



April 20, 2004

**INFORMAL BID SOLICITATION – SAS 70 Services**

**Addendum 2**

Bids Initially Posted: April 8, 2004

Contracting Officer: Joanne Mitchell

Telephone Number: (404) 651-6183

Proposal Due Date: **April 29, 2004**

Time: 1:00 PM EST

This addendum is issued to advise of the extension of the proposal due date and posting of questions and answers. All proposals in response to the solicitation stated above must be received by Thursday, **April 29, 2004, at 1:00 pm**.

The due date for posting questions and answers received in response to the solicitation stated above was been extended to **April 20, 2004**. The questions and answers are as follows:

**Questions and Answers in response to the Informal Bid Solicitation for the SAS 70 Services dated April 8, 2004.**

**All questions were submitted by Dan Klapheke, Director, CBIZ Accounting, Tax & Advisory Services, Shareholder, Mayer Hoffman McCann P.C. :**

Q1. "Last year we had the opportunity to propose on a SAS 70 for the period April 2003 through September 2003. We were not selected to perform that service. Was a SAS 70 performed for that time period? If so, can I get a copy of that report."

A1. Yes, an SAS 70 report addressing that period is available. Please send your request in writing via fax or e-mail to:

Joanne Mitchell, Contracts Manager  
Georgia Department of Community Health  
Office of Contracts Administration  
2 Peachtree Street, NW, 35<sup>th</sup> Floor  
Atlanta, Georgia 30303  
(404) 651-6183 (phone)  
(404) 656-4988 (fax)  
E-mail: [jmitchell@dch.state.ga.us](mailto:jmitchell@dch.state.ga.us)

**Please be advised that no additional questions may be requested in your request for documents. Only reports and other specifically related documents may be requested.**

Q2. “Secondly, what is the reasoning for soliciting bids if a firm was engaged to perform the service last year? Did they fail to meet your expectation or are there other issues? Please advise.”

A2. Use of some type of vendor market solicitation is common for State procurements. Please also note that the current solicitation describes services in addition to the standard SAS 70 services.

Q3. “Will there be two SAS 70 reports or one?”

A3. One.

Q4. “Does one contractor provide the MMIS and the SCHIP services?”

A4. Yes: one contractor, one system, one SAS 70 report.

Q5. “Can we get a copy of the last SAS 70 report(s) that was issued?”

A5. Yes. See our answer to Question 1.

Q6. “If no report has previously been issued, can we get a copy of other internal control documentation?”

A6. See our answer to Question 5. A report has been issued.

Q7. “Please provide contact information for the organization on which we will be issuing the SAS 70 report.”

A7. We will provide this information to the bidder awarded the contract under this solicitation.

Q8. “Can we get a copy of the financial statement audit report prepared by your CPA firm?”

A8. Yes. Both the complete financial statement audit report and the complete Single Audit report are available. Please see Question 1 for contact information.

Q9. “Can we get a copy of the management letter your auditor’s issued?”

A9. See our answer to Question 8. The Single Audit report includes the “Report of Independent Certified Public Accountants on Compliance and on the Internal Control Over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*” and the “Report of Independent Certified Public Accountants on Compliance With Requirements Applicable to Each Major Program and on the Internal Control Over Compliance in Accordance With OMB Circular A-133.”

Q10. "For items B. and C. in the proposal, will you be selecting the sample size? If so do you have an approximation of the size? If not, will you prescribe the sampling methodology or leave that to us?"

A10. We intend to incorporate the winning bidder's professional judgment into our decision process. We may determine that provider claims, auditor-designed test claims, or both, should be used. The sampling may target specific claim types.

We do not expect the winning bidder to statistically select the sample or to report statistical sampling-based conclusions on the accuracy of the claim population.

For item B., we expect that sample sizes would be no larger than those used for SAS 70 purposes. Our intent in item C. is to gather some evidence indicating whether we should consider procuring in the future more extensive sampling and testing of certain parts of the MMIS.

Q11. "Where do the claims reprocessing stated in B. take place?"

A11. Our MMIS contractor operates the reprocessing of fourth quarter fiscal year 2003 claims through the same MMIS used for current claims. The contractor is located in the Ravinia office complex near the intersection of Ashford Dunwoody Road and Interstate 285. The contractor routes certain mainframe operations through its Pittsburgh data center. If a provider submits a claim via the U.S. Mail, claim intake occurs through the contractor's Remote Mail Operation in McRae, Georgia. The contractor may route some paper documents through a Kentucky facility.

NOTE: A signed acknowledgement of this addendum should be received by this office prior to the proposal due date and time or should be attached to your proposal response.

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Firm Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date