

INFORMATION ASSURANCE INDUSTRY DAY QUESTIONS

Q1. What are the constraints/organizational conflicts of interest (OCIs) for contractors to support this program and other system development/system integration/support programs for DOD entities or services?

Answer: Independence responses may vary depending on the specific facts and circumstances of the contractor's situation. The contractor's involvement or degree of involvement with systems and or accounting entities will affect the independent responses.

Q2. A statement was made earlier that the Office of the Inspector General of the Department of Defense (OIG DoD) will still be issuing the opinions of the components as well as consolidated. Can you please clarify what that means? Specifically, what other opinions does the OIG DoD plan on issuing?

Answer: The OIG DoD intends to issues opinions of the following components:

- 1. The DoD Agency-wide Financial Statements**
- 2. The Army General Fund**
- 3. The Army Working Capital Fund**
- 4. The Navy General Fund**
- 5. The Navy Working Capital Fund**
- 6. The Air Force General Fund**
- 7. The Air Force Working Capital Fund**
- 8. The Military Retirement Trust Fund**
- 9. The United States Army Corps of Engineers Civil Works Program**
- 10. Medicare Eligible Retiree Health Care Fund**
- 11. National Security Agency,**
- 12. Defense Intelligence Agency, and**
- 13. National Geospatial-Intelligence Agency**

There are also other DoD entities that contract for financial statement opinions, such as, the Defense Logistics Agency, the Defense Finance and Accounting Service, and our own agency (OIG DoD). However, the OIG DoD is not responsible for these opinions and the contracts issued by the OIG DoD will be restricted to the larger tier two statements.

Q3. Can you please provide an estimate or an order of magnitude surrounding the number of task orders to be issued? How will these be issued, by component, by fund or some other mechanism?

Answer: This is a new requirement; therefore it is difficult to predetermine the number of task orders that will be issued.

Q4. Milestones/timelines - we were provided the milestones and timelines earlier today. However, a comment was made that these dates may change. When will the final milestones/timelines be issued?

Answer: It is anticipated the contract award will be made at the beginning of fiscal year 2005. However, the milestones are tentative and are subject to change. Updates will be made available via the Naval Air Systems Command (NAVAIR) and OIG DoD websites.

Q5. A comment was made about procurements during the summer that appear to be outside these milestones/timeline. Can you please clarify the procurement process for work to be issued between now and the end of the federal fiscal year, 30 September 04?

Answer: The OIG DoD intends to issue statements of work for the reviews of the following systems and sites before September 30, 2004:

- **Database Management System (DBMS),**
- **Standard Army Finance Information System (STANFINS)**
- **Defense Property Accounting System (DPAS),**
- **Defense Data Reporting System (DDRS),**
- **Defense Civilian Payroll System (DCPS), and**

The OIG DoD will use GovWorks to award the contracts for the FY 2004 information technology assessments. RFPs can viewed at [GSA Advantage!](http://www.gsaadvantage.gov/)(<http://www.gsaadvantage.gov/>).

- Q6.**
- a. Can we use this solicitation as a basis for submitting staff for clearances, now? The goal being to utilize the time now in order to be ready downs the road.
 - b. Will interim secret clearances be acceptable at the time of task award issuance or is the OIG DoD expecting these to be finalized before the work is started.

Answer:

- a. **Question on the process for submitting staff clearance before contact award should be directed to the Defense Security Service. For additional information please visit the Defense Security Service website at <http://www.dss.mil/> and click on Industrial Security/Facility Security Clearances.**
- b. **Interim secret clearances will be acceptable for some of the contract work. According to the Defense Security Service, these clearances are typically processed within a week. For additional information please visit the Defense Security Service website at <http://www.dss.mil/> and click on Industrial Security/Facility Security Clearances.**

Q7. During the discussion this morning, it was stated that the work contemplated under this procurement would be performed over the next 30 months in order to attain the goal of FY 2007 Clean Audit. Given this tight time frame, please explain the rationale for using the Multiple Award, Indefinite Delivery Indefinite Quantity Contracts (MAC IDIQ) procurement approach (with estimated award in September/October 2004), rather than using a streamline process of

awarding Blanket Purchase Agreements (BPAs) under the General Services Administration (GSA) Federal Supply Schedule 520, Financial and Business Services (FABS) Schedule?

Answer: Utilizing MACs, we will be able to establish a competitive pool of contractors, as well as a vehicle with defined terms and conditions. Once a pool of contractors has been established we intend to competitively issue and/or execute task orders in a very streamlined manner. The expeditious award of the task orders operates very similarly to GSA order process.

Q8. Do we need to competitively outsource or contract with subcontractors?

Answer: No, the government anticipates various teaming relationships will occur e.g., prime, prime and subcontractor, and joint venture. The purpose of the non-exclusive teaming arrangement is to afford the contractors as much teaming flexibility as needed.

Q9. Can teaming be different by Delivery Order?

Answer: Yes, although each contract will have a list of approved subcontractors attached thereto, each task order could potentially reflect a different teaming arrangement to multiple teaming arrangements. However, the prime contractor will only be able to team with one of its approved subcontractors reflected in the attachment. The Procuring Contracting Officer must approve new additions or deletions to the contractor's team.

Q10. On independence/OCI

- If a prime contractor is not considered independent, can a subcontractor bid on the DO?

Answer: No, only the prime contractor can submit a bid for a team.

- If a subcontractor is not considered independent, can the prime contractor bid on the DO without the sub?

Answer: It may be possible for the prime contractor to propose without the subcontractor or with a different qualified subcontractor for its team.

Q11. Can a company be on multiple teams - one as a prime and one or more as a sub?

Answer: Yes. A contractor may propose as a prime and/or as a subcontractor to multiple prime contractors. There will be a non-exclusive teaming agreement, which will maximize the potential teaming arrangements among contractors.

Q12. If you are involved in Enterprise Architecture efforts, specifically in accounting and finance, will it cause an OCI if involved in OIG DoD Audit work? EA includes requirements definition and operational views/system views.

Answer: Independence responses will have to be based on specific facts and circumstances of the contractor's situation regarding involvement with systems or accounting entities.

Q13. Since this contract covers all of DOD, what level will independence be viewed

- All of DOD,
- Branch of office (Army, Navy, AF, OSD),
- Command,
- Function, or
- Some other level?

Answer: The independence will be determined at the task order level and will depend on the specific facts and circumstances of the contractor's situation regarding involvement with systems or accounting entities.

Q14. Are there published guidelines or policies for determining independence of firms seeking to perform work on this project?

Answer: Please refer to the General Accounting Office's (GAO):

- **Government Auditing Standards (2003 Revision), GAO-03-673G, June 2003 (<http://www.gao.gov/govaud/yb2003.pdf>)**
- **Government Auditing Standards: Answers to Independence Questions, GAO-02-870G, June 2002 (<http://www.gao.gov/govaud/d02870g.pdf>), and**
- **For technical assistance, contact the General Accounting Office at Yellowbook@gao.gov.**

Q15. Does Naval Air have an audit committee presently in place, and if so will the winning contractor be allowed to sit on the audit committee?

Answer: Naval Air Systems Command does not presently have an Audit Committee established.

Q16. Will large firms that team with small business be allowed to use their own pricing/labor rates (i.e. GSA rates)?

Answer: Previous NAVAIR solicitations have requested composite rate, so we currently envision requesting composite rates be submitted. However, we are open to your suggestions.

Q17. Can we get copies of all powerpoint slides used in today's presentation i.e., (a) small business, (b) GAO- Federal Information System Controls Audit Manual (FISCAM), and (c) contracts office.

Answer: An electronic copy of the Industry Day presentations will be available on the NAVAIR (http://www.navair.navy.mil/doing_business/open_solicitations) and OIG DoD (<http://www.dodig.osd.mil/audit/financial/financial.htm>) websites.

Q18. Can we get the list of common systems for which assurance services are contemplated in the near future?.

Answer: The OIG DoD intends to issue statements of work for the reviews of the following systems and sites before September 30, 2004:

- **Database Management System (DBMS),**
- **Standard Army Finance Information System (STANFINS)**
- **Defense Property Accounting System (DPAS),**
- **Defense Data Reporting System (DDRS),**
- **Defense Civilian Payroll System (DCPS), and**
- **A Defense Information Systems Agency (DISA) Defense Enterprise Computing Center (DECC) site.**

Q19. Are copies of draft reports and financial improvement plans for all entities and DOD systems available?

Answer: Some final audit reports are available on OIG DoD website (<http://www.dodig.osd.mil/audit/reports/index.html>). The results of systems audits generally contain sensitive information and are, therefore, not posted to the web site. The financial improvement plans are not available at this time.

Q20. Several feedback areas were listed, how do we send in our comments on them?

Answer: To obtain Navy point of contact information on this issue, please send a request to igcontracts@dodig.osd.mil.

Q21. The Director, Defense Financial Auditing Service, discussed systems audits on 5-6 systems if FY2004 money became available. Can you provide more detail about the Department of Interior contracting vehicles that will be used?

Answer: On behalf of the OIG DoD, GovWorks intends to issue statements of work for the reviews of the following systems and sites before September 30, 2004:

- **Database Management System (DBMS),**
- **Standard Army Finance Information System (STANFINS)**
- **Defense Property Accounting System (DPAS),**
- **Defense Data Reporting System (DDRS),**
- **Defense Civilian Payroll System (DCPS), and**
- **A Defense Information Systems Agency (DISA) Defense Enterprise Computing Center (DECC) site.**

Visit <http://www.gsaadvantage.gov> for additional information.

Q22. Can you provide any thoughts on OIG DoD's views about forming external auditor consortiums to perform work at DOD entities? This idea was mentioned at a recent Joint Financial Management Improvement Program (JFMIP) conference. Will the OIG DoD facilitate formation of the consortium?

Answer: No, the OIG DoD will not facilitate the formation of a consortium with Industry. By utilizing the NAVAIR MAC vehicles, the OIG DoD intends to work with industry to meet the needs of the program.

Q23: What funding does the OIG DoD have for the FY 2004 procurements?

Answer: There are on-going reprogramming actions that could result in a substantial amount of money for FY 2004 (around \$100 million). This money will be spent this year and the OIG DoD is researching various vehicles for the procurements, such as, GovWorks.

Q24: Will the OIG DoD step out in front of information technology (IT) firms for SAS 70/88 reviews, as well as, general and application reviews?

Answer: The OIG DoD will assume responsibility for the opinion while the IT firm performs the work for both SAS 70/88 and general and application reviews.

Q25. Will there be any set-asides for small woman-owned businesses?

Answer: This is not a set-aside procurement. The solicitation will be issued on an unrestricted, full and open competition basis, with provisions to award to 8(a) and Small Business concerns under a reserved system.

Q26. What percentage will the large prime contractors be required to subcontract to SWOB, 8(a), etc? What are the repercussions if they do not adhere to the requirement?

Answer: No percentage had been established at this time however, as the requirements become more defined we will consider appropriate Small Business contracting requirements for large business primes, which will be monitored and tracked at the task order level.

Q27. If a small business is awarded a full and open task order, will there be a percentage they are required to work to avoid being used as a pass through?

Answer: There is no requirement for Small Businesses to perform a minimum requirement. However, there may be a requirement to have a small business strategy proposed.