

**Agreed Upon Procedures for
TIRNO-99-D-00001
Subco3a-----
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March 2000

Reference Number: 2000-1C-056

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Redaction Legend:

3a = Identifying information - Name of an Individual or Individuals



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

March 17, 2000

MEMORANDUM FOR JAMES A. WILLIAMS
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

FROM: (for) Pamela J. Gardiner *Scott E. Wilson*
Deputy Inspector General for Audit

SUBJECT: Agreed Upon Procedures for TIRNO-99-D-00001
Subcontractor 3a-----

In response to your request, the Defense Contract Audit Agency (DCAA) examined blended time and materials and the indirect expense rates to determine the basis and reasonableness of the proposed rates. The report pertains only to the performance of agreed-upon procedures and does not reflect an audit. Accordingly, the DCAA does not express an opinion on the adequacy and compliance of the submitted cost or pricing data.

In summary, the DCAA took exception to the proposed project management office (PMO) rate. The PMO rate included labor categories, which are treated as indirect in the subcontractor's current disclosure statement.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510, or your staff may call Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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