

**STATE OF WASHINGTON**  
**OFFICE OF FINANCIAL MANAGEMENT**  
**SOLE SOURCE ANNOUNCEMENT**

The Office of Financial Management (OFM) contemplates awarding a sole source contract to Public Consulting Group for a period commencing immediately upon contract signing through June 30, 2018. This contract would use Public Consulting Group ("PCG") to complete a comprehensive funding assessment and successful submission of cost allocation plans for the newly created Department of Children, Youth, and Families, the Department of Social and Health Services, and the Health Care Authority. Professional services are to include:

- Identify and catalog functions performed within the Department of Children, Youth, and Families, the Department of Social and Health Services, and the Health Care Authority
- Review all current funding sources and identify and outline funding sources for functional areas across agencies
- Using catalogued functions, determine administrative and direct service claiming requirements and opportunities
- Assist the Office of Financial Management and agencies to prepare models, projections, and estimates to inform the Governor's 2018 Supplemental Budget request
- Conduct interviews to support cost allocation plan development and review the new Department of Children, Youth, and Families cost allocation plan narrative, drafted by agency staff, to be submitted by March 31, 2018 and effective July 1, 2018
- Conduct interviews to support cost allocation plan development and review the new Department of Social and Health Services cost allocation plan narrative, drafted by agency staff, to be submitted by March 31, 2018 and effective July 1, 2018
- Conduct interviews to support cost allocation plan development and review the Health Care Authority cost allocation plan narrative, drafted by agency staff, to be submitted by March 31, 2018 and effective July 1, 2018

The Office of Financial Management and the Governor's Office oversee the internal and external contracting agencies that now deliver child welfare, early learning, juvenile justice and behavioral health services. Much of these services will transfer to the newly created Department of Children, Youth and Families on July 1, 2018. To maintain federal funding, the state must have an approved cost allocation plan agreement with the Federal Center for Medicare and Medicaid services; otherwise the state will longer earn federal funding.

The state legislature has identified a need for additional professional service support and the Office of Financial management believes that PCG is uniquely positioned to offer the expertise needed to complete a comprehensive funding assessment and submit cost allocation plans and narratives. PCG is uniquely positioned to complete this work for the following reasons:

- Public Consulting Group is a national leader in assisting state agencies with cost allocation development;
- Public Consulting Group has assisted agencies in over 35 states with cost allocation efforts ranging across completing cost allocation reviews and assessments, cost allocation plan development and rewrites; and projects aimed at identifying reimbursable functions and activities;
- Public Consulting Group has worked with many states to implement agency reorganizations, consolidations, and mergers in order to appropriately access reimbursement for federal programs;
- Public Consulting Group assisted the state of Arizona to develop and implement a cost allocation plan for the Department of Child Safety, establishing a stand-alone agency separate from the Department of Economic Security;
- Public Consulting Group has assisted the state of Washington in three key areas that provide a foundation of knowledge and will reduce the learning curve necessary to assist the state with cost allocation plan submissions. The three key areas include: 1) the successful submission of a Title IV-E Waiver request that granted the state's child welfare agency the ability to earn federal funding for services to families with children at risk of removal from their homes; 2) a final Mental Health System Recommendation report that resulted in significant funding investments and support for shifting services for civilly committed individuals from state psychiatric institutions to community settings; and, 3) a final Public Assistance Eligibility Study Recommendations Report that demonstrated how the state of Washington could leverage additional federal funding for individuals applying for public assistance programs;
- The Public Consulting Group project team is highly-qualified with experience in cost allocation, reorganization efforts, as well as program and funding expertise in human services programs, such as, child welfare, Medicaid, Temporary Assistance for Needy Families, and other federal grant programs.

The contract will be issued on or about September 18, 2017.

Vendors who believe they possess the same experience and capabilities, and meet the same requirements as PCG, are required to submit capability statements detailing their ability to meet the state's requirements within five (5) business days of this announcement. In the absence of other qualified sources, it is the state's intent to make a sole source award of the contract.

For more information, contact:

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