

ADDENDUM TWO
REQUEST FOR STATEMENT INTEREST (RFSI)
#CFCI-21-01 CONTRACTING FOR THIRD PARTY ADMINISTRATOR SERVICES FOR
CARE FIRST, COMMUNITY INVESTMENT FUNDS
Updated September 7, 2021

This Addendum Two contains questions and responses. **Deadline for submitting any further questions to this RFSI #CFCI-21-01 is September 9, 2021, 12:00 p.m., PT.** Response(s) to any question(s) received by the deadline of September 9, 2021, will be posted prior to the end of business day September 10, 2021.

This Addendum will also be posted on the following websites:

<https://ceo.lacounty.gov/ati/third-party-administrators-for-community-providers/>

or

[LA County Solicitations](#)

These questions and responses were issued on September 7, 2021.		
1.	Question	In reviewing the Q&A and Amendments - we need clarification on " At least thirty-six (36) months of Third Party Administrative (TPA) experience as a fiscal intermediary administering and distributing at least \$10 million annually among multiple subrecipients including to Community-Based Organizations" Does this mean \$10 million per 12 months or a total of \$10 million over a period of 36 months.
	Answer	Yes. \$10 million for 12 months.
2.	Question	This regards RFSI #CFCI-21-01. Is there anything inherent in the RFSI evaluation process which will be used that gives preference to Respondents located in Los Angeles County or CA? A potential Respondent with excellent references and that is very capable and experienced in TPA administration and working with community-based organizations is located outside of CA. Is being located outside of Los Angeles County or CA viewed as a barrier or a negative in and of itself?
	Answer	Responses submitted to the RFSI are not subject to any preferences in the response review process. Qualified respondents are encouraged to apply regardless of their location.

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These questions and responses were issued on September 2, 2021.		
1.	Question	Can service providers/grantees sub-grant funds out? And/or can organizations apply as a collective?
	Answer	Yes. There may be instances in which a Service Provider may be able to subcontract some components of their service delivery but only with the expressed consent of the TPA and the County. Organizations can also apply as a collective to be a Service Provider though one agency within the collective and will have to be designated as the lead and meet the minimum requirements in the solicitation issued by the TPA.
2.	Question	Is there flexibility with the mid-October start date?
	Answer	The goal is to expeditiously move funding to Service Providers. Mid-October remains the targeted start date, which will allow funding to move to the community before the end of year. The County will work with the TPA to meet this goal.
3.	Question	Is there flexibility with the deployment timeline?
	Answer	Same response as Question #2.
4.	Question	Can grantees apply to multiple program areas?
	Answer	Yes. An organization who meets the determined criteria for a solicitation may apply for multiple program funding.
5.	Question	Is there a minimum number of service providers that need to be supported?
	Answer	No. There is not a minimum number of Service Providers that need to be supported. Given the distinctness of the programs being funded, the TPA should expect larger numbers of requests for funding.
6.	Question	Is there a separate budget for ongoing technical assistance for the grantees?
	Answer	No. There is not a separate budget for technical assistance.
7.		Are there minimum outcomes or program goals to use as a benchmark for program administration?
		Once selected, the TPA will work with the County to develop appropriate goals and performance measures to use as benchmarks for successful and equitable program administration.
8.	Question	Confirming that for the non-CFCI program, the fee is 6% of \$40M on an annual basis? Otherwise, a 2-year contract would include the \$80M multi-year grant awards and up to 6% fee on the \$80M?

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	Answer	The administrative fee is an annual fee. The contract duration for non-CFCI funds is a two-year contract. The administrative fee is included in the total annual budget and will be subtracted from the annual budget providing the net funds to be disbursed to Service Providers.
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These questions and responses were issued on August 31, 2021, as part of Addendum Three.

1.	Question	We have a question regarding the Request for Statement of Interest (RFSI) for the Third Party Administrative (TPA) experience. The slide deck indicates the need of "at least three (3) years of Third Party Administrative (TPA) experience as a fiscal intermediary administering and distributing at least \$10 million annually among multiple subrecipients including to Community Based Organizations (CBOs) and/or nonprofits." Does the current fiscal year count as one of the three years required for this?
	Answer	Revision has been made to Attachment II (Statement of Interest Response to Requested Information), Section 3.0 Response Questions, Subsection 3.1, Minimum Requirements, Paragraph A, to reflect at least thirty-six (36) months of experience instead of the three (3) years.
2.	Question	We are wondering if you might be able to clarify if the awarded TPA administrator would be able to self-refer subcontracts to itself? In other words, if a TPA administrator also has the capacity to provide direct services, could it subcontract with itself to do so? If so, is there a limit to how much funding could be self-referred?
	Answer	No. The selected TPA cannot respond, self-refer or be a Service Provider to any of the solicitations that the TPA releases under this contract.

These questions and responses were asked at the Virtual Conference, August 23, 2021, and prior to August 25, 2021.

These questions and responses were issued on August 27, 2021.

1.	Question	Why is there a minimum requirement that TPAs have experience administering and distributing at least \$10,000,000 annually?
	Answer	The minimum requirement that the TPA (or the lead TPA) have at least three years of experience as a fiscal intermediary distributing at least \$10 million annual among multiple subrecipients was

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		determined after taking into consideration several factors that are discussed in the answers to Questions 2 and 3.
2.	Question	Could we learn about the selection of the criteria of individuals who can qualify to be part of distributors? How did the County determine the methodology of people being able to administer at least \$10 million?
	Answer	The methodology around the minimum amount previously managed balances the need to expeditiously move large amounts of funds from a TPA to Service Providers and a desire to leave room for capacity building among potential TPA providers. Throughout the Measure J process, the desire for the funds to get to the Service Providers and to individuals in need of those services as quickly and as expeditiously as possible was consistently communicated. With that in mind, the solicitation seeks to identify TPA(s) that have a proven track record in the movement of large amounts of money to organizations in the community, providing technical assistance and the collection of necessary reporting data. This may limit the number of qualified organizations who can apply to be a TPA. With this in mind, the opportunity for larger organizations to partner with smaller ones who may possess a stronger community footprint has been included as an option in the solicitation. We are trying to balance the need to get the funds out quickly with an ability for organizations to partner together to make sure capacity building opportunities are maximized.
3.	Question	Isn't the minimum requirement that TPAs have three years of experience administering and distributing \$10,000,000 annually creating a bias against TPA organizations led by and serving the communities most impacted by racial injustice?
	Answer	An estimated \$57 million annually will be administered by the TPA which necessitates an organization with existing resources and established processes and internal controls in place that can scale up to handle the volume and amount of work contemplated under the contract.
4.	Question	If a minority led and minority centered TPA administered and distributed \$1,000,000 - \$5,000,000 annually to minority serving community-based organizations that have annual budgets of less than \$1,500,000, wouldn't it be uniquely qualified and positioned to provide TPA services that deliver a portion of the CFCI funds and

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		non-CFCI funds to the communities and residents most impacted by racial injustice?
	Answer	Recognizing there is value in allowing smaller TPAs to participate in this process, the RFSI allows for joint ventures or consortiums to respond, provided there is a lead organization that meets the minimum requirement.
5	Question	With respect to the requirement that the applicant must have " <i>at least three years of TPA experience as a fiscal intermediary administering and distributing at least \$10 million annually...</i> ", does this have to be three years in a row? Can it be three non-sequential years? If so, over what time period?
	Answer	If the three (3) years of experience are not sequential, each year of experience should be clearly noted.
6.	Question	In Attachment 2, there is a reference to "hard to reach and historically underserved communities across LA County." How does the County define "hard to reach and historically underserved"?
	Answer	There are indexes to help identify underserved communities and populations of individuals included in Attachment I (Description of Services), JENI and JESI indexes. Specifically, the JENI and JESI indexes are called out as examples of indexes that indicate underserved communities throughout the County.
7.	Question	What factors will be considered in TPA selection? For example, geographical coverage, languages, underserved communities?
	Answer	Selection will be based primarily on the responses provided in RFSI Attachment II (Statement of Interest Response to Requested Information); although the County reserves the right to request additional information where necessary. Please be sure to highlight attributes that demonstrate your ability to disburse funds to providers that serve impacted communities.
8.	Question	How many TPAs is the County planning on having and how will the funding be allocated to each TPA?
	Answer	The number of selected TPA(s) will depend on the quality and responsiveness of the proposals received. However, we do not anticipate selecting more than two (2) TPAs at maximum: one to administer CFCI funded programs, and one to administer non-CFCI programs. As indicated above, one TPA may be selected to administer both CFCI and non-CFCI programs.

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		Again, applicants are free to apply as a consortium as long as the lead organization meets the minimum requirements.
9	Question	Are there going to be multiple TPAs for one particular category of services? If so, is there going to be a cap to the amount of funding awarded to the TPA to manage?
	Answer	Organizations have the option of applying to be the TPA either as a sole entity or to create a consortium of organizations to be the TPA. However, the funding buckets will remain either CFCI, non-CFCI, or CFCI and non-CFCI combined. The manner in which responses are prepared and the other entities that are included in the response is at the discretion of the organization, but responses must outline how the organization wishes to engage with those funding buckets. Again, you may apply to act as TPA for CFCI funded programs, non-CFCI funded programs or both.
10.	Question	In applying an organization [designed?] for the whole slate of programs, however they might be selected for particular ones based on fit. Am I understanding that correctly?
	Answer	There are two categories of funding: the CFCI-funded programs and the non-CFCI-funded programs. Agencies and organizations may apply to be the TPA for both the CFCI and non-CFCI funded programs, or to be the TPA of either CFCI funded programs or non-CFCI funded programs. You may not apply by individual program.
11.	Question	For the client list, how far back should we go (e.g., time period covered)?
	Answer	Applications should provide a list of entities to whom your organization has provided TPA Services within the last three (3) years.
12.	Question	Who will review apps? How will they be reviewed/selected?
	Answer	The Response Review committee is made up of individuals chosen by CEO with subject matter expertise.
13.	Question	Can you share who will be reviewing applications? Or what is the process for the revision of applications and decisions being made to successful applications? And who will review them?
	Answer	There will be a review committee made up of several individuals selected by the CEO's office. This committee will review submissions for suitability and appropriateness of responses to the items required in RFSI Attachment II (Statement of Interest Response to Requested Information). There will be documentation of how the review committee reaches its decisions.

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		Any revisions to your RFSI response must be made prior to the submission deadline of September 17, 2021 by 12:00 p.m. (PT). Please be diligent and thorough in preparing your response and allow time to make revisions as necessary.
14.	Question	Aside from debrief with non-selected applicants, will there be an appeals process?
	Answer	Yes. There is an appeals process described in Paragraph E of the RFSI cover memo.
15.	Question	Can you make sure to include system impacted people to be part of this review committee?
	Answer	Only County employees are selected to be on the Response Review Committee. Systems impacted individuals participated on the Measure J Advisory Committee and provided input into the programs to be funded. Additionally, the TPA(s) will be tasked with convening listening sessions to gather additional community input and feedback to inform the solicitations to potential Service Providers. Finally, the inclusion of non-County employees may potentially expose the process to conflicts of interest.
16.	Question	Do TPAs have to be foundations, or can other peer-led nonprofits organizations also serve as TPAs?
	Answer	No, TPA(s) do not have to be a foundation in order to apply. It is open to any organization that meets the minimum requirements.
17.	Question	Is there a cap on award amounts per TPA? For TPAs that are awarded contracts and enter into contracts with the County, is there going to be a cap for how much they can be awarded?
	Answer	The amount of funding associated with the TPA contract(s) is \$17 million (CFCI Programs) or the \$40 million (non-CFCI Programs), or \$57 million if awarded both. The TPA(s), will develop solicitations for the various programs set forth in the RFSI and will make awards based on the maximum amounts for each program.
18.	Question	Will this funding be on a reimbursement basis or will entities receive funding in advance to also distribute the funds to organizations and community groups?
	Answer	The TPA has the flexibility to recommend different funding distribution methods. This depends on the type of solicitations. If the TPA is making grant awards in one or two installments, the County would want to make sure that the TPA has that money available before disbursing to Service Providers. On cost reimbursement contracts,

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		<p>the timing of funding will be determined during contract negotiations. We recognize that there are cash flow and timing concerns for the Service Providers, and we will work with the TPA in regards to responding appropriately to those issues. This will be somewhat different than traditional County contracts where payment is made in arrears.</p>
19.	Question	<p>Can you talk more about the evaluation process of this initiative? How are you going to measure the success of this initiative? Once those TPAs are funded and they distribute those funds, how are you going to evaluate whether they've actually supported people in the way they need?</p>
	Answer	<p>In Paragraph D (Response Review and Selection Process) of the RFSI cover memo, sets forth the process for reviewing the Responses to the RFSI.</p> <p>With regards to the results of this initiative, there will be specific data and metric requirements built into the contract, in terms of collection of information. There are certain, quite specific metrics that TPAs will have to collect from Service Providers. Additionally, Service Providers and TPA(s) will also have to make presentations to the new CFCI Advisory Committee, who are a major factor in determining what programs are funded. Built into the contract is the need to collect data and then to present that data to the CFCI Advisory Committee, potentially to the Board of Supervisors, and to other interested parties.</p>
20.	Question	<p>You mention the nimbleness of TPAs to distribute money and streamlining the application and approval process, but many times the most significant delays occur after the TPA contract is finalized setting up sub-RFIs, scopes of work, and approving subcontracts. Has thought been given to how to streamline these processes?</p>
	Answer	<p>TPA(s) may have some subcontractor relationships to assist with TPA services, but for programmatic efforts, those relationships will be served through Service Providers. Those Service Providers are not considered subcontractors. All relationships will be memorialized in agreements that may include County terms and conditions that will flow down to Service Providers, but not like a traditional subcontract. This represents our efforts to streamline the contracting process in general. There will also be some opportunities to develop grant-type solicitations and a variety of creative solicitations as we move through</p>

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		<p>this process. Once the designated TPA(s) determines how they want to solicit Service Providers for a particular program, there is a form to complete that allows a fairly quick approval. The County is also open to creative processes, provided there is some competition in making your awards.</p>
21.	Question	<p>The COVID-19 pandemic has forced the TransLatin@ Coalition to really respond to the community's needs, but we don't have a \$10 million budget. However, we have learned to respond and to provide direct cash assistance to our community. We have a built-in infrastructure to support our community and have distributed over \$500 thousand. For our organization, we're just under requirements, because we don't have that \$10 million budget. Nevertheless, we also work with other trans-led groups in LA County and outside of it. Is this idea to support foundations? Or is it to support nonprofit organizations that work directly with the community and people who are directly impacted and who can benefit from the infrastructure that needs to be developed?</p>
	Answer	<p>The ultimate goal is to disburse funds to Service Providers who are providing day to day services. While we want to create more opportunities for TPA(s) partnerships, we're balancing that with our ultimate goal of getting the funds quickly to the community and quickly to the Service Providers. To accomplish this, the solicitations seeks to identify a TPA(s) who has the fiscal capacity to manage the funds and move the funds, and who has sufficient cash reserves. In addition to this opportunity, there are also CFCI funds being disbursed to County departments that will ultimately be distributed to service providers and the expectations is that they will also be using expedited solicitations.</p> <p>A list of meeting attendees will be forwarded to all to encourage strategic partnerships.</p>
22.	Question	<p>What are specific amounts for CFCI and non-CFCI funds? There has been inconsistency in some documents online.</p>
	Answer	<p>The CFCI total is \$17 million. The non-CFCI total is \$40 million.</p>
23.	Question	<p>How was the 6 or 7% determined?</p>
	Answer	<p>This was determined based on a review of other TPA contracts, the amount of funding that the TPA would be responsible for administering, our understanding of the level of work required of the TPA , and consideration of feedback received from the Measure J</p>

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		Advisory Committee and the community that the County ensure funds reach the Service Provider rather than the fiscal agent.
24.	Question	Does 6% admin fee apply to subcontractors?
	Answer	Please note that the RFSI makes a distinction between subcontractors who would provide TPA services and Service Providers who provide the program services. That 6% is the administrative fee cap for the TPA and any subcontracted TPAs. TPA(s) will be developing a competitive process to identify Service Providers who will carry out programming. Service Provider costs will be fully covered and are not tied to the 6% administrative fee being provided to TPA(s).
25.	Question	In the case of prime/subprime model, is it 6% of total (Prime only) or 6% for each amount of subprime contract as well?
	Answer	If you're talking about a sub-prime contract as being a subcontractor who is doing TPA services and not the programs, if that's where the funding is going, then the 6% would relate to the TPA services.
26.	Question	Is there going to be more guidance and instructions on allowable fees and direct/indirect costs? This is regarding the 6% admin fee that's applied.
	Answer	We heard regularly throughout the Measure J Advisory Committee process that the cost of insurance is a huge burden on Community Based Organizations (CBOs) and non-profits. In the event a Service Provider is unable to obtain necessary insurance, the TPA is responsible for providing insurance to meet the County requirements and the County will reimburse the TPA for those costs outside of the Administrative Fee paid to the TPA.
27.	Question	Are the local generated unrestricted revenue funds and the non-CFCI funds going to be treated independently from each other? In other words, any kind of auditing requirements that are attached to the non-CFCI funds, that I imagine may have additional requirements because they're federal funds? Are there going to be separate procedures for managing those funds?
	Answer	Yes. There may be different reporting requirements for CFCI and non-CFCI funds. The goal is to make the reporting requirements for CFCI and non-CFCI funds as similar as possible, but this may not be completely possible. There may be some additional data reporting requirements for non-CFCI funds, and these will be fully outlined as part of the contracting process.

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28.	Question	Would an organization still qualify for a CFCI funding if the organization has a current contract with the LA County Department of Mental Health to provide services to formerly incarcerated adults?
	Answer	Yes, as long as the organization can meet the minimum requirements for this solicitation. A contract with a County department would not preclude an organization from responding.
29.	Question	Are there Quality Assurance compliance standards, specific to treatment documentation required for CFCI funding grants?
	Answer	Yes. There is an expectation that TPA(s) and Service Providers will have to meet quality assurance standards which will be negotiated as part of the TPA contract and as part of the solicitation documentation for service providers. Additionally, some programs may involve the collection of sensitive personal information and may trigger HIPAA or PI requirements to be considered as well.