

Orange County Employees Retirement System

**Request for Proposal
For
Fraud Reporting System**

January 2012

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Section 1: Introduction and Project Background

The Orange County Employees Retirement System (“OCERS”) invites proposals from firms to provide a confidential reporting system to be made available to employees, vendors, or others to report suspected fraud, waste, abuse, ethics violations, and violations of the County of Orange Code of Conduct. The confidential reporting system should include ability to receive reports, case management and work flow capabilities, and information dissemination, including information gathered through a whistleblower hotline. The receiving reports process should include receipt and documentation of phone calls, emails, and other forms of communications from the reporting party. The case management system will be used to document each complaint and its resolution, as well as to facilitate communications with Internal Audit staff relating to complaints received through the confidential reporting system.

Section 2: The Orange County Employees Retirement System

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937. OCERS provides members with retirement, death, disability, and benefits. OCERS currently has approximately 39,000 members, of which over 12,000 are retirees. The Board of Retirement consists of nine members. Four Board members are appointed by the County’s Board of Supervisors; four are elected by the members of OCERS; and the County’s Treasurer is an ex-officio member. There is also an elected alternate member.

The Board of Retirement is responsible for establishing policies, regulations and guidelines for the administration of retirement benefits and the investment of the assets of the pension fund.

Section 3: General Information

All terms, conditions, requirements, and procedures included in the RFP must be met for a response to be qualified. A submission that fails to meet any material term, condition, requirement, or procedure of this RFP may be deemed unresponsive and disqualified. OCERS reserves the right to waive or permit cure of non-material errors or omissions. OCERS reserves the right to modify, amend or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP.

Section 4: OCERS’ Point of Contact

From the date of issuance of this RFP until the selection of a vendor is completed and the selection is announced, vendors are not permitted to communicate for any reason with any OCERS staff or Board member regarding this procurement, except through the Point of Contact named herein. For violation of this provision, OCERS shall reserve the right to disqualify the offending vendor from further participation in this procurement.

The Point of Contact for questions and all matters relating to this RFP is:	
Name:	David James
Title	Director of Internal Audit
Address:	2223 E. Wellington Ave., Suite 100 Santa Ana, CA 92701
Telephone:	(714) 569-4895
Email:	djames@ocers.org

Proposals are due by 5:00 PM on April 20, 2012, and are to be delivered to OCERS office, marked to the attention of the above-listed Point of Contact. It is the responsibility of the vendor firm to ensure that the proposal arrives at or before the time and date written herein.

Section 5: Vendor Questions Regarding RFP

Vendors may submit questions regarding this RFP in writing to the Point of Contact named in Section 4 through February 17, 2012. Email is the preferred method of communication. All written questions must include the name of the firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be posted on OCERS website: www.ocers.org, no later than March 16, 2012.

Section 6: Purpose and Scope of Work

As part of OCERS' ongoing efforts to identify and discourage fraud, waste, and abuse, OCERS' Internal Audit Division will establish and administer a fraud reporting and management system. In order to ensure anonymity to callers and to provide 24 hour/7 day per week coverage of the hotline, the Internal Audit Division intends to outsource this function to a third party vendor.

The scope includes, but is not limited to, the following tasks:

1. Provide a confidential, anonymous mechanism for employees, vendors, and the public to report suspected fraud, waste, abuse, violations of ethics, or violations of the County of Orange Code of Conduct. This mechanism should consist of a toll-free phone number, a designated mailing address, and/or a secure email address. The vendor should provide the option for receiving alternate reporting methods, including both electronic (web link, email) and hardcopy (facsimile, regular mail).
2. Ensure the confidentiality of the reporting party will be maintained at all times, regardless of the method of communication used, and provide the option for reporting parties to remain anonymous. This mechanism should also provide a means for callers to remain in contact with OCERS during the investigation while also remaining anonymous.

3. Provide staffing coverage 24 hours per day, 7 days per week, which allows hotline callers to communicate in their native language. Provide for a telephone hotline staffed with experienced, qualified, and appropriately trained individuals. The vendor must make available sufficient staffing to respond to each call in a timely manner and maintain an environment conducive to an efficient, professional, courteous, and confidential response. The vendor should provide an interactive interview process, ensuring a complete and thorough dialogue during the initial call.
4. Provide a feature allowing authorized OCERS Internal Audit staff to enter a submission received directly, thereby allowing all complaints to be documented and retained in a single secure system.
5. Provide written reports of all complaints within 24 hours and work with Internal Audit to develop a distribution and communication system for ensuring proper follow-up and investigation of all calls, as appropriate.
6. Provide periodic analyses of reported activity and results.
7. Provide assistance and expertise to OCERS with regard to marketing the hotline/fraud reporting system to employees and others. Provide marketing materials.
8. The automated system will include software developed and maintained by the vendor, providing exclusive access to and use by authorized OCERS personnel.

Section 7: Minimum Qualifications

Respondents to this RFP must meet all of the following minimum qualifications to the satisfaction of the OCERS review panel in order to be considered. Failure to meet any of the minimum qualifications will result in immediate rejection of a respondent's proposal. Respondents must complete Attachment 1: Minimum Qualification Certification affirming they meet the minimum qualifications of this RFP.

1. As of January 1, 2012 and continuing throughout the course of this service, the respondent must be a legal business entity licensed to do business in California.
2. The firm should have experience providing a confidential reporting system for fraud, waste, abuse, or ethics violations. The firm should have experience receiving whistleblower and/or ethics complaints, and have a system in place to document and organize each complaint. The firm should have several clients to which it is providing a fraud reporting service. Retirement system or government clients would be useful experience.
3. Respondent must document in writing any pending litigation and litigation that has been settled or had a judgment issued within the three years preceding January 1, 2012 brought against the respondent by any person or entity for fraud, malpractice, misrepresentation (intentional or negligent), negligence, or similar cause of action.

In addition to certifying the above, respondents shall provide three client references using Attachment 2.

Section 8: Vendor Response

Respondents to this RFP should submit responses in the following manner:

- A. One (1) paper copy;

- B. One electronic copy in either Microsoft Word or Adobe Acrobat formats;
- C. Responses must be received prior to the deadline listed in Section 4.

Vendor responses will be subject to disclosure to the public upon written request under the California Public Records Act. OCERS will make its best efforts to notify respondents and provide an opportunity for respondents to redact trade secrets from proposals if OCERS receives a Public Records Act request.

Section 9: Proposal of Work

Proposals must include the following information:

- A. Description of your firm, services and qualifications for this project;
- B. Names and qualifications of the individuals in your organization who would be leading the project;
- C. Framework of services for each deliverable of the project;
- D. Timeline;
- E. References;
- F. Breakdown of Fees and Expenses; and
- G. A clear itemization of any options not included in the fees and expenses.

Section 10: Review and Evaluation of Proposals

OCERS will convene a review panel consisting of the OCERS Board of Retirement Audit Committee members, the Chief Executive Officer, and the Director of Internal Audit to evaluate all proposals. The review panel will make the final selection. One or more of the respondents may be requested to make an oral presentation to the review panel.

Section 11: Right to Reject Proposal

By submitting a proposal, vendors acknowledge that they have read this RFP, understand it, and agree to be bound by its requirements unless clearly and specifically noted in the response submitted. OCERS reserves the right without prejudice to reject any and all responses. OCERS reserves the right to change or correct the terms and requirements of this RFP. Any such changes or corrections will be posted on the OCERS web site located at www.ocers.org.

Section 12: Incomplete Responses

If the information in the firm's response is deemed to be insufficient for evaluation, OCERS reserves the right to request additional information or to reject the submittal outright. False, incomplete, or unresponsive statements in connection with a submittal may be sufficient for its rejection. Whether a proposal meets the requirements will be determined by OCERS, and OCERS' judgment shall be final.

Section 13: Schedule of Events

Deliverable	Date	Time
Release of RFP	January 18, 2012	
Questions from vendors due	February 17, 2012	5:00PM PST
Answers to vendor questions posted	March 16, 2012	
RFP Submission deadline	April 20, 2012	5:00PM PST
Vendor Selection (estimate)	May 18, 2012	

OCERS reserves the right to modify this schedule at any time.

ATTACHMENT 1: MINIMUM QUALIFICATIONS CERTIFICATION

Failure to provide this information will cause your proposal to be rejected

In order to be considered, a respondent must meet the minimum qualifications set forth in Section 7 of the RFP. Respondents must certify in writing that they meet the minimum qualifications by signing this certificate or a certificate containing the requested information in a substantially similar format. Failure to satisfy the minimum qualifications, based solely upon OCERS' judgment, shall result in the immediate rejection of the respondent's proposal.

1. The respondent should have experience providing a confidential reporting system for fraud, waste, abuse, or ethics violations. The firm should have experience receiving whistleblower and/or ethics complains, and have a system in place to document and organize each complaint.

Yes _____ No _____

Firm Established _____ / _____ (Month / Year)

2. As of November 1, 2011, the respondent must be a legal business entity licensed to do business in California.

Yes _____ No _____

California License No.: _____

3. The respondent should have several clients to which it is providing a fraud reporting service. Retirement system or government clients would be useful experience.

Client

Dates of Service

<u>Client</u>	<u>Dates of Service</u>
_____	_____
_____	_____
_____	_____

4. If applicable, the respondent has attached a disclosure of pending litigation and litigation that has been settled or had a judgment issued within the three years preceding November 1, 2011 brought against the respondent by any person or entity for fraud, malpractice, misrepresentation (intentional or negligent), negligence, or similar cause of action.

Yes _____ No _____

Name of Respondent Firm

Authorized Signature

Print Name

Title

Date

ATTACHMENT 2: REFERENCES

Please list three references. If three references cannot be provided, please explain. Use additional sheets for references and explanations if necessary.

Failure to provide this information will cause your proposal to be rejected

REFERENCE 1

Name _____

Address _____ City _____ State _____ Zip _____

Contact _____ Phone _____

Dates of Service _____

Brief Description of Services Provided:

REFERENCE 2

Name _____

Address _____ City _____ State _____ Zip _____

Contact _____ Phone _____

Dates of Service _____

Brief Description of Services Provided:

REFERENCE 3

Name _____

Address _____ City _____ State _____ Zip _____

Contact _____ Phone _____

Dates of Service _____

Brief Description of Services Provided:

ATTACHMENT 3: WARRANTIES CERTIFICATION / NON-DISCLOSURE

The Orange County Employees Retirement System is in possession of a significant amount of private member information. This information is essential for the administration of the retirement system. By signing below, the responding firm agrees to the following warranties in any agreement that is awarded pursuant to this RFP.

1. Respondent warrants that its firm and its employees will not disclose any information made available to respondent by the Orange County Employees Retirement System (“OCERS”) for the purpose of providing services pursuant to this RFP and any agreement for services that is awarded as a result of this RFP.
2. Respondent warrants that only those employees who are authorized and required to use such information will have access to the information.
3. Respondent warrants that all materials and copies or derivations of such materials, provided by OCERS will be returned to OCERS or will be physically and / or electronically destroyed upon request by OCERS.
4. Respondent warrants that it will not enter into any third-party agreements or discussions concerning OCERS’ information or materials without first receiving written approval from OCERS.
5. Respondent warrants that it maintains an errors and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions and that such coverage is applicable to respondent’s actions under any agreement reached pursuant to this RFP.
6. If necessary, additional warranties will be determined at the time of the execution of an agreement between respondent and OCERS.

Name of Respondent Firm

Authorized Signature

Title

Print Name

Date