



**U.S. Department of Justice**

*Executive Office for United States Trustees*

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901 E Street, N.W., Suite 710  
Washington, D.C. 20530

May 19, 1999

Re: Request for Proposal  
Bankruptcy Audit Services

Dear Sir or Madam:

As part of the United States Trustee program's function in the selection of audit firms, we are acting as a clearinghouse for information distributed to potential bidders. We are enclosing the second and final set of questions received and our responses. Because of the upcoming deadline, we will not be able to answer additional questions.

As a reminder, no later than **May 24, 1999**, your bid proposal should be received at the following address:

Assistant Director for Review and Oversight  
Executive Office for U.S. Trustees  
901 E Street, N.W., Suite 710  
Washington, DC 20530

Thank you for your interest in this proposal.

Sincerely,

Sandra J. Forbes  
Assistant Director



**QUESTIONS AND ANSWERS CONCERNING  
1999 CHAPTER 13 AUDIT BIDS  
May 19, 1999**

1. Question: Is the determination whether to renew the audit agreement for the four option periods solely at the discretion of the EOUST?

Answer: Yes, however, EOUST makes the determination to exercise the option to extend the agreement only after consultation with the United States Trustee.
2. Question: Will a one year bid be considered?

Answer: No, audit firms must be willing to perform audit services for up to four additional option years.
3. Question: Will the results of the solicitation (i.e., number of bidders, range of fees, and fees of bidders selected) be accessible to bidders?

Answer: Numbers of firms submitting bids, names of successful bidders and fees of successful bidders will be available upon request.
4. Question: Can a successful bidder compete for a subsequent contract for a different region?

Answer: Yes.
5. Question: Generally Accepted Auditing Standards require that we communicate with the predecessor auditor prior to accepting an engagement. How would this be handled in light of section VI. D. of Attachment B, "Evaluation Criteria?"

Answer: We consider the submission of and our acceptance of a bid offer to be binding. We realize, however, that you have certain responsibilities under GAAS. Consequently the successful bidders will be given two weeks to contact the prior audit firm and formally accept the engagement.
6. Question: Are there required minimum limits of professional liability insurance for the successful bidder?

- Answer: No, we did not establish minimum limits.
7. Question: Would you provide a list of the firms that requested bid packages?
- Answer: 288 firms requested bid packages. The names of the successful bidders and their fees will be available upon request.
8. Question: What staffing levels (i.e., partners, managers, seniors, staff) are required to attend the one-day training facilitated by the EOUST for the successful bidders?
- Answer: The person(s) attending the one-day training should be involved in setting up the in-house training program. Additionally, the successful audit firms will be asked at the training session to sign the agreements. Consequently, the person attending should have signatory authority for the firm.
9. Question: Attachment A, Agreement for Auditing Services, of the RFP states that “any appropriate field work that does not require the annual report may begin at a time that is mutually convenient for the standing trustee and the auditor.” Does this mean work may start before October 1, 1999?
- Answer: Some work, such as preparation of confirmation letters, may begin prior to October 1, 1999.
10. Question: Attachment A-1, Statement of Work, of the RFP states that the auditor must report to the United States Trustee on specific issues related to compliance with Program policy regardless of amount. Does this mean that we report only noncompliances regardless of amount, or do we have to report on program policy and state that the trustee is or is not in compliance?
- Answer: Each prescribed procedure states the circumstances where reporting to the United States Trustee is required. In some cases, only exceptions are to be reported. In other instances, affirmative statements that the trust is performing a certain function are required, or the process is to be described.
11. Question: Are we to prepare a separate proposal for each region we bid on or can we submit one proposal covering all regions and then cost sheets for each region?
- Answer: You must provide two copies of the proposal for each region bid upon.
12. Question: Can we submit a separate resume signature page or must the signature be on the resume itself?

- Answer: The Evaluation Criteria require that the individual sign the resume itself.
13. Question: Are there three volumes for each region (business, technical and cost) or is the business proposal part of the technical proposal? Are both the business and technical proposals part of the 25-page limit?
- Answer: There are three separate components to your bid: the Business, Technical and Cost proposals. The 25-page limit applies to the technical proposal.
14. Question: Attachment B, Section VIII, Subsection B reads that “documents pertaining to any of the related past projects” are not in the 25-page limit. However, Section X, Subsection B.1 includes related past project information within the 25-page limit. Please clarify.
- Answer: Section X requires the audit firm to list the relevant projects on which the contractor worked. The description is limited to one page per project. While we meant for this to be included within the 25-page limitation, there is an inconsistency with Article VIII. Consequently, the one-page descriptions of related projects will not be included in the 25-page limit.
15. Question: Are a table of contents and a short introduction and summary part of the technical proposal 25-page limit?
- Answer: The table of contents and short introduction and summary are to precede the technical proposal, and will not be included in the 25-page limit.
16. Question: Attachment B, Evaluation Criteria, provides instructions for a business management and technical proposal. These sections ask for information concerning related past projects or prior work with standing trustees. Can the same qualifications be used in both sections?
- Answer: Any work you have performed for any standing trustees in the region you are bidding should be disclosed in the business management proposal. Related past projects are discussed in the technical proposal. If your related past projects involve prior work with standing trustees, you may include them in both sections.
17. Question: Section XIV, Award Restriction, of Attachment B states that the “successful contractor will not be allowed to compete for the subsequent contract at the end of the option periods.” If a firm performed the annual audit of a standing trustee for the initial year only, under a different contracting vehicle, does that exclude the firm from bidding on that region now?

- Answer: The restriction applies only to audit firms which were awarded regional blocks; it does not apply to individually-contracted audits.
18. Question: Do all (or some) of the trustees in region 11 use the same computer systems and/or systems of internal controls?
- Answer: Nationwide, 92% of chapter 13 trustees use software provided by four major chapter 13 trust fund software vendors.
19. Question: What are the office hours of the trustees? Can the audit firms work overtime at the trust offices?
- Answer: Each trustee office has its own hours of operation. The standing trustee determines whether the audit firm may work overtime.
20. Question: How many copies of each audit report are required?
- Answer: The audit firm must provide copies of the audit report to the standing trustee, the United States Trustee and the Assistant Director, Office of Review and Oversight.
21. Question: Is the prior Statement of Work (SOW) available for review? What are the major differences between the prior SOW and the new SOW? Does the EOUST anticipate that the average audit fees will increase for the audits to be performed under the new SOW in comparison to audits performed under the prior SOW?
- Answer: The electronic version of the prior SOW is not available. Upon request, we will fax the 20-page document. The new SOW focuses more clearly on internal control issues and may require additional testing. Each audit firm will have to evaluate the requirements and determine an appropriate fee.
22. Question: Can Attachment D of the bid package listing the supporting data and numbers taken from FY99 budgets be provided for all the regions either on the Internet or by facsimile?
- Answer: No, providing the listing would be duplicating information already in the bid proposal. Audit firms were sent budget data for the regions they requested. Firms may only submit bids on those regions they identified in their letter requesting a bid package.

23. Question: Please provide the telephone numbers for the prior year audit firms.

Answer: Ansell Buffington & Co.  
716-691-3111

Concannon, Gallagher, Miller & CO.  
610-433-5501

Ernst & Young  
404-874-8300

Hayes & Associates  
402-390-2480

McBride, Lock & Associates  
816-221-4559

Pannell Kerr Forster, P.C.  
212-867-8000