

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS <i>OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30</i>				1. REQUISITION NUMBER REQ-1400-13-0001		PAGE OF 1 39		
2. CONTRACT NO. CPSC-D-13-0002		3. AWARD EFFECTIVE DATE 05/10/2013		4. ORDER NUMBER		5. SOLICITATION NUMBER CPSC-Q-13-0020		
7. FOR SOLICITATION INFORMATION CALL:		a. NAME Eddie Ahmad		b. TELEPHONE NUMBER (No collect calls) (301) 504-7884		8. OFFER DUE DATE/LOCAL TIME ET		
9. ISSUED BY CONSUMER PRODUCT SAFETY COMMISSION DIV OF PROCUREMENT SERVICES 4330 EAST WEST HWY ROOM 523 BETHESDA MD 20814				10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE. % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM NAICS: <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> 8(A) SIZE STANDARD				
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE		12. DISCOUNT TERMS Net 30		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 100)		13b. RATING		
15. DELIVER TO CONSUMER PRODUCT SAFETY COMMISSION OFFICE OF THE INSPECTOR GENERAL 4330 EAST WEST HIGHWAY ROOM 827 BETHESDA MD 20814				16. ADMINISTERED BY CONSUMER PRODUCT SAFETY COMMISSION DIV OF PROCUREMENT SERVICES 4330 EAST WEST HWY ROOM 523 BETHESDA MD 20814				
17a. CONTRACTOR/OFFEROR CLIFTONLARSONALLEN LLP 11710 BELTSVILLE DR STE 300 BELTSVILLE MD 20705				18a. PAYMENT WILL BE MADE BY CPSC Accounts Payable Branch AMZ 160 P. O. Box 25710 Oklahoma City OK 73125				
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER				18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM				
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT	
		DUNS Number: [REDACTED] COR: Leann Mur [REDACTED] 301-504-7685 lmurphy@cpsc.gov THE CONTRACTOR SHALL PROVIDE FINANCIAL AUDIT SERVICES IN ACCORDANCE WITH THE ATTACHED STATEMENT OF WORK, TERMS AND CONDITIONS, CONTRACTOR PROPOSAL (dated April 15 and revised on May 1) AND GSA CONTRACT GS23F0135L. <i>(Use Reverse and/or Attach Additional Sheets as Necessary)</i>						
25. ACCOUNTING AND APPROPRIATION DATA 0100A13DSE-2013-5216000000-EXEMFS1400-251A0						25. TOTAL AWARD AMOUNT (For Govt. Use Only) \$114,814.16		
27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA				27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA				
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: _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:				
32a. SIGNATURE OF OFFEROR/CONTRACTOR				31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 				
32b. NAME AND TITLE OF SIGNER (Type or print)		32c. DATE SIGNED		31b. NAME OF CONTRACTING OFFICER (Type or print) Kim Miles		31c. DATE SIGNED 5-29-13		

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	AT THIS TIME TASK ORDER 0001 (SEE ATTACHED) IS ISSUED WITH THE BASE CONTRACT. BASE PERIOD: 5/15/13 THROUGH 5/14/14 The minimum guaranteed amount for this contract is one (1) task order in the base period only				
0001	FINANCIAL AUDIT SERVICES		LO		0.00
0001 A	TASK 0001 - FINANCIAL AUDIT SERVICES	1	LO	114,814.16	114,814.16
	OPTION PERIOD 1 : 5/15/14 THROUGH 5/14/15				
0002	FINANCIAL AUDIT SERVICES Amount: \$0.00 (Option Line Item)	1	LO	0.00	0.00
	OPTION PERIOD 2 : 5/15/15 THROUGH 5/14/16				
0003	FINANCIAL AUDIT SERVICES Amount: \$0.00 (Option Line Item)	1	LO	0.00	0.00
	OPTION PERIOD 3: 5/15/16 THROUGH 5/14/17				
0004	FINANCIAL AUDIT SERVICES Continued ...	1	LO	0.00	0.00

32a. 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
<input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL			<input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> 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 (<i>Print</i>)		
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER		41c. DATE	42b. RECEIVED AT (<i>Location</i>)		
			42c. DATE RECD (YY/MM/DD)		42d. TOTAL CONTAINERS

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
CPSC-D-13-0002

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NAME OF OFFEROR OR CONTRACTOR
CLIFTONLARSONALLEN LLP

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0005	Amount: \$0.00 (Option Line Item) OPTION PERIOD 4: 5/15/17 THROUGH 5/14/18 FINANCIAL AUDIT SERVICES Amount: \$0.00 (Option Line Item) The total amount of award: \$114,814.16. The obligation for this award is shown in box 26.	1	LO	0.00	0.00

**Performance Work Statement
ANNUAL FINANCIAL STATEMENT AUDIT**

A. Description

Independently, and not as an agent of the Government, the contractor shall furnish all necessary personnel, materials, services and facilities to perform financial audit services for the Consumer Product Safety Commission (CPSC).

B. Objective

The objective is to provide highly qualified professional auditing expertise to the CPSC, Office of the Inspector General (OIG). Specifically, the contractor shall provide an independent audit of the agency annual financial statement.

C. Contract Type

This procurement is a firm-fixed price, indefinite delivery, indefinite quantity, performance based contract. Services for the audits shall be priced in accordance with each individually negotiated task order. Task order 0001 is included in the basic contract. The contract includes a base year and four one year option periods. The minimum guaranteed amount for this contract is Task order 0001.

D. Background

I. Background/Organization

The U.S. Consumer Product Safety Commission (CPSC) is an independent federal regulatory agency created in 1972, under the provisions of the Consumer Product Safety Act (CPSA) (P.L. 92-573) to protect the public against unreasonable risks of injuries associated with consumer products. Under the CPSA and the Consumer Product Safety Improvement Act of 2008 (CPSIA), Congress granted the CPSC broad authority to issue and enforce standards prescribing performance requirements, warnings, or instructions regarding the use of consumer products. The CPSC also regulates products covered by a variety of other acts, such as the Virginia Graeme Baker Pool and Spa Safety Act, the Children's Gasoline Burn Prevention Act, the Flammable Fabrics Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Refrigerator Safety Act.

The CPSC is headed by Commissioners appointed by the President with the advice and consent of the Senate. The Chairman of the CPSC is designated by the President. The CPSC's headquarters is located in Bethesda, MD and there is a laboratory in Rockville, MD. The agency has field personnel stationed throughout the country, but all financial and administrative offices are located in Bethesda, MD.

2. Brief description of component financial management

The Office of Financial Management, Planning and Evaluation (EXFM)

EXFM is comprised of three offices that are responsible for the financial management of the CPSC. These offices are the Office of Financial Services (FMFS), Office of Procurement Services (FMPS), and Office of Planning, Budget, and Evaluation (FMPB). Combined these offices perform the following functions:

- a) Develops the Commission's funds control system and manages Commission internal control reviews;
- b) Develops, with the staff, the Commission's long-range strategic goals;
- c) Develops, with the staff, the Commission's annual performance budget requests, subsequent annual operating plans and midyear reviews, and subsequent annual performance reports;
- d) Allocates resources to Offices and monitors spending;
- e) Analyzes policy and operational issues;
- f) Procures services and materials needed by the Commission and project officers;
- g) Reviews, records, and pays Commission financial obligations, including staff pay and travel; and,
- h) Reports resource use to the Commission, OMB, Treasury, and Congress.

3. Accounting Systems and Accounting Operations

a) Delphi and Enterprise Service Center

The primary accounting system used by the CPSC is Delphi, which is a web-based Oracle system. The use and access to Delphi is provided by the Department of Transportation (DOT), Enterprise Service Center (ESC) located in Oklahoma City, Oklahoma. ESC provides both the accounting system used and comprehensive accounting operations services to CPSC. GovTrip is the travel system used by CPSC employees to document the travel authorization and to request travel reimbursement through travel vouchers, which include international, domestic and local travel. GovTrip is also managed through the Delphi system and ESC. GovTrip data is loaded to Delphi through a Travel Interface program. The travel interface program posts the travel transactions into the PO Module of the Delphi system. See http://www.esc.gov/documents/accounting_services_brochure.pdf for more information regarding Delphi and ESC. Since the Delphi and ESC systems are owned by the DOT, they are independently audited, as referenced by SSAE-16 covering the period from October 1, 2011 through June 30, 2012.

b) FPPS

The CPSC also uses the Department of the Interior's, Interior Business Center (IBC) Federal Personnel/Payroll System (FPPS) to execute and track personnel related actions, which includes payroll actions. The system is a modern, mainframe-based, portable, integrated, on-line, and real-time personnel and payroll system. The system provides personnel and payroll support to numerous agencies. The system is customer-driven, creating and generating the full life cycle of personnel transactions, enabling agencies to maintain records electronically. FPPS handles all current regulations including specialized pay, garnishments, special appointment programs, and more. See <http://www.doi.gov/ibc/services/hr/fpps.cfm> for more information.

Quicktime is the official Time and Attendance record for all CPSC staff. The IBC also provides payroll operations and hosts and operates Quicktime for the Federal Personnel and Payroll system (FPPS). Quicktime data is transmitted to IBC bi-weekly. IBC processes the payroll of CPSC staff and the bi-weekly payroll data is transmitted to ESC. The ESC system loads the payroll data into the Payroll Interface program and post to GL. The FPPS system is also independently audited, as referenced by a SSAE-16 covering the period from July 1, 2011 to June 30, 2012.

c) Property Management System

Property Management System (PMS) is the system used to record all CPSC capitalized assets and is assigned a property ID using the Bar Code. The PMS data serves as a subsidiary ledger to the PPE account in the Delphi system.

d) CPSC Budget System

Supplementing the primary accounting system is the CPSC Budget System. This is internal web-based database that was internally developed by the CPSC. The CPSC Budget System is used for entering and managing budget data, creating budget reports, and supports the creation of the agency operating plan and monitoring its planning levels. The Budget System does not interface with the primary accounting system Delphi. Therefore, budgetary information needed for financial planning and reporting is manually entered into Delphi.

e) Accounting Records

The CPSC's accounting records are maintained primarily "off-site" by ESC, in Oklahoma City, Oklahoma. This includes all obligating documents, paid invoices, receipts and deposit slips. EXFM maintains all budget related documents and FMFS maintains the analytical spreadsheet used to produce the financial statements.

f) Financial Statement Presentation

The CPSC's financial statements are prepared by ESC, under the supervision, review and approval of CPSC. The CPSC Financial Statements include:

- 1) Balance Sheet
- 2) Statement of Net Cost
- 3) Statement of Net Position
- 4) Statement of Budgetary Resources
- 5) Statement of Custodial Activity
- 6) Notes & Disclosures to Financial Statements

E. Prior Audits

- 1) The FY 2012 Financial Statement audit found that the financial statements including the accompanying notes were presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the Commission's assets, liabilities, and net position as of September 30, 2012 and 2011, restated; and net costs; changes in net position; budgetary resources; and custodial activity for the years ended September 30, 2012 and 2011, restated.
- 2) The audit identified two material weaknesses which resulted in a misstatement pertaining to FY 2011 of (1) Cumulative Results of Operations and (2) Actuarial Federal Employment Compensation Act (FECA) Liability, which effected payables and net position accounts. The misstatements were reported by management.
- 3) The audit identified one significant deficiency over Accounts Payable and Budget Monitoring. The audit identified reportable noncompliance with laws and regulations relating to the Anti-Deficiency Act, Prompt Payment Final Rule, and Debt Collection Improvement Act.

F. AUDIT BACKGROUND

This audit is required by the Accountability of Tax Dollars (ATDA) of 2002 (Public Law 107-289) and the Government Management Reform Act (GMRA) of 1994 (Public Law 103-356). The CFO Act required agencies to submit financial statements to the Director of the Office of Management and Budget (OMB) and required the Office of the Inspector General (OIG), or at the OIG's discretion, an independent external auditor, to audit the financial statements. GMRA amended those portions of the CFO Act dealing with the preparation and audit of the financial statements to require that 24 major Federal Government agencies, shall annually prepare and submit to the Director, OMB, audited financial statements covering all accounts and associated activities of the agency. The ATDA of 2002 extended to selected Executive agencies the requirement to prepare and submit audited financial statements to the Congress and the Director of OMB beginning with the FY 2002 cycle. The Government Accountability Office (GAO) is responsible for the audit of the consolidated financial statements of the U.S. Government.

To facilitate these requirements, the OMB issued Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended. This Bulletin governs the conduct of Federal financial statement audits.

G. TASK ORDERS

1. Individual task orders will be issued in writing to the contractor by the Contracting Officer. Unless previously priced and/or negotiated, tasks will be solicited in the form of a request for quote (RFQ). The contractor shall submit a written proposal describing the approach to complete the task to include a cost breakdown of the required services, including GSA rates.
2. Requirements for Task 1 are outlined within this SOW.

H. CONTRACTOR QUALIFICATIONS

1. The company performing this service shall have a minimum of eight years of experience performing the same or similar services.
2. Key personnel performing the work shall have a minimum of five years of experience performing similar work. All personnel must meet Personal Identification (PIV) requirements, ref. Contract Clause LC30.
3. For each task order, the contractor shall appoint a lead program manager with overall responsibility for performance. The lead program manager shall be the single point of interface with the government for all matters concerning technical progress and problems, program performance, schedule, resources, and other program-related matters. The contractor shall maintain an organizational chart identifying key and non-key personnel and their assigned duties and responsibilities.
4. Any proposed changes to personnel after submission of the contractor proposal must be equally or more qualified than the personnel they are replacing.

I. GOVERNMENT FURNISHED PROPERTY

CPSC will provide work areas, telephones, desks, chairs, reproduction capabilities, facsimile capabilities, access to email and CPSC's Financial Accounting System for the Contractor. The Contractor shall request the CPSC OIG to make the necessary arrangements. Office supplies, personal computers, and calculators are to be provided by the Contractor.

J. PERFORMANCE ASSESSMENT PLAN

This performance based contract shall be evaluated based on the performance of all services in compliance with appropriate Government Auditing Standards [the Government Accountability Office's Government Auditing Standards (GAS)], Financial Audit Manual Standards, and the various OMB, GAO, and AICPA standards detailed below. Therefore, these standards shall represent the performance goal. Acceptable performance is indicated by 100% compliance with these standards.

The contractor performance requirements are summarized into performance objectives that relate directly to the mission essential tasks of this contract. The performance thresholds briefly describe the minimum acceptable levels of service required for each objective. The thresholds are critical to mission success. Performance objectives for this contract are listed below. Additional performance objectives may be added to individual tasks orders, as applicable.

1. Performance Objective

All services shall comply with applicable laws and regulations and Government Auditing standards.

Performance Threshold

This criteria shall be met 100% of the time. The threshold is either passed or failed.

- 2. Performance Objective:** All delivery dates shall be met. Deliverables shall be on time and complete.

Performance Threshold

Excellent: The contractor meets delivery dates 100% of the time. Deliverables meet all requirements with no more than five occasions for which the COR requires follow-up for additional details.

Acceptable: The contractor meets delivery dates between 95-99% of the time. Deliverables meet all requirements with no more than six to twelve occasions for which the COR requires follow-up for additional details.

Marginal: The contractor meets delivery dates 88-94% of the time. Deliverables meet most requirements with no more than thirteen to twenty occasions for which the COR requires follow-up for additional details.

Unacceptable: The contractor fails to meet the delivery dates below 88% of the time. More than twenty occasions require COR follow-up for additional details.

- 3. Performance Objective:** All written reports, procedures and/or programs are clear, concise and easily interpreted by the applicable users.

Performance Threshold

Excellent: Deliverables meet all requirements of the performance work statement 100% of the time. Deliverables meet all requirements with no more than five occasions for which the COR requires follow-up for additional details.

Acceptable: The deliverables meet all requirements of the performance work statement 95% to 99% of the time with no more than six to twelve occasions for which the COR requires follow-up for additional details.

Marginal: The deliverables meet all requirements of the performance work statement 88%-94% of the time. Deliverables meet most requirements with no more than thirteen to twenty occasions for which the COR requires follow-up for additional details.

Unacceptable: The deliverables fail to meet the requirements of the performance work statement below 88% of the time. More than twenty occasions require COR follow-up for additional details.

The contracting officer's representative (COR) shall be responsible for monitoring contractor performance and determining performance measures. All performance shall be documented, in accordance with the performance assessment plan. The COR shall maintain written records of the contractor's performance in accordance with the assigned performance objectives. The COR shall determine if performance thresholds are met.

K. INDEPENDENCE

The Contractor, in a separate statement, shall represent that it is independent with respect to this reporting entity. In this separate statement, the Contractor shall briefly describe all work and known future work, including non-audit services, with this reporting entity in the past two (2) years.

Throughout the audit, the Contractor shall also immediately inform the COR via e-mail if the Contractor is considering to propose or has already proposed on any contracts involving this reporting entity or involving a CPSC entity that may impact this reporting entity. The Contractor, in a separate statement, shall represent that it will remain independent with respect to this reporting entity. The COR will then evaluate whether award of these contracts could impair the Contractor's independence with respect to the audit of this reporting entity. The Contractor shall notify the COR of the CPSC entity, the type of contract services to be provided, the period covered, and provide a copy of the applicable statement of work describing the requirements.

L. REPORTING REQUIREMENTS

All reports should be sent electronically, via email in Word Document format with one (1) hard copy submitted to the COR.

M. SUBMISSION DATES

OMB guidance requires that the Head of the Agency submit the Agency AFR, including audited financial statements, by November 15th of the fiscal year following the fiscal year under audit.

A schedule of due dates for the draft and final Report on the Principal Financial Statements, Report on the Internal Control, Report on Compliance with Laws and Regulations, (or consolidated report) and Management Letter will be determined through discussions with the CPSC staff in their development of the production timeline for the AFR. The schedule of due dates will be communicated to the contractor no later than first week of May of the fiscal year being audited.

N. ACCEPTANCE OF DELIVERABLES

Unless otherwise specified the OIG will have seven (7) business days to accept or reject deliverables provided by the contractor under this task order.

The OIG will notify the contractor in writing upon acceptance of each deliverable.

In the event that a deliverable is rejected, the Contractor will be notified in writing of the rejection and the specific deficiency. The contractor will be required to correct and resubmit the item(s) within seven (7) calendar days. The OIG will have seven (7) calendar days to review any corrected deliverables.

CLAUSES

LC 5 Contracting Officer's Representative (COR) Designation

a. The following individual has been designated at the Government's COR for this contract:

Name: LeeAnn A. Murphy

Telephone: 301-504-7685

b. The CPSC COR is responsible for performing specific technical and administrative functions, including:

(1) performing technical evaluation as required;

(2) assisting the Contractor in the resolution of technical problems encountered during performance; monitoring the Contractor's technical progress, including surveillance and assessment of performance, and notifying the Contracting Officer within one week when deliverables (including reports) are not received on schedule in accordance with the prescribed delivery schedule; and

(3) inspection and acceptance of all items required by the contract.

c. The COR, who may be personally liable for unauthorized acts, is not authorized to and shall not:

(1) make changes in scope of work, contract schedules, and/or specifications, or to make changes that affect price, quality, quantity or delivery,

(2) direct or negotiate any change in the terms, conditions, or amounts cited in the contract; and

(3) make commitments or changes that affect price, or take any action that commits the Government or could lead to a claim against the Government.

d. This delegation is not redelegable and remains in effect during the period of performance of the contract.

e. A clear distinction is made between Government and Contractor personnel. No employer-employee relationship will occur between government employees and contractor employees. Contractor employees must report directly to their company (employer) and shall not report to Government personnel.

LC 21B Disclosure of Information - Restricted Publication

- a. The Contractor shall submit to the Commission any report, manuscript or other document containing the results of work performed under this contract. This document shall not be published or otherwise disclosed by the contractor.
- b. Should the contractor subsequently apply to the Consumer Product Safety Commission for permission to publish documents containing the results of this work and the release is approved in writing, any publication of, or publicity pertaining to, the Contractor's document shall include the following statement: "This project has been funded with federal funds from the United States Consumer Product Safety Commission under contract number CPSC-[_____]. The content of this publication does not necessarily reflect the views of the Commission, nor does mention of trade names, commercial products, or organizations imply endorsement by the Commission.

LC 22 Handling of Confidential Information

- a. If the Contractor obtains confidential business information about any company in connection with performance of this contract, either from the CPSC, the other company itself, or any other source, the Contractor agrees that it will hold the information in confidence and not disclose it either to anyone outside the CPSC or to any Contractor employee not involved in performance of this contract.
- b. At the completion of performance of this contract, the Contractor shall return any confidential information, obtained as described above, either to its owner or to the CPSC. No such information shall be retained by the Contractor. Furthermore, the Contractor agrees not to use any such confidential business information for any purpose other than performance of this contract. During contract performance, the Contractor shall maintain confidential business information obtained as described in this article in a safe or locked file cabinet to which only employees performing work under this contract shall have access. A log shall be maintained to reflect each entry to the safe or cabinet. The Contractor shall provide to the Project Officer, and keep current, a list of all employees with such access. The Contractor shall require each such employee to execute an affidavit as set forth in the attached "Affidavit of Disclosure" and the original and one copy of each affidavit shall be sent to the Project Officer and the CPSC Contracting Officer.
- c. A site inspection of the Contractor's security measures for confidential information may be performed by the CPSC Project Officer prior to contract award and at any time during contract performance as deemed necessary by the Project Officer. Approval of the security measures may be a prerequisite to contract award and continued performance.
- d. Failure by the contractor to comply with the terms of this clause may be treated as a default pursuant to the terms of this contract.

LC 24 Nondisclosure of any Data Developed Under this Contract

- a. The Contractor agrees that it and its employees will not disclose any data obtained or developed under this contract to third parties without the consent of the U. S. Consumer Product Safety Commission Contracting Officer.
- b. The Contractor shall obtain an agreement of non-disclosure (attached) from each employee who will work on this contract or have access to data obtained or developed under this contract.

LC 30 Security and Personal Identity Verification Procedures

- a. The performance of this contract requires contractor employees to have access to CPSC facilities and/or systems. In accordance with Homeland Security Presidential Directive-12 (HSPD-12), all such employees must comply with agency personal identity verification (PIV) procedures. Contractor employees who do not already possess a current PIV Card acceptable to the agency shall be required to provide personal background information, undergo a background investigation (NACI or other OPM-required or approved investigation), including an FBI National Criminal History Fingerprint Check prior to being permitted access to any such facility or system. CPSC may accept PIV issued by another Federal Government agency but shall not be required to do so. No contractor employee will be permitted access to a CPSC facility or system without approval under the PIV process.
- b. Contracted employees must meet the following citizenship requirements:
 - 1. A United States (U.S.) citizen; or,
 - 2. A national of the United States (see 8. U.S.C. 1408); or,
 - 3. An alien lawfully admitted into the United States for permanent residence as evidenced by an alien Registration Receipt Card form I-151
- c. Within five (5) days after contract award, the contractor shall provide a list of contracted personnel, including full name, social security number, and place (city and state) and date of birth to the designated Contracting Officer's Representative (COR). This information will be used to determine whether personnel have had a recent Federal background investigation and whether or not further investigation is required.
- d. For each contractor employee subject to the requirements of this clause and not in possession of a current PIV Card acceptable to CPSC, the contractor shall submit the following properly-completed forms: Electronic Standard Form (SF) 85 or 85-P, "Questionnaire for Non-sensitive Positions", SF (87) Fingerprint Chart, Optional Form (OF) 306 and a current resume. The SF-85 is available from the Office of Personnel Management's (OPM) secure website. The CPSC Office of Human Resources will provide the COR with the other forms that are not obtainable via the internet.

e. The contractor shall complete the electronic security form and deliver the other completed forms indicated in paragraph d above to the COR within five (5) days of written notification from the COR of those contractor employees requiring background investigations.

f. Upon completion of the investigation, the COR will notify the contractor in writing of all investigation determinations. If any contractor employees are determined to be unsuitable to be given access to CPSC, the contractor shall immediately provide identical information regarding replacement employees. The contractor is responsible for providing suitable candidates and fulfilling staffing requirements under the contract so that there is no break in service. This approval process applies to contract start up and any required replacement personnel. Failure to prequalify potential replacement personnel will not serve as an excuse for failure to provide performance. Non performance due to failure to provide suitable contractor employees may result in a Termination for Cause or Default.

g. CPSC will issue a PIV Card to each on site contractor employee who is to be given access to CPSC facilities and systems. The employee will not be given access prior to issuance of a PIV card. CPSC may revoke a PIV Card at any time if an investigation or subsequent investigation reveals that the personnel are unsuitable.

h. PIV Cards shall identify individuals as contractor employees. Contractor employees shall display their PIV Cards on their persons at all times while working in a CPSC facility, and shall present cards for inspection upon request by CPSC officials or security personnel. The contractor shall be responsible for all PIV Cards issued to the contractor's employees and shall immediately notify the COR if any PIV card(s) cannot be accounted for.

i. CPSC shall have and exercise full and complete control over granting, denying, withholding, and terminating access of contractor employees to CPSC facilities and systems. The COR will notify the contractor immediately when CPSC has determined that an employee is unsuitable or unfit to be permitted access. The contractor shall immediately notify such employee that he/she no longer has access, shall remove the employee and shall provide a suitable replacement in accordance with contract requirements and the requirements of this clause.

j. By execution of this contract, the contractor certifies that none of the employees working under this contract have been convicted of a felony, a crime of violence, or a misdemeanor involving moral turpitude, such as a conviction of larceny within the last five (5) years. During contract performance the contractor shall immediately notify CPSC if one of its employees working under this contract has been convicted of a felony, a crime of violence, or a misdemeanor involving moral turpitude, such as a conviction of larceny within the last five years.

k. The Government reserves the right to have removed from service any Contractor employee for any of the following:

1. Conviction of a felony, a crime of violence, or a misdemeanor involving moral turpitude, such as a conviction of larceny within the last five (5) years.
2. Falsification of information entered on security screening forms or other documents submitted to the Government.
3. Improper conduct during performance of the contract, including criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct or other conduct prejudicial to the Government regardless of whether the conduct is directly related to the contract.
4. Any behavior judged to be a threat to personnel or property.

l. The COR shall be responsible for proper separation of contracted employees at the Consumer Product Safety Commission. The COR shall ensure that each contractor employee completes CPSC's official out processing procedures. The contracted employee shall report to the CPSC Facilities Security Specialist to obtain a Contractor Employee Accountability and Clearance Record. This record shall be completed as part of the official out-processing procedures and returned along with the PIV card, key fobs, keys and any other previously issued material.

m. Contractor employees shall comply with applicable Federal and CPSC statutes, regulations, policies and procedures governing the security of the facilities and system(s) to which the contractor's employees have access.

n. Failure on the part of the contractor to comply with the terms of this clause may result in termination of this contract for cause or default.

o. The contractor shall incorporate this clause in all subcontracts.

(End of Clause)

LC 31 Restrictions on Use of Information

a. If the Contractor, in the performance of this contract, obtains access to information such as CPSC plans, reports, studies, data projected by the Privacy Act of 1974 (5 U.S.C. 552a), or personal identifying information which has not been released or otherwise made public, the Contractor agrees that without prior written approval of the Contracting Officer it shall not: (a) release or disclose such information, (b) discuss or use such information for any private purpose, (c) share this information with any other party, or (d) submit an unsolicited proposal based on such information. These restrictions will remain in place unless such information is made available to the public by the Government.

b. In addition, the Contractor agrees that to the extent it collects data on behalf of CPSC, or is given access to, proprietary data, data protected by the Privacy Act of 1974, or other confidential or privileged technical, business, financial, or personal identifying information during performance of this contract, that it shall not disclose such data. The Contractor shall keep the information secure, protect such data to prevent loss or dissemination, and treat such information in accordance with any restrictions imposed on such information.

LC 32 Standards of Conduct

1. Government contractors must conduct themselves with the highest degree of integrity and honesty. Contractors shall have standards of conduct and internal control systems that:
 - a. Are suitable to the size of the company and the extent of their involvement in Government contracting,
 - b. Promote such standards,
 - c. Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts, and
 - d. Ensure corrective measures are promptly instituted and carried out.

2. By submitting a proposal in response to this solicitation and under award of any resultant contract, the Contractor agrees to employ standards of conduct and internal control systems, which shall include, but are not necessarily limited to the following.
The contractor shall provide, for all employees:
 - a. A written code of business ethics and conduct and an ethics training program
 - b. Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with standards of conduct and the special requirements of Government contracting;
 - c. A mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;
 - d. Internal and/or external audits, as appropriate;
 - e. Disciplinary action for improper conduct;
 - f. Timely reporting to appropriate Government officials of any suspected or possible violation of law in connection with Government contracts or any other irregularities in connection with such contracts; and
 - g. Full cooperation with any Government agencies responsible for either investigation or corrective actions.
 - h. A copy of the written code of ethics and information regarding the above shall be made available to the Government upon request.

End of Clause

52.216-18 Ordering

ORDERING (OCT 1995)

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from date of contract award through expiration of the current contract year [see schedule].

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

(End of clause)

52.216-19 Order Limitations

ORDER LIMITATIONS (OCT 1995)

(a) *Minimum order.* When the Government requires supplies or services covered by this contract in an amount of less than ___\$500_____, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) *Maximum order.* The Contractor is not obligated to honor—

(1) Any order for a single item in excess of ___\$500,000_____;

(2) Any order for a combination of items in excess of ___\$1,000,000_____; or

(3) A series of orders from the same ordering office within Three (3) days that together call for quantities exceeding the limitation in paragraph (b)(1) or (2) of this section.

(c) If this is a requirements contract (*i.e.*, includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation (FAR)), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) of this section.

(d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within Two (2) days after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

(End of clause)

52.216-22 Indefinite Quantity

INDEFINITE QUANTITY (OCT 1995)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the Ordering clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the "maximum." The Government shall order at least the quantity of supplies or services designated in the Schedule as the "minimum."

(c) Except for any limitations on quantities in the Order Limitations clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

52.232-18 Availability of Funds.

(APR 1984)

Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer.

(End of clause)

52.217-8 Option to Extend Services.

(Nov 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within fifteen (15) days prior to completion of the last stated option period.

(End of clause)

52.217-9 Option to Extend the Term of the Contract.

(MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within fifteen days prior to the expiration of the contract; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least thirty days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed five years.

(End of clause)

52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards.

(FEB 2012)

(a) *Definitions.* As used in this clause:

“Executive” means officers, managing partners, or any other employees in management positions.

“First-tier subcontract” means a subcontract awarded directly by a Contractor to furnish supplies or services (including construction) for performance of a prime contract, but excludes supplier agreements with vendors, such as long-term arrangements for materials or supplies that would normally be applied to a Contractor’s general and administrative expenses or indirect cost.

“Total compensation” means the cash and noncash dollar value earned by the executive during the Contractor’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

(1) *Salary and bonus.*

(2) *Awards of stock, stock options, and stock appreciation rights.* Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Financial Accounting Standards Board’s Accounting Standards Codification (FASB ASC) 718, Compensation-Stock Compensation.

(3) *Earnings for services under non-equity incentive plans.* This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

(4) *Change in pension value.* This is the change in present value of defined benefit and actuarial pension plans.

(5) *Above-market earnings on deferred compensation which is not tax-qualified.*

(6) Other compensation, if the aggregate value of all such other compensation (*e.g.*, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

(b) Section 2(d)(2) of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282), as amended by section 6202 of the Government Funding Transparency Act of 2008 (Pub. L. 110-252), requires the Contractor to report information on subcontract awards. The law requires all reported information be made public, therefore; the Contractor is responsible for notifying its subcontractors that the required information will be made public.

(c)(1) Unless otherwise directed by the contracting officer, by the end of the month following the month of award of a first-tier subcontract with a value of \$25,000 or more, (and any modifications to these subcontracts that change previously reported data), the Contractor shall report the following information at <http://www.fsrs.gov> for each first-tier subcontract. (The Contractor shall follow the instructions at <http://www.fsrs.gov> to report the data.)

(i) Unique identifier (DUNS Number) for the subcontractor receiving the award and for the subcontractor’s parent company, if the subcontractor has a parent company.

(ii) Name of the subcontractor.

(iii) Amount of the subcontract award.

(iv) Date of the subcontract award.

(v) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract.

(vi) Subcontract number (the subcontract number assigned by the Contractor).

(vii) Subcontractor's physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(viii) Subcontractor's primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district.

(ix) The prime contract number, and order number if applicable.

(x) Awarding agency name and code.

(xi) Funding agency name and code.

(xii) Government contracting office code.

(xiii) Treasury account symbol (TAS) as reported in FPDS.

(xiv) The applicable North American Industry Classification System code (NAICS).

(2) By the end of the month following the month of a contract award, and annually thereafter, the Contractor shall report the names and total compensation of each of the five most highly compensated executives for the Contractor's preceding completed fiscal year in the Central Contractor Registration (CCR) database via <https://www.acquisition.gov>, if—

(i) In the Contractor's preceding fiscal year, the Contractor received—

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

(3) Unless otherwise directed by the contracting officer, by the end of the month following the month of a first-tier subcontract with a value of \$25,000 or more, and annually thereafter, the Contractor shall report the names and total compensation of each of the five most highly compensated executives for each first-tier subcontractor for the subcontractor's preceding completed fiscal year at <http://www.fsrs.gov>, if—

(i) In the subcontractor's preceding fiscal year, the subcontractor received—

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements; and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

(To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

(d)(1) If the Contractor in the previous tax year had gross income, from all sources, under \$300,000, the Contractor is exempt from the requirement to report subcontractor awards.

(2) If a subcontractor in the previous tax year had gross income from all sources under \$300,000, the Contractor does not need to report awards to that subcontractor.

(e) Phase-in of reporting of subcontracts of \$25,000 or more.

(1) Until September 30, 2010, any newly awarded subcontract must be reported if the prime contract award amount was \$20,000,000 or more.

(2) From October 1, 2010, until February 28, 2011, any newly awarded subcontract must be reported if the prime contract award amount was \$550,000 or more.

(3) Starting March 1, 2011, any newly awarded subcontract must be reported if the prime contract award amount was \$25,000 or more.

(End of clause)

BILLING INSTRUCTIONS

Pursuant to the Prompt Payment Act (P.L. 97-177) and the Prompt Payment Act Amendments of 1988 (P.L. 100-496) all Federal agencies are required to pay their bills on time, pay interest penalties when payments are made late, and to take discounts only when payments are made within the discount period. To assure compliance with the Act, vouchers and/or invoices shall be submitted on any acceptable invoice form which meets the criteria listed below. Examples of government vouchers that may be used are the Public Vouchers for Purchase and Services Other Than Personal, SF 1034, and Continuation Sheet, SF 1035. At a minimum, each invoice shall include:

1. The name and address of the business concern (and separate remittance address, if applicable).
2. **Do NOT** include Taxpayer Identification Number (TIN) on invoices sent via e-mail.
3. Invoice date.
4. Invoice number.
5. The contract or purchase order number (see block 2 of OF347 and block 4 of SF1449 on page 1 of this order), or other authorization for delivery of goods of services.
6. Description, price and quantity of goods or services actually delivered or rendered.
7. Shipping cost terms (if applicable).
8. Payment terms.
9. Other substantiating documentation or information as specified in the contract or purchase order.
10. Name, title, phone number and mailing address of responsible official to be notified in the event of a deficient invoice.

ORIGINAL VOUCHERS/INVOICES SHALL BE SENT TO:

U.S. Mail

CPSC Accounts Payable Branch, AMZ-160
PO Box 25710
Oklahoma City, Ok. 73125

FEDEX

CPSC Accounts Payable Branch, AMZ-160

6500 MacArthur Blvd.
Oklahoma City, Ok. 73169

OR

Via email to:

9-AMC-AMZ-CPSC-Accounts-Payable@faa.gov

Invoices not submitted in accordance with the above stated minimum requirements will not be processed for payment. Deficient invoices will be returned to the vendor within seven days or sooner. Standard forms 1034 and 1035 will be furnished by CPSC upon request of the contractor.

Inquiries regarding payment should be directed to the Enterprise Service Center (ESC), Office of Financial Operations, Federal Aviation Administration (FAA) in Oklahoma City, 405-954-7467.

PAYMENT

Payment will be made as close as possible to, but not later than, the 30th day after receipt of a proper invoice as defined in "Billing Instructions," except as follows:

When a time discount is taken, payment will be made as close as possible to, but not later than, the discount date. Discounts will be taken whenever economically justified. Otherwise, late payments will include interest penalty payments. Inquiries regarding payment should be directed to Debbie Young at 405-954-7467 or at the U.S. Mail and Fedex addresses listed above:

Complaints related to the late payment of an invoice should be directed to Eldona Canterbury at the same the same address (above) or 405-954-5351.

Customer Service inquiries may be directed to Adriane Clark at AClark@cpsc.gov.

INSPECTION & ACCEPTANCE PERIOD

Unless otherwise stated in the Statement of Work or Description, the Commission will ordinarily inspect all materials/services within seven (7) working days after the date of receipt. The CPSC representative responsible for inspecting the materials/services will transmit disapproval, if appropriate, to the contractor and the contract specialist listed below. If other inspection information is provided in the Statement of Work or Description, it is controlling.

ALL OTHER INFORMATION RELATING TO THE PURCHASE ORDER

Contact: Contract Specialist – Eddie Ahmad at (301) 504-7884

PROCESSING INSTRUCTIONS FOR REQUESTING OFFICES

The Purchase Order/Receiving Report (Optional Form 347 or Standard Form 1449) must be completed at the time the ordered goods or services are received. Upon receipt of the goods or services ordered, each item should be inspected, accepted (partial or final) or rejected. The Purchase Order/Receiving Report must be appropriately completed, signed and dated by the authorized receiving official. In addition, the acceptance block shall be completed (Blocks 32 a, b & c on the SF 1449 and column G and page 2 of the OF 347).

The receiving report shall be retained by the requesting office for confirmation when certifying invoices.

PROPERTY/EQUIPMENT PURCHASES

In the case of Purchase Orders/Receiving Reports involving the purchase and receipt of property/equipment, a copy of the Purchase Order/Receiving Report must also be immediately forwarded directly to the Property Management Officer (Ralph King) in the Facilities Management Support Services Branch (Room 425). The transmittal of Purchase Orders/Receiving Reports to the property management officer is critical to the integrity and operation of CPSC's Property Management System. Receiving officials should also forward copies to their local property officer/property custodian consistent with local office procedures.

TASK ORDER 0001

O. OBJECTIVE

The objective is to obtain an independent audit of the annual financial statement for the CPSC for FY 2013

P. BACKGROUND

Funding

In 2012, the CPSC's total available resources included \$115,498,000 (97.4 percent) appropriated by Congress and \$3,073,983 (2.6 percent) in reimbursements from others. The majority of these reimbursement funds were from other federal agencies for the collection of injury data for incidents using the CPSC's unique data collection systems. Of the \$115,498,000 in appropriated funds, \$114,000,000 are classified as one-year funds and \$1,498,000 are classified as multiyear funds. The \$1,498,000 in multiyear funds are for Virginia Graeme Baker Pool and Spa Safety Act Grants, of which \$998,000 was available through fiscal year 2012, and \$500,000 are available through fiscal year 2013.

The CPSC obligated \$113,192,986 (99.3 percent) of its one-year appropriated funds. Staff salaries and benefits made up most of these obligations. In 2012, the Commission funded an average of 537 FTEs using \$69,822,431 (61.7 percent). The CPSC obligated \$8,564,679 (7.6 percent) for space rent to house its staff, product testing facility, and warehouse. The CPSC obligated the balance, \$34,805,876 (30.7 percent), for various support costs, such as laboratory testing, information technology, and other contractual support services, staff travel, information technology equipment, and supplies.

<i>Appropriated Obligations</i>	<i>2011</i>		<i>2012</i>	
	<u>FTEs</u>	<u>\$000</u>	<u>FTEs</u>	<u>\$000</u>
One-Year Funds:				
Leadership in Safety	82	\$14,444	76	\$14,539
Commitment to Prevention	104	\$24,333	108	\$24,112
Rigorous Hazard Identification	105	\$35,790	126	\$35,041
Decisive Response	206	\$28,590	186	\$30,785
Raising Awareness	45	\$10,096	41	\$8,716
Total One-Year Funds	542	\$113,253	537	\$113,193
Multiyear Funds:				
Lab Modernization	--	\$2,120	--	\$0
Pool and Spa Safety Act Grant Program	--	\$0	--	\$0

Total Multiyear Funds	=	<u>\$2,120</u>	=	<u>\$0</u>
TOTAL COMMISSION	542	\$115,373	537	\$113,193

Q. DESCRIPTION OF SERVICES

1. The Contractor shall be required to conduct a full scope financial audit of “Annual Financial Statements” for the fiscal year ending September 30, 2013
2. The audit shall be performed in accordance with generally accepted government auditing standards (GAGAS), as specified in the most current version of the GAO’s Government Auditing Standards (GAS), and additional audit requirements of the OMB. In conducting the audit, the methodology used shall be at a minimum, consistent with the most current version of the GAO/PCIE FAM. Should there be any deviations from the methodology set forth in the FAM, the Contractor must provide documentation to the OIG on a timely basis, demonstrating how the Contractor’s methodology satisfies the requirements of the FAM. The OIG shall be notified immediately of any deviations from the FAM.
3. The audit shall also include an evaluation of internal controls over financial reporting considering OMB Bulletin 07-04, OMB Circular A-123, *Managements Responsibility for Internal Controls*, and GAO’s *Standards for Internal Control in the Federal Government*. As such, the Contractor shall obtain an understanding of the components of internal control, including management’s assessment of internal controls, and assess the level of control risk relevant to the assertions embodied in the classes of transactions, account balances, and disclosure components of the financial statements).
4. For information systems applications that are significant to the financial statements, the Contractor shall obtain an understanding of the system and related internal controls and then plan and perform test of system controls based on the assessed level of control risk. For those controls the Contractor deems to be effectively designed, the Contractor shall conduct testing to determine that controls are operating as intended through a combination of procedures. For those controls the Contractor deems to be ineffectively designed or not operating as intended, the Contractor shall gather sufficient evidence to support appropriate findings and to provide recommendations to improve internal controls. These tests should be consistent with the assessed level of control risk.
5. With respect to MD&A, the Contractor shall assess whether the information and manner of its presentation in the MD&A of the Reporting Entity is materially consistent with the information in the principal statements. In performing this assessment, the Contractor shall consider this required supplementary information and shall follow the guidelines presented in the American Institute of Certified Public Accountants’ (AICPA) AU Section 551, Codification of Statements on Auditing Standards, and shall perform the procedures described in the AICPA’s AU Section

558, Codification of Statements on Auditing Standards.

6. With respect to Required Supplementary Stewardship Information (RSSI) and Required Supplementary Information (RSI), the Contractor shall assess whether the information and its presentation is materially consistent with the information in the principal statements. In performing this assessment, the contractor shall follow the guidelines presented in the AICPA's AU Section 551, Codification of Statements on Auditing Standards, and shall perform procedures consistent with AICPA's AU Section 558, Codification of Statements on Auditing Standards.
7. With respect to Other Accompanying Information, the Contractor shall assess whether the information and its presentation is materially consistent with the information in the principal statements. In performing this assessment, the Contractor shall follow the guidelines presented in AICPA's AU Section 551, Codification of Statements on Auditing Standards, and shall perform procedures consistent with AICPA's AU Section 550, Codification of Statements on Auditing Standards.
8. With respect to the special-purpose financial statements (Closing Package), the Contractor shall conduct the audit in accordance with GAS and the additional audit requirements of the OMB. The Contractor shall determine whether the special-purpose financial statements and accompanying notes fairly present, in all material respects, the financial position, net costs, and changes in net position. The Contractor shall also obtain an understanding of the internal controls over the financial reporting process for the special-purpose financial statements and perform tests of those controls. In addition, the Contractor shall perform tests of compliance that could have a direct and material effect on the special-purpose financial statements. The Contractor shall also assess whether Other Data (Stewardship Information and Supplementary Information) is materially consistent with the information in the special-purpose financial statements.

9. Opinions

Opinions are not to be discussed with any CPSC personnel without prior approval and/or presence of the Contracting Officer's Representative (COR). Any "potential opinion issues" are not to be discussed with any CPSC personnel without the presence and/or approval of the COR. Furthermore, all contractor reports (both draft and final reports) shall be submitted only to the COR.

10. Information System Control Environment Review

As part of the CPSC Financial Statement Audit, the Contractor shall perform procedures to assess the effectiveness of the information system control environment. The procedures will focus on evaluating the adequacy of information systems controls over the following GAO's Federal Information System Controls Audit Manual (FISCAM) general control areas:

- Entity-wide Security Program Planning and Management,

- Access Controls (including mainframe system logical security and data center physical security),
- Segregation of Duties (for data center management and operations),
- Application Software Development and Change Control,
- System Software Controls and Modification, and
- Service Continuity.

This work will also be utilized by other CPSC OIG auditors with respect to the Federal Information Security Management Act (FISMA) requirements. Thus, the information system control environment review performed under this task shall be coordinated with the OIG auditors to ensure the work is completed timely enough for the other auditors to use in performing their audits.

CPSC Annual Financial Report

The Contractor shall determine whether information presented in the Agency Financial Report is consistent with the Audited financial statements. The Agency Financial Report is due to OMB by November 15th following the fiscal year under audit.

11. AUDIT DOCUMENTATION, ACCESS TO AUDIT DOCUMENTATION AND SECURITY OF AUDIT DOCUMENTATION

All audit documentation shall be prepared in accordance with GAS and contain the required elements prescribed by GAS. The Contractor shall also consult the GAO/PCIE FAM for specific audit documentation contents. At a minimum, audit documentation should include a summary memo documenting the conclusions reached on each significant internal control cycle, account balance, lead schedule, phase of the audit, audit adjustments, and on the overall audit. Adequate indexing and cross referencing must exist. The Contractor shall also ensure that audit documentation contains the audit completion checklist FAM 1003.

The CPSC OIG and GAO shall have ongoing access to auditors and audit documentation at all times. The Contractor shall, at no additional cost, provide audit documentation to the CPSC OIG upon request. The Contractor shall, at no additional cost, provide training to CPSC OIG and GAO staff on the usage of electronic audit documentation programs if required. Audit documentation is also subject to review by other Government auditors such as the GAO, therefore, the Contractor shall make audit documentation available to the GAO or any other federal entity conducting a peer review or any other review or audit of the CPSC OIG. Based on the results of these reviews, the Contractor may be required by the COR to perform corrective action and/or additional work within the scope of the task necessary to support its audit conclusions, if necessary.

The Contractor shall provide copies of the audit documentation, prepared in accordance with GAS, to the CPSC OIG at no additional cost. The CPSC OIG will accept electronic workpapers and adequately cross referenced hard-copy files to meet this requirement. These documents shall

become the property of CPSC but shall not be disclosed outside of CPSC and other federal agencies unless required by other statutory or regulatory requirements.

Audit documentation shall be retained and safeguarded for a minimum of 6 years by the Contractor at no additional cost. Written documentation must be obtained from the CPSC OIG prior to destruction of any audit documentation.

It is imperative that the contractors protect all audit documentation from unauthorized access. (Use this statement only if applicable to your agency (If the Contractor is unable to provide secure space in its offices for audit documentation that limits access to staff with appropriate security clearances, the auditee will provide such space on site for the storage of audit documentation during and after completion of the audit fieldwork.)) Only contractor staff with appropriate security clearances shall have access to audit documentation.

R. LIST OF DELIVERABLES

The Contractor shall provide the following deliverables:

1. Detailed Audit Planning Document;
2. All Audit Programs;
3. All Notification of Findings and Recommendations (NFR) issued;
4. Summary of Unadjusted Audit Differences (SUAD);
5. Documentation of all Status and Other Key Meetings;
6. Monthly Progress Reports (including *bills, and accruals*);
7. Review of the final financial statements to ensure compliance with the agency's requirements;
8. Summary Completion memo documenting the conclusions reached on each significant internal control cycle, account balance, lead schedule, audit adjustments, and on the overall audit;
9. Financial Statement Audit Completion Checklist (FAM 1003);
10. The Financial Reporting: Checklist for Federal Accounting, Reporting, and Disclosures (FAM 2010 & 2020);
11. Draft and Final Report over the Principal Financial Statements, Internal Control, Compliance with selected Laws and Regulations including FFMIA;
12. Management Letter; and
13. Applicable Agreed-Upon Procedures (AUP).

The Consumer Product Safety Commission Inspector General will schedule meetings with the auditors between the Consumer Product Safety Commission Inspector General and Chief Financial Officer to discuss all findings and recommendations related to financial management as required.

S. Schedule of Deliverables: (See below for a description of each deliverable)

Task	Deliverables	Due Date	Recipient
1	Detailed Audit Planning Document	30 business days after the entrance conference	CPSC OIG
2	Audit Program Guides	45 business days after entrance conference	CPSC OIG
3	Notification of Findings and Recommendations (NFRs)	Within 48 hours, as identified	CPSC OIG
4	Initial Summary of Unadjusted Audit Differences (SUAD)	14 days business prior to the anticipated end of fieldwork	CPSC & CPSC OIG
5	Final SUAD	On November 6	CPSC & CPSC OIG
	Entrance Conference	No Later than May 1	CPSC & CPSC OIG
6	Status & Other Key Meetings	24 hours in advance of each meeting	CPSC & CPSC OIG
7	Exit Conference	30 business days following the issuance of the report	CPSC & CPSC OIG
8	Monthly Progress Reports	By the fifth (5 th) business day of each month. Progress reports must also be submitted with each billing received.	CPSC & CPSC OIG
9	Draft Consolidated Audit Report(s) to OIG	On or before October 18	CPSC & CPSC OIG
10	Final Consolidated Audit Report(s) to OIG	On November 6	CPSC & CPSC OIG
	Draft Management Letter to OIG	On or before November 29	CPSC & CPSC OIG
11	Final Management Letter to OIG	On or before Jan 3	CPSC & CPSC OIG
	Summary Conclusion Memo	On November 6	CPSC OIG
12	Financial Statement Audit Completion Checklist (FAM 1003)	On November 6	CPSC OIG

13	Financial Reporting Checklist for Federal Accounting & Disclosures' (FAM 2010 & 2020)	On November 6	CPSC OIG
14	Status of Prior Year Recommendations Letter	On or before Jan 3	CPSC & CPSC OIG
15	All working papers (Finalized)	60 business days after the issuance of Final Audit Report	CPSC OIG
16	Other Deliverables	1 business day after receipt from CPSC	CPSC OIG

DESCRIPTION OF DELIVERABLES

1. Detailed Audit Planning Document

A Detailed Audit Planning Document shall be submitted no later than 30 business days after the entrance conference. For any methodology other than the GAO/PCIE FAM, the Contractor must provide documentation to the OIG on a timely basis, demonstrating how the Contractor's methodology satisfies the requirements of the FAM. At a minimum, the Detailed Audit Planning Document shall include the following:

- a) A schedule of milestones for completing each section of the audit. These sections shall include (at a minimum) planning, internal control, management assurance review, testing, and reporting. This schedule should take IT control environment audit work into consideration.
- b) A listing of staff, including IT staff that will be assigned to the audit. This listing shall be the same as the 15 calendar day requirement listed above.
- c) A schedule of budgeted hours by labor category for each section of the audit.
- d) The entity profile, general risk analysis, and account risk analysis and cycle matrix or equivalents as described in the joint GAO/PCIE FAM.
- e) The sampling plan to be used during the internal control and substantive testing.

The materiality levels -- planning, design, and test materiality

With regards to legal representation letters, the GAO/PCIE FAM, Section 1002, Inquiries of Legal Counsel, shall be used for the legal representation letters for guidance and provides an example of the reporting levels used by GAO in the audit of the Consolidated Financial Statements of the U.S Government. These levels were two and one-half (2.5) percent of design materiality for individual cases and five (5) percent of design materiality for the aggregate of all cases. Any deviation from these materiality levels must be requested in

writing and accepted by the COR.

The COR is responsible for review and acceptance of the Detailed Audit Planning Document. Review comments will be provided to the Contractor no later than 14 business days after receipt of the documents. This review and acceptance of these planning documents will not alter the contractor fixed price.

2. Proposed audit programs for interim and year-end testing.

Draft audit programs shall be submitted by the contractor no later than 30 business days after the entrance conference. While the audit program may be modeled after standard work programs guidance issued by the GAO/PCIE, AICPA or other organizations, it shall be specific to the entity under audit. The program, at a minimum, shall include:

- a) A review of management's assessment of internal controls for financial reporting;
- b) A section on tests of significant internal controls identified during the planning phase.
- c) A section on tests of compliance with applicable laws and regulations, and a list of the laws and regulations to be tested.
- d) A section on substantive testing procedures to be applied to the individual account balances.
- e) A section on the tests relating to the existence and completeness assertions by management relevant to performance measures reported in the MD&A of the Reporting Entity.
- f) A section on the procedures to be performed on Other Accompanying Information, RSSI, and RSI.
- g) A section on tests of the IT control environment. The program shall, at a minimum, require the evaluation of general controls and shall be performed in accordance with the GAO FISCAM. If general controls are determined to be properly designed, testing shall be done to determine if they are operating effectively. If general controls are both properly designed and operating effectively, as determined in the prior year's audit, further testing of applications controls for financial systems should be proposed and discussed with the COR. The COR is responsible for review and acceptance of the audit programs. Review comments will be provided to the Contractor no later than 14 working days after receipt of the documents. This review and acceptance of these documents will not alter the Contractor's overall fixed ceiling price submitted at the time of acceptance of the task order.

3. Notification of Findings and Recommendations (NFR)

The COR shall be kept advised of all findings and issues (both IT and financial issues). NFRs should be issued, as the finding is identified, not at the end of the audit. Prior to issuing NFRs to component management, copies of the NFRs, including recommendations, shall be provided to the COR at least 48 hours in advance via e-mail or fax. Upon receiving concurrence from the COR, the Contractor shall provide draft NFRs of all potential findings to management and request that they review and respond to the findings' factual accuracy within 7 calendar days. After obtaining management concurrence the recommendation may be provided to component management. Copies of component responses shall also be provided to the COR. At a minimum, the written summaries should include condition, cause, criteria, effect, and recommendation.

4. Unadjusted Audit Differences

The Contractor shall provide 14 calendar days prior to the anticipated end of fieldwork, a Summary of Unadjusted Audit Differences (SUAD) to the COR/task monitor. The SUAD for the CPSC Audit shall reflect a roll-up of the adjustments to the financial statement level. Additionally, the SUAD shall be provided to component management for inclusion in the management representation letter as required by OMB Bulletin 07-04. The Contractor shall provide a final SUAD no later than November 6th, 2013.

5, 6 & 7. Entrance & Exit Conferences, Status, & Other Meetings

The entrance conference shall occur no later than May 3, 2013. The Contractor shall be responsible for scheduling the entrance conference and shall provide participants with at least 5 business days advance notice. Final agendas and meeting materials shall be provided to the COR 24 hours prior to the entrance conference.

The exit conference shall occur no more than 30 business days following the issuance of the final report to CPSC. The Contractor shall be responsible for scheduling the exit conference and shall provide participants with at least 5 business days advance notice. Final agendas and meeting materials shall be provided to the COR 24 hours prior to the exit conference.

Status meetings among the Contractor, auditee, and COR will be held on a weekly basis or as mutually agreed to by the aforementioned individuals. IT issues shall also be discussed at the status meetings, unless the issues are deemed technical in nature and warrant a separate IT status meeting. In addition, the Contractor shall brief the COR and component on the results of field office visits (if any) upon the auditors' return.

At least one business day (24 hours) in advance of each status meeting, the Contractor will provide a proposed written briefing agenda to both the COR and the auditee, preferably via e-mail. At a minimum, the agenda shall include the following:

- a) The time, date, and location of the meeting.
- b) Contact information for audit staff currently on site.
- c) The status of action items from the last meeting including any corrective

- action undertaken.
- d) The results of audit work performed since the last status meeting.
- e) Outstanding documentation requests/potential delays.
- f) A listing of current findings/audit issues to date, including IT control environment issues.
- g) Planned audit areas/work to be completed by the next status meeting.
- h) Status of interim, draft, and final financial statement packages.
- i) Upcoming deadlines.
- j) The time and date of the next status meeting.

Other potential areas of discussion will include access to records and documents, scheduled field office visits, significant accomplishments, and any other areas where the Contractor, auditee, and COR may need clarification or assistance.

The COR shall be notified in advance of other meetings held to discuss audit issues and will attend as needed. Additionally, if there is any change in the scope of the audit, a meeting must be conducted with the COR.

8. Monthly Progress Reports

Monthly progress reports are due by the fifth (5th) business day of each month. Progress reports must also be submitted with each billing received, detailing how the Contractor has met the required deliverable.

9. Reports

The Contractor, in accordance with Section 580 of the FAM, shall issue the report inclusive of the following sections:

- a) Introduction;
- b) Significant Matters (when applicable);
- c) Conclusions on:
 - i. Financial statements,
 - ii. Internal control,
 - iii. Financial management systems' substantial compliance with broad FFMIA requirements,
 - iv. Compliance with laws and regulations, and
 - v. Consistency of other information;
- d) Objective, Scope, and Methodology; and
- e) Agency Comments and our evaluation (if applicable).

The Contractor shall report on all information included in the annual financial statement. The annual financial statement consists of the MD&A of the reporting entity, principal statements and related notes, required supplemental stewardship information, and required supplemental information. In addition, the annual financial statement may include "other accompanying information" that, in the judgment of management, provides users of the financial statement with

relevant information useful for obtaining a better understanding of the entity's programs and the extent to which they are achieving their intended objectives.

The Contractor shall complete a thorough evaluation of the information in the MD&A, and all required supplemental financial and accompanying information sections, to ensure that nothing in these sections appears materially inconsistent when compared to the principal financial statements. The contractor shall include in its Report on the Principal Financial Statements the level of assurance it is providing on this additional information. With respect to reporting on the MD&A, all required supplemental information, and other accompanying information, the contractor shall follow the AICPA AU Sections 551, Codification of Statements on Auditing Standards. Performance information shall be evaluated and reported in conformance with current OMB guidance.

The Report on the Internal Control shall conform with the requirements of the GAS and with any formal guidance issued by the OMB.

The Report on Compliance with Laws and Regulations shall also conform with the requirements of the GAS and with any formal guidance issued by the OMB. It shall include a section on compliance with the FFMIA, in accordance with the formal guidance issued by OMB.

For each condition identified in the Reports on the Internal Control, Compliance with Laws and Regulations, if any, the Contractor shall include a description of the condition identified, the criteria used to assess the situation, causes of the situation, any negative or potentially negative effects resulting from the condition, and recommendations for correcting the condition.

The Contractor shall also include in its reports the status of prior year findings and recommendations.

The Contractor shall ensure that copies of its Reports on the Principal Financial Statements, Internal Control, and Compliance with Laws and Regulations are cross-referenced to the audit documentation when the final draft is submitted, to assist the OIG in the review of these reports.

The Contractor is responsible for performing the audit as required by OMB Bulletin 07-04 (and successor bulletins and technical amendments), which state that the audit will be performed in accordance with GAS and the provisions of the OMB Bulletin, and will provide an opinion as to whether the CPSC's financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles and the presentation pursuant to the requirements of TFM Chapter 4700.

The Contractor shall work with the OIG to ensure that the OIG meets requirements and the due date for FY 2013.

10. Management Letter

For internal control deficiencies that are not a reportable condition in the above reports,

the Contractor shall communicate the results in a management letter as described in Standards issued by the AICPA. The contractor will also follow-up on any previous recommendations and issue a report on corrections made and the status of uncompleted actions. The Contractor shall provide the draft Management Letter on or before November 6, 2013 and the final Management Letter on or before January 3rd, 2014.

11. Summary Conclusion Memo

Copies of the following audit documentation should be provided by November 6th, 2013:

- a) Summary memo for each significant internal control
- b) Summary memo for each significant account
- c) Summary memo on audit adjustments
- d) Summary memo on the overall audit including fraud risks
- e) A Summary Audit Opinion on Contractor letterhead to be published in the agency AFR

12. Financial Statement Audit Completion Checklist (FAM 1003)

The Contractor shall provide the completed checklist by November 6th, 2013.

13. Financial Reporting: Checklist for Federal Accounting (FAM 2010) and Checklist for Federal Report and Disclosures (FAM 2020)

The Contractor shall provide the completed checklist by November 6th, 2013

14. Status of Prior Year Recommendations Letter.

The Contractor shall prepare a letter stating its position on CPSC's corrective action plan to resolve the financial statement audit recommendations from prior year audits. The letter shall clearly state whether the Contractor considers CPSC's corrective action plans to be sufficient to resolve each recommendation, as defined by OMB Circular A-50, "Audit Follow-up." The Contractor shall provide this letter on or before January 3rd, 2014

The Letter must contain the following information:

- Contractor reference number for each recommendation
- The current status for each recommendation identified as either "Resolved," "Unresolved," or "Partially Resolved."
- For each "Unresolved" or "Partially Resolved" recommendation, the remaining corrective actions necessary to close the recommendation.
- A copy of CPSC's management's corrective action plan.

15. All Working Papers

A complete copy of the audit documentation shall be provided to the COR.

16. Other Deliverables

The contractor shall provide the following documentation one business day after receiving them from the CPSC:

- Draft financial statements when provided to the CPSC
- All required legal representation letters provided by CPSC, including all attachments
- All required management representation letters prepared by the CPSC
- All white paper/issue papers prepared on accounting issues identified during the audit

S. REPORTING REQUIREMENTS

1. All reports should be sent electronically, via email in Word Document format with one (1) hard copy submitted to the COR.
2. The contractor shall include, at minimum, in the draft final report:
 - i. An opinion as to whether the CPSC's principal financial statements, required supplemental information (if any), and notes to the financial statements are fairly presented in all material respects in accordance with guidance set forth in Office of Management and Budget statement (OMB) form and content.
 - ii. A Report or Consideration of the effectiveness of the CPSC's internal control that shall conform to the requirements of the Government Audit Standards (GAS) and with any formal guidance issued by OMB.
 - iii. An opinion on CPSC's compliance with applicable laws and regulations.
3. Final Report – A final report shall be issued in accordance with GAS

T. **PERFORMANCE ASSESSMENT PLAN** –as indicated in the basic contract (section J.1, 2, and 3)

U. **GOVERNMENT FURNISHED PROPERTY** – as indicated in the basic contract (section I)