



## **PACIFIC STATES MARINE FISHERIES COMMISSION**

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### **Request for Proposals**

#### **Amendment No. 1**

(Revise schedule to extend deadline for submissions)

### **Alaska Crab Economic Data Report Data Validation**

Actual Issue Date:	March 1, 2006
Amendment 1 Issue Date:	April 4, 2006
Deadline for Submissions:	April 12, 2006

**Proposed Schedule (Revised April 4, 2006)**

March 1, 2006	Request for Proposal (RFP) issued and distributed
March 17, 2006	Deadline for written questions. Please email to Alaska_crab@psmfc.org
March 27, 2006	Responses to written questions will be provided.
April 12, 2006	Deadline for submission of proposals. Emailed proposals will be accepted. Email to: Alaska_crab@psmfc.org  Faxed proposals <b>WILL NOT</b> be accepted. Mailed proposals must arrive to PSMFC on or before the deadline, not postmarked by the deadline. One (1) original to: Pacific States Marine Fisheries Commission ATTN: Dave Colpo 205 SW Spokane St, Suite 100 Portland, OR 97202 Tele: 503-595-3100
April 19, 2005	Proposal Review Committee Meeting
April 21, 2006	Project Finalists Selected

## **Description, Specifications, Criteria and Procedures**

### ***Description***

The North Pacific Fishery Management Council developed the Bering Sea and Aleutian Islands (BSAI) Crab Rationalization Program over a 6-year period to accommodate the specific dynamics and needs of the BSAI crab fisheries. The BSAI Crab Rationalization Program is comprised of a number of novel aspects, and the North Pacific Fisheries Management Council (Council) is interested in ensuring that it will be able to adequately assess the impact of the Program on affected parties. Existing data collection programs do not provide the employment, cost and sales data necessary to understand the economic performance of crab fishermen and processors, let alone to determine how this performance has changed after rationalization, or what aspects of these changes are specifically attributable to crab rationalization. Therefore, the Council has recommended that a mandatory economic data collection program be developed. This data collection program will substantially reduce the analytical difficulties that were encountered when attempting to examine the effects of the halibut/sablefish IFQ program and the American Fisheries Act.

The Council has expressed a desire to monitor, among other things, how the economic returns of various stakeholders in BSAI crab fisheries are affected by rationalization. This requires the collection of historic data as well as annual data to not only better understand the economic performance of crab fishery participants, but to isolate the effects attributable to the Program. Economic data reports (EDRs) that ask questions about harvesters' and processors' crab operations were specifically developed for the crab fisheries to fill this knowledge gap.

The EDRs were distributed in March 2005 to all fishers and processors that had participated in the crab fisheries in 1998, 2001, or 2004. The EDRs were due by August 2005 and have since undergone entry into an electronic database. In order to ensure that the data submitted by respondents in the EDRs is accurate, we would like to develop and implement an EDR review and verification system. This system will involve reviewing the data contained within submitted EDRs, conducting verification audits for those EDRs containing odd or suspicious data values, and conducting random audits for a certain percentage of submitted EDRs. In this RFP we are seeking your ideas on how you would develop such a system and what it would cost to implement and conduct the process.

The Council has specified that the data should be collected and maintained by a third party, the Pacific State Marine Fish Commission (PSMFC), rather than NMFS or the State of Alaska. Therefore, PSMFC is soliciting proposals for a review and verification protocol, and to carry out audits of 1998, 2001, 2004 and 2005 EDRs. A review committee coordinated by PSMFC will review proposals and make a selection. Any individuals or entities that are members of the review committee and who also submit proposals or who may directly benefit from a proposal must recuse themselves from the review process.

### ***Specifications***

There are four types of EDRs: Catcher Vessel, Catcher/Processor, Stationary Floating Processor and Shoreside Processor. Data collected will consist of historic data for the years 1998, 2001, 2004 and 2005. A copy of each EDR form can be downloaded from [www.psmfc.org/alaska\\_crab](http://www.psmfc.org/alaska_crab).

The following is a table showing the total number of 1998, 2001 and 2004 EDRs that have been submitted and an estimate for 2005 based on the number of 2004 submissions:

Type of EDR	Total Combined Number of 1998, 2001 and 2004 EDRs		Estimated number of 2005 EDRs	
Catcher Vessel	684		140	
Catcher Processor	25		10	
Stationary Floating Processor	24		6	
Shoreside Processor	44		14	

All 2005 processor and catcher vessel EDRs are due to PSMFC on or before June 28th, 2006. It is not clear at this time how many EDRs will be submitted for 2005 (there has been significant consolidation in the industry since rationalization has occurred), whether all of the EDRs that are submitted to PSMFC will arrive before the scheduled due dates, and whether such EDRs will be complete. In some cases, PSMFC will have to contact the submitters to verify reported data values if they are unreadable, missing, or obviously incorrect at the time of submission.

There are two parts to each EDR: the Certification page and the Data Collection Tables. The Certification page contains vessel/processor, owner and any leaseholder information. It also serves as a worksheet to help the submitter determine if they need to continue on and complete the Data Collection Tables, or submit just the Certification page. The Data Collection Tables collect harvesting and processing activity, production amounts, production costs, labor costs, crew residence, and labor payments.

The data submitted within the 1998, 2001, and 2004 EDRs have been entered into electronic data files in MS Access format, and the files include forms that display a submitter's data similar to the Data Collection Tables of the EDRs. The proposal winner would receive electronic files of the Data Collection Tables in a blinded format for review of data. Each vessel or plant would be assigned a unique identification number in place of company information to maintain confidentiality.

***Scope of Work***

Proposal submitters need to describe the procedures they plan undertake to complete the following tasks:

Review of Data – If submitted data falls outside of ranges created by you, the auditor, (and agreed upon by NMFS), PSMFC would request that the submitter double check the information. Any reporting errors could be corrected at that time. If the person submitting the data indicates that the data are accurate and NMFS or PSMFC still have questions regarding the data, the auditing party would undertake a “Non-random audit” procedure.

Non-random audits – Data submitters would be asked to provide copies of business or financial records that could be used to verify that the data reported in the EDRs that falls outside of the range discussed above, are accurate. The auditor may review and request copies of additional records provided by the owner or leaseholder, including but not limited to: previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data. Since some of the information requested in the EDR may not be maintained by companies and must be calculated, it is possible that differences between the “audited” data from financial statements and EDR data may arise. In that case the person filling out the survey would be asked to show how their numbers were derived and the auditor would provide a written explanation of the differences.

Random audits – A review and verification of some subset of the data values reported in randomly selected submitted EDRs will also be conducted, in order to verify that information included in the EDRs agrees to the records of the Company supplying the survey information. The auditor may review and request copies of additional data provided by the owner or leaseholder, including but not limited to: previously audited or reviewed financial statements, worksheets, tax returns, invoices, receipts, and other original documents substantiating the data.

If during a random or non-random audit the EDR submitters are unable to reconcile the data or the data submitted in the EDR is incorrect, the auditor will summarize the differences found.

When an audit is needed, PSMFC will supply the contact information and assist with making arrangements between the auditor and the EDR submitter. Travel expenses will be documented by the auditor and given to PSMFC for reimbursement.

One set of data that might be useful for the review of data would be Alaska fish tickets. This data has pounds of crab landed and revenue as reported to the State by vessel at the time of landing. Fish tickets for years 1998, 2001 and 2004 are already finalized and available to check for reporting errors.

Although there is uncertainty regarding the date at which completed EDRs for 2005 will be available in electronic format, assume for the purposes of this proposal that all EDR data for 2005 will be available August 1, 2006.

It is not possible to define the exact nature of the supporting information an auditor may be provided with when conducting an audit because each company has their own style of financial recordkeeping. Also, the number of elements to review and random audits proposed in the methodology would make it difficult to provide a total cost for completion of this data validation project. Because of these uncertainties, please provide the final hourly rate you would bill to PSMFC for conducting this work. Include with it the position titles of employees involved, their hourly rate and the tasks that that position would be involved with.

For example:

<b>Principle Lead</b>	<b>CPA @ \$120/hour</b>	<b>Clerk @ \$45/hour</b>
<ul style="list-style-type: none"> <li>• Signs contract</li> <li>• Finalizes methodologies with PSMFC and NMFS</li> <li>• Writes final report</li> </ul>	<ul style="list-style-type: none"> <li>• Data checking</li> <li>• Conducts audits</li> </ul>	<ul style="list-style-type: none"> <li>• Writes summary reports on audits</li> <li>• Makes appointments for audits</li> <li>• Schedules travel arrangements</li> </ul>

***Proposal Evaluation Criteria***

The following criteria and evaluation weightings will be used for evaluating proposals:

- 1. Staff experienced in working with West Coast and/or Alaska Financial Fishery data. (35 percent)**  
**The Auditing party must demonstrate knowledge of West Coast and/or Alaska fisheries, and have worked with financial fisheries data in the past two years.**

2. **Cost and time proposed to complete (20 percent)** Provide total cost per hour that you would bill PSMFC for conducting the Data Review, Audits and Reporting. Identify position titles, their hourly wage and tasks each position would be involved with. Please provide an estimated time to complete verification for the years 1998, 2001, 2004 (all currently available), and 2005 (assume receipt by August 2006).
3. **Feasibility and design of proposed auditing and verification process (30 percent).** Please describe the methodology you plan to use to verify that the information reported in the EDRs is consistent with that contained in the submitter's financial records (e.g., forensic accounting methodologies, record checking). Describe how you plan to select EDRs for random auditing and present the statistical sampling method you will use to decide the number of audits to perform
4. **Sampling design for selecting EDR elements to verify (15).** Given the number of variables that are reported in the EDRs it is not practical to verify every variable. However, submitters who are audited may be in a position to tip off others as to which elements are typically verified (implying these variables may be reported more accurately than others). Describe which variables you will select to verify from the EDRs during random audits and how you plan to minimize or eliminate the possibility for strategic bias by submitters.

### ***Proposal Selection Procedures***

All proposals will be evaluated and scored individually in accordance with the assigned weights of the above evaluation criteria by a PSMFC coordinated review panel.

Submitters may be asked to supply supplemental information required by PSMFC prior to the award.

## **INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS**

### ***Definitions***

As used in this provision--

"Discussions" are negotiations that occur after establishment of the competitive range that may, at the Contracting Officer's discretion, result in the offeror being allowed to revise its proposal.

"In writing" or "written" means any worded or numbered expression which can be read, reproduced, and later communicated, and includes electronically transmitted and stored information.

"Proposal modification" is a change made to a proposal before the solicitation's closing date and time, or made in response to an amendment, or made to correct a mistake at any time before award.

"Proposal revision" is a change to a proposal made after the solicitation closing date, at the request of or as allowed by a Contracting Officer as the result of negotiations.

"Time," if stated as a number of days, is calculated using calendar days, unless otherwise specified, and will include Saturdays, Sundays, and legal holidays. However, if the last day falls on a Saturday, Sunday, or legal holiday, then the period shall include the next working day.

### ***Program Officer***

The following Program Officer is designated for receipt of proposals, modifications, and questions regarding this solicitation:

Dave Colpo, Program Manager  
Pacific States Marine Fisheries Commission  
205 SE Spokane, Suite 100  
Portland, OR 97202  
Telephone: (503) 595-3100  
Alaska\_crab@psmfc.org

***Questions***

Questions regarding this solicitation must be submitted in writing to the Program Officer by March 17, 2006. Responses to all questions containing information that is not covered in this solicitation will be distributed to all known offerors and posted on the PSMFC Internet web site at <http://www.psmfc.org/rfp/>.

***Amendments to solicitations***

If this solicitation is amended, all terms and conditions that are not amended remain unchanged.

***Extension of solicitation***

PSMFC reserves the right to extend the submission times specified in this solicitation. Potential offerors desiring an extension must submit a written request to the Contracting Officer prior to the time specified in this solicitation for receipt of proposals that includes the amount of additional time requested and an explanation of why such an extension is required. If an extension is granted, PSMFC will notify all known offerors and will post a notice of such extension on its Internet website at <http://www.psmfc.org/rfp/>.

***Submission, modification, revision, and withdrawal of proposals***

- a. Proposals and modifications to proposals may be submitted in paper media or electronic commerce.
- b. The proposal must show--
  - 1. The name of the solicitation;
  - 2. The name, address, and telephone and facsimile numbers of the offeror (and electronic address if available);
  - 3. Names, titles, and telephone and facsimile numbers (and electronic addresses if available) of persons authorized to negotiate on the offeror's behalf with the PSMFC in connection with this solicitation; and
  - 4. Name, title, and signature of person authorized to sign the proposal. Proposals signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.
  - 5. References, to include the following information on all similar contracts performed in the last two years, or the last five (5) similar contracts performed:

- Name of customer
- Addresses of Customer
- Point of Contact at Customer Organization
- Telephone Number of Point of Contact
- Brief Description of the Project
- Contract Value

The PSMFC reserves the right to consult with and to consider information from its own sources, including information from state and federal agencies regarding the offeror's prior performance or the status of outstanding investigations or warrants involving the offeror.

6. Describe proposed methodology that would be used to review data in EDRs. Describe how you would create ranges that acceptable data would fall into for costs and revenues reported in EDRs.
7. Describe the sampling design for selecting EDR elements to be verified in random audits. List the elements you would check, reason for selecting those elements and the statistical method you used to determine how many random audits to conduct. Please also explain how you will attempt to eliminate the possibility for strategic bias by submitters who might tip off others as to which elements are typically verified and how you would report your findings.
8. A cost proposal that includes the following information: Final hourly rate that you would bill to PSMFC to conduct the work, position titles with their hourly wages and tasks each position title would perform.  
Offeror shall include any of the following information as needed to support the proposed pricing:
  - a) Breakdown of labor cost by position title including current actual or average hourly rates. Indicate whether current rates or escalated rates are used. If escalation is included, state the degree (percent) and methodology. Direct labor or levels of effort can be a percentage of an individual's time. Indicate fringe benefit rate, if separate from indirect cost rate.
  - b) Cost breakdown of materials, and other direct costs including duplication/reproduction, meetings and conferences, postage, communication, and any other applicable items. Costs must be supported by specific methodology utilized.
  - c) Any amounts included for indirect cost, fees, and/or profit, supported by specific methodology utilized. Profit or management fees shall not exceed seven (7) percent of total estimated direct costs.
9. Offerors are responsible for submitting proposals, and any modifications or revisions, so as to reach PSMFC by 4:30 p.m., local time, on April 12, 2006.
10. Late proposals:
  - a. Any proposal, modification, or revision received at the PSMFC office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and--
  - b. If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the PSMFC infrastructure not later than 5:00 p.m. on the date specified for receipt of proposals; or
  - c. There is acceptable evidence to establish that it was received at the PSMFC installation designated for receipt of offers and was under the PSMFC's control prior to the time set for receipt of offers; or
  - d. It is the only proposal received.
  - e. However, a late modification of an otherwise successful proposal that makes its terms more favorable to the PSMFC, will be considered at any time it is received and may be accepted.
  - f. Acceptable evidence to establish the time of receipt at the PSMFC installation includes the time/date stamp of that installation on the proposal wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of PSMFC personnel.
  - g. If an emergency or unanticipated event interrupts normal PSMFC processes so that proposals cannot be received at the office designated for receipt of proposals by the exact time specified in the solicitation, and urgent PSMFC requirements preclude amendment of the solicitation, the time specified for receipt of proposals will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal PSMFC processes resume.

- h. Proposals may be withdrawn by written notice received at any time before award. If the solicitation authorizes facsimile proposals, proposals may be withdrawn via facsimile received at any time before award. Proposals may be withdrawn in person by an offeror or an authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal before award.
- 17. Unless otherwise specified in the solicitation, the offeror may propose to provide any item or combination of items.
- 18. Offerors shall submit proposals in response to this solicitation in English and in U.S. dollars.
- 19. Offerors may submit modifications to their proposals at any time before the solicitation closing date and time, and may submit modifications in response to an amendment, or to correct a mistake at any time before award.
- 20. Offerors may submit revised proposals only if requested or allowed by the Contracting Officer.
- 21. Proposals may be withdrawn at any time before award. Withdrawals are effective upon receipt of notice by the Contracting Officer.
- 22. Offerors may submit proposals that depart from stated requirements (e.g., to include provision of sampling or communications equipment, alternate compensation or insurance strategies, etc.). Such proposals shall clearly identify why the acceptance of the proposal would be advantageous to the PSMFC. Any deviations from the terms and conditions of the solicitation, as well as the comparative advantage to the PSMFC, shall be clearly identified and explicitly defined.

***Offer expiration date***

Proposals in response to this solicitation will be valid for 90 days following the time specified for solicitation of offers (unless a different period is proposed by the offeror).

***Restriction on disclosure and use of data***

Offerors that include in their proposals data that they do not want disclosed to the public for any purpose, or used by the PSMFC except for evaluation purposes, shall--

- a. Mark the title page with the following legend:

“This proposal includes data that shall not be disclosed outside the PSMFC and shall not be duplicated, used, or disclosed--in whole or in part--for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of--or in connection with--the submission of this data, the PSMFC shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the PSMFC's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [insert numbers or other identification of sheets]”; and

- b. Mark each sheet of data it wishes to restrict with the following legend:

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal.

***Contract award***

- a. The PSMFC intends to award a contract or contracts resulting from this solicitation to the responsible offeror(s) whose proposal(s) represents the best value after evaluation in accordance with the factors and subfactors in the solicitation.
- b. The PSMFC may reject any or all proposals if such action is in the PSMFC's interest.

- c. The PSMFC may waive informalities and minor irregularities in proposals received.
- d. The PSMFC intends to evaluate proposals and award a contract without discussions with offerors (except clarifications as described in FAR 15.306(a)). Therefore, the offeror's initial proposal should contain the offeror's best terms from a cost or price and technical standpoint. The PSMFC reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary. If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.
- e. The PSMFC reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the proposal.
- f. The PSMFC reserves the right to make multiple awards if, after considering the additional administrative costs, it is in the PSMFC's best interest to do so.
- g. Exchanges with offerors after receipt of a proposal do not constitute a rejection or counteroffer by the PSMFC.
- h. The PSMFC may determine that a proposal is unacceptable if the prices proposed are materially unbalanced between line items or subline items. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more contract line items is significantly overstated or understated as indicated by the application of cost or price analysis techniques. A proposal may be rejected if the Contracting Officer determines that the lack of balance poses an unacceptable risk to the PSMFC.
- i. If a cost realism analysis is performed, cost realism may be considered by the source selection authority in evaluating performance or schedule risk.
- j. A written award or acceptance of proposal mailed or otherwise furnished to the successful offeror within the time specified in the proposal shall result in a binding contract without further action by either party.
- k. The PSMFC may disclose the following information in postaward debriefings to other offerors:
  - 1. The overall evaluated cost or price and technical rating of the successful offeror;
  - 2. The overall ranking of all offerors, when any ranking was developed by the agency during source selection; and
  - 3. A summary of the rationale for award.