

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
 OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1 REQUISITION NUMBER: REQ-2700-13-0003
 PAGE OF: 1
 2 CONTRACT NO: CPSC-D-12-0004
 3 AWARD EFFECTIVE DATE: 02/04/2013
 4 ORDER NUMBER: 0004
 5 SOLICITATION NUMBER:
 6 SOLICITATION ISSUE DATE:

7. FOR SOLICITATION INFORMATION CALL: Kim Miles
 8. TELEPHONE NUMBER (No collect calls): 301-504-7018
 9. OFFER DUE DATE/LOCAL TIME:

9 ISSUED BY: CONSUMER PRODUCT SAFETY COMMISSION
 DIV OF PROCUREMENT SERVICES
 4330 EAST WEST HWY
 ROOM 523
 BETHESDA MD 20814
 CODE: FMPS
 10 THIS ACQUISITION IS:
 UNRESTRICTED OR
 SET ASIDE
 SMALL BUSINESS
 WOVEN-OWNED SMALL BUSINESS
 HUBZONE SMALL BUSINESS
 (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM
 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS
 EDWOSB
 (A)
 NAICS: _____
 SIZE STANDARD: _____

11 DELIVERY FOR FOB DESTINATION: UNLESS BLOCK IS MARKED
 SEE SCHEDULE
 12 DISCOUNT TERMS: Net 30
 13a THIS CONTRACT IS A RATED ORDER UNDER OPAS (15 CFR 700):

 13b RATING:
 14. METHOD OF SOLICITATION:
 RFQ IFB RFP

15 DELIVER TO: CONSUMER PRODUCT SAFETY COMMISSION
 OFFICE OF FINANCIAL MGMT, PLANNING & EVAL
 4330 EASTWEST HIGHWAY
 ROOM 52C
 BETHESDA MD 20814
 CODE: EXFM
 16 ADMINISTERED BY: CONSUMER PRODUCT SAFETY COMMISSION
 DIV OF PROCUREMENT SERVICES
 4330 EAST WEST HWY
 ROOM 523
 BETHESDA MD 20814
 CODE: FMPS

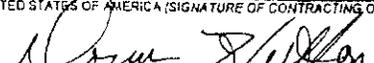
17a CONTRACTOR/OFFEROR: MORGANFRANKLIN CORPORATION
 1753 PINNACLE DRIVE
 SUITE 1200
 MCLEAN VA 22102-3853
 CODE: ~~01000000~~
 FACILITY CODE:
 17b PAYMENT WILL BE MADE BY: CPSC Accounts Payable Branch
 RM2 160
 P.O. Box 25710
 Oklahoma City OK 73125
 CODE: FMPS

TELEPHONE NO:
 17c CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER
 18a SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18b UNLESS BLOCK BELOW IS CHECKED SEE ADDENDUM

19 ITEM NO	20 SCHEDULE OF SUPPLIES/SERVICES	21 QUANTITY	22 UNIT	23 UNIT PRICE	24 AMOUNT
	DUNS Number: 01000000 COR: Barbara Denny Tele: 301-504-7246 Bdenny@cpsc.gov TASK ORDER 0004 The contractor shall provide all necessary personnel, materials and facilities required to perform the attached financial, accounting and audit-related services for the Consumer Product (Use Reverse and/or Attach Additional Sheets as Necessary)				

25 ACCOUNTING AND APPROPRIATION DATA: 0100A13DSE 2013 5445900000 EXFM002700 252R0
 26 TOTAL AWARD AMOUNT (For Govt. Use Only): \$128,760.00

27a SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE ARE NOT ATTACHED.
 27b CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED.
 28 CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED
 29 AWARD OF CONTRACT: REF. CPSC-D-12-0004 OFFER DATED 01/21/2013. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN IS ACCEPTED AS TO ITEMS

30a SIGNATURE OF OFFEROR/CONTRACTOR: 
 30b UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER): 

30c NAME AND TITLE OF SIGNER (Type or print): Eric Ayers Vice President
 30d DATE SIGNED: 1/31/2013
 31b NAME OF CONTRACTING OFFICER (Type or print): Donna Hutton
 31c DATE SIGNED: 2/1/2013

19 ITEM NO	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22 UNIT	23. UNIT PRICE	24 AMOUNT
0001	<p>Safety Commission. All services shall be in accordance with the attached performance work statement, the attached proposal dated January 21, 2013 (with the exception of deliverable 3 due date of September 30, 2013 which is revised to read July 31, 2013.) The basic contract and GSA Schedule GS-00F-0033L are incorporated as well. Period of Performance: 02/04/2013 to 07/31/2013</p> <p>The contractor shall perform two separate assessments of the effectiveness of the CPSC internal controls program. The assessments are to ensure Internal Controls are functioning properly as implemented by CPSC staff. Assessments and reporting shall be in accordance with the attached performance work statement.</p> <p>The total amount of award: \$128,760.00. The obligation for this award is shown in box 26.</p>	1	LO	128,760.00	128,760.00

32b. QUANTITY IN COLUMN 21 HAS BEEN

RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED:

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE 32c. DATE 32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE 32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER 34. VOUCHER NUMBER 35. AMOUNT VERIFIED CORRECT FOR 36. PAYMENT 37. CHECK NUMBER

PARTIAL FINAL COMPLETE PARTIAL FINAL

38. S/R ACCOUNT NUMBER 39. S/R VOUCHER NUMBER 40. PAID BY

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT 42a. RECEIVED BY (Print)

41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER 41c. DATE 42b. RECEIVED AT (Location)

42c. DATE REC'D (YYMMDD) 42d. TOTAL CONTAINERS

Performance Work Statement

1. Independently, and not as an agent of the Government, the Contractor shall furnish all necessary personnel, materials, services, and contractor facilities (when the contractor is not working on site at CPSC) to perform the work set forth below except as provided in Section 8, "Government Furnished Materials."
 - A. The contractor shall perform two separate assessments of the effectiveness of the CPSC internal controls program. The assessments are to ensure Internal Controls are functioning properly as implemented by assigned CPSC staff. The contractor shall provide well documented results detailing the effectiveness of the CPSC internal control program. The assessments (testing) of the internal controls shall comply with OMB Circular A-123 and all applicable laws and regulations.
 1. **Assessment 1 (deliverable 1)** shall include testing of CPSC controls that were put into place during FY2012, but have not been previously tested. These controls were implemented during the period of July 1, 2012 through December 31, 2012. Populations of transactions (from which samples are to be obtained) to test controls which occurred during this time frame shall be made accessible to the contractor five (5) days after award of this task order and the final assessment results are due March 31, 2013. The controls to be tested are as follows and listed in detail in attachment 1:
 - 7 Key controls from the Financial Reporting Cycle
 - 3 Key controls from the Budget Cycle
 - 1 Key control from the Fund Balance with Treasury (FBwT) cycle
 - 2 Key controls from the Revenues and Receivables cycle
 - 3 Key controls from the Disbursements cycle
 - 4 Key controls from the Procurement cycle
 - 3 Key controls from the Property Management cycle
 - 4 Key controls from the Purchase Card cycle
 - 3 Key controls from the Travel Card cycle
 2. **Assessment 2 (deliverable 2)** Assessment of 114 CPSC controls covering the period from July 1, 2012 through March 31, 2013 (reference Attachment 1, the Final Report on Internal Control prepared under CPSC-D-12-0004-Task Order 0001 and the test results spreadsheets for each of the cycles). The controls tested in Assessment 1 will be included in Assessment 2; however these controls will only be tested for the period January through March of 2013. Testing of controls shall include samples of transactions documented for all cycles of the CPSC Internal Control Program. Documents for this performance period shall be made accessible to the contractor by April 5, 2013. Assessment 2 results of testing shall be completed and delivered by July 31, 2013.

- B. The contractor shall complete the testing for each assessment and provide complete test results for all key controls utilizing the same procedures and reporting as the FY 2012 Control Assessment Results Table (see attachment 1). The testing of the above controls will include samples from populations of transactions not previously tested, occurring between July 1, 2012 through Dec 31, 2012. A FY 2013 Control Assessment Results Table will be prepared for testing of controls in place. Results of testing of samples from populations of transactions occurring during January 1, 2013 through March 31, 2013 will also be listed in the table.
- C. The contractor shall provide documentation in the form of completed workpapers in accordance with OMB Circular A-123 formatting requirements that is organized and logical for all of the controls tested. All supporting documentation must be provided to the COR for each control tested. Reports must be written to provide sufficient detail to accounting staff for all processes required for future internal control monitoring independently (without contractor support). Documentation must be provided in both electronic and hard copy and must allow CPSC staff to update documentation after completion of the contract without assistance.
- D. All documentation shall be submitted by the Contractor to the Contracting Officer's representative (COR) for acceptance and approval. Once accepted by the COR, the documents will be finalized to include any requested additions/deletions proposed by the COR at no additional charge.
- E. As the contractor completes the requirements, it shall identify and bring to the COR's immediate attention, duplicative or unnecessary processes, opportunities to modify existing processes to reduce time or resources. Recommendations to streamline processes shall be documented in weekly status reports and detailed in a final written report.
- F. The contractor shall complete testing of all documented controls for all Financial Reporting cycles to assess the effectiveness of the CPSC internal controls program and correct deficiencies for the FY 2013 Financial Reporting cycle through March 31, 2013. Processes to complete the internal control program cycle will include, but may not be limited to the following:
 - a. Results and exceptions shall be documented in a report for agency management and include recommendations to address internal control weaknesses (Deliverable 3)
 - b. The contractor shall complete initial drafts of letters and memoranda required by A-123 and other applicable laws and regulations related to accounting and financial reporting. (Deliverable 3)

2. Delivery or Performance:

- a) All deliverables shall be provided to the COR via email (BDenny@cpsc.gov) and a hard copy per the requirements defined in paragraph 5. below, "reporting requirements."
- b) Deliverables defined in this performance work statement shall be delivered in accordance with the performance work schedule listed below unless otherwise approved by the COR.

The COR will review all deliverables for acceptance and provide the contractor with written notification identifying whether deliverables are acceptable or require revision within 5 days of receipt of the deliverable. If revisions are required, the COR will provide specific information on needed revisions within seven days of receipt of the deliverable. The contractor will complete revisions within 2 days after receipt of the required revisions. Revisions will be performed by the contractor at no additional cost. If necessary, this cycle will be repeated until final acceptability is achieved. The documents will be finalized to include any requested additions/deletions proposed by the COR.

Deliverables defined in the statement of work shall be delivered in accordance with the following schedule:

PERFORMANCE WORK SCHEDULE

Deliverable	Description	Due Date	Recipient
Deliverable 1 - Results of testing of CPSC internal controls, that had not been previously tested during the FY 2012 testing of Controls, utilizing samples from populations of transactions for each control covering the period from 7/1/12 to 12/31/12	Workpapers and report documenting the results of testing for all documented CPSC internal controls for Key Controls that were not previously tested.	March 31, 2013	COR
Deliverable 2 - Results of testing of all key CPSC documented controls using samples based on populations of transactions that occurred during the period 7/1/12 to 3/31/13 except for the controls tested in Assessment 1, for which the transaction coverage will be 1/1/13 to 3/31/13	Workpapers and report documenting the results of testing for all documented CPSC key internal controls (includes both controls not previously tested controls and controls that were tested in FY 2012)	July 31, 2013	COR
Deliverable 3 - Report for agency management and include recommendations to address internal control weaknesses	Final report on A-123 reporting to management through the reporting period ending March 31, 2013	July 31, 2013	COR

Deliverable	Description	Due Date	Recipient
Weekly Reports	Summary Report on: a. Status of project and new developments b. Problems and proposed solutions c. opportunities to improve or streamline processes	Weekly until completion.	COR

5. Reporting Requirements.

The Contractor shall verbally communicate progress daily to the COR and submit the following written reports to the COR:

- a. Weekly Status Reports
 - 1. Format – the status report shall be e-mailed to the COR
 - 2. Content – the report must contain the following:
 - (a) Status of project and new developments
 - (b) Problems and proposed solutions
 - (c) Opportunities to improve or streamline processes

Reports for each deliverable will include a Results of Internal Controls Testing summary, testing results for each cycle, control activity matrices and templates, workpapers and supporting documentation for each of the controls tested.

- a. All final products shall be provided in both hard copy and electronic format readable by MS Office software suite (Excel, Word, and/or PowerPoint) and provided to the COR.
- b. Two hard copies of all performance deliverables defined in the statement of work

6. Performance Assessment Plan

Successful performance will be measured by the three performance objectives and thresholds indicated in paragraph 7 of the basic contract and shall include the additional objective listed below:

- a. Performance Objective
CPSC Internal Controls Program and assessment meets the requirements of OMB Circular A-123.
- b. Performance Threshold
These criteria shall be met 100% of the time. The threshold is either passed or failed.

7. Performance Period

The performance period for this task order shall begin on the effective date (block 31c of task order) and continue through July 31, 2013.

8. Government-Furnished Materials

The government will provide:

- a. Access to existing CPSC and ESC procedures and audit results,
- b. Read access to relevant financial systems,
- c. Access to CPSC and ESC staff through request of COR, and
- d. On Site facilities – workstation, phone and internet access.



PROPOSAL

Financial, Accounting, and Audit-Related Services

Prepared for Consumer Product Safety Commission, January 21, 2013
RFQ – CPSC-D-12-0004
Task Order 0004 – FY 2013 OMB A-123 Internal Control Assessment and Reporting –
Response to Negotiation Email Dated January 18, 2013

Submitted to
Mrs. Kim Miles
Division of Procurement Services
Consumer Product Safety Commission
4330 East West Highway
Bethesda, Maryland 20814
301.504.7018

Submitted by
MorganFranklin Corporation
1753 Pinnacle Drive, Suite 1200
McLean, VA 22102
703.564.7525

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January 21, 2013

Mrs. Kim Miles
Division of Procurement Services
Consumer Product Safety Commission
4330 East West Highway
Bethesda, Maryland 20814

Subject: RFQ CPSC-D-12-0004 Task Order 0004--OMB A-123 Internal Control Assessment Support -- Negotiation
Email dated January 18, 2013

Dear Mrs. Miles,

MorganFranklin reevaluated our proposal taking into consideration your concerns and revisions, and revised our labor estimate and pricing accordingly. Our revised Firm Fixed Price of \$128,760 reflects the changes you proposed to the labor hours and the tasks.

If you have any questions regarding our response to your concern or if you need additional information, please contact me at 703.564.7525 or at erik.ayers@morganfranklin.com. We thank you again for giving us an opportunity to continue a successful long-term relationship with CPSC.

Sincerely,



Erik Ayers
VP, Marketing

Response to Negotiation Items

MorganFranklin accepts the proposed changes.

Revised Labor Utilization and Cost Estimate

The tables below shows our revised estimate of labor hours for supporting the deliverables requested under this task order and extended pricing using our GSA discounted rates, which reflect significant discounts from our FABS rates.

Task 0004/Labor Category	Engagement Partner	Program Manager / Project Lead	Senior Associate II	Associate	Total Hours
Assessment 1		20	220		240
Assessment 2		80	670		750
Report for Agency Management and A-123 Memoranda	2	20	20		42
Project Management	2	36	28		66
Weekly Progress, Issues & Status Reports	2	32	36		70
Total Planned Hours	6	188	974	0	1168

Proposed RFO/Labor Category	Proposed Hours through 3/31/13	Proposed Hours 4/1/13 - 9/30/13	GSA Fill Rates	Proposed Discount %	Proposed Labor Rates through 3/31/13	Proposed Labor Rates from 4/1/13	Estimated Pricing
Engagement Partner /SME	1	5	215.37	25.00%	\$161.53	\$166.37	\$993.38
Program Manager / Project Lead	36	152	191.44	25.00%	\$143.58	\$147.89	\$27,648.16
Senior Manager II			181.86	25.00%	\$136.40	\$140.49	
Senior Manager I			167.51	25.00%	\$125.63	\$129.40	
Manager I / Project Lead			143.58	25.00%	\$107.69	\$110.92	\$0.00
Senior Associate II	236	738	134.01	25.00%	\$100.51	\$103.52	\$100,117.53
Senior Associate I			119.65	20.00%	\$95.72	\$98.59	
Associate			95.72	20.00%	\$76.58	\$78.87	
IT Audit Senior Manager II			186.65	25.00%	\$139.99	\$144.19	
IT Audit Senior Manager I			177.08	25.00%	\$132.81	\$136.79	
IT Audit Manager II			167.51	25.00%	\$125.63	\$129.40	
IT Audit Manager I			153.15	25.00%	\$114.86	\$118.31	
IT Audit Senior Associate II			138.79	25.00%	\$104.09	\$107.22	
Total Labor	273	895					\$128,759.07
Other Direct Cost							\$0.00
Rounding Adjustment							\$0.93
Firm Fixed Price for Task Order 0004							\$128,760.00

Proposed Deliverables and Performance Period

MorganFranklin proposes the following invoicing schedule that is aligned with the deliverables:

Deliverable	Due Date	% Total Cost	Date to be Invoiced
Deliverable 1: Results of Testing (January 1, 2012 – December 31, 2012)	March 31, 2013	25%	25% - April 5, 2013
Deliverable 2: Results of Testing (July 1, 2012 – March 31, 2013)	July 31, 2013	70%	35% - June 5, 2013 35% - Aug 5, 2013
Deliverable 3: Final Report to Agency Management	September 30, 2013	5%	5% - Oct 7, 2013

Additional Assumptions

In order to maintain the estimated level of effort and to meet the timeline, MorganFranklin expects that the required documentation and access to CPSC staff will be made available, as needed.

Appendix A: FY12 Control Assessment Results Table

Process (Cycle Name)	FY 2012 Control Activities	FY 2012 Testing of Key Controls		Final Test Results		
		Tested	Not Tested	FY 2012	Assessment	
	Key			Total No. of Deficiencies	Areas Above Control Deficiency	Aggregation Impact
Financial Reporting	15	8	7	1	0	D
Budget	14	11	3	5	0	SD
FBWT	10	9	1	1	0	D
Revenue & Receivables	11	9	2	2	1	SD
Disbursements	8	5	3	3	1	SD
Procurement	15	11	4	6	2	SD
Property Management	13	10	3	6	2	SD
Purchase Card	14	10	4	6	0	D
Travel Card	14	11	3	3	0	D
Total Process Controls	114	84	30	33	6	
Overall Deficiency Categorization for cycles tested	Significant Deficiency - Deficiencies within the process areas tested do not aggregate to cause material misstatements in the financial statements.					