

**Alaska Department of  
Environmental Conservation  
Division of Water**

**INFORMAL REQUEST FOR PROPOSAL**

**IRFP 170007330**

**Cost Allocation Plan Development**

**Date of Issue: January 13, 2017**

**1. Purpose**

The State of Alaska, Department of Environmental Conservation (DEC) is soliciting proposals on behalf of its Division of Water (DOW or Division) for the development of a federally approved cost allocation plan. A cost allocation plan is a means by which costs are identified in a logical and systematic manner for reimbursement under various funding sources, to include federal grants and contracts.

**2. Background**

Through the Division of Water's most recent fee study, it became clear that there are difficulties in the process to adequately charge the variety of permits that DOW staff work on.

Information regarding the mandate of a fee analysis can be found in Alaska Statute 37.10.052(a). Each resource agency shall, by regulation, establish a list of fixed fees for standard designated regulatory services that it provides. A fixed fee adopted under this subsection may not exceed the estimated average reasonable direct cost incurred by the resource agency in providing the standard designated regulatory service. The resource agency shall provide an explanation of the basis for the fixed fee. The resource agency shall review the list of fixed fees at least once every four years, identify any changes in the average actual and reasonable direct cost of providing each standard designated regulatory service for which a fixed fee has been established, and, by regulation, adjust the fees accordingly. The agency shall include the results of its review in the report submitted under AS 37.10.050 (c).

When the discrepancies were discovered, it was realized some costs were unrecoverable. As Alaska continues to navigate through fiscal and budgetary restraints, it will be important that the Division implement measures to effectively recover its costs related to permit work.

### 3. Scope of Work

The DEC is soliciting proposals from offerors to perform the services, tasks, and deliverables set forth herein. Proposals shall include a description of how each of the subsections designated as **Mandatory Evaluated (ME)** shall be accomplished, to include a description of experience and capability to perform each element, service, or task. If a proposal does not address each **Mandatory Evaluated (ME)** criteria, that proposal may be rejected as non-responsive.

The contractor awarded the contract resulting from this IRFP shall manage and perform all aspects of the scope of work as noted herein and within its proposal. The scope of work shall be performed on time and on budget. DEC anticipates the budget for the services herein to not exceed \$50,000, but retains the right to amend the contract resulting from this IRFP at a given point in the future should the need arise.

Any requested change to the time, scope, or cost of the contract resulting from this IRFP must be agreed upon and executed through a written amendment to the contract. The DEC reserves the right to request documentation that supports and justifies an increase to the cost of the contract, and reserves the right in good faith to either accept or reject any such request originating from the contractor. Any conflicting technical requirements will be resolved between the contractor and DEC in a timely manner throughout the duration of the contract.

#### 3.1 General Requirements

The contractor shall comply with each of the following:

1. Adherence with all applicable federal, state, and local laws and ordinances.
2. Work shall be performed by qualified personnel, experienced with work of the nature described herein.
3. Proposals that exceed the budget are subject to either rejection by DEC or contract negotiation, at DEC's sole discretion. DEC reserves the right to not accept proposals that are not in the best interest of the state.
4. Should the effort of the contract resulting from this IRFP, within this scope of work, develop into more than originally anticipated, DEC reserves the right to increase the time, scope, or cost of the contract as agreed upon and memorialized through a written amendment.

### 3.2 (ME) Cost Allocation Plan Development

The contractor shall develop a federally approved cost allocation plan, to include a multi-tier system to effectively capture costs for multiple programs in the Division as well as Administrative (indirect) time. This allocation plan shall be developed in a manner in which the DOW time tracking system interfaces with the State of Alaska time-tracking system (IRIS HRM) and allocates at the time uploaded in the tiered system described above.

The cost allocation methodology proposed and developed shall result in an equitable distribution of costs to program projects. Indirect costs will be factored in for equitable distribution to applicable funding sources. The cost allocation plan development shall include the following for direct costs:

- All allowable direct costs will be charged directly to projects, irrespective of funding source.
- Allowable direct costs identifiable to more than one project shall be prorated individually using a base most appropriate to the particular cost being prorated.
- All other allowable general and administrative costs, defined as costs that benefit all programs and cannot be identified to a specific program, shall be allocated to projects using a base that results in an equitable distribution.

Personal Services is defined as time worked by DEC employees as documented on a timesheet. Timesheets show time worked distribution for all employees, allocated based on cost pools established for individual programs. The cost allocation plan development shall include the following for personnel and compensation costs:

- Costs that benefit each pool will be allocated based on the ratio of individual cost pool salaries to total salaries.
- Fringe benefits will be allocated in the same manner as salaries and wages.
- Vacation, holiday, and sick pay will be allocated in the same manner as salaries and wages.

The cost allocation plan development shall be robust and account for a variety of costs and expenses. The methodology developed shall provide for ease of implementation and administration to minimize debate and delays to the greatest extent possible. The contractor shall also provide training to DOW staff in the use of the cost allocation plan and otherwise as needed. Most costs are described herein, and include without limitation the following.

Professional services costs (contractual services) shall be charged directly to the program that incurred the cost and consumed the service. Costs incurred by more than one program will be allocated to each program involved based on the ratio of each program's expenses to total expenses.

Audit costs shall be charged directly to the program that used the service or incurred the cost. Audit costs that benefit more than one, or all, programs will be

allocated based on the ratio of each program's expenses to total expenses.

Costs for program supplies shall be charged directly to the program that consumed or benefited from the supplies. Supply costs that benefit more than one program will be allocated based on the ratio of each program's expenses to the total of such expense. Supply costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses.

Training, conference, and seminar costs shall be charged directly to the program benefiting from the training, conference, or seminar. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries. Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries.

Travel costs shall be allocated based on the purpose of the travel. All travel costs, to include local, out-of-town, and out-of-state shall be charged directly to the program for which the travel was incurred. Travel costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries. Travel costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries.

Other costs, such as membership dues, licenses, fees, and so on shall be charged directly to the program(s) that benefits from the expense. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses. Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses.

The contractor shall provide functional model reporting capabilities. The contractor shall also provide written documentation for the implementation of the cost allocation model, detailing how it was developed and the data sources used.

Describe how this subsection will be accomplished. Be specific in describing the proposed approach to development of the cost allocation plan, information gathering techniques, availability to meet with DOW staff, training, and implementation strategies. In the proposal, describe how the cost allocation model will be developed to ensure accuracy and fairly allocate costs of programmatic and administrative time, in collaboration with DOW staff.

### **3.3 (ME) Experience and Qualifications**

The proposer shall identify the person(s) that will provide the services herein in their proposal. That person(s) shall have at least 2 years of verifiable experience in the public sector performing similar work. The proposal shall include that person's resume listing their qualifications and experience, as well as a description of similar work performed and reference contact information. The proposed person shall perform the services provided for herein and within the contract resulting from this

IRFP for the duration of the contract.

Should the proposed person no longer be available to perform the services, the contractor shall submit to DEC for approval a substitute with no less than equivalent qualifications and experience to the person initially proposed. In the event of such a change, the DEC retains the right to either approve or reject the new candidate prior to the provision of services by that person. The approval shall be based on a good faith effort to ensure consistency between the qualifications and experience of the person initially proposed and a new candidate.

Describe how the services herein will be performed, to include how training will be developed and delivered for DOW staff to ensure competency in using the cost allocation plan and understanding its elements.

#### 4. Alaska Business License and Other Required Licenses Scope of Work

Prior to the award of a contract, an Offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an Offeror must hold a valid Alaska business license prior to the Deadline for Receipt of Proposals. Offerors should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, P. O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses. Acceptable evidence that the Offeror possesses a valid Alaska business license may consist of any one of the following:

- Copy of an Alaska business license;
- Certification on its proposal that the Offeror has a valid Alaska business license and has included the license number in the proposal;
- A canceled check for the Alaska business license fee;
- A copy of the Alaska business license application with a receipt stamp from the State's occupational licensing office; or
- A sworn and notarized affidavit that the Offeror has applied and paid for an Alaska business license.

#### 5. Application of Preferences

Certain preferences apply to State solicitations, regardless of their dollar value, and must be claimed by an Offeror in its proposal. The DEC reserves the right to validate claim of a preference before the preference is applied to ensure the claim's validity. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the IRFP process. Additional preferences that may apply to this procurement are listed in the subsections below. Guides that contain excerpts from the relevant statutes and codes, explain when preferences apply, and provide examples of how to conduct calculations are available at the Department of Administration, Division of General Service's web site: <http://doa.alaska.gov/dgs/policy.html>.

To take advantage of these preferences, Offerors must attach a copy of their certification letter to its proposal. An Offeror's failure to provide this certification letter with its proposal will cause the State to disallow the preference.

### 5.1 Alaska Bidder Preference, 5%

In accordance with AS 36.30.321(a), AS 36.30.990(2), and 2 AAC 12.260 an Alaska Bidder Preference of 5% will be applied to the overall price in the cost proposal. The preference will be given to an Offeror who meets all of the following:

- Holds a current Alaska business license prior to the Deadline for Receipt of Proposals
- Submits a proposal for goods or services under the name appearing on the Offeror's current Alaska business license
- Has maintained a place of business within the State staffed by the Offeror, or an employee of the Offeror, for a period of 6 months immediately preceding the date of the proposal
- Is incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the State, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the State
- If a joint venture, is composed entirely of ventures that qualify under bullets 1-4 of this subsection

#### Alaska Bidder Preference Statement

In order to receive the Alaska Bidder Preference, a proposal must include a statement certifying that the Offeror is eligible to receive the Alaska Bidder Preference.

If the Offeror is a LLC or partnership as identified in bullet 4 of this subsection, the affidavit must also identify each member or partner and include a statement certifying that all members or partners are residents of the State.

If the Offeror is a joint venture which includes a LLC or partnership as identified in bullet 5 of this subsection, the affidavit must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the State.

### 5.2 Alaska Veteran Preference, 5%

In accordance with AS 36.30.321(f), an Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the cost proposal. The preference will be given to an Offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is one of the following:

- Sole proprietorship owned by an Alaska veteran
- Partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans
- Limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans

- Corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans

#### Alaska Veteran Preference Statement

In order to receive the Alaska Veteran Preference, a proposal must include a statement certifying that the Offeror is eligible to receive the Alaska Veteran Preference.

#### 5.3 Alaska Offeror Preference, 10%

In accordance with AS 36.30.321 and 2 AAC 12.260(e), Alaska Offerors are eligible for a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska Offeror will receive 10% of the total available points added to their overall evaluation score as a preference.

### 6. Point of Contact

Questions or matters pertaining to the technical aspects of the scope of work, deliverables, and reports are to be directed to the DEC Project Manager:

Misty Frawley  
Division of Water Quality  
410 Willoughby Ave, Suite 303  
Juneau, AK 99811  
Phone: 907-465-6594 Fax: 907-465-5177  
Email: Misty.Frawley@alaska.gov

Questions or matters pertaining to this IRFP, the resulting contract, amendments, contract negotiations, modifications, or procurement protests are to be directed to the DEC Procurement Officer:

Natalie Wolfe  
Procurement Services Unit  
555 Cordova St  
Anchorage, AK 99501  
Phone: 907-269-0291  
Email: Natalie.Wolfe@alaska.gov

Questions or matters pertaining to invoicing, payments, and project completion are to be directed to:

DiAnn Douglas  
Division of Water Quality  
410 Willoughby Ave, Suite 303  
Juneau, AK 99811  
Phone: 907-465-5302 Fax: 907-465-5177  
Email: DEC.Water.Contracts@alaska.gov

## 7. Deliverables

The contractor awarded the contract resulting from this IRFP shall complete, perform, and/or provide the following project deliverables. All deliverables shall be provided to the DEC Project Manager as set forth in [Section 6. Point of Contact](#).

1. Meet with the Division of Water administrative personnel to provide an introduction to include project purpose and objectives as identified.
2. Work with selected Division of Water administrative personnel to identify the critical administrative and division programs that will be included in the cost allocation model and propose methods of how to implement cost pools identified.
3. Be available to meet with the Administrative Cost Allocation Oversight Committee once a week, or as needed to coordinate the efforts to complete the cost allocation project in a timely and efficient manner.
4. Meet with the Division of Water Project Manager on a regular basis, and periodically meet with the DEC Finance Officer.
5. Propose cost allocation models based on the input received from Division of Water personnel, and ensure the cost allocation model reasonably allocates the costs of resources consumed to produce allocated services.
6. Provide functional model reporting capabilities.
7. Assist in developing a management report describing how the model was developed, what reports are available, and the intended use of the reports and information.
8. Provide written documentation for the implementation of the cost allocation model, detailing how it was developed and what the valuation assumptions and data sources that were used.
9. Develop and deliver cost allocation training to designated DEC personnel.
10. Submit the cost allocation plan/model to the Division's Cost Allocation Oversight Committee for final approval. Make any changes identified through the review and approval process. The Cost Allocation Oversight Committee will obtain final approval on the Cost Allocation Model and the reporting information from both the Environmental Protection Agency (EPA) and the DEC Finance Officer.
11. Be available to provide the services herein working approximately 5 days per week starting upon full execution of contract and have the project completed by April 30, 2017. The schedule will be mutually agreed upon between the parties.

## 8. IRFP and Project Schedule

The IRFP schedule is as follows. In the event the schedule needs adjusted, the Procurement Officer will issue the adjustments via a written amendment to the IRFP. All times are Alaska Standard Time (AKST).

Event	Date Due	Time Due
<b>Proposal Due Date</b>	<b>January 23, 2017</b>	<b>4:00 pm</b>
Proposal Evaluation complete, NOIA issued	January 24, 2017	
Contract award issued	February 3, 2017	



The estimated project schedule is as follows. In the event the schedule needs adjusted, the DEC Project Manager will communicate the adjustments via written correspondence to the awarded contractor. Upon contract execution, the DEC may work with the contractor to determine a firm schedule, and that schedule shall supersede the estimated schedule provided herein. All deliverables or tasks are due by the Close of Business (COB) on the due date noted below.

<b>Deliverable or Task</b>	<b>Date Due</b>
Allocation proposal identifying the critical administrative and division programs that will be included in the cost allocation model and propose methods of how to implement cost pools identified.	March 1, 2017
Cost allocation completion	March 31, 2017
Written and oral training for DOW staff	May 15, 2017
Ongoing support for questions	Through December 30, 2017

## 9. Proposal Requirements

### **Technical Proposals**

Offerors shall provide both a technical proposal and a separate cost proposal identified with the title of this IRFP clearly noted on the envelope. Proposals shall be submitted to the DEC Procurement Officer noted in Section 6. Point of Contact via email, mail, or hand delivery. Only written proposals will be accepted. Proposals that are late, contain proposed terms that are in conflict with requirements set forth herein, or do not respond to each criteria noted as Mandatory Evaluated (ME) may be rejected as non-responsive.

Technical proposals shall include assumptions made for each task or service within the scope of work. Proposals shall not exceed 6 single-spaced pages (not including attachments) and be Arial 12-point font (or comparable). Cost proposals shall be provided in a separate, sealed envelope within the proposal package. No cost data is allowed to be included in the technical proposal.

### **Cost Proposals**

Offerors must submit your proposed costs using Appendix A Cost Proposal. The Cost Proposal shall include an hourly rate, anticipated number of hours to provide the services herein, and a not to exceed total project cost. The number of hours anticipated is not a guarantee and may change based upon DEC's needs. The winning Offeror's total proposed project cost will become the not to exceed contract award amount.

All costs shall be stated as a fully burdened rate, and costs for this project will be paid based on actual services rendered and costs incurred for the performance and completion of the requirements herein. Travel that is proposed to occur either inside or outside of Alaska (out-of-state travel) must be identified within the cost proposal and is subject to DEC approval.

## 9.1 Evaluation

All proposals will be evaluated by a DEC Procurement Officer or Procurement Evaluation Committee (PEC). Evaluations will be based on the factors identified below.

### Evaluation Categories and Points

The table below indicates the total number of points assigned to each category of the IRFP proposal evaluation:

Technical Proposal	60 points
Cost Proposal	40 points
Total	100 points

The technical proposal will be based upon the following:

IRFP Section	Technical Proposal Evaluation Criteria	Points
3.2	Cost Allocation Plan Development	25
3.3	Experience and Qualifications	25
5.03	Offeror Preference	10

Technical proposals will be scored using the evaluation criteria and point factors noted above. The scores for each proposal will be based upon the assigned scores identified through the evaluation process. Technical proposal scores will not be normalized.

The scores for the cost proposal portion of the evaluation will be normalized as follows: The proposer's cost proposal with the Lowest Total Cost will receive 40 points, the maximum points available. All other responsive cost proposals will be assigned a portion of the maximum score using the following formula:

$$\frac{\text{Lowest Total Cost} \times 40}{\text{Next lowest Total Cost}}$$

## 9.2 Award and Selection

After completion of the proposal evaluations and contract negotiation, if any, the Procurement Officer will issue a Notice of Intent to Award (NOIA) to all responding offerors and allow for protest rights. The protest period shall be no more than 10 calendar days. The offeror with the best overall combined score will be awarded the contract resulting from this IRFP.

## Appendix A Cost Proposal

**Offeror Name**

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**Cost Proposed as a Single Fully Burdened Rate per Project Category as noted below:**

Project Category	Total Cost (not to exceed amount)
Hourly Rate	
Number of Anticipated Hours	
<b>TOTAL PROJECT COST</b>	

<b>Authorized Representative (Print)</b>	
<b>Signature</b>	
<b>Date</b>	

The Total Project Cost is calculated by multiplying the Hourly Rate by the Number of Anticipated Hours.