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

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

DUNS Number: [redacted]
COR: Mary Meier
Phone: 301-504-7040
Email: MMeier@cpsc.gov

This award incorporates all the terms and conditions of CPSC-D-13-0013. The contractor shall provide services in accordance with the attached Statement of Work, and their quote dated February 28, 2017.

Period of Performance: 03/08/2017 to 05/12/2017

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

29. AWARD OF CONTRACT OFFER DATED
YOURS ON SOLICITATION (BLOCK 5)
INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH IN-this OFFER IS ACCEPTED AS TO ITEM.

31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)

R. W. Johnson

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 2/2012)
Prescribed by GSA - FAR (48 CFR 63.212)
0001  Conduct a review of CPSC's compliance with the Improper Payment Elimination and Recovery Act of 2010 (IPERA)

The total amount of award: $29,939.75. The obligation for this award is shown in box 26.
1. Task Description

The contractor shall provide a review of the U.S. Consumer Product Safety Commission’s (CPSC) compliance with the Improper Payment Elimination and Recovery Act of 2010 (IPERA), as amended by the Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA) for the fiscal year (FY) ended 2016. IPERA was enacted on July 22, 2010 and the Office of Management and Budget (OMB) issued government-wide guidance of the implementation of IPERA in OMB Memorandum (M) -11-16, dated April 14, 2011, as a revision to OMB Circular A-123, Appendix C. Specifically, OMB M-11-16 requires that Inspectors General (IG) annually review their agency’s improper payment reporting in their agency’s Agency Financial Report (AFR) or Performance and Accountability Report (PAR).

The enactment of IPERA provided an opportunity for OMB to issue new implementing guidance to agencies, while also updating existing guidance. The goal was to revise OMB’s Circular A-123, Appendix C – Requirements for Effective Estimation and Remediation of Improper Payments, to transform the improper payment compliance framework, so that it creates a more unified, comprehensive, and less burdensome set of requirements. The revision of Appendix C modifies OMB M-11-16, through the issuance of the OMB M-15-02, Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments. Thus, this review will be performed in accordance with the guidance provided under IPERA, as amended by IPERIA and OMB A-123, Appendix C, as amended.

OMB A-123, Appendix C, Part II, Section II.A.3 specifies that the IGs should review their agency's AFR or PAR for the most recent FY and determine if the agency has:

- Published an AFR or PAR for the most recent FY and posted that report and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 note of Title 31 U.S.C. (if required);
- Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- Published programmatic corrective action plans in the AFR or PAR (if required);
- Published, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
- Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR or PAR.

If the CPSC does not meet one or more of these requirements, then it is not compliant under IPERA.

2. Contract Type

This is a firm-fixed price task order.
3. Background

Combating improper payments is a key initiative for the government. The enactment of the IPERIA on January 10, 2013 provided an opportunity to re-examine existing guidance to ensure agencies are able to efficiently reduce their improper payment rates, while also complying with multiple legislative and administrative requirements. IPERIA amended IPERA, P.L. 111-204. Further, IPERIA amended the Improper Payments Information Act of 2002 (IPIA), P. L. 107-300 and generally repealed the Recovery Auditing Act (Section 831, Defense Authorization Act, for FY 2002, P.L. 107-107.

Each year, the Federal Government wastes billions of taxpayer dollars on improper payments to individuals, organizations, and contractors. Improper payments are defined as payments that are made in the wrong amount, to the wrong entity, or for the wrong reason and can result from inadequate recordkeeping, inaccurate eligibility determinations, inadvertent processing errors, the lack of timely and reliable information to confirm payment accuracy, or fraud, and the amount of improper payments. Because of Government-wide efforts, the improper payment rate has declined over the past four consecutive years, from 5.42 percent in FY 2009 to 3.53 percent in FY 13.

While improper payment initiatives have evolved, since FY 10 the CPSC has experienced varying degrees of compliance and noncompliance with improper payment laws. Specifically:

- The CPSC was not compliant with IPERA in FY 2011, as the CPSC did not perform any work to report on IPERA requirements.
- In FY 12, the CPSC complied with IPERA, as determined by an Independent Public Accounting (IPA) firm tasked by the OIG with assessing compliance. However, the IPA’s firm identified some areas of the IPERA that warranted additional efforts by the CPSC to improve its process for estimating improper payments.
- In FY 13, the CPSC was compliant with IPERA; however, there were still areas needing improvement, regarding the maintenance of sufficient documentation and ensuring that all OMB required disclosures were addressed.
- However, for FY 14, the CPSC was again found noncompliant with IPERA due to improperly implementing the requirements of OMB M-15-02, lack of adequate supporting documentation of the required risk assessment, and inconsistent standard operating procedure documentation.
- In FY 15, the CPSC was found to be compliant with IPERA and OMB M-15-02.

4. Performance-based measures

This performance based contract task order shall be evaluated based on the performance of all services in compliance with appropriate Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspection and Evaluation, dated January 2012, CIGIE IPERIA Checklist, dated December 2014, OMB M-15-02, and OMB A-123, Appendix C, Part II - Requirements for Effective Estimation and Remediation of Improper Payments, as amended.
Therefore, the standard shall represent the performance goal. Acceptable performance is indicated by 100 percent compliance with these standards.

5. Period of Performance

The contractor must complete work on this task order no later than **May 12, 2017**.

6. Statement of Work:

a. The contractor shall utilize the CIGIE and OMB standards referenced above to complete the review and the resulting report. The report will be prepared in a format similar to ones used by the OIG when it conducts reviews. 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 review and resulting report should provide sufficient findings and recommendations to allow it to serve as: (1) a rigorous evaluation of the CPSC’s compliance with IPERA, as amended by IPERIA; (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.

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 CIGIE. At a minimum the report should contain the following sections: an executive summary, background, objective, scope, methodology, findings, and recommendations.

7. Reporting Requirements (in addition to those described in the contract statement of work):

a. Schedule:

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<tr>
<th>Deliverable:</th>
<th>Due to COR:</th>
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<tr>
<td>Initial Meeting</td>
<td>Within 5 business days following the issuance of the task order</td>
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<tr>
<td>Independence Statement/Quality Control Assurance Statement</td>
<td>Within 5 business days following the initial meeting</td>
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<tr>
<td>Entrance Conference</td>
<td>Within 10 business days following the initial meeting</td>
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<tr>
<td>Planning/Field Work</td>
<td>To begin and completed within 15 business days of the entrance conference</td>
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<td>Specific Planning/Fieldwork deliverables for review by COR:</td>
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<td>1. Planning Document(s): The planning documents should include the following elements:</td>
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<tr>
<td>a. Objective</td>
<td>Within 20 business days following the entrance conference</td>
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b. The Contractor shall include, at a minimum, in the draft final report:

1) The contractor's findings regarding the CPSC’s compliance with IPERA, as amended by IPERIA;

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 three (3) 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 CIGIE standards.

8. 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.

9. 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 CIGIE Standards. After work is completed, the contractor shall store all audit documentation (work papers etc.) in accordance with CIGIE standards. One copy of these records is to be made available to the OIG, upon request, at no cost to the Government.

10. LC 5 Contracting Officer’s Representative (COR) Designation

a. The following individuals have been designated as the Government’s CORs for the contract:

Primary COR:
Name: Daniel Burrows
Division: Office of the Inspector General
Telephone: 301-504-7610
Email: Dburrows@cpsc.gov

Backup COR:
Name: Mary Meier
Division: Office of the Inspector General
Telephone: 301-504-7040
Email: Mmeier@cpsc.gov

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 re-delegable 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.