. Proposals should explain how the contractor will include SAO staff in the successful completion of this Scope of Work to accomplish that goal. Firms should also demonstrate their unique qualifications and experience with IT risk assessments to identify IT audit topics and to set IT audit priorities.

D. Deliverables

The contractor will be expected to ease the level of effort of state agencies participating in this risk assessment, and minimize the disruption caused within the agencies, who already have heavy demands on their time. The contractor is expected to closely coordinate all work performed at state agencies with SAO.

The SAO will negotiate contract terms, deliverables, and schedule prior to contract signing. The expectation for project completion is approximately six months once a contract is signed. SAO will provide review and oversight of contractor work and reserves the right to modify deliverables, including deleting or modifying tasks. SAO and the contractor will work collaboratively throughout the project to ensure it is completed efficiently and effectively.

This is a list of anticipated deliverables.

1. Project updates (to be held weekly at a minimum)

The contractor will provide regular status updates to the SAO project manager to ensure they are fully informed of the work as it progresses and any issues that unfold. These meetings can be by phone, but plan for some to be in-person. These updates must include, at a minimum, a summary of the work completed, and an outline of the work to be done in the upcoming two weeks.

2. Project work plan (to be completed within one month of signing contract)

The plan should include:

- a description of the approach, schedule and timeline, and contract staffing for for each deliverable, including how SAO staff will be included in the work
- a preliminary identification of the state agencies that will be included in the audit universe identification
- an explanation of the methodology that will be used to gather information to develop the audit universe
- an explanation of the methodology that will be used to conduct the risk assessment including the criteria, how risk will be defined and assessed, and a description or examples of the risk assessment tools that will be used
- an explanation of the approach that will be taken to assess SAO's role in auditing the state's IT programs and functions, and how it should be organized and staffed to effectively do so

3. Preliminary results of risk assessment, including risk assessment criteria, matrices or models, with supporting documents (to be completed within three months of approval of work plan)

The contractor will provide a written narrative of the preliminary results of the risk assessment including any matrices or models used to assign risk factors and risk assessment, and relevant supporting documentation

4. Preliminary results of assessment of SAO's role, organizational structure, and staffing needs (to be completed within three months of approval of work plan)

The contractor will provide a written narrative of the preliminary results of the assessment of SAO's role, organizational structure, and staffing needs, including relevant supporting documentation

5. Final report to SAO addressing all work conducted with supporting documents (to be completed within two months of presentation of draft results to SAO)

The contractor will complete a final report of the results, conclusions, and recommendations based on the work conducted to develop the audit universe, the risk assessment, and the assessment of SAO's role in auditing IT of state agencies and programs. The report must be accompanied by relevant supporting documentation. The final report is not considered final until approved and accepted by the SAO.

6. Remain available for future meetings, presentations, and consultations (as needed)

The SAO anticipates the potential need for support in conducting meetings and presentations related to the completed work. In addition, SAO may seek consultation and assistance in development of its comprehensive IT audit workplan. If support is needed in these areas, SAO and the contractor will negotiate contracts terms and compensation based on the contractor's hourly rate.

II. VENDOR'S RESPONSE

A. Work Request Coordinator

The Work Request Coordinator is the sole point of contact at State Auditor's Office for this procurement. All communication between the proposer and State Auditor's Office will be with the Work Request Coordinator, as follows:

Kevin Greene
 Washington State Auditor's Office
 3200 Sunset Way SE
 P.O. Box 40031
 Olympia WA 98504-0031

Telephone Number: (360) 725-5574
 Fax Number: (360) 586-0008
 E-mail Address: contractmanager@sao.wa.gov

Physical Address for Hand Delivery or Courier Service:

Washington State Auditor's Office
 3200 Sunset Way SE
 Olympia WA 98504-0031

Any other communication will be considered unofficial and nonbinding on the State Auditor's Office. Proposers are to rely only on written statements issued by the Work Request Coordinator. Communication directed to parties other than the Work Request Coordinator may result in disqualification of the proposer.

B. A Pre-Proposal teleconference will be held at the date and time in the schedule.

Participants should call Ph-360-407-3780, Pin code 880587#

C. Work Request Response – Instructions to Vendors

Proposals and attachments must not exceed 20 pages.

The following are not included in the 20-page limit: Customer References and Staff Resumes.

Proposals must include a project schedule and budget covering all proposed work.

Proposals must describe qualifications and experience of the firm, and proposed staff, to respond to the specific scope of work. Provide a detailed work plan describing the approach, assumptions, schedule, deliverables, estimated hours, and cost of each deliverable. Proposers should also describe their specific plan to transfer knowledge from the contractor(s) to SAO staff.

Proposers must commit that the proposed staff will actually perform services. By submitting a proposal the bidder agrees not to remove the selected staff person without the prior approval of the SAO Project Manager. The bidder agrees that they will submit the name and résumé (with qualifications and relevant experience) of the proposed replacement. SAO Project Manager approval must be received before the individual may be assigned responsibility for services. Approval will not be unreasonably withheld.

The proposer must provide résumés for the named key staff, and subcontractor employees performing work for the proposer of this contract. Each résumé must include information on the individual's specific skills related to this project, education, experience, significant accomplishments, and

responsibilities assumed on other similar projects as well as any other pertinent information. Subcontractor résumés must display the word “SUBCONTRACTOR” in bold letters clearly printed across the top of the first page.

The proposer must include three relevant customer references and include contact information and brief project description for each.

Questions regarding this work request must be submitted in writing to the Work Request Coordinator no later than the time listed on the schedule on page one.

Consultants may submit proposals via email. The proposal, whether emailed, mailed or hand-delivered, must arrive at the State Auditor’s Office no later than 2:00 p.m. local time, Olympia, Washington on the due date (page 1).

The proposal is to be sent to the Work Request Coordinator at the address noted above. The proposal should be clearly marked with the agency work request number **K405-WR- 0214** and to the attention of the Work Request Coordinator.

Consultants mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the Work Request Coordinator. Consultants assume the risk for the method of delivery chosen. The State Auditor’s Office assumes no responsibility for delays caused by any delivery service. Proposals may not be transmitted using facsimile transmission.

Consultants should allow sufficient time to ensure timely receipt of the proposal by the Work Request Coordinator. All proposals and any accompanying documentation become the property of the State Auditor’s Office and will not be returned.

III. EVALUATION AND SELECTION CRITERIA

A. Mandatory and Highly Desirable Experience and Qualifications

Provide information about the contractor (s) who will be directing and conducting the work included within the Scope of Work that demonstrates they possess sufficient professional competencies (skills, knowledge, experience) to accomplish the work.

1. **Mandatory Experience and Qualifications:** Experience in conducting audit risk assessments, in conducting IT performance and compliance audits, and in conducting information system control audits.
2. **Highly Desired Experience and Qualifications:** Not required, but highly desired is prior experience working with, or for, Washington state government.

B. Weight Evaluation Criteria:

Responsive proposals will be evaluated based on the instructions and information contained in this work request. SAO will create an evaluation team(s) to determine the ranking of the proposals. SAO reserves the right to contact a contractor to clarify any portion of their proposal. At their discretion, SAO reserves the right to conduct oral interviews of the highest scoring proposals to determine the final contract award. The oral interview, if conducted, will determine the apparent successful vendor. SAO reserves the right to contract with more than one vendor to perform this work at their discretion.

<u>PRELIMINARY SCORE</u> <u>REQUIREMENTS/CRITERIA</u>	<u>WEIGHT</u> <u>ASSIGNED</u>
Approach/Methodology/Availability	40%
Qualifications and Experience of Staff	30%
Qualifications/Experience/References of the Firm	20%
Price Proposal	10%
Oral Presentation/Interview (if used)	

IV. ADMINISTRATION

A. Debriefing of Unsuccessful Proposers

Proposers who submitted a proposal and were not selected will be given the opportunity for a debriefing conference. The Solicitation Coordinator must receive a written request from the unsuccessful proposer for a debriefing conference within three (3) business days after the Notification of Unsuccessful Proposer letter is e-mailed or faxed. The request for a debriefing can be in hard copy or via e-mail. The debriefing will be held within three (3) business days of the request unless the State Auditor's Office schedules otherwise.

Discussion will be limited to a critique of the requesting proposer's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

B. Protest Procedure and Format

This procedure is available to proposers who (1) submitted a response to this solicitation document and (2) have participated in a debriefing conference. Upon completing the debriefing conference, the proposer is allowed three (3) business days to file a protest of the procurement with the Solicitation Coordinator. Protests may be submitted by facsimile or e-mail, but must be followed by the original document.

Proposers protesting this procurement will follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to proposers under this procurement.

All protests must be in writing and signed by the protesting party or an authorized agent. The protest must state the grounds for the protest with specific facts and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests will be addressed to the Solicitation Coordinator.

Only protests stipulating an issue of fact concerning the following subjects will be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator.
- Errors in computing the score.
- Noncompliance with procedures described in the procurement document.

Protests not based on procedural matters will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) State Auditor's Office's assessment of its own and/or other agencies' needs or requirements.

Upon receipt of a protest, a protest review will be held by the State Auditor's Office. The State Auditor's Office will designate three individuals who were not involved in the procurement to consider the record and all available facts and issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event a protest may affect the interest of another proposer that submitted a proposal, such proposer will be given an opportunity to submit its views and any relevant information on the protest to the Solicitation Coordinator. The final determination of the protest will:

- Find the protest lacking in merit and uphold the State Auditor's Office's action; or
- Find only technical or harmless errors in the State Auditor's Office's acquisition process and determine the State Auditor's Office to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide State Auditor's Office options which may include:
 - Correct the errors and re-evaluate all proposals, and/or
 - Reissue the solicitation document and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

If the State Auditor's Office determines that the protest is without merit, the State Auditor's Office will enter into a contract with the apparent successful contractor. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

C. The Agency's Option To Extend

The agency reserves the right to extend the Work Order issued under this Work Request for one (1) one year period at the agency's option.

D. The Agency's Right to Cancel

The agency reserves the right to cancel this Work Request at any time, reject any and all responses received, and/or not to execute a Work Order from this Work Request without penalty to the agency. The release of this solicitation document does not obligate the agency to contract for the services specified in this Work Request. The agency shall not be liable for any costs incurred by a Vendor in preparation of a proposal submitted in response to this Work Request, in the conduct of an oral interview, or any other activity related to responding to this Work Request.