

Overhead Allocation Review & Audit, Office of Education

Request for Proposal: Questions & Responses

August 3, 2016

1. To help us determine the scope and complexity of the project, please provide the allocation for 2015 that you want audited. If the allocation is not readily available, can you at least describe the amount and type of allocated costs, how the costs are grouped into cost pools, the allocation bases used, a description of methodology used, etc.

The State Bar's 2015 cost allocation is documented via an extensive Excel spreadsheet. The methodology is based on a model developed for the Bar by a public accounting firm in 1999, and subsequently updated in 2001 and 2016. The allocation spreadsheet is readily available for this audit and will be released to the contracting firm after the RFP is awarded. The total amount of the 2015 indirect cost pool is approximately \$24 million. These costs represent general and administrative overhead incurred in support service centers including the offices of: Executive Director, Finance, General Counsel, General Services, Human Resources and Information Technology. Indirect costs are allocated to programs benefiting from the supportive services by utilizing an organization-wide allocation bases and rates.

2. The RFP asks for "fixed costs (if applicable)". Do you want a fixed fee proposal, which will require a full understanding of the scope of work now, or are you willing to accept an estimated cost (fixed hourly rate multiplied by estimated hours)?

We are willing to accept an estimated cost based on fixed hourly rates and estimated hours. All rates and corresponding hours should be clearly listed and we should be able to calculate and confirm the proposed cost estimate.