

## CAPP RFP – Questions & Answers

Q1: Have the services previously been performed by a consulting firm or internally by a department?

A1: CAPP is a new and one-time program from the Federal State Fiscal Recovery Fund and has not been audited before.

Q2: What type of audit program are you expecting will be performed by the firms? Are there prearranged audit programs available or will the firms provide their own?

A2: The firms will provide their own. They would be working on the general procedures identified under the Audit Plan section of the RFP (5.1.4) but the retained firms would be producing the detailed procedures in coordination with CSD.

Q3: What type of report is the Department requiring for each audit? Would it be an agreed upon procedures, or will it be some other form of attestation or some other type of consulting report?

A3: It will be some form of agreed-upon-procedures (AUP) report. The Department will work with the CPA firm on the first report to design a prototype for the remaining audits.

Q4: With regards to Attachment 15, will costs that are proposed by the auditing firms for each utility be a “not to exceed” cost?

A4: Should the bidder be awarded the utility to audit, the bid price is the amount that will be paid for the audit upon successful completion and approval of the audit report. Please note that, there is a provision to pay an hourly rate on a very limited basis, if it is determined and authorized by the Department that the initial findings of the audit require further investigation.

Q5: Do we know from these utilities if the data and records would be available electronically?

A5: We believe that most, if not all, data will be available electronically but it will be determined by the capabilities of each individual utility.

Q6: In order to develop accurate cost estimates, it would be helpful to understand how many procedures will need to be audited?

A6: There are three main elements to each audit:

1. High-level internal control review of CAPP procedures and provide an overall assessment of the internal controls.
2. Validate and verify that the credits were in fact applied to the individual customer accounts.
3. Programmatic compliance in terms of protections and offerings.

Please see audit plan section in the RFP for further detail.

Q7: Are you expecting to each utility to respond to findings?

A7: The Department will take lead on obtaining responses if it is determined it is necessary.

Q8: Who will the audience be for the audit reports? Will these audit reports be made public (posted to the website)?

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- A8: The AUP reports will be made available to assist CSD in making decisions. CSD may choose to share the reports with the federal government and any key stakeholders. The reports, with some limitations as specified in statute, will be treated as a public record.
- Q9: Are there specific guidelines for how the electric utilities can use the Waterfall method for distributing arrearage funds? If yes, will CSD provide?
- A9: Refer to CAPP Program Notice 2021-06 for guidelines on how utilities shall apply the Waterfall method when applying CAPP benefits to customer accounts. Additional guidance may be found in CAPP Program Notice 2021-08.
- Q10: Can the CSD elaborate on the timing of when it expects to receive the reports of CAPP outcomes given the allocations are distributed on a rolling basis. If the reports are due 6 months after the CAPP allocation deadline of January 31, 2022, does this mean there could be a delay in starting audit work until July 2022? Given the audit reports are due within 75 days, does this mean that most of the audit work would be concentrated in the later half of 2022 with the contract end date in December 2022?
- A10: Energy utilities participating in CAPP must submit reports of CAPP outcomes no later than July 31, 2022. Therefore, the latest that the audit work could begin is July 31, 2022, with a contract end date in December 2022. The Department believes that some energy utilities will submit their reports before July 31, 2022. Consequently, audit work may begin sooner, with the contract end date still being in December 2022.
- Q11: Exhibit C (Section 19) indicates reporting requirements for small and disabled veteran business participation. Is there a small business and/or disabled veteran business preference for this project or is it waived? If so, how is participation accounted for in the scoring?
- A11: There are no small business and disabled veteran business preferences for this project.
- Q12: Item 3.4.4 indicates that the Contractor make themselves available for additional meetings or hearings/testifying as a result of the audits. Should we assume this potentially variable workload/cost to be part of the price per audit or will we be allowed to bill this time at the hourly rate provided in Attachment 15, the Cost Proposal?
- A12: There may be need for minimal, routine meetings with CSD via Teams or other online meeting application during the course of each audit which should be factored into the overall cost for each utility audit. Any meetings needed for possible hearings and/or testifying would be billed at the hourly rates provided in Attachment 15 of the cost proposal.
- Q13: Can you specify what content/data the final utility data report will contain?
- A13: The contents of the final utility data report will be forthcoming. When it is available, it will be posted to CSD's website and on Cal eProcure.
- Q14: In cases where the electric utility is not responding in a timely or comprehensive manner to Contractor data requests, to what degree will CSD support the Contractor in obtaining responses in order to meet audit report deadlines?

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- A14: [The Contractor shall work with CSD to resolve any issues on timeliness of data reporting.](#)
- Q15: Attachment 9 requests a detailed list of all auditing services by client for the past three (3) years. How would CSD like us to respond if we are a large firm with an extensive number of audit clients across multiple industries, sectors, and locations many of which have little or no relationship to the electric utilities being audited?
- A15: [Provide the most relevant listing of services which are commensurate with the audit plan \(RFP Section 5.1.4\) being requested.](#)
- Q16: Section 7.1, Step 2 indicates that CSD will evaluate costs for each applicable utility and hourly rate. Given it appears that the CSD will award the energy utility audit to the lowest cost proposal by a responsive bidder, how will the CSD use the hourly rate information in this evaluation step?
- A16: [The Department will utilize a standardized approach to evaluating the hourly rates across all bidders. Please refer to A4. above for additional information regarding the hourly rate. There are limited funds available for payments under the hourly rates.](#)
- Q17: 5.1.4 indicates “Proposers are highly advised to utilize the following matrix to determine sample sizes” then later references Attachment 17. Is there a separate matrix that was supposed to follow this sentence? Are we to assume that the CSD would like the Contractor to use sample sizes equal to all of the accounts/subaccounts noted as checked in Attachment 17?
- A17: [CSD would like the CPA firms to use the sample sizes indicated in the accounts/subaccounts noted in Attachment 17 as a minimum sample size. Additional client accounts can be reviewed, however, the CPA firm will only be paid the proposed/agreed upon amount for that utility.](#)
- Q18: Will CSD allow the selected firm(s) to perform the work following Performance Audit Standards under the U.S. Government Accountability Office’s Government Auditing Standards?
- A18: [Audits must be conducted in accordance with GAGAS attestation standards. GAGAS incorporates by reference the American Institute of Certified Public Accountants’ \(AICPA\) Statements on Standards for Attestation Engagements \(SSAE\).](#)
- Q19: If CSD selects multiple firms to perform the services, will each firm be required to perform the services under the same professional standards?
- A19: [Audits must be conducted in accordance with GAGAS attestation standards. GAGAS incorporates by reference the American Institute of Certified Public Accountants’ \(AICPA\) Statements on Standards for Attestation Engagements \(SSAE\).](#)