

## Request for Information

The Legislative Services Office (LSO) of the North Carolina General Assembly is soliciting information from vendors qualified to conduct a performance audit of the executive branch of the North Carolina State government. A brief background of the project is provided in this document.

Responses may be in electronic form (PDF format only) or in hard copy. They must be received by the LSO on or before close of business October 31, 2006.

Hard copy may be mailed to:

Legislative Services Officer  
Room 2129 Legislative Building  
16 West Jones Street  
Raleigh, NC 27601-1030

Electronic submissions may be sent in Portable Document Format (PDF) to [beverlya@ncleg.net](mailto:beverlya@ncleg.net). N.C. General Assembly (NCGA) e-mail security policy prohibits receipt of files greater than 10 megabytes attached to one e-mail. Files larger than 10 megabytes must be split into smaller files with each part sent by separate e-mail. Receipt of zip files are also prohibited by NCGA e-mail security policy.

Questions concerning this Request for Information may be made to either:

Michele Nelson  
Fiscal Research Division  
Rm. 619, Legislative Office Bldg.  
300 N. Salisbury Street  
Raleigh, NC 27603-5925  
(919) 733-4910  
[michelen@ncleg.net](mailto:michelen@ncleg.net)

Tony Goldman  
Administrative Division  
Rm. 202, Legislative Office Bldg.  
300 N. Salisbury Street  
Raleigh, NC 27603-5925  
(919) 733-2138  
[tonyg@ncleg.net](mailto:tonyg@ncleg.net)

**I. The Legislative Services Office:** Serves as a central nonpartisan staff to the North Carolina General Assembly, its members and committees.

**II. North Carolina Law:** In 2006 the North Carolina General Assembly passed Session Law 2006-248 – “The Studies Act of 2006.” Part 46 of that Act establishes a Government Performance Audit Committee (2006 GPAC) and outlines the Committee’s responsibilities. The 2006 GPAC is to contract for a performance audit of the executive branch of North Carolina State (State) government. The goals of the audit are to evaluate the efficiency and effectiveness of State government and to identify specific ways to make improvements. Below you will find Part 46 of that Act in its entirety.

## **S.L. 2006-248 The Studies Act of 2006**

### **PART 46. Government Performance Audit**

**SECTION 46.1.** The Government Performance Audit Committee is established. The Committee shall be located administratively in the General Assembly. The Committee shall consist of 10 members appointed as follows: (i) five members of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and (ii) five members of the Senate shall be appointed by the President Pro Tempore of the Senate.

Terms on the Committee begin on August 1, 2006. A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment. The Committee and the terms of the members shall expire when the Committee submits a final report to the General Assembly.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Committee. The Committee shall meet at least once a quarter upon the joint call of the cochairs. A quorum of the Committee is six members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the meetings of the Committee. Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

**SECTION 46.2.** The Committee shall contract for a performance audit of the executive branch of State government. The goals of the audit are to evaluate the efficiency and effectiveness of State government and to identify specific ways to make improvements. The audit may examine entire departments, agencies, or institutions, or similar programs in several departments. The results of the audit shall be reported on or before February 1, 2008.

The performance audit shall include an examination of the efficiency and effectiveness of major management policies, practices, and functions, including the following areas:

- (1) Planning, budgeting, and program evaluation policies and practices, including an analysis of the compliance of the executive branch with existing planning requirements, such as the Capital Improvement Planning Act, Article 1B of Chapter 143 of the General Statutes. *(Note: Article 1B of Chapter 143 was repealed and replaced with Article 8 of Chapter 143C in the 2006 session.)*
- (2) Personnel systems operations and management.
- (3) State purchasing operations and management.
- (4) Information technology and telecommunications systems policy, organization, and management.
- (5) Review of duplications and related or overlapping services or activities for the purpose of coordinating and streamlining programs to achieve consistent and clear objectives.

**SECTION 46.3.** The Committee shall issue a Request for Proposal (RFP) for a government performance audit to be conducted in accordance with this act. The Committee may award a contract pursuant to the RFP.

**III. Information Requested from Respondents:** The LSO is requesting informal comments from auditing and management consulting firms with knowledge and experience relevant to the performance audit as described in the “Planned Activity” section below. The purpose of this request is to gather information that would assist the 2006 GPAC (established by S.L. 2006-248) with the possible development of one or more Request for Proposals (RFP) to perform the performance audit. Possible topics include “best practices” and standards used in managing large performance audits or large program evaluations of governmental entities, lessons learned from similar audits or program evaluations, methodological alternatives, and suitability of various techniques in conducting such endeavors.

Additionally, a brief sketch of similar or related projects completed by the respondent in recent years would be helpful.

Respondents should include the name, address, e-mail address, and telephone number of the person(s) with authority to represent the company and answer questions or provide clarification concerning their response.

While the information gathered through this request will be helpful to the 2006 GPAC at this preliminary stage, it will not be a basis for contractor selection should the 2006 GPAC proceed with the project. Any such selection will be based solely on responses to a future RFP.

**IV. History:** The 1991 General Assembly authorized a similar comprehensive audit of State government as is authorized by SL 2006-248 above. The audit directed by the 1991 General Assembly was structured to focus on the State's major management systems and program activities and operations. The audit was governed by the Government Performance Audit Committee (1991 GPAC) which was comprised of 18 members. The 1991 GPAC was staffed by an executive director and a small in-house staff who facilitated the work of the contracted audit firm.

The audit occurred over an 18 month period in 1991 and 1992 and resulted in a performance audit of (1) planning, budgeting and program evaluation, (2) personnel systems, (3) purchasing activities, and (4) information technology and telecommunications. Additionally, numerous program evaluations were conducted in the areas of Transportation, Health and Human Services, Medicaid, Economic Development, Education, Public Safety, Telecommunications and Organization and Staffing. All reports issued by 1991 GPAC can be viewed on the N.C. General Assembly homepage at [www.ncleg.net/LegislativePublications/](http://www.ncleg.net/LegislativePublications/). The 1991-1992 effort resulted in over 300 recommendations that were incorporated into over 200 bills for consideration by the 1993 General Assembly.

The 1991 GPAC was dissolved upon submission of the report to the 1993 General Assembly. No such comprehensive legislative review of the executive branch of North Carolina State government has occurred since the 1991-1992 audit.

**V. Present:** Much has changed in North Carolina State government since the last comprehensive legislative review of the executive branch. The size of the General Fund budget has increased from \$7.83 billion in FY 1991/92 to \$18.87 billion for FY 2006/07. The combined budget of the Highway Fund and Highway Trust Fund has increased by \$1.4 billion over that same period. The State's portion of Medicaid spending has grown from \$.6 billion in FY 1991/92 to \$2.89 billion in FY 2006/07, and education spending has increased by \$5.1 billion over that same period. Positions funded from the General Fund have grown from 58,000 in FY 1991/92 to 79,000 in FY 2006/07. Employment from all funding sources totaled 137,000 in FY 2005/06.

Technology has evolved significantly over the last 10 to 15 years with major advances in both hardware and software. Use of automation continues to grow throughout State government.

The complexities of managing State government have likewise increased. Growing service needs coupled with limited resources require a continued examination of how State government works.

**VI. Planned Activity:** Because much has changed since the last comprehensive legislative audit of the executive branch, and because the last audit proved beneficial, the 2006 General Assembly directed that another such audit be conducted. S.L. 2006-248 Section 46 (above) creates the 2006 GPAC and directs the Committee to contract for a performance audit of the executive branch of State government. The goals of the audit are to evaluate the efficiency and effectiveness of State government and to identify specific ways to make improvements. It is anticipated that the audit will initially examine major management systems (planning and budgeting, personnel, purchasing, and information technology) that affect all agencies, and then progress to specific departments, agencies, or programs. The results of the audit shall be reported on or before February 1, 2008.

**VII. Time Frame:** The LSO will accept responses to this Request for Information (RFI) through close of business on October 31, 2006. The 2006 GPAC may prepare an RFP for distribution in early December, 2006. If an RFP is sent out in early December, selection of a successful vendor could possibly occur by mid-January, 2007.

**VIII. Conditions:**

The 2006 GPAC reserves all rights available to it by federal and state law. If an RFP results, respondents to this RFI are hereby notified that all information, documentation, and any specific content or approaches included in the RFI responses may be used in resulting solicitations. Therefore, do not submit any copyrighted, proprietary or confidential information.

Ownership of all data, material, and documentation originated and submitted to the 2006 GPAC, pursuant to the RFI, shall belong exclusively to the 2006 GPAC and be subject to public inspection and copying in accordance with the North Carolina Public Records Law (G.S. Chapter 132).

The intent of this RFI is to seek information only. Therefore, responses will not be considered to be a binding bid or proposal. If the 2006 GPAC decides to issue an RFP, those parties who choose not to respond to this RFI will not be denied participation in the RFP.

Under no circumstances shall the 2006 GPAC be liable for, or reimburse, the costs incurred by respondents whether or not the 2006 GPAC, in its sole discretion, chooses to solicit proposals for the audit.

At its option, the 2006 GPAC may request oral presentations or discussion with any or all respondents for the purpose of clarification or to amplify the materials presented in any part of the response. However, respondents are advised that the 2006 GPAC will assume that submitted information is complete and accurate and as such it may not seek additional clarification.

Acknowledgement of receipt of responses will not be made, nor will respondents be notified of the 2006 GPAC assessment of the information received. No basis for claims against the 2006 GPAC shall arise as a result of response to this RFI, or the 2006 GPAC's use of such information as part of subsequent RFP's.