

Enterprise Risk Management (ERM) Consulting Services RFP
Addendum # 1 City answers to questions
Specification # 1189037

Q #	Question or Request for Clarification	CITY's ANSWER
1	Could you please provide a brief overview of the current state of the City's ERM program? What elements, if any, does the City currently have in place?	A) The city currently does not have an ERM program. B) There are elements of traditional risk management located in various departments throughout the city, such as safety, insurance, and workers' compensation.
2	One of the requested deliverables is "A change management strategy" (item 9, page 2). Does the City currently have/utilize an existing change management protocol for other major initiatives? If so, please provide details of the protocol utilized by the City.	The City does not utilize a specific change management strategy or protocol.
3	One of the requested deliverables is "A plan to evolve data collection and analytics techniques" (item 13, page 2). Please clarify the intent of the deliverable. If possible, please expand on the type of data collection and analytics techniques to be incorporated into the required plan.	The City desires assistance with development of a plan to collect relevant data and implement analytics techniques as part of the ERM framework.
4	In the Deliverables – Scope of Services, item 1 references stakeholder interviews. Does the City have an anticipated number of interviews in mind?	Approximately 20 interviews are anticipated.
5	Please provide a listing of all City Departments considered in scope for this project.	This project is intended to establish a framework for a citywide ERM program. Initial focus will be placed on the largest departments and enterprise servicing departments, including Streets & Sanitation, Water Management, Transportation, Facilities Management, Aviation, Emergency Management, Police, Fire, Human Resources, Law, and Budget/Finance.
6	Under Detailed Scope of Services, item 5, could you please clarify if the City is anticipating a risk assessment, and drill down on a specific risk, or both?	Currently, the City does anticipate both risk assessment and the need to drill down on one or more specific risks.
7	It is noted that in section 6, the City has identified MBE/WBE requirements. If there are not any identified partners to deliver the requested services would our response be considered non-compliant if we do not meet those targets?	Proposals shall be evaluated based on the evaluation criteria described in <u>Section VIII. Evaluation Criteria and Selection</u> . The proposed MBE/WBE plan criterion, shall be evaluated based on the level of participation (in terms of percentages of commitment) and the meaningfulness of the work performed by the MBE and/or WBE (as described in <u>Section V. 6. MBE/WBE Compliance Plan</u>). Also see answer # 56.
8	Could you clarify what you mean by a "risk assessment of an <i>ERM program area</i> "? Are you anticipating that this will be a risk assessment of an entire agency, function, or process?	Program area could include an agency, function or process.
9	Could you clarify what you mean by "Analyze initial assessment capability by implementing in the context of a management-determined priority program area or high-visibility risk"? Is the risk assessment being led and conducted solely by the provider? Or will this be led by an individual at the City with assistance of the provider?	The risk assessment will be performed in coordination and collaboration with the CRO and support staff as needed.
10	How many stakeholder interviews do you anticipate for the first phase of project - current state assessment? How many stakeholder interviews do you anticipate for the second phase of project – initial risk assessment of a priority program area?	A) Approximately 20 interviews are anticipated for phase 1. B) Interviews for the priority program area would vary depending on the program area selected for assessment.

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11	How many people will be trained as part of the ERM 101 training session? Is this training just for the Finance Department or will it be across other departments/agencies?	ERM 101 training is anticipated for all City department leadership, approximately 50 participants.
12	The solicitation requires fully loaded hourly rates and estimated number of hours for each staff member to arrive at the estimated lump sum total cost. However, some vendors perform on a firm-fixed-price weekly team basis, and do not have the ability to provide hourly rates. For this reason, other U.S. public sector entities have regularly benefited from allowing such bidders to identify the team bundles that make up their total price, which align to the Bidder's commercial pricing practices and allows for more cost effective options. In the event vendors cannot provide hourly rates and solely perform on a firm-fixed-price weekly team bundle basis, will the City allow bidders to offer an alternate pricing structure rather than hourly rates and revise the cost worksheet provided to conform with the alternate pricing structure?	Yes. The City Comptroller will allow bidders to offer an alternate cost proposal and pricing structure in response to <u>Section IX</u> , to the extent that estimated total costs can be compared and final costs can be further negotiated. However, in the event an MBE and/or WBE subcontractors shall perform work pursuant to this project, the individual hours worked and individual payroll rates, as applicable, must be accounted for for reporting purposes - in terms of distinguishing dollars the City paid to Consultant versus dollars Consultant paid to its MBE and/or WBE.
13	Has the City already identified stakeholders? If so, is the City willing to share the list of individuals?	Stakeholders would include executive and senior staff from various departments citywide. A specific list of individuals has not been composed.
14	What has the City already developed/conducted with respect to a risk framework and/or risk assessment? Will this be made available prior to RFP submission?	The purpose of this RFP is to develop the City's risk framework and/or risk assessment process. There are no existing formal documents.
15	Has the City conducted any ERM activities either in the Finance Department or other Departments to date? If so, can the activities be briefly described?	See answer to # 1.
16	What is the reason that the City is seeking assistance with the ERM Consulting services at this time?	See answer to #16.
17	Which City Department will be overseeing the services of the ERM Consultant?	Office of the Mayor, Chief Risk Officer.
18	Will the City be appointing a Project Manager to work with the ERM Consultant?	Yes. The City Comptroller will allow bidders to offer an alternate cost proposal and pricing structure in response to Section IX, to the extent that estimated total costs can be compared and final costs can be further negotiated. However, in the event a

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19	What assistance will City Staff provide to the ERM Consultant?	The ERM Consultant is expected to be a support to the City. The ERM Consultant will work with the Chief Risk Officer, including other City staff as needed, to manage and implement the project.
20	Does the City currently have a Risk Register? If so, which department maintains the Risk Register?	No. The scope of this project includes City departments only.
21	How many training sessions to the City's Senior Leadership are expected of the ERM Consultant?	ERM 101 training is anticipated for City department leadership, approximately 50 participants. It is expected that two (2) to four (4) opportunities for training will be provided.
22	Are all City Departments included in the Scope of the ERM Program? If not, which Departments are not within the Scope of the ERM Consultant?	See answer to #5.
23	Can an organization chart of the City be provided as part of this RFP process?	A citywide organization chart is not available at this time. However, a list of all City departments can be found at https://www.chicago.gov/city/en/chicagogovt.html .
24	What are the MBE/WBE goals for the contract awarded as a result of this RFP?	Contract-specific goals are not preset by the City for this particular RFP/contract. Rather, the Consultant shall be required to propose goals it shall commit to, in accordance with <u>Section V. 6. MBE/WBE Compliance Plan</u> .
25	As a firm we typically do not use contractors for this type of project, as we have the expertise in house, and the relating to risk management certified MBE/WBE Contractors appear to be focused/involved in insurance rather than ERM. However, this shows as a criteria, how much weight is given to this area?	Weights have not been assigned to individual criterion. The evaluation committee is tasked to assess the proposals and make its recommendation based on the offers determined to be in the City's best interest.
26	Project Staffing: We typically see these types of projects have busy times and times when there is not so much work, which would result in an ebb and flow of Team members - is it the expectation that RubinBrown have all Team members on site/on engagement every day for the entire 9 month period?	No, key personnel are not expected to be onsite every day during the project period.
27	Top/Governance Level participation in the building of the framework and top level risk assessment: will this be the Alderman/City Council, Elected officials of Senior City Management?	No, it is not expected that elected official will be participants.
28	Are we correct in that the expectation is to then perform a risk assessment in each program area using this high level build out and agreed upon framework?	The RFP calls for the establishment of an ERM and risk assessment framework and to conduct an initial risk assessment of an ERM program priority area.
29	Is a "program area" analogous to the 35 departments shown at https://www.chicago.gov/city/en/depts.html#w?	See answer # 8.

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30	Are any of the "Other City, County, and State Agencies" (Board of Election Commissioners, Chicago Housing Authority, Chicago Park District, Chicago Public Schools, Chicago Transit Authority (CTA) - Travel Information, Cook County Clerk's Office) in scope for this proposal?	No. The scope of this project includes City departments only.
31	Does the City have a preferred platform (Tableau, PowerBI, Spotfire, etc.) for Data Analytics and Reporting?	No.
32	The proposal references assessing current state capabilities, will any information be provided in advance so that we can tailor our proposal?	See answer # 1.
33	Are key personnel expected to be on location in Chicago to deliver the project?	See answer # 26.
34	Are all personnel included in the response required to deliver the project upon award?	See answer # 26.
35	Is there a required MBE/WBE percentage?	See answer # 24.
36	How are evaluation criteria weighted between technical, staffing, pricing, MBE/WBE participation, etc?	See answer # 25.
37	When can respondents expect to be notified if they are selected to participate in the orals presentation?	After the evaluation committee reviews all proposals and makes a preliminary cut that determines who will move on in the process for further consideration, and if oral presentations are recommended (the oral presentation phase is optional), then a notice will be sent to each selected respondent. See Table 1 Timeline Milestones for an estimated target date for orals.
38	What is the format of the orals presentation?	Generally, on a scheduled date, time, and place, subject matter experts and representatives from the City host pre-qualified respondents' teams, individually, for an hour or two, in a closed session, as an opportunity for the respondent to present answers to questions previously sent to the respondent requesting more details or clarification with respect to the proposal submittal. The oral presentation setting generally requires certain key personnel who will be working on the City's project to attend and describe in further detail the approach to providing their expertise to the City. If applicable, oral presentations provide an opportunity for respondents to demonstrate their software's functionality, as proposed tools to be used in support of the services. Oral presentations provide the opportunity for other discussions to be shared, to the extent that they will provide a better understanding to the City concerning the respondent's paper submittal.

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39	Are there formal labor category requirements that each proposed staff member should be considered against to establish an hourly bill rate?	The question is understood to be asking if the City wishes the respondents to propose rates for certain categories of staff, e.g., "project manager," or "analyst," etc. The answer is, No. Rather, in accordance with Table 2 and Table 3 , individuals and the individuals' names and titles are being requested. Although the proposed staff members may fall under various formal labor categories, it is the individual staff person, their qualifications and experience (as relates to ERM consulting services), that is being requested, as per Section V , item 4, part C, and part D.i., D.ii.a.
40	Will there be a set aside for travel funding?	Generally, any travel costs that may be incurred by the Consultant, as a matter of providing services, must be included in the cost proposal. However, if, during contract negotiations it is considered to be in the City's best interest to consider travel-reimbursement compensation, then the City may negotiate such travel requirements accordingly. Additionally, Exhibit 3 City Travel Guidelines , incorporated here by reference, shall apply if deemed applicable by the City. Note: the Exhibit 3 City Travel Guidelines shall be posted on the DOF website as part of this Addendum # 1.
41	Is there a page limit for the response?	No.
42	Can you highlight what types of City resources we can anticipate for this project initiative? What type of roles, % of time, and duration might we anticipate?	See answer to # 19.
43	What structure / governance exists for ERM today?	See answer to # 1 and # 23.
44	Is there a particular trigger that is resulting on this focus?	The City requires a comprehensive ERM program to be proactive in the identification of exposures to its employees, assets and citizens and ensure appropriate mitigation factors are institutionalized.
45	What is the role of Audit today and how do they interact with ERM team (if it exists)?	ERM does not currently exist.
46	Are all enterprise risks in scope? E.g. operational risks, market risks, credit risk, market risk, regulatory risk, any other	The focus of the scope of this project is limited to operational and regulatory risk.
47	Which departments would this risk assessment cover and prioritize?	See answer to # 5.
48	What is the breadth and scope of the functional / stakeholder engagement for this initiative?	See answer to # 19.

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49	How will the City of Chicago measure success for this initiative?	The success of this project will be measured by successful delivery of the key deliverables as outlined in this RFP.
50	Is there any required document format for the proposal. Is a searchable power-point acceptable?	See <u>Section V. Proposal Submittal - Required Content</u> . Because this is a competitive solicitation where "Overall quality and thoroughness of the Proposal submittal" is an evaluation criterion, the proposal submittal format is a decision to be made by the respondent.
51	What outcomes are desired from training module and who are the target audience. Is the delivery of training in scope?	A) The training is expected to provide an understanding of the basic concepts of ERM, including its purpose, benefits, and impacts. B) The target audience is the CRO and executive/senior leadership. C) See <u>Exhibit 1 Detailed Scope of Services</u> , item 3.
52	Pertaining to the activities listed under Exhibit 1, #1: approximately how many stakeholder interviews are included in the scope of this project?	See answer to # 4.
53	Could you provide a list of which departments/agencies/etc. you would like included in the framework?	See answer to # 5.
54	Does the City of Chicago currently use any risk tools or software that should be taken into consideration for this project?	No.
55	How do you envision a MBE/WBE being engaged? In addition, what is the percentage of work that is being required by the City of Chicago?	See answer to # 7.
56	If there are no MBE/WBE firms with ERM expertise, what other ancillary services would be acceptable?	See answer to # 7. Further, the nature of the work to be performed by an MBE or WBE, or both, must be considered to be "Direct Participation". "Direct Participation" means the value of payments made to MBE or WBE firms for work that is performed in their Area of Specialty directly related to the performance of the subject matter of the contract [and] will count as Direct Participation toward the contract specific goals." "Area of Specialty" means the description of an MBE or WBE firm's business which has been determined by the Chief Procurement Officer to be most reflective of the MBE or WBE firm's claimed specialty of expertise." Note: if an MBE or WBE firm is certified as having both an MBE and a WBE designation, that firm can only be counted as or participate as either an MBE or a WBE; not both.
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