

REQUEST FOR INFORMATION (RFI)

The State of Ohio, through The Auditor of State, is requesting information regarding potential outsourced work for:

PROFESSIONAL SERVICES FOR A PERFORMANCE AUDIT OF THE OHIO HOUSING FINANCE AGENCY

DATE ISSUED September 20, 2011
INQUIRY PERIOD September 20, 2011 – October 17, 2011
DUE DATE October 24, 2011

SUBMISSION OF PROPOSALS

Responses to this Request for Information must be submitted electronically no later than 4:00 p.m. EST on October 24, 2011. Documentation is to be sent to Betsy Bashore, Ohio Performance Team, at the following address:

bjbashore@auditor.state.oh.us

A. Purpose

To ensure that the Ohio Auditor of State's Office (AOS) is serving its clients and the taxpayers of Ohio in the most efficient and effective manner possible, the Auditor is soliciting proposals from qualified firms to conduct a performance audit of the Ohio Housing Finance Agency (OHFA). This audit will focus primarily on objectives related to the OHFA business processes as well as OHFA revenues and expenditures to ensure it optimizes the use of available resources and that processes reflect leading practices.

This Request for Information (RFI) document is released by AOS.

B. Project Background and Overview

The Ohio Housing Finance Agency (OHFA) facilitates the development and financing of low- to moderate-income housing. Programs serve first-time homebuyers, renters, senior citizens, and other populations with special needs. Formerly a division of the Ohio Department of Development, OHFA became an independent state agency on July 1, 2005 through Amended Substitute House Bill (HB) 431. OHFA funds competitive fixed-rate mortgage loans and

provides financing for the development and rehabilitation of affordable rental housing by allocating Low Income Housing Tax Credits (LIHTC), issuing tax-exempt mortgage revenue bonds, and other affordable housing programs.

OHFA helps low- to moderate-income Ohioans purchase new homes and provides opportunities through financing quality and affordable rental housing. OHFA provides financing for competitive fixed-rate mortgages by issuing tax-exempt mortgage revenue bonds and partners with real estate professionals and mortgage lenders. OHFA offers financial incentives for developers to increase the supply of affordable rental housing. The Agency administers different funding programs, including the LIHTC Program, which for-profit and nonprofit developers can use to develop new or rehabilitate existing affordable rental housing. Finally, it helps property managers maintain safe affordable housing environments through its compliance programs. OHFA monitors more than 1,000 multifamily properties throughout the State. Since its creation, OHFA has made affordable mortgage loans to more than 100,000 Ohioans and facilitated the creation of more than 87,400 affordable rental housing units.

C. Vendor Qualifications and Experience

In order to be considered for this outsourced work, AOS requires that interested vendors address each of the following minimum qualifications as well as organizational and staff experience and capabilities as described below:

- Minimum of 5 years performance audit or management consulting experience with large government entities and/or Fortune 500 companies.
- Provide examples of three similar sized performance audit projects completed in the past three years that demonstrate expertise necessary to successfully accomplish this engagement.
- Provide evidence of the ability to conduct performance audit engagements that are compliant with *Government Auditing Standards*.
- Identification of designated Engagement Manager and provide references, educational background and related experience for the Engagement Manager that demonstrate the technical expertise and experience to conduct an audit engagement of the scope being requested.
- Provide name, educational background and experience for each staff member to be assigned to this audit engagement sufficient to document collective knowledge and experience adequate to meet engagement goals and objectives.
- Provide names and contact information for at least three entities at which they have performed similar projects in the past 3 years.

D. Scope of Work

The qualified firm will conduct a performance audit of OHFA in the areas delineated below. The requested audit must be conducted in accordance with Government Auditing Standards. The requested performance audit must include, at a minimum, each of the following elements:

Primary Areas of Risk and Interest

1. Program Effectiveness
 - a. Recognition and prioritization of underserved areas, housing needs.
 - b. Performance measurement and performance management, measuring effectiveness in relation to other states and industry standards, as well as changes in the housing market.
 - c. Comparisons to like agencies in performance and effectiveness.
 - d. Quantification of program benefits and comparison to other states.
2. Annual Plan
 - a. Annual plan development and implementation.
 - b. Methods used to recognize underserved areas.
 - c. Relationship to tax credit program and Qualified Allocation Plan.
 - d. Relationship of plan to recognized underserved areas/areas of need
3. Developer Relationships
 - a. Developer selection and qualifications, including processes used to encourage inexperienced developers to use Agency resources to developing affordable housing.
 - b. Cost evaluation of developer fees as a component of total project costs.
 - c. Ohio costs per unit in comparison to other states and HUD standards
4. Single Family Homebuyer Program
 - a. Success rate compared to other states and industry standards. These measures should include, but are not limited to:
 - i. Market penetration: What percentage of the low and moderate income first time homebuyer market does OHFA serve with its program?
 - ii. Range of mortgage products: Does OHFA offer a range of mortgage products suitable for our customer? How do our product offerings compare to other states?
 - iii. Loan performance: Compare delinquencies and foreclosure on OHFA portfolio to the overall market.
 - b. Efficiency and effectiveness of key program facets
 - c. Foreclosure prevention efforts and rates of foreclosure in comparison to other states in general and other housing finance agencies specifically, and national foreclosure prevention programs.

5. Agency Operations.
 - a. Expense structure (revenues and expenditures by function, program, financing instrument type).
 - b. Examination of operations for potential areas of waste, including agency operational costs per finished square foot of affordable housing (overall and by program); program cycle times for developing financing, making disbursements, and achieving completion of projects; loan processing costs.
 - c. Program appropriateness to mission, business structure, options to include additional programs of similar type.
 - d. Human resources management - workforce and workforce development alignment with strategic plan
 - e. Appropriateness of organizational structure and resource deployment
6. Public Policy Alignment
 - a. Public policy goals and consistency with enabling legislation and statutory framework; goal achievement.
 - b. Public policy goal alignment with executive and legislative priorities for Ohio.

Secondary Issues (Cost Dependent)

1. Oversight and Accountability
 - c. Sufficiency of oversight and accountability provided by statutory framework

Tertiary Issues (Cost Dependent)

1. Planning and Budgeting, Financial Management
 - a. Long term planning and budgeting
 - b. Capitalizing on business side while maintaining mission focus;
 - c. Grant and contract management;
 - d. Service provider and vendor selection.
2. Facility expenses.
3. Organization
 - a. Organizational structure/statutory structure.
 - b. State partner agency and stakeholder relationships.
 - c. HR policies and procedures.
4. Oversight and compliance functions for multi-family properties.

Comparisons should include market-based and private sector measures where appropriate and applicable. Methodology should also include focus groups with key stakeholder components.

E. Date of Submission and Evaluation Timetable

Responses must be submitted electronically and be received no later than 4:00 p.m. EST, on September 30, 2011. A responding firm bears full responsibility for the timely delivery of its response at the prescribed location. Additional materials received after the submission deadline date will not be added to previous submissions and will not be considered.

The anticipated project timetable is as follows:

RFI Issued:	September 20, 2011
Inquiry Period:	September 20 2011- October 17, 2011
Response Due Date:	October 24, 2011
Technical Evaluation Period:	Begins November 1, 2011
Oral Presentations:	First Week of November
Commence Work:	Upon award of contract

The Auditor of State reserves the right to revise this schedule in the best interest of the State of Ohio and/or to comply with the State of Ohio procurement procedures and regulations.

F. Inquiries

Potential vendors may ask clarifying questions regarding this RFI via the Internet during the Inquiry Period as outlined above. To ask a question, potential vendors may use the following Internet e-mail address; bjbashore@auditor.state.oh.us

Questions seeking clarification of this RFI should include vendor, contact name, and business phone number. AOS may, as its option, disregard any questions which do not include identification of the originator of the question or if the question is not, in AOS' opinion, a clarifying question. AOS will not respond to any questions after 4:00 p.m. on the date that the inquiry period closes.

Vendors submitting inquiries will receive an acknowledgement that the inquiry has been received.

AOS will attempt to respond to all inquiries within 48 hours of receipt, excluding weekends and State holidays.

G. Specifications of Deliverables

The vendor will be expected to deliver status updates throughout the Performance Audit Process and a final report in electronic format. The contracted deliverables may include, but are not limited to, the following:

- An electronic version of the final audit report, including an executive summary and all report elements necessary to comply with Government Auditing Standards.

- Copies of all relevant audit documentation used to reach the conclusions contained in the final audit report.

H. Format for Submission

To be accepted, the vendor's response must be submitted electronically and be no more than 15 single sided pages. Submissions should at minimum include the below information.

- A. Response submitted by (Provide Vendor Name) and desired single point of contact with name, title, phone number and e-mail address.
- B. Expertise and References
- C. Description of the Project Approach including:
 1. The approach for conducting a performance audit of the scope requested.
 2. The Methodology to be used.
 3. A Project plan with proposed timelines and milestones.
 4. The Deliverables that would be produced for this engagement.
 5. Sample work products and deliverables that reflect similar types of work (in an appendix to the response).
- D. Description of Proposed Resources including:
 1. The team roles proposed to staff the engagement, as well as a description of the functions team members would perform and their experience related to those functions.
 2. A table of roles and responsibilities for all proposed team members
 3. Resumes of team members proposed for this project (submitted in an appendix).
- E. Proposed Statement of Work
 1. Provide a proposed statement of work for this project. Please note that this submission should not contain a cost proposal or estimate. Submissions made pursuant to this Request for Information should be limited to the items listed in this section.

I. Oral Presentation

Once the technical merits of the Proposal have been evaluated, AOS may hear oral presentations by a selection of qualified vendors at its discretion. The key Vendor representatives assigned to this engagement must present the response. The presentation will not last longer than one hour including the question and answer period.

J. Other Requirements

State Contracts – Responses must list any current contracts the vendor has with State of Ohio agencies. The list must include the purpose of the contract, the amount of the contract, the time period covered by the contract, and the percent of the project completed.

Trade Secrets Prohibition; Public Information Disclaimer – Vendors are prohibited from including any trade secret information as defined in the Ohio Revised Code (ORC) 1333.61 in their proposals in response to any AOS RFP, Requests for Letterhead Bid (RFP) or other procurement efforts. AOS shall consider all proposals or similar responses voluntarily submitted in response to any AOS RFI, RFA, RFP, or other procurement document, to be free of trade secrets and such proposals shall, in their entirety, be made a part of public record.

Property of AOS – All proposals and any other documents submitted to AOS in response to this RFI shall become property of AOS. This RFI and, after the selection of a vendor for award, any proposals submitted in response to an RFI are deemed to be public records pursuant to ORC 149.43. For purposes of this section, the term “proposal” shall mean both the technical proposal (or application or other response documentation) submitted by the selected vendor/applicant, and any attachments, addenda, appendices, or sample products.

Ethical & Conflict of Interest Requirements

1. No contractor or individual, company or organization seeking a contract or other business agreement shall promise or give to any AOS employee anything of value that is of such character as to manifest a substantial and improper influence upon the employee with respect to his or her duties;
2. No contractor or individual, company or organization seeking a contract or other business agreement shall solicit any AOS employee to violate any of the conduct requirements for employees;
3. Any contractor acting on behalf of AOS shall refrain from activities which could result in violations of ethics and/or in conflicts of interest. Any contractor or potential contractor who violates the requirements and prohibitions defined here or of Section 102.04 of the ORC is subject to termination of the agreement or refusal by AOS to enter into one; and
4. AOS employees and contractors who violate Sections 102.03, 102.04 2921.42 or 2921.43 of the ORC may be prosecuted for criminal violations.

CERTIFICATIONS

(Must be completed by all responding firms)

In addition to responding to the foregoing items, this firm certifies that:

- A. The vendor's position as provider to AOS for the scope of services will not create any conflict of interest for the firm or any of its assigned personnel and it will promptly disclose to AOS any such conflict of interest if, as and when it arises and is known to the firm.
- B. The firm is an equal opportunity employer and does not discriminate against applicants or employees on the basis of race, color, religion, sex, age, disability, national origin, or Vietnam-era veteran status.
- C. All of the assigned personnel by the firm who are not United States citizens will have executed a valid I-9 form and have valid employment authorization documents.
- D. The firm is not currently in violation of or under any investigation or review for a violation of any state or federal law or regulation that might have a material adverse impact on the firm's ability to serve if selected.
- E. The firm is and will be during the period of this agreement in compliance with all applicable federal, State and local laws, including but not limited to the applicable provisions of the following for which it also makes the following related certifications:
 - 1. The Federal (41 U.S.C. 701(a)) and Ohio (R.C. 153.03) Drug Free Workplace Acts. The firm will make good faith efforts to ensure that all of its employees will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way while working on State property.
 - 2. The Ohio Patriot Anti-Terrorism Act (Sections 2909.32-34 of the Ohio Revised Code). [Note: This Act was amended by AM. Sub. H.B. 461 enacted in December 2006 by the 126th Ohio General Assembly.]
 - 3. State of Ohio ethics (Chapter 102 and Sections 2921.42 and 2921.43 of the Ohio Revised Code), campaign financing (Chapter 3517 of the Ohio Revised Code), and lobbying (Sections 101.70 and 121.60 et seq. of the Ohio Revised Code). [Note: Chapter 3517 of the Ohio Revised Code was amended by Am. Sub. H.B. 694 enacted in December 2006 by the 126th Ohio General Assembly.]
 - 4. Section 9.24 of the Ohio Revised Code. The firm is not subject to an "unresolved" finding for recovery under that section.

Firm: _____

By: _____