

February 25, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Commerce-TAM FY 2014 Proposed Budget and Surcharge Recommendation
Docket No. P999/M-13-138

Dear Mr. Wolf:

The Minnesota Department of Commerce (Commerce) Telecommunications Access Minnesota program (TAM) respectfully submits the proposed TAM audit budget to the Minnesota Public Utilities Commission (Commission) for approval.

On June 4, 2013, in Docket No. P-999/M-13-138, the Commission issued an Order that, among other things, asked Commerce to develop a plan and budget for concluding an audit of the programs funded through the TAM fund.

The Commission directed Commerce to develop a request for proposal (RFP) for an audit of the TAM fund and programs and submit the draft for Commission review before issuing it. The Commission requested that Commerce seek proposals with high, medium, and low levels of scrutiny, critical analysis, and verification of operations data (and the cost associated with each level). The PUC also directed Commerce to submit an audit budget to the Commission prior to awarding the contract (PUC Order issued June 20, 2014; Docket No. P-999/M-13-138).

On October 15, 2014, Commerce submitted a draft RFP for the TAM audit to the Commission, and the Commission approved the draft on October 29, 2014.

Commerce published the RFP Notice on December 1, 2014, with a proposal due date of January 12, 2015. In accordance with Minn. Stat. § 13.591, the names of the responders are public data as of the proposal due date. All other information contained in a responder's proposal, other than responder name, is classified as nonpublic data (Minn. Stat. § 13.02) and remains nonpublic data until a contract between the State and the selected vendor has been agreed upon.

Four proposals were received in response to the TAM Audit RFP:

- CliftonLarsonAllen LLP
- Examination Resources, LLC
- INS Regulatory Insurance Services, Inc.
- Risk & Regulatory Consulting, LLC

Minn. Stat. Chapter 16C requires that proposals must be evaluated and contracts must be awarded based on “Best Value”, defined as a combination of (1) the proposal response to the RFP technical specifications and (2) the proposed cost. The selection committee for this RFP evaluated the proposals and assigned technical points, and then cost points were calculated, resulting in each proposal receiving a final total point score. A proposal that receives the highest final total point score is considered to be “Best Value”.

Scores were tallied for a High-Level Audit, a Medium-Level Audit, and a Low-Level Audit. The following information is provided to the PUC so that it can make a budget determination regarding whether to proceed with a High, Medium, or Low-Level Audit.

- \$100,000 - Approximate cost of proposal with the highest point score for a High Level Audit.
- \$80,000 - Approximate cost of proposal with the highest point score for a Medium Level Audit.
- \$60,000 - Approximate cost of proposal with the highest point score for a Low Level Audit.

Once the PUC makes their determination, Commerce will start negotiations with the selected vendor (if applicable).

Sincerely,



Rochelle Garrow
TAM Program Administrator
651-539-1878
rochelle.garrow@state.mn.us

Attachments

c: All parties of record

CERTIFICATE OF SERVICE

I, Linda Chavez, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

MINNESOTA DEPARTMENT OF COMMERCE – LETTER

Docket Nos. **P999/M-13-138**

Dated this **25th** day of **February, 2015**.

/s/Linda Chavez

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	OFF_SL_13-138_13-138
Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 55101-2198	Electronic Service	No	OFF_SL_13-138_13-138
Greg	Doyle	greg.doyle@state.mn.us	Department of Commerce	Suite 50085 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	OFF_SL_13-138_13-138
Rochelle	Garrow	rochelle.garrow@state.mn.us	Department of Commerce	85 7th Place East, Suite 600 St. Paul, MN 55101-3165	Electronic Service	No	OFF_SL_13-138_13-138
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_13-138_13-138
Sarah	Maheswaran	sarah.maheswaran@state.mn.us	Telephone Equipment Dist. Program	Dept. of Human Services 444 Lafayette Road North St. Paul, MN 551553814	Electronic Service	No	OFF_SL_13-138_13-138
Amy	McQuaid Swanson	Amy.mcquaid-swanson@state.mn.us	Department of Human Services	PO Box 64969 St. Paul, MN 55164-0969	Electronic Service	No	OFF_SL_13-138_13-138
Carol	Pankow	carol.pankow@state.mn.us	Services for the Blind	Suite 240 2200 University Avenue W St. Paul, MN 55104	Electronic Service	No	OFF_SL_13-138_13-138
Dana	Wahlberg	dana.wahlberg@state.mn.us	Department of Public Safety	Town Square Ste 137 444 Cedar St St. Paul, MN 551015126	Electronic Service	No	OFF_SL_13-138_13-138
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	OFF_SL_13-138_13-138