

VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY

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MEMORANDUM

To: VIPFA Board Members

cc: Lloyd Bough, Jr., Commissioner, Department of Property
and Procurement

From: Bid Evaluation Committee

Date: November 27, 2017

**Re: Evaluation/Selection – Request for Qualifications—Consultant for Hurricane
Financial Recovery and FEMA Coordination**

In response to the destruction caused by Hurricanes Irma and Maria in September 2017, the Authority identified a need to identify and retain one or more consultants to assist the Authority and the central Government with financial recovery and federal disaster relief coordination. Following a series of preliminary informal interviews conducted by the Authority’s counsel, the Authority issued a Request for Qualifications dated September 10, 2017 (the “RFQ”). The Authority ultimately received responses to the RFQ from seven (7) bidders, and convened a Bid Evaluation Committee (“BEC”) to review those responses and select one or more winning proposals.

Following a series of in-person meetings with six of the seven bidders, the BEC selected two consultants to perform the tasks outlined in the RFQ: Witt O’Briens LLC and Ernst & Young Puerto Rico LLC.

Background

The seven entities that submitted proposals were: Alvarez & Marsal; BDO International (BDO); DCMC Partners (DCMC); Ernst & Young Puerto Rico LLP (Ernst & Young); Innovative Emergency Management (IEM); Witt O’Brien’s LLC (Witt O’Brien’s); and Witt Global Partners in conjunction with Deloitte Touche (Witt Global/Deloitte).¹ The BEC conducted formal interviews with six of the seven bidders. Those interviews took place at Winston & Strawn’s offices in New York on Wednesday, October 11 and in Winston & Strawn’s offices in Washington, D.C. on Thursday, October 12.

¹ Note that despite their similar names, Witt O’Brien’s and Witt Global Partners are unrelated entities. Former FEMA Commissioner James Lee Witt founded both firms, but is now affiliated only with Witt Global Partners.

Because of the extraordinary importance of this procurement, VIPFA created a BEC of unusual experience and seniority, including both senior VIPFA officials and VIPFA's longtime outside counsel. The BEC consisted of the following five (5) participants: 1) Valdamier Collens, Commissioner of Finance, Executive Directors of VIPFA, and the Governor's Authorized Representative for purposes of Federal Emergency Management Agency processes, (2) Margaret Guarino, Director of Finance and Administration for VIPFA, (3) Tom Vouzakis, Deputy Director of Finance and Administration for VIPFA, (4) Geoffrey Eaton, partner at Winston & Strawn LLP, and (5) Alan Hoffman, partner at Winston & Strawn LLP. Peter Hiebert of Winston & Strawn LLP was in attendance for some interviews but did not submit an evaluation.

Following the completion of the interviews on October 12, 2017, the BEC's members completed evaluation forms. The bidders' scores were calculated on October 16, 2017, and the winning bidders informed of their selection shortly thereafter.

Evaluation Methodology

Following its interviews with the bidders, the BEC elected to separate its evaluations into two categories: one for Strategy and Project Management and another for Compliance, Systems, and Insurance. Each member of the Committee graded each of the seven firms with respect to both categories with a maximum score of 100 for each category.

The Strategy & Project Management criteria included Firm Expertise, Initial Tasks (assessment of damages, identification of recovery sources, meeting preparation and technical assistance), Recovery Process Planning & Implementation (organizational process development, program-specific process development and housing recovery) and Strategic Planning (recovery planning, mitigation and resiliency planning, long-term recovery planning, emergency management planning and after-action reviews).

The Compliance, Systems & Insurance criteria included Firm Expertise, Grant Application and Financial Management (grant application assistance, grant compliance assistance, audit preparation, risk assessment and monitoring and financial planning assistance) and Compliance.

Both evaluation forms focused on technical performance. The evaluations did not include a separate financial cost component, because most of the bidders submitted pricing based on General Services Administration (GSA) schedules that had already been approved by the Federal government. Bidders were advised that they would be expected to offer discounts against their published GSA rates. This allowed the BEC to focus its review on the technical performance capabilities of each bidder.

Proposal Review, Selection and Recommendation

Each BEC participant independently evaluated each technical proposal on the basis of its responsiveness to the RFQ. The maximum obtainable points for each bidder was 100 points for the Strategy and Project Management evaluation and 100 points for the Compliance, Systems and Insurance evaluation. As such, given that the proposals were evaluated by five (5) BEC participants, the maximum obtainable points that any bidder could earn for either evaluation was 500 points.

Once each participant independently completed both evaluations, he or she sent the completed evaluations to John Fehrenbach of Winston & Strawn, who compiled the evaluations and calculated the scores. The final scores for each bidder were as follows:

Strategy and Project Management		
BEC Ranking	Bidder	Points Earned
1	Witt O'Brien's	484
2	Ernst & Young	430
3	IEM	423
4	Witt Global/Deloitte	376
5	DCMC	371
6	Alvarez & Marsal	359
7	BDO	324

Compliance, Systems and Insurance		
BEC Ranking	Bidder	Points Earned
1	Ernst & Young	489
2	Witt O'Brien's	456
3	BDO	406
4	IEM	397
5	Witt Global/Deloitte	393
6	DCMC	382
7	Alvarez & Marsal	378

Based upon its evaluations of the seven bidders, the BEC selected and hereby recommends Witt O'Brien's LLC for the tasks identified in the Strategy and Project Management evaluation and Ernst & Young Puerto Rico LLP for the tasks identified in the Compliance, Systems & Finance evaluation.

Both selected contractors have agreed to material discounts off their GSA-approved fee schedules.

Feel free to contact the BEC members if you have any questions, comments, or concerns. Your time, patience, and consideration are greatly appreciated.