



PRESIDENT'S COUNCIL on INTEGRITY & EFFICIENCY

September 16, 1996

MEMORANDUM FOR ALL INSPECTORS GENERAL

FROM: Valerie Lau *Valerie Lau*
Chair, Audit Committee

SUBJECT: Master Contract

The Audit Committee is pleased to announce that the plans to establish a Master Contract, which all Office of Inspectors General (OIG) can use for their independent public accountant (IPA) contract needs, have been finalized. Appreciation for this important initiative is due the host agency, Department of Labor (DOL), OIG who will provide the Inspector General community this service through their Branch of Procurement.

As explained in the Audit Committee's May 1, 1996 memorandum to you, DOL OIG will handle the solicitation and award of contracts to selected IPAs. Participating OIGs will choose from the DOL OIG list of prequalified contractors and prepare the relevant task orders. Participating OIGs will be responsible for task order monitoring duties and approval-for-payment responsibilities. The DOL OIG's fee for contract administration is a modest 4 percent of the value of the task order.

Professional services available through the Master Contract will not only include traditional audit and accounting related services, but include specialties such as statisticians, actuaries, economists, electronic data processing auditing services and other technical skills as they relate to audit activities. In addition, the Master Contract is capable of engaging IPAs of differing sizes and performance levels, from small local and regional firms to large firms with national and international capabilities and specialized skills.

The Master Contract request-for-proposal (RFP) process will begin in the fall of 1996 with DOL OIG meeting with each participating OIG to finalize their needs profile in order to have the RFP issued in February 1997. The need profile will include:

- type of services needed,
- scope of anticipated audit work,

- number of task orders anticipated,
- approximate cost of task orders, and
- geographic requirements.

The DOL OIG is particularly interested in speaking with OIGs which need audit services from large certified public accountant firms. If there is a need for the services that only larger firms can provide, the IPA procurement will be in two tiers. First, proposals will be solicited from small business firms only. Second, under a separate procurement action, proposals from large firms will be solicited. The more accurate the information DOL OIG has for the RFPs, the better the IPA selection and range of services that will be available under the contracts.

Currently 11 OIGs have expressed an interest in participating in the Master Contract in 1998. However, please be aware that all OIGs may avail themselves of the services under the Master Contract at any time during the life of the contract, subject to IPA availability.

The DOL OIG requests that all interested OIGs contact Kathleen Young, DOL OIG's Contracting Officer, at (202) 219-7869 to schedule a needs assessment meeting. For additional information on the Master Contract, call Brian Smith of DOL OIG at (202) 219-8385 or Donald Kassel of my staff at (202) 622-1090.

Again, I want to thank Charles Masten, Inspector General, and his staff at DOL OIG for their efforts on this important service to our community.