



**DEPARTMENT OF EMPLOYMENT SERVICES  
Office of Workers Compensation  
Audit of the Administration Fund**

**1.0 SUPPLIES OR SERVICES AND PRICE**

The Department of Employment Services seeks a Contractor to provide an audit report on the financial status of the Workers Compensation Administration Fund for FY2005 and FY2006 in accordance with Subtitle K of Bill 15-768, "Fiscal Year 2005 Budget Support Act of 2004". This Administration Fund is established for the payment of all expenses associated with administering the provisions of the Act. The Contractor should have experience conducting audits for the District government, a city county, municipality, the Federal government or any other instrumentality or agency of any of the foregoing related to financial auditing.

**1.1 Contract Type**

The District anticipates award of a fixed price contract.

**1.2 Price Schedule**

**1.2.1 Base Period of Performance (Date of Award – September 30, 2009)**

Contract Line Item Number (CLIN)	Item Description	Price
0001	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2005.	\$ _____
0002	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2006.	\$ _____

**1.2.2 Option Year One**

Contract Line Item Number (CLIN)	Item Description	Price
1001	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2007.	\$ _____
1002	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2008.	\$ _____

**1.2.3 Option Year Two**

<b>Contract Line Item Number (CLIN)</b>	<b>Item Description</b>	<b>Price</b>
2001	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2009.	\$ _____
2002	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2010.	\$ _____

**1.2.4 Option Year Three**

<b>Contract Line Item Number (CLIN)</b>	<b>Item Description</b>	<b>Price</b>
3001	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2011.	\$ _____

**1.2.5 Option Year Four**

<b>Contract Line Item Number (CLIN)</b>	<b>Item Description</b>	<b>Price</b>
4001	Prepare an audit report on the financial status of the Workers Compensation Administration Fund for FY2012.	\$ _____

## 2.0 SPECIFICATIONS/WORK STATEMENT

### 2.1 Scope

Subtitle K of Bill 15-768, "Fiscal Year 2005 Budget Support Act of 2004," requires the Director of DOES to file an "audited financial report" annually with the Council of the District of Columbia detailing the financial status of the Administration Fund as of the preceding fiscal year. DOES is soliciting the services of a qualified firm to perform the audit and to report on the financial condition of the Fund. The audit shall be conducted in accordance with generally accepted auditing standards, government accounting standards, and applicable guidelines, rules and regulations.

#### 2.1.1 Applicable Documents

Item No.	Document Type	Title	Version
1	DC Code	District of Columbia Workers Compensation Act of 1979, as amended, DC Law 3-77 DC Official Code §32-1541- <a href="http://weblinks.westlaw.com/result/Default.aspx?cite=UUID%28N8DA666E095%2DDF11DB9BCF9%2DDAC28345A2A%29&amp;db=1000869&amp;findtype=VQ&amp;fn=%5Ftop&amp;ifm=NotSet&amp;rlt=CLID%5FFQRLT729241141043&amp;rp=%2FSearch%2Fdefault%2Ewl&amp;rs=WEBL9%2E02&amp;service=Find&amp;spa=DCC%2D1000&amp;sr=TC&amp;vr=2%2E0">http://weblinks.westlaw.com/result/Default.aspx?cite=UUID%28N8DA666E095%2DDF11DB9BCF9%2DDAC28345A2A%29&amp;db=1000869&amp;findtype=VQ&amp;fn=%5Ftop&amp;ifm=NotSet&amp;rlt=CLID%5FFQRLT729241141043&amp;rp=%2FSearch%2Fdefault%2Ewl&amp;rs=WEBL9%2E02&amp;service=Find&amp;spa=DCC%2D1000&amp;sr=TC&amp;vr=2%2E0</a>	2001 Edition
2	DC Bill	Fiscal Year 2005 Budget Support Act of 2004, Bill 15-768: Subtitle K - <a href="http://www.dccouncil.washington.dc.us/images/00001/20040601112538.pdf">http://www.dccouncil.washington.dc.us/images/00001/20040601112538.pdf</a>	Most Recent

#### 2.1.2 Definition

**Administration Fund** There is established in the Treasury of the District of Columbia a fund for the purpose of providing for the payment of all expenses to administer the provisions of Title 32: Chapter 15, "Workers Compensation", of the District of Columbia Official Code. The fund shall be administered by the Mayor.

## **2.2 Background**

**2.2.1** The District of Columbia Workers' Compensation Act of 1979, as amended, D.C. Law 3-77, D.C. Official Code §32-1540 *et. seq.* provides the legal authority governing job related illnesses or injuries occurring by private sector workers in the District of Columbia. The Workers Compensation Program, administered by the Department of Employment Services (DOES), is established to implement provisions of the Act.

**2.2.2** Pursuant to requirements of the Act at §32-1541, an Administration Fund is established for the purpose of providing for the payment of all expenses to administer the provisions of Title 32: Chapter 15, "Workers Compensation".

## **2.3 Requirements**

The Contractor shall provide an audit report on the financial status of the Administration Fund covering the fiscal years ending September 30, 2005 (FY 2005) and September 30, 2006 (FY2006) based on generally accepted auditing standards, government accounting standards, and applicable guidelines, rules, and regulations. The Contractor shall:

**2.3.1** Review accounts receivable and payable data (with source documentation and through use of the District's information management system, SOAR<sup>1</sup>) to determine accuracy and the appropriateness of expenditure activities.

**2.3.2** Identify and review control points<sup>2</sup> in financial functions with a focus on adequacy, effectiveness and accountability.

**2.3.3** Review/assess operating activities [e.g. payments], assets and liabilities, operating revenues and operating expenses.

**2.3.4** Assess internal operations with concentration on practices and standards for decision-making involving the approval or disapproval of expenditures.

**2.3.5** Review tracking systems and control elements, including (a) invoice approval processes; (b) documentation of case records; (c) reporting elements; and (d) monitoring procedures and efforts.

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<sup>1</sup> The Office of the Chief Financial Officer/Agency Fiscal office will provide informational reports from SOAR to the Contractor.

<sup>2</sup> Control points are possible and probable internal weaknesses, determining the manner in which they can be avoided through strengthening the internal controls of finances.

- 2.3.6 Assess timeliness of financial reporting and fund disbursements.
- 2.3.7 Review financial reporting and reconciliation processes. Determine integrity of information gathered.
- 2.3.8 Provide staff persons experienced in performing detailed financial government audits.
- 2.3.9 Coordinate with the Office of Workers Compensation as well as the Agency Fiscal Officer in accomplishing tasks.
- 2.3.10 Select key personnel to meet with the COTR at least once a month from date of award to discuss the progress of the audit.
- 2.3.11 Provide monthly audit progress reports submitted to the COTR, indicating the status of the audit.
- 2.3.12 Provide a draft audit report 30 days before the contract expiration with detailed description of the audit to date, allowing opportunity for necessary adjustments before final audit report submission.

### **3.0 DELIVERIES AND PERFORMANCE**

#### **3.1 Term of the Contract**

The term of the contract shall be from the date of award through September 30, 2009 with four portions years thereafter.

#### **3.2 Option to Extend the Term of the Contract**

- 3.2.1 The District may extend the term of this contract for a period of four (4) twelve (12) month option periods or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor a preliminary written notice of its intent to extend at least thirty (30) days before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option. The Contractor may waive the thirty (30) day preliminary notice requirement by providing a written waiver to the Contracting Officer prior to expiration of the contract.
- 3.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.
- 3.2.3 The price for the option period shall be as specified in the contract.
- 3.2.4 The total duration of this contract, including the exercise of any options under this clause, shall not exceed five (5) years.

## 3.3 Deliverables

	<b>N0.</b>	<b>Deliverable</b>	<b>Qty/ Format/ Method of Delivery</b>	<b>Due Date</b>
<b>3.3.1</b>	Base Year	Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2005 (FY 2005) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2009
		Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2006 (FY 2006) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2009
		Audit Progress Report: Description of audit status as described in 2.3.11.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	Monthly from date of Award
		Draft Audit Report as described in 2.3.12.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	30 days prior to contract expiration
<b>3.3.2</b>	Option Year One	Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2007 (FY 2007) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2010
		Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2008 (FY 2008) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2010
		Audit Progress Report: Description of audit status as described in 2.3.11.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	Monthly from date of Award
		Draft Audit Report as described in 2.3.12.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	30 days prior to contract expiration
<b>3.3.3</b>	Option Year Two	Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2009 (FY	One (1) Electronic Copy and Three (3)	September 30, 2011

		2009) as described in Section 2.3	Hard Copies of the deliverable	
		Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2010 (FY 2010) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2011
		Audit Progress Report: Description of audit status as described in 2.3.11.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	Monthly from date of Award
		Draft Audit Report as described in 2.3.12.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	30 days prior to contract expiration
<b>3.3.4</b>	Option Year Three	Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2011 (FY 2011) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2012
		Audit Progress Report: Description of audit status as described in 2.3.11.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	Monthly from date of Award
		Draft Audit Report as described in 2.3.12.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	30 days prior to contract expiration
<b>3.3.5</b>	Option Year Four	Audit Report: Financial Status of the Administration Fund covering the fiscal years ending September 30, 2012 (FY 2012) as described in Section 2.3	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	September 30, 2013
		Audit Progress Report: Description of audit status as described in 2.3.11.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	Monthly from date of Award
		Draft Audit Report as described in 2.3.12.	One (1) Electronic Copy and Three (3) Hard Copies of the deliverable	30 days prior to contract expiration

**4.0 CONTRACT ADMINISTRATION**

**4.1 Contracting Officer**

Contracts will be entered into and signed on behalf of the District only by contracting officers. The name, address and telephone number of the Contracting Officer is:

James H. Marshall, Contracting Officer  
441 4<sup>th</sup> Street, NW, #700 south  
Washington, DC 20001  
202-724-4197

**4.2 Authorized Changes by the Contracting Officer**

**4.2.1** The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract.

**4.2.2** The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.

**4.2.3** In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

**4.3 Contracting Officer's Technical Representative (COTR)**

**4.3.1** The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor's compliance or noncompliance with the contract. In addition, the COTR is responsible for the day-to-day monitoring and supervision of the contract, of ensuring that the work conforms to the requirements of this contract and such other responsibilities and authorities as may be specified in the contract. The COTR for this contract is:

Charles L. Green  
Associate Director for the Office of Workers Compensation  
64 New York Avenue, N.E., 2<sup>nd</sup> floor  
Washington, D.C. 20002  
(202) 671-1048

**4.3.2** The COTR shall not have authority to make any changes in the specifications or scope of work or terms and conditions of the contract.

**4.3.3** The Contractor may be held fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be

required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

**5.0 PAYMENT**

**5.1 Lump sum Payment**

The District will pay the full amount due the contractor under this contract after:

- a) Completion and acceptance of all work
- b) Presentation of a properly executed invoice

**6.0 INSTRUCTIONS TO OFFERORS**

**6.1 Award**

The District intends to award a single contract resulting from this solicitation to the responsible Offeror whose offer conforming to the solicitation will be the most advantageous to the District, cost or price, technical and other factors, specified elsewhere in this solicitation considered. A description of how the District will evaluate offers is found in Section 7.

**6.2 Proposal Submission**

Offerors shall provide and submit electronically a technical proposal and a price proposal under separate cover to [terique.smith@dc.gov](mailto:terique.smith@dc.gov) no later than **4:00 pm Thursday, March 12, 2009**. The subject line of the e-mail shall state "Proposal in Response to Solicitation No. DCCF-2009-T-9491 Office of Workers Compensation (DOES): Audit of Administration Fund."

**6.2.1 Technical Proposal**

**6.2.2 Technical Approach and Methodology**

The technical proposal shall at a minimum provide:

- a. A brief statement of the experience and/or qualifications of proposed staff who will be involved in the auditing process as described in Section 2.3; and
- b. A brief statement indicating a work plan and approach for achieving results as described in Section 3.3 and an estimated number of hours to complete the audit.
- c. The Offeror shall provide a list of contracts the Offeror has previously performed for similar legal services, including auditing services for the District, a city county, municipality, the Federal government or any instrumentality or agency of any foregoing related to financial auditing.

d. Copy of the Offeror's DCSS or GSA contract

**6.2.3 Past Performance**

a. Statement of the organization's experience in conducting detailed government financial audits similar in size and scope, as described in Section 2.3;

b. A minimum of two (2) Past Performance Evaluation Forms to be completed by Contractor's customers.

**6.2.4 Price Proposal**

a. Completed Section 1 Price Schedule. Please indicate a **fixed price** for deliverables as described in Section 1.2. and 3.3.

**7.0 EVALUATION FOR AWARD**

<b>EVALUATION FACTORS 0 - 100 POINTS</b>	
<b>EVALUATION FACTOR</b>	<b>POINT VALUE</b>
Technical Approach and Methodology	0 - 40
Past Performance	0 - 40
Price	0 - 20

$$\frac{\text{Lowest Price Proposal}}{\text{Price of Proposal Being Evaluated}} \times (20) = \text{Evaluated Price Score}$$

**8.0 Attachments**

**8.1 Past Performance Evaluation Form**

**8.2 DCSS Contract**