



March 28, 2016

Mr. Tony Mestres, President & CEO
Seattle Foundation
1200 Fifth Avenue, Suite 1300
Seattle, WA 98101-3151

Dear Mr. Mestres,

The following constitutes the Washington Student Achievement Council's response to your complaint issued on March 24, 2016 (enclosed) regarding RFP No. 17-RFP-078 for the Program Administrator to the Washington State Opportunity Scholarship Board.

As I understand it, the basis for your complaint is that certain requirements contained in the RFP are inadequately or insufficiently articulated so that a response is difficult to prepare. You have not included "A description of the corrective action or remedy being requested" as the RFP asks for in Section 4.5. Nevertheless, I will address your concerns. My willingness to do so is based in part on RFP Section 2.8, which provides that, "The AGENCY also reserves the right at its sole discretion to waive minor, immaterial irregularities in a bid." By extension, this right of waiver extends to minor, immaterial irregularities in a complaint. Accordingly, despite the fact that you have not suggested the corrective action or remedy you are requesting, I can assume that the corrective or remedial action you are requesting is that the agency clarify or provide more information with respect to the provisions that you question.

Below, I set forth your complaints, which you describe as challenges. To each, I provide the agency's decision, a description of how its review was conducted, and the basis upon which our decision was made.

Complaint 1(a)

Under 1.2.3 Core Responsibilities

We have received conflicting information about the need to provide occupancy for the WSOS Team, and no information about office space needs. The term "facilities" was used in the initial RFP, and Amendment 1 states that this refers to "occupancy". There is a wide range of cost differentials between these two terms and thus it is not clear what we should be estimating for the budget with respect to occupancy requirements.

Decision:

The requirements contained in the RFP and first amendment are adequate and sufficient for bidders to prepare a response.

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How the review was conducted:

The RFP and first amendment were reviewed for content related to this concern.

Basis upon which the decision was made:

The first amendment includes the following question and answer (single underline in the original answer).

Q. The RFP does not address occupancy – are we to include this?

A. The RFP addresses occupancy under 1.2.3 Core Responsibilities and refers to them as facilities: “*The Program Administrator will provide facilities and administrative, operational and organizational support to WSOS as follows:*” Yes, you are to include them in your bid.

The first amendment makes clear that the RFP refers to “occupancy” as “facilities.” Occupancy costs are those costs related to occupying a space including; rent, real estate taxes, personal property taxes, insurance on building and contents, depreciation, and amortization expenses.

Complaint 1(b)

Under 1.2.3 Core Responsibilities

During the open question period, the response to our question about how the WSOS legacy data, especially scholarships-in-process, will be provided to the new Program Administrator for migration onto new technology infrastructure was insufficient (The response we received was “We have yet to determine this process.”). This could be a very complex and time-consuming migration and without any specifics, we are not in a position to accurately project the true cost, which, in addition to all of the other known direct and one-time costs, could well exceed the cap of the allotted \$500k budget.

Decision:

The requirements contained in the RFP and first amendment are adequate and sufficient for bidders to prepare a response.

How the review was conducted:

The RFP and first amendment were reviewed for content related to this concern. The agency’s Director of Information Technology and the Executive Director of the WSOSB were consulted regarding the migration of legacy data not associated with Section 1.2.4 Additional Opportunities for Partnership.

Basis upon which the decision was made:

Legacy data relating to scholarships-in-process are only relevant to Scholarship Services (Section 1.2.4.A.) The RFP makes clear to bidders that response to Section 1.2.4 Additional Opportunities for Partnership is permissive not mandatory. Accordingly, it is not a requirement of the RFP and not an allowable basis for a complaint. The RFP in Section 4.5 Complaint Procedure provides that “*A vendor may file a complaint based on one or more of the following reasons: ...The requirements are inadequate or insufficient so that a response is difficult to prepare.*” (Emphasis added.) See excerpts below:

1.2.4 Additional Opportunities for Partnership (Do not include the cost for performing these functions in your proposal, but do provide a separate abbreviated proposal and price for each function you care to bid)

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The Bidder may provide a separate abbreviated proposal and cost for each function under Additional Opportunities for Partnership that they care to bid. THESE ABBREVIATED PROPOSALS AND COSTS WILL NOT BE SCORED. (See Section 3.4.A.)

Further Section 3.2.B. states in relevant part that, *“The Bidder may also present any creative approaches that might be appropriate and may provide any pertinent supporting documentation.”*

Regarding the migration of WSOS legacy data that is not associated with Section 1.2.4 Additional Opportunities for Partnership, the information that will need to be migrated can reasonably be inferred from the requirements contained in Section 1.2.3 Core Responsibilities. This information consists largely of (1) personnel related information similar to information that would be required in hiring a new employee; (2) property records associated with WSOS equipment; donor records associated with a small number of donors; (3) and basic accounting records. It can also reasonably be inferred that should the current Program Administrator not be the successful bidder, the WSOS and the current Program Administrator would need to prepare the relevant non-scholarship data and information for transfer to the new program administrator prior to June 30, 2016. As such, those costs would be a cost incurred under the existing agreement with the current Program Administrator, rather than a cost under a new agreement. The migration of data related to Section 1.2.3 Core Responsibilities will not be complex or time consuming.

Complaint 2(a)

Under 1.2.4 Additional Opportunities for Partnership

There is no mention of the potential to partner with WSOS on the asset management of the public and/or private funds. While we understand the state legislature requirements for the Washington State Investment Board oversight, judicious stewardship of assets is one of the core competencies of Seattle Foundation. Our solution for a scenario like this is to provide back-office administration for clients when we also provide asset management. We are open to having the investment managers be recommended by the client, which would permit the investment firm to be an eligible investment partner of Seattle Foundation. We believe that aligning both aspects of the program (scholarship administration and asset management) makes the partnership all the more effective. Without this aspect of the business relationship, it limits our ability to provide the optimal value at the most cost-effective rate. Is this option open for discussing after the RFP has been submitted?

Decision:

The requirements contained in the RFP and first amendment are adequate and sufficient for bidders to prepare a response.

How the review was conducted:

The RFP and first amendment were reviewed for content related to this concern.

Basis upon which the decision was made:

According to the RFP (Section 4.5 Complaint Procedure), *“A vendor may file a complaint based on one or more of the following reasons: ... The requirements are inadequate or insufficient so that a response is difficult to prepare.”* (Emphasis added.)

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The complaint refers to Section 1.2.4 Additional Opportunities for Partnership. The RFP makes clear to bidders that response to this section is permissive not mandatory. Accordingly, it is not a requirement of the RFP and not an allowable basis for a complaint. See excerpts below:

1.2.4 Additional Opportunities for Partnership (Do not include the cost for performing these functions in your proposal, but do provide a separate abbreviated proposal and price for each function you care to bid)

The Bidder may provide a separate abbreviated proposal and cost for each function under Additional Opportunities for Partnership that they care to bid. THESE ABBREVIATED PROPOSALS AND COSTS WILL NOT BE SCORED. (See Section 3.4.A.)

Further Section 3.2.B. states in relevant part that, “*The Bidder may also present any creative approaches that might be appropriate and may provide any pertinent supporting documentation.*”

In closing, please know that we appreciate the interest that the Seattle Foundation has shown in serving as Program Administrator. Finally, as provided in the RFP, this decision regarding your complaint is not appealable and we look forward to receiving your proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald G. Alexander", with a stylized flourish at the end.

Donald G. Alexander
Director of Financial and Business Services