ADDENDUM 1
RFP BC 21191 VHR
ENTERPRISE RISK MANAGEMENT AND CRISIS MANAGEMENT CONSULTING SERVICES FOR USM
MAY 6, 2020

This addendum is issued to respond to questions received from potential proposers on or before May 4, 2020 (due date for questions). Potential Proposers are reminded that the purpose of this RFP is to award multiple Master Contracts for ERM and CM Consulting Services. The resulting Master Contracts will then be available for use by the USM institutions to procure such services via a Task Order Request for Proposal (TORP) process as outlined in Section II, Paragraph 4. “Use of Master Contracts by Buying USM Institutions.” Therefore, many of the details and specificity requested by Potential Proposers in the following questions will be answered at the individual USM institution level during the TORP process.

Questions/Responses:

1. How many of the system’s 12 institutions have ERM programs?

Response: Only the University of Maryland Baltimore (UMB) has previously established a formal institutional enterprise risk management system contemplated in the Board of Regents policy. Other institutions have made less formal and institutionalized attempts that will be needed to be reviewed and enhanced.

2. Does USM have an IT disaster recovery site or plan?

Response: Each institution’s information technology offices works to meet and comply with System-wide IT security standards, including having disaster recovery plans and off-site backup facilities and operational capabilities.

3. Does the USM have a centralized system for Policy & Procedures?

Response: The Board of Regents adopts System-wide policies that often are complemented by institutional policies that adopt and implement the Board of Regents policies. The Board of Regents policies can be found at:

https://www.usmd.edu/regents/bylaws/

4. Is the May 2021 ERM implementation timeline still realistic given current events?

Response: We are at this point committed to a May 2021 ERM implementation timeline. As the current circumstances persist and evolve, that timeline may have to be rethought and extended, but currently that decision has not yet been made.

5. How uniform should the ERM program approach be across the system?

Response: The Board of Regents and System leadership recognize the differences across University System institutions. Institution presidents are, by Maryland law, vested with wide authority to manage the operations of their institutions. At the same time, a System-wide enterprise risk management process will also be developed that is informed by, but complements rather than duplicates, institutional enterprise risk management processes. The broad outlines of System-wide expectations of the institution enterprise risk management systems and the
Addendum 1 to RFP BC 21191 VHR - May 6, 2020 - Page 2 of 10

consistently required, are laid out in the Board of Regents Policy on Enterprise Management (Policy VIII-20.00)

a. Does the state system expect uniformity in ERM programs once implemented?

Response: This effort is being done to satisfy requirements associated with the expectations of the Board of Regents, rather than State officials. The System believes and understands that enterprise risk management is a key process and function of effective leadership and management of any large organization.

6. What’s the involvement of the Chancellor’s office in the ERM programs?

Response: The Chancellor will be expected to provide a System-wide assessment of System-level risks, their likelihood and potential, and mitigation strategies and responsible parties. This will be informed by individual discussions and verbal reports provided by institution presidents with the Chancellor, but will be focused on System-wide risks and measures taken, rather than focusing on individual institutions’ and their particular risks, risk tolerances that may differ from institution to institution, and individual institution responses or mitigation strategies.

a. Will there be central oversight or involvement?

Response: There will be System oversight of institutional adoption, and institutionalization, of enterprise risk management processes, but not of the actual working or decisions made from the processes. The oversight will largely focus on the establishment, and working effectiveness, or the institutional process, and will be handled informally as a part of annual institutional president performance review discussions.

b. Will the service provider be expected to present to central governance.

Response: As noted above, a System-wide enterprise risk management process is planned to facilitate discussions and feedback with the Board of Regents. It has not yet been determined whether a service provider would be expected to present to the System’s Board of Regents, though that is a possibility.

7. Section 3, 2.1(G) requests respondents to "describe the firm's knowledge and experience in ERM/CM". Is the University System of Maryland (USM) also requesting that respondents describe its approach, methodology, tools, and best practices associated with the Scope of Services/Work To Be Performed described in Section 2?

Response: Yes, that is USM’s expectation.

8. In RFP Section III, Article 1, 2.2., regarding firm experience for each category of ERM and CM, would you confirm whether you mean a minimum of three relevant projects for ERM and three relevant projects for CM (versus three per each category)?

Response: This is correct. If a proposer is proposing for BOTH CATEGORIES (that is: #1 ERM and #2 CM), then three relevant projects for ERM and three relevant projects for CM are to be provided in the proposal.
9. In addition to the elements listed in the RFP, is USM potentially interested in assistance with development of the following components as they relate to ERM and/or CM?

   - Education and training for key institutional stakeholders
   - Governance structure (e.g., stakeholder committees, reporting to the Board and senior leadership)
   - Communication plan

Response: USM institutions may seek assistance with training for key stakeholders. Developing an institutional enterprise risk management structure, organizationally, should be expected to be a component of institution needs. In establishing and documenting an enterprise risk management structure and ongoing process, a communication plan may be a reasonable component.

10. Both the Policy on Enterprise Risk Management and the Policy on Crisis Management likely require some level of coordination between the Institutions and the System. Is USM potentially seeking assistance with the development of System-wide procedures for coordinating the Institutional ERM and CM programs?

Response: The policy contemplates a System-wide enterprise risk management process that focuses the System leadership on System-wide risks be developed. This System-wide process will necessarily be informed by institution risk management processes, but at the same time, will be done in an appropriate fashion.

11. Regarding Appendix A, were the Staff Resources forms designed specifically for these requested ERM and CM services, or are these standard forms used by USM in various other types of procurements? Also, is a response required for only applicable personnel or for all positions listed?

Response: This form is not a standard USM form. Proposers should complete the form with “none” if the proposer does not have such employees or 1099 staff OR “N/A” if the position is not applicable to the services being proposed by the Proposer. Additionally, as noted at the top of the forms, “Additional staff positions may be added by the Contractor”. It is USM’s expectation that a Proposer provide an accurate and appropriate matrix of staff resources available from the Proposer.

12. Regarding Appendix C, it states, “Sample ERM and Crisis Management Consulting Services Master Contract (to be issued via Addendum).” Does USM have an expected timeline/date for issuing the addendum which will include the sample master contract?

Response: USM anticipates issuing this no later than May 15, but this date is subject to change.

13. Will you please clarify if exceptions to the general terms and conditions may be negotiated, and if so, at which point in the procurement process will it be acceptable to submit those exceptions?

Response: Exceptions are generally expected to be part of the technical proposal. Proposers, however, are to be advised that time is of the essence and USM does not expect, nor will it tolerate, lengthy contract negotiations. Further, all awarded Master Contractors will be expected to sign the same Master Contract template. The USM will not negotiate individual contracts with each Master Contractor.
14. Among the 12 institutions would you please describe if their ERM programs are: 1) fully developed, 2) in early development, or 3) not yet developed? Same question for their CM plans.

Response: One institution, UMB, has developed a enterprise risk management program, though the degree and extent has not been externally reviewed. The other 11 institutions have not yet developed ERM programs, or are in the early phases.

15. Will the statewide MBE goal of 29% be applicable and mandatory for this RFP (Master Contract), or only during individual Task Orders Request Process?

Response: Refer to Appendix S, 20. Minority Business Enterprises are encouraged to respond to the solicitation for Master Contractors. Per Solicitation Section II, Paragraph 4.1 (2) f. At the individual Task Order Request Process, a USM institution may establish MBE subcontracting goals.

16. Regarding the CM services,

- What level of interaction will the winning provider have with the security forces at the various USM facilities and their existing Crisis Plans?
  Response: The groups involved with each institution’s efforts to develop crisis management plans will vary from institution to institution, and be driven by each institution’s leadership.

- Does the USM have a single provider for security across the system?
  Response: No.

17. Has USM – or any of the USM institutions – previously completed an ERM review / assessment or implemented an ERM program? If yes, can you briefly describe the work performed and when it was completed?

Response: See Q &A #1 and #14.

18. To what extent is the COVID-19 pandemic driving the timing and urgency of this RFP? Can you describe any other factors that are driving USM’s ERM and CM initiatives?

Response: Other than the potential for disruption of educational activities in the fall, none. The factors driving USM’s ERM and CM initiatives are simply a desire to formalize and institutionalize good business practices at each institution, and System-wide.

19. USM’s ERM policy states that the identification and management of enterprise risks will occur at both the institution and system-wide levels. Given the potential for overlap within these activities (e.g., a portion of risks and responses identified), has USM determined the timing (i.e., order of operations) of the institution- and system-level ERM activities? Or has that yet to be determined by USM? Or will the coordination of these activities be part of the scope of solutions that the selected vendor(s) will be asked to assist with?

Response: Initially, System-wide ERM activities will only be partially informed by institutional ERM activities. Over time, System-wide ERM activities will incorporate where appropriate, common institutional risks and mitigation strategies, so that the System-wide ERM complements rather than simply aggregates, institution ERM activities.
20. Who are the key stakeholders in USM who will have a role in this and help select the vendor(s)?

   Response: The selection of the Master Contractors will be made by an evaluation and selection committee that is comprised of appropriate USM personnel. Likewise, any individual task order proposal process for a specific institution will be facilitated by that institution’s procurement office and include appropriate stakeholders at the discretion of the specific institution.

21. Does USM have established interim milestones or a preferred completion date for institution plans (beyond the deadline stated in the RFP for completed plans of May 1, 2021)?

   Response: Institutional ERM and CM processes development will occur on institution determined timetables.

22. Should our response be directed to UMBC or USM?

   Response: If by “directed to”, the questioner means “where should the proposal be submitted”: Per the cover page and Appendix S, UMBC is the Issuing Office. Per Section I, Paragraph 1. “UMBC is procuring these services on behalf of USM.” Per Section I, Paragraph 3, “The Technical Proposal is to be submitted to the Issuing Office.”

   If the questioner is asking how to refer to the University in its response, it would be acceptable to say “USM” or “USM Institutions” since the resulting Master Contracts will be for use by all of the USM institutions.

23. Within Section 1 of the RFP, the locations mentioned include 12 institutions, 3 regional higher education centers and one system office. In Section 2 of the RFP, the locations mentioned only include the 12 institutions. We would like to clarify the in-scope locations for the requested services.

   Response: Section I is correct. In addition to the 12 named institutions of the USM, the System has 3 regional higher education centers that are places where courses offered by USM institutions are held. Each regional higher education center has its own administrative staff, and will be expected to develop ERM and CM processes appropriate to the activities and risks and exposures specific to the regional higher education center.

24. The RFP states, ‘The goal is to have all USM Institutions have plans in place by May 1, 2021’ and in Section 1.1, the RFP states that USM is looking to procure services on an ‘as needed basis.’ Is it up to the discretion of the institution of having a plan reviewed & revised/ developed on their own timetable, as long as the 5/1/21 deadline is adhered to?

   Response: Yes.

25. Has USM or the underlying institutions earmarked a budgeted amount of potential spend / number of hours for the resulting projects?

   Response: USM and the underlying institutions decline to provide its budget.
26. Where do ERM / CM responsibilities reside within USM and the institution hierarchies? How many resources/FTEs are there in the Enterprise Risk and Crisis Management groups?  
Response: This is to be determined on an institution by institution basis. As there are no ERM / CM processes currently, it is unknown as to existing resources and FTE’s currently devoted to ERM and CM. Only UMB has an existing ERM process in place.

27. How does USM define an ERM Plan? (Roadmap to full implementation, an initial assessment)?  
Response: An Enterprise Risk Management process is expected to be an ongoing identification, risk exposure valuation, mitigation and communication process. It is important that the process periodically review risk inventories, re-assess risk tolerances, identify new possible mitigation strategies, and be periodically assessed for completeness and adequacy.

28. Can you articulate the current level of progress on ERM programs across the USM institutions? (e.g., not started, in progress, complete)  
Response: See Q&A #1 and #14

29. Does USM or the underlying institutions follow a 3 Lines-of-Defense paradigm?  
Response: Unknown.

30. What, if any, reporting to the Boards of Directors and / or Executive leadership is in place today? How is any existing risk reporting structured (by risk type, by line of business, by risk priority, etc.)?  
Response: None or done on an ad hoc basis as specific risks are identified or materialize.

31. How many Business Lines or areas of the organization are in scope for the assessment? What is the estimated number of business and/or process owners you would like to include in interviews, a survey, and/or facilitated workshops?  
Response: The enterprise risk management and crisis management processes should be contemplated to be institution-wide processes.

32. Current ERM Practices:  
a) Is there a defined risk methodology (COSO, ISO) that USM or any institution currently adheres to?  
Response: No or unknown.

b) Is there an expectation of consistency in ERM methodology and approach across all institutions under USM or will each have liberty to develop their own approach?  
Response: There should be a common basic structure of risk identification or inventory, assessing probability and exposure, determining institution or System-wide risk tolerance, and a tracking of mitigation or risk management activities.

c) Is there a process in place to identify (and assess) key risks across the organization or by business unit? If so, what is the timing?  
Response: No.
d) Has a risk inventory of identified key (e.g., top 5) risks organized across the organization or by business unit been established?
Response: No.

e) To what extent do the current ERM practices include third party/vendor risk management practices?
Response: None that we are aware of.

33. What is currently driving the need to analyze and update the CM plans?
Response: Effective management, and the recognition that after a crisis materializes is an inopportune moment to try and develop a crisis management plan.

34. The RFP includes the following language to describe the requested services: ‘as needed basis.’ For Crisis Management, is the expectation that the winning consultancy would be ‘Incident Command’ at the time of an issue impacting an institution? For example, if an unplanned disruption/severe IT outage impacted UMBC, would the expectation be that the CM consultants would step into the role of ‘Incident Command’ to help manage that real-time response
Response: Refer to Section II. Scope of Work/Requirements, page 11, 6th paragraph: “Requested services may be provided ranging ....... Ad-hoc consulting that supplement or enhance internal resources.” At the discretion of the institution, therefore, consultants may be requested to provide such CM services related to an unplanned disruption/severe IT outage, and the like.

35. The VIII-21.00 Policy on Crisis Management states that the document formalizes expectations for each institution to establish a process and set of protocols for use in responding to events. Currently, is there a crisis management function and/or an existing crisis management plan for each in-scope institution? If so, is the crisis management function aligned at each institution or is it at the institute’s own discretion how their crisis management function is organized?
Response: There is no known crisis management function or plan in place at each in-scope institution.

36. As part of this effort, there will be substantial collaboration with the various institution’s functional leads. Is the expectation that a formal ‘Tabletop Exercise’ be completed and recorded prior to the 5/1/21 deadline? Further, is a recommended maintenance and testing program schedule requested for Crisis Management? The policy indicates this expectation, but does this project/ bid include this request?
Response: A Tabletop Exercise is expected as a means of testing, refining and validating the crisis management plan, but it is not required to be done prior to May 2021. The expectation is that the consultant assist institutions in the design and development of crisis management plans, and that thereafter institutions will be expected to maintain, and yes, periodically test the ongoing effectiveness of the plan.
37. The Policy on Crisis Management states the University System Office will provide guidance to support each President developing a crisis management process. Can you provide additional details on the guidance that was / will be provided to each President?
Response: Guidance, at a minimum, will involve integrating institution crisis management plans with that used at a System-wide level. Guidance likely will also focus on ensuring that all appropriate and involved campus community members understand the plans.

38. Is it the intent to have multiple consultants for ERM and CM to offer the institutions options or only provide one consulting option for each service need?
Response: Refer to Section I, General Information, Paragraph 1.2 regarding multiple awards. Refer to Section II, Paragraph 4. On the “Use of Master Contracts by Buying USM Institutions.

39. Does USM allow for data to be offshored (e.g., for data analysis or reporting)?
Response: There is no prohibition for this.

40. The stated goal is for all USM institutions to have a plan in place by May 1, 2021.
   a. Are you comfortable conducting this work remotely if COVID continues to restrict travel?
      Response: Yes, though in supporting and interacting with institutional leadership, in person interaction would be preferred. As well, each institution in its TORP process will indicate in the scope of work for a specific task how work may be provided.
   b. How are you defining a plan for each institution? (e.g., A plan to meet the requirements over three years? Or, a plan to have a set of foundational elements complete for each institution and an update / maintenance plan from there.)
      Response: A crisis management plan is expected to be maintained at each institution, and reviewed, revised and updated periodically. That frequency will be impacted by changes in business operations, or new environmental threats and challenges, or changes in institutional leadership, among other possible motivations.

41. The RFP requests the ability to be available “on-call” on relatively short notice. What will the typical request cycle look like?
Response: Each institution will be responsible for setting the schedule for its Task Order Request for Proposal (TORP) process as well as its schedule for the requested ERM and/or CM engagement.

42. Will all deliverables be expected to be produced on institution letterhead?
Response: The format for deliverables will be determined by each institution and its needs.

43. How should we align staff to reflect depth? Our job categories are as follows: Associate → Senior Associate → Manager → Director → Managing Director → Partner → entity.
Response: Staff depth may be conveyed in a Proposer’s response to Section 2.4 Staffing of the Contract/Key Personnel

44. How many USM personnel are currently dedicated to the ERM/CM process?
Response: Currently UMB has a formal ERM process in place with portions of several full time equivalent positions involved. No other institution, to our knowledge, have dedicated employees currently.
45. Is there an expectation to develop sample internal and external messages to key stakeholders?
Response: This is to be determined by each institution with respect to its key stakeholders.

46. RE: ERM: What is the current state of ERM at USM? What infrastructure exists?
Response: Little to none. There is a Board of Regents workgroup on ERM and CM that meets periodically, and is charged with developing Board of Regents policies, and reviewing institutional and System-wide progress in adopting and implementing enterprise risk management processes and crisis management plans.

47. RE: ERM: Are you requesting separate risk profiles for the higher education and academic health centers?
Response: UMB is the System’s professional school, including a school of medicine. It is currently believed that UMB should determine whether separate, or aggregated risk profiles, are appropriate in their circumstance.

48. RE: ERM: Does USM and each institution currently have defined risk appetite statements?
Response: No.

49. RE: ERM: Do you have GRC software in place that can be leveraged for the ERM work?
Response: No.

50. RE: ERM: Is there an ERM methodology you wish to follow in implementing your ERM program?
Response: Again, the scope of work from each institution within its TORP process will include methodologies requested, if any.

51. RE: ERM: Has USM performed risk assessments in the past?
Response: Not in the context of an enterprise risk management process. Risks of various forms are considered routinely for other purposes, such as developing a work plan for the coming year for the Office of Internal Audits.

52. RE: ERM: Do you want a consistent process across all entities?
Response: See Q&A #5 above.

53. RE: ERM: What is the nature and extent of the current risk ranking criteria?
Response: Not yet developed.

54. RE: ERM: Does a risk universe exist?
Response: There are available risk inventories from other higher education institutions and industry associations which could prove useful as a starting point.

55. RE: ERM: What is your preferred method / medium for conducting the risk assessment?
Response: This is to be determined by each institution. Again, this will be handled during the TORP process by each institution.

56. RE: ERM: How many people do you anticipate participating in the risk assessment from each entity, on average?
Response: This is to be determined by each institution and will be handled during the TORP process by each institution.
57. RE: CM: How do the ERM / CM responsibilities link to the Business Resiliency program?  
Response: Institutions do not, to our knowledge, have ‘Business Resiliency programs’.

58. RE: CM: Besides the pandemic, when was the CM Plan last tested?  
Response: No comprehensive or institutional crisis management plan is in place.

59. RE: CM: What communication tools are designated for use at time of a crisis situation?  
Response: It is expected that formalization of the use of communication tools in specific circumstances would be one of the components of a crisis management plan. Each institution has an individual responsible for public communications.

60. Are there any events or circumstances driving the RFP?  
Response: See Q&A #18 and #33

61. Do you have an estimate of the number of engagements expected per year for each section (ERM and Crisis Mgmt)?  
Response: No; this is the nature of an ‘as needed basis’ Master Contract.

62. ERM: What stage is your ERM program at today (e.g., development, standardizing, mature)?  
Response: See Q&A #1 above.

63. ERM: What is your current resourcing level to support ERM activities?  
Response: See Q&A #26 and #44

64. ERM: Is this organized at the local University or System-level?  
Response: See Q&A 5 and 6 above. Master Contracts will be managed by UMBC on behalf of the USM. The TORP process and resulting Task Order Contracts (TOCs) or Purchase Orders are organized and managed by the specific Institution.

65. ERM: Do you currently use technology to support ERM or similar activities (e.g., Governance Risk and Compliance (GRC) technologies)?  
Response: See Q&A #32 and #49

66. ERM: Who would oversee these services at the University and System-level?  
Response: See Q&A #5 and #6 and #64 above.

67. (CM) Does the scope of this proposal include services for crisis response support in the event of a crisis/incident?  
Response: See Q&A #34 above.

68. (CM) Are you interested in the inclusion of training (in addition to the table-top exercise) on the new or upgraded plans/protocols for the crisis management team members?  
Response: This would be determined by the specific institution. Training of CM members could be within the scope of services of the resulting Master Contracts and would be procured via a Task Order Request for Proposal process. See also Q&A #9