CONSUMER PRODUCT SAFETY COMMISSION
DIV OF PROCUREMENT SERVICES
4330 EAST WEST HWY
ROOM 523
BETHESDA MD 20814

KEARNEY AND COMPANY PC
1701 DUKE ST STE 500
ALEXANDRIA VA 22314

CPSC Accounts Payable Branch
AMZ 160
P. O. Box 25710
Oklahoma City OK 73125

This award incorporates the terms and conditions of CPSC-D-13-0013. All deliverables shall be in accordance with the attached SOW and the contractor's proposal dated 8/18/2016. Delivery: 03/31/2017

(Use Reverse and/or Attach Additional Sheets as Necessary)

DUNS Number: [redacted]
COR: LeeAnn Murphy
Phone: 301-504-7685
Email: LMurphy@cpsc.gov

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SCHEDULE OF SUPPLIES/SERVICES</th>
<th>QUANTITY</th>
<th>UNIT</th>
<th>UNIT PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. ACCOUNTING AND APPROPRIATION DATA
0100A16DSE-2016-5215600000-IG00001400-251A0

26. TOTAL AWARD AMOUNT (For Govt. Use Only)
$87,700.80

27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED.

27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS 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 OFFER DATED . YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS IT IS.

30a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)

30b. NAME AND TITLE OF SIGNER (Type or print)

30c. DATE SIGNED

31a. NAME OF CONTRACTING OFFICER (Type or print)

31b. DATE SIGNED

31c. DATE SIGNED
The primary objective of this audit will be to ascertain whether the CPSC’s has established and implemented effective internal controls to guide its contract/acquisitions management process for its firm fixed price contracts, both those that are definite delivery, definite quantity and indefinite delivery, indefinite quantity contracts (IDIQ).

Contract#: CPSC-D-13-0013

The total amount of award: $87,700.80. The obligation for this award is shown in box 26.
1. Task Description

The contractor shall provide an audit of the CPSC’s contract management process in acquiring goods and services for the Commission. This audit is to be performed in accordance with the Government Accountability Office’s Government Auditing Standards (GAS), 2011 revision. The primary objective of this audit will be to ascertain whether the CPSC’s has established and implemented effective internal controls to guide its contract/acquisitions management process for its firm fixed price contracts, both those that are definite delivery, definite quantity and indefinite delivery, indefinite quantity contracts (IDIQ). In conjunction with the audit objective, the contractor shall determine whether the contract monitoring process utilized by the CPSC adheres to applicable federal laws and regulations.

Background

Federal agencies are relying increasingly on contracts to perform their missions. With hundreds of billions of tax dollars spent each year on goods and services, it is essential that federal acquisition be handled in an efficient, effective, and accountable manner. The GAO, however—as well as other accountability organizations, inspectors general, and the agencies themselves—continue to identify systemic weaknesses in key areas of acquisition.

The Office of the Financial Management, Planning & Evaluation’s (EXFM), Office of Procurement Services (FMPS), administers the CPSC’s acquisition of goods and services. The Director of FMPS reports to the Chief Financial Officer in EXFM and is supported by approximately nine full-time staff. Through the use of the Portable Reusable Integrated Software Module (PRISM), FMPS is able to administer and monitor various contracts and acquisition methods (Note: EXFM utilizes a Federal Shared Service Provider (FSSP) – the Department of Transportation, Enterprise Services Center’s Delphi, as for its accounting functions; but at current, Delphi and PRISM are not interfacing applications). Due to the nature, size, and operations, the CPSC uses the following acquisition methods to procure goods and services:

- Inter-Agency Agreements (IAA)
- Blanket Purchase Agreements (BPA)
- Government Purchase Card
- GSA Schedule Delivery Orders
- Purchase Orders (PO)

In addition to the acquisition methods above, the CPSC defines contracts within the scope of the Federal Acquisitions Regulations (FAR), Part 16. Thus, agency management asserts that when utilizing contracts, the CPSC administers two types: Firm Fixed Price (G, H, N Awards, set forth below) and IDIQs.

As of 6/30/2016, the CPSC awarded acquisitions in the following amounts:

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Award Number</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Agreements</td>
<td>A</td>
<td>47,623.41</td>
</tr>
</tbody>
</table>

1 These amounts are not audited; thus, were not verified or validated by the CPSC Office of Inspector General.
### Statement of Work (Contract #CPSC-D-13-0013) Task #7

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPA</td>
<td>B</td>
<td>151,552.25</td>
</tr>
<tr>
<td>IDIQs</td>
<td>D</td>
<td>4,137,500.59</td>
</tr>
<tr>
<td>Eastern Region PO</td>
<td>E</td>
<td>3,125.00</td>
</tr>
<tr>
<td>GSA Schedule Delivery Orders</td>
<td>F</td>
<td>5,385,357.73</td>
</tr>
<tr>
<td>Medical Examiner and Corners Alert Project (MECAP)</td>
<td>G</td>
<td>77,632.56</td>
</tr>
<tr>
<td>Death Certificates</td>
<td>H</td>
<td>87,070.76</td>
</tr>
<tr>
<td>IAA</td>
<td>I</td>
<td>3,171,767.28</td>
</tr>
<tr>
<td>NEISS Program</td>
<td>N</td>
<td>3,492,693.10</td>
</tr>
<tr>
<td>PO CPSC Headquarters</td>
<td>S</td>
<td>2,150,227.62</td>
</tr>
<tr>
<td>Western Region PO</td>
<td>W</td>
<td>22,100.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$18,726,650.3</td>
</tr>
</tbody>
</table>

2. **Performance-based measures**

This performance-based contract task order shall be evaluated based on the performance of all services in compliance with appropriate GAS. Therefore, the standard shall represent the performance goal. Acceptable performance is indicated by 100% compliance with these standards.

3. **Period of Performance**

The contractor shall complete this task by **March 31, 2017**.

4. **Description of Services:**

a. The contractor shall utilize the GAS referenced above to complete the audit and the resulting report. The report will be prepared in a format similar to ones used by the OIG when it conducts performance audits. The Contractor’s quality assurance procedures shall verify the accuracy and consistency of all the report’s facts and figures, and ensure the soundness of the report’s logic. The audit and resulting report should provide sufficient findings and recommendations to allow it to serve as: (1) a rigorous evaluation of the CPSC’s contract management process for firm fixed price contracts; (2) a consistent and understandable mechanism for reporting the results of the contractor’s assessments in the format established by the GAS detailed above; and (3) a road map that the CPSC can follow in improving its processes.

b. In the report the contractor is to verify that the findings are adequately supported by the evidence in the review documentation, and that the conclusions and recommendations flow logically from the evidence provided in the review documentation, as required by GAS. At a minimum the report should contain the following sections: an executive summary, background, objectives, scope, methodology, findings, and recommendations.
5. Reporting Requirements (in addition to those described in the contract statement of work):

a. Schedule:

<table>
<thead>
<tr>
<th>Deliverable:</th>
<th>Due to COR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Meeting</td>
<td>Within 10 business days following the issuance of the task order</td>
</tr>
<tr>
<td>Audit Independence Statement/Quality Control Assurance Statement</td>
<td>Within 10 business days following the initial meeting</td>
</tr>
<tr>
<td>Entrance Conference</td>
<td>Within 30 business days following the initial meeting</td>
</tr>
<tr>
<td>Initial Planning</td>
<td>To begin and completed within 30 business days of the entrance conference</td>
</tr>
</tbody>
</table>

Specific Planning/Fieldwork deliverables for review by COR:

1. Planning Document(s): The planning documents should include the following elements:
   a. Objective
   b. Scope
   c. Methodology
   d. Assessment of Audit Risk in accordance with GAS
   e. Identification of audit criteria & audit evidence
   f. Assessment of Fraud Risks
   
   Within 90 business days following the entrance conference

2. Audit Program
   
   Within 90 business days following the entrance conference

Status Report(s) to COR
   
   Monthly, by the 15th calendar day of each month

Draft Report
   
   By March 1, 2017

Final Report
   
   By March 24, 2017

Exit Conference
   
   By March 30, 2017
b. The Contractor shall include, at a minimum, in the draft final report:

1) The contractors conclusion and findings regarding the effectiveness of internal controls established for the CPSC’s contract management process and the CPSC’s remediation and status of prior audit findings issued;

2) a consistent and understandable mechanism for reporting the results of the contractor’s assessments in the format established by the standards detailed above; and

3) a road map that the CPSC can follow in improving its processes.

c. The COR shall provide written responses to the draft report, if any, within fifteen (15) business days. The draft report with recommended changes by the COR shall be used by the contractor to assemble the final report.

d. Final Report – A final report shall be presented at the Exit Conference and issued in accordance with GAS standards.

e. The final report shall be emailed as a pdf. and one hard copy shall be mailed to the COR.

6. Place of Performance

All documentation related to this effort is located at headquarters (HQ) of the CPSC. Much of said documentation is available through the various CPSC personnel. It is anticipated that the place of performance of this contract will be primarily at the contractor’s place of business with interviews and document pick-ups taking place at the CPSC HQ building in Bethesda, MD.

7. Government-Furnished Property

a. With the exception of the personnel to be interviewed and the documentation to be reviewed (primarily electronically available), the Contractor will provide all services, personnel, facilities, equipment, and materials necessary to perform the work described in this contract.

b. Records, files, and documents provided by CPSC or generated in support of this contract shall be maintained by the contractor in accordance with GAS Standards. After work is completed, the contractor shall store all audit documentation (work papers etc.) in accordance with GAS standards. If, during the period of time that the contractor is required by GAS standards to maintain audit documentation, a copy of said audit documentation is requested by the OIG said audit documentation will be provided to the OIG at no additional cost to the Government.
CPSC Audit Services BPA

Final Proposal Revision - CPSC Audit Services BPA TO #0007: Contract Management Process

BPA No. CPSC-D-13-0013

August 18, 2016
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1.2 Payment Schedule ......................................................................................................... 1
1.3 Deliverables Schedule .................................................................................................. 1
1.4 Assumptions .................................................................................................................. 2

“Use or disclosure of data contained on this sheet is subject to the restricted data notice of this proposal.”

September 8, 2016
1.0 PRICE PROPOSAL

The Consumer Product Safety Commission (CPSC) has requested an audit of its contract management process in acquiring goods and services for CPSC, to be performed in accordance with the Government Accountability Office’s (GAO) Government Auditing Standards (GAS), 2011 revision. The primary objective of this audit is to ascertain whether CPSC has established and implemented effective internal controls to guide its contract/acquisitions management process for its firm fixed price (FFP) contracts, both those that are definite delivery, definite quantity and indefinite delivery, indefinite quantity contracts (IDIQ). As part of the audit, Kearney will determine whether the contract monitoring process utilized by CPSC adheres to applicable Federal laws and regulations.

Kearney & Company, P.C.’s (Kearney) proposed FFP is based on the rates included in its CPSC Blanket Purchase Agreement (BPA) # CPSC-D-13-0013.

1.1 Proposed Price

Kearney’s proposed FFP for this engagement is as follows:

<table>
<thead>
<tr>
<th>CPSC Labor Category</th>
<th>BPA Option Year 2 Rates</th>
<th>Hours</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>$182.38</td>
<td>60</td>
<td>$10,942.80</td>
</tr>
<tr>
<td>Manager</td>
<td>$140.91</td>
<td>200</td>
<td>$28,182.00</td>
</tr>
<tr>
<td>Supervisory Senior Auditor</td>
<td>$121.44</td>
<td>400</td>
<td>$48,576.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>660</td>
<td><strong>$87,700.80</strong></td>
</tr>
</tbody>
</table>

Kearney reserves the right to change the mix of staff based upon the needs of the project.

1.2 Payment Schedule

Kearney proposes to invoice on a monthly basis (November to March) in equal installments of 1/5 of the total contract price ($17,540.16 per month).

1.3 Deliverables Schedule

Kearney’s proposed deliverables schedule is as follows:

<table>
<thead>
<tr>
<th>Deliverable:</th>
<th>Due to COR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Meeting with the Office of Inspector General (OIG)</td>
<td>September 2016</td>
</tr>
<tr>
<td>Initial Meeting with Auditee</td>
<td>November 2016</td>
</tr>
<tr>
<td>Entrance Conference</td>
<td>November 30, 2016</td>
</tr>
<tr>
<td>Initial Planning</td>
<td>November 30, 2016</td>
</tr>
<tr>
<td>Specific Planning/Fieldwork Deliverables for Review by Contracting Officer’s Representative (COR):</td>
<td></td>
</tr>
<tr>
<td>1. Planning Document(s): The planning</td>
<td>December 15, 2016</td>
</tr>
</tbody>
</table>
**Deliverable:**
documents should include the following elements:

a. Objective  
b. Scope  
c. Methodology  
d. Assessment of Audit Risk in accordance with GAS  
e. Identification of audit criteria and audit evidence  
f. Assessment of Fraud Risks  

<table>
<thead>
<tr>
<th>Deliverable:</th>
<th>Due to COR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status Report(s) to COR</td>
<td>Monthly, by the 15th calendar day of each month</td>
</tr>
<tr>
<td>Draft Report</td>
<td>By March 1, 2017</td>
</tr>
<tr>
<td>Final Report</td>
<td>By March 24, 2017</td>
</tr>
<tr>
<td>Exit Conference</td>
<td>By March 30, 2017</td>
</tr>
</tbody>
</table>

### 1.4 Assumptions

Kearney’s proposed FFP is based on the following assumptions:

- There is one acquisition/contract management process at CPSC and one set of controls  
- Contracts included in the scope of the audit are all Firm Fixed Price and IDIQ. Both are subject to the same set of controls  
- There is a single homogenous population of contracts included in the scope  
- If required, access to any information technology (IT) system will be provided in a timely manner (no greater than five [5] business days after the request is made)  
- Access and availability to supporting documentation for the audit will be provided in a timely manner (no greater than five [5] business days after the request is made).