



U N I V E R S I T Y O F
SOUTH CAROLINA

AMENDMENT NO. 1 TO SOLICITATION

TO: ALL VENDORS

FROM: Charles Johnson, Procurement Manager

SUBJECT: SOLICITATION NUMBER: USC-RFP-1639-CJ

PROVIDE COST MANAGEMENT CONSULTING SERVICES

DATE: February 19, 2010

This Amendment **No. 1** modifies the Request For Proposals only in the manner and to the extent as stated herein.

BIDDER SHALL ACKNOWLEDGE RECEIPT OF AMENDMENT **NO. 1** IN THE SPACE PROVIDED BELOW AND RETURN IT WITH THEIR BID RESPONSE. FAILURE TO DO SO MAY SUBJECT BID TO REJECTION.

Authorized Signature

Name of Offeror

Date

THE FOLLOWING QUESTIONS REGARDING THE COST MANAGEMENT CONSULTING SERVICES RFP WERE RECEIVED FROM VENDOR A:

QUESTION i: What is the budget for this project and what is the anticipated time frame?

The University has decided not to release its budget for the cost management consulting services project at this time. The anticipated time for the project is the initial term of the contract (estimated to be April 1, 2010 through March 31, 2011).

QUESTION ii: What is the scoring criteria?

In Section VI. Award Criteria of the solicitation, the University has stated the evaluation factors for the RFP in the relative order of importance, with the first factor being most important. The University has decided not to reveal the weighted averages for the evaluation factors.

THE FOLLOWING QUESTIONS REGARDING THE COST MANAGEMENT CONSULTING SERVICES RFP WERE RECEIVED FROM VENDOR B:

QUESTION 1: Is the University of South Carolina looking for specific cost management recommendations or only for a methodology to identify and evaluate opportunities? If USC is looking for specific recommendations, should there be recommendations for each campus or should recommendations be on the system-level?

ANSWER: We expect specific recommendations, and not just a method. Our focus is mainly on system-level, but we need recommendations for individual campuses as well.

QUESTION 2: Have recent cost reduction initiatives been undertaken? If so, can you share the outcomes or comments on the general success of the initiatives?

ANSWER: Significant cost reductions have been undertaken throughout the system due to cuts in state appropriations which are continuing. All strategic plans of system campuses have been recalibrated to fit new budget realities, and the downward revisions in budgets appear to have been difficult, but we have managed. The quality of the teaching and learning experience has been preserved as first priority.

QUESTION 3: In "Proposal Contents" Section 2: Previous Work Experience, does University of South Carolina want to see actual (redacted) deliverables for client projects or just overviews of these deliverables?

ANSWER: Overviews are acceptable.

QUESTION 4: Is there a specific amount of savings that University of South Carolina hopes to achieve? Is there a timeline for realizing the savings?

ANSWER: We do not have a target level of savings because we do not know where we can economize without compromising quality education. An approximate timeline is two years. We need to be at a new equilibrium level of recurring expenditures in that time.

QUESTION 5: Is there a budget that has been developed for the proposed scope of work and a timeline for initial phase? If so, what is it?

ANSWER: The University has decided not to release its budget for the cost management consulting services project at this time. The anticipated time for the project is the initial term of the contract (estimated to be April 1, 2010 through March 31, 2011).

QUESTION 6: How will University staff participate in this project? Will they be in an oversight role only, or is it the desire to the University to have internal staff work alongside the consultants?

ANSWER: Staff will help supply raw data and respond to queries and interviews.

QUESTION 7: Will the consultants be able to leverage University or State contract rates at hotels near the various campuses? If so will you share a schedule of those rates to support calculation of per diem rates?

ANSWER: The Inn at the University, which is adjacent to campus, will make the University rate available for our visitors at the rate of \$120 per night, plus taxes (\$134.27 including taxes).

QUESTION 8: Section III a. refers to evaluating efficiency among USC campuses. Can you give us more detail about your expectations regarding the "written analysis" to be performed?

ANSWER: We expect a narrative interpreting the findings, highlighting where we might find efficiencies.

QUESTION 9: What are some examples of the comparative data you seek in Task a?

ANSWER: Financials: Average cost/FTE; marginal cost/FTE.
Academic: Retention rates; time to degree completion

QUESTION 10: Will there be a university Steering Committee to oversee this project?

ANSWER: Yes, a system review team is in place, chaired by VP Finance & Planning.

QUESTION 11: Who will be on the selection committee for this project?

ANSWER: While the University will have an evaluation committee to evaluate responsive proposals it receives to the RFP, the University is not at liberty to reveal the names of the individuals who will serve on the evaluation committee during the solicitation process. After contract has been awarded from the solicitation and the solicitation process is completed, you are welcome to submit a written FOIA (Freedom of Information Act) request for the names of the individuals who served on the evaluation committee to the procurement officer for the solicitation and the University will respond accordingly.

THE FOLLOWING QUESTIONS REGARDING THE COST MANAGEMENT CONSULTING SERVICES RFP WERE RECEIVED FROM VENDOR C:

QUESTION 1: Will you provide any information regarding your current structure and process for identifying and implementing cost reduction initiatives?

ANSWER: The university will provide a description of its current structure. The consultant / contractor will be able to determine cost reduction initiatives by interviews with campus representatives.

QUESTION 2: Will you provide any information and or deliverables regarding your recent cost reduction activities?

ANSWER: Yes. The institution has undertaken significant reductions in response to state budget cuts and these initiatives will be shared.

QUESTION 3: What are the expectations for level of detail of the assessment as the first part of the project?

The following clarification was received from the vendor as it wasn't clear to the University exactly what the vendor was asking for with his original question above:

1. Are any departments or areas not included, or does this cover every area/department across the entire university system?

ANSWER: The "departments" we have in mind are campus-level, so this does not extend into, say academic departments within a college within a campus.

2. The level of depth/detail desired in each area/department will determine how much time we could spend looking for savings opportunities in each.
 - a. Are you looking for a few key/significant opportunities across each area/department vs. detailed lists of opportunities in each? For example, we can either identify \$1M in savings in procurement or identify the 15 specific opportunities that make up the projected savings.

ANSWER: We're looking at this from a system perspective. An analysis that examines one campus at a time is off the mark. How can campuses within the university system work better (meaning more efficiently and more effectively)?

QUESTION 4: Are all administrative departments and academic programs included in the scope or is there a prioritized list?

ANSWER: All are included.

QUESTION 5: How would you describe your understanding and measurement of current administrative functions and the various programs?

ANSWER: It needs improvement. Our strategic planning process needs a stronger assessment component.

QUESTION 6: Are measures in place for the costs of degree production?

ANSWER: Possibly; this depends on definition of cost – marginal versus average.

QUESTION 7: Will you be providing any University staff to be part of the dedicated team?

ANSWER: We will support.

QUESTION 8: Where will the answers to all questions be posted?

ANSWER: All vendor questions regarding the solicitation will be answered in an upcoming amendment to the solicitation and the amendment to the solicitation will be posted on the same University of South Carolina Purchasing Department Web site where the solicitation is posted (<http://purchasing.sc.edu/saform.php?sid=361&q=Solicitations>)