



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

April 29, 2019

TO: ALL POTENTIAL OFFERORS

FROM: ROXANN M. PARKER, CPPB
STATE CONTRACT PROCUREMENT SUPERVISOR

SUBJECT: ADDENDUM TO REQUEST FOR PROPOSAL NO.: GSS19581-CONTR-AUDIT

ADDENDUM # 1

This Addendum is issued to remove all reference to Certified Public Accountant (CPA) from the RFP. Please see the revised Scope of Work below and structure proposals to meet these requirements:

Overview:

The State of Delaware Department of Government Support Services is seeking a qualified ~~certified public accounting~~ vendors(s) or firm(s) to conduct contract audits and coordinate cost recovery efforts based on audit findings. This request for proposals ("RFP") is issued pursuant to 29 Del. C. §§ [6981](#) and [6982](#).

Scope of Services:

The goal of this contract is to ensure that the State of Delaware's awarded vendors are properly managing their contracts and accounts and that the negotiated prices are the actual prices billed to buyers using the contract(s). Additionally, the State intends to recover funds from their vendors if billing errors are found to have occurred.

The State of Delaware is seeking a ~~Certified Public Accountant (CPA)~~ vendor(s) to conduct contract audits in accordance with ~~the applicable standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards, issued by the Comptroller General of the United States~~ with Generally Accepted Accounting Principles (GAAP) and work in cooperation with the State of Delaware and contract vendors to obtain refunds for overpayments, incorrect billing, and unapplied credits due for expenditures made by the State of Delaware for a specified contract during a negotiated period for review. It is understood that the services rendered will be paid on a contingent fee basis.

Any information provided by or obtained from agencies of the State of Delaware shall be used solely for the purposes herein contained and the awarded vendor(s) shall not disclose such information to any other party, without the written permission of the Director, Government Support Services.

The awarded vendor(s) shall:

- a. Conduct a detailed review of vendor invoices, both electronic and hard copy.
Invoices will be from a credit card database and direct billing.
- b. Identify and document any refunds or credits due to the State from the awarded contract vendor.
- c. Work in cooperation with the State to actively pursue refunds or credits from the vendor(s), based on the audit findings for the contract.
- d. Participate in discussions with awarded vendor(s) of findings, as necessary.

- e. Provide the State with a narrative report of findings and offer advisory process improvements that the State could implement.

As of December 31, 2018, Government Support Services manages approximately 250 contracts for services, materials, and Professional Services. It is estimated that three (3) to four (4) contracts would be audited under this contract per year. The specific contract(s) to be reviewed will be identified as opportunities present themselves.

Please see Appendix B for the full Scope of Work for this contract.

Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

A. Minimum Requirements (~~strike requirements 1 and 2~~)

- ~~1. Provide copies of Delaware CPA licenses or valid CPA licenses from a substantially equivalent jurisdiction as defined by the Uniform Accountancy Act (UAA) for all CPAs on engagement team.~~
- ~~2. A copy of a valid Delaware firm professional license, also known as a permit to practice, issued by the State Board of Accountancy.~~
3. A copy of a current State of Delaware business license for the firm, issued by the Delaware Division of Revenue.
4. Provide responses to the Request for Proposal (RFP) scope of work and clearly identify capabilities as presented in the General Evaluation Requirements below.
5. Complete all appropriate attachments and forms as identified within the RFP.
6. Proof of insurance and amount of insurance shall be furnished to the Agency prior to the start of the contract period and shall be no less than as identified in the bid solicitation, Section D, Item 7, subsection g (insurance).

Appendix B - SCOPE OF WORK AND TECHNICAL REQUIREMENTS

I. Scope of Services

The State of Delaware is seeking a vendor(s) to provide Contract Compliance Audits and Cost Recovery Services in accordance with ~~the applicable standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards, Issued by the Comptroller General of the United States.~~ Generally Accepted Accounting Principles (GAAP)..

As of December 31, 2018, approximately two hundred and fifty (250) contracts for services, materials, and Professional Services are managed by Government Support Services as Central Contracts. It is estimated that three (3) to four (4) contracts would be audited under this contract per year. Awarded Contracts are listed on our webpage: <http://contracts.delaware.gov/>
The specific contract(s) to be audited will be identified as opportunities present themselves.

A. Contract Compliance Audit and Cost Recovery Services

The State of Delaware is seeking to enter into a contract with a vendor that is capable of conducting contract compliance audits and cost recovery services to ensure that the State of Delaware's awarded vendors are properly performing in compliance with the contract terms. All compliance

audits shall be conducted in accordance with ~~the applicable standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards, Issued by the Comptroller General of the United States.~~ Generally Accepted Accounting Principles.

This contract will be used on an as needed basis and will include, but not be limited to ensuring supplier contract prices are accurate, account credits are issued for incorrect billing, and costs for overbilling are recovered to the fullest. Services rendered for contract compliance audits and cost recovery will be on a contingent fee basis.

Any and all information provided by or obtained from agencies of the State of Delaware shall be used solely for the purposes herein contained and the awarded vendor shall not disclose such information to any other party, without the written permission of the Director, Government Support Services.

Tasks required of the awarded vendor shall include, but not be limited to, the following:

1. Vendor shall review identified contracts to gain an understanding of the appropriate goods/services and the applicable ordering procedures and/or policies that apply to that specific contract.
2. Conduct a detailed review of vendor usage reports and/or invoices, both electronic and hard copy. The ordering Agency of the State will provide to the awarded vendor with Usage Reports and/or invoices from a credit card database; direct billing or vendor reports. The awarded vendor will not have direct access to the State's database.
3. Review all categories including goods and services; accounts payable records of the departments and agencies to identify duplicate payments, billing errors, overpayments and arrearages.
4. Conduct comparison of invoice charges against the awarded contract pricing and identify any inconsistencies.
5. Identify and document any refunds or credits due to the State from findings of overcharges, and unapplied credits.
6. Prepare and present a contract compliance review report to the State of findings, containing details of the complete process for identifying the incorrect pricing scenario(s).
7. Actively pursue a refund or credit of overcharges from the vendor(s) found to be improperly billing the State.
8. Participate in discussions with contracted vendor(s) to address results of audit and steps to correct the inaccuracies discovered.
9. Review identified potential for cost recovery in departments and agencies included in State of Delaware government formal contracts.
10. Prepare a narrative report of findings to the State which also identifies process improvements for implementation consideration by the State.
11. Vendor may be tasked with preparing report of finding or relevant audit materials for the State's use in the event of a formal appeal or any other proceeding or action related to recovery and collection activities.
12. Tasks shall be completed in a reasonable time as agreed to by the State and awarded vendor, based on the engagement.

~~Compliance audits shall be conducted in accordance with the applicable standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards, Issued by the Comptroller General of the United States.~~

B. Staff qualifications

1. The bidding vendor must identify the engagement team; partners, managers, supervisors, and specialists.

2. For each person identified, the bidding vendor must provide:
 - a. ~~Whether the person is registered or licensed to practice as a Certified Public Accountant in the State of Delaware~~
 - b. Information on the person's government auditing experience, including information on relevant continuing professional education for the past 3 years and membership in professional organizations, if applicable, relevant to the performance of this contract.
 - c. Whether that person, in the past five (5) years has been the subject of any disciplinary action or ~~inquiry from the American Institute of Certified Public Accountants (AICPA) or any State Board of Accountancy.~~
 - d. Identify the extent and what role each person will be assigned to this contract.
 - e. Identify and provide contact information for a Project Manager.

The deadline to submit questions has been extended to 4:00 p.m. local time, Friday, May 3, 2019.

All other terms and conditions remain the same.

S:\ Addendum to RFP GSS19581



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