

2022

# HQ0034-22-R-0016

## *Request for Security Assistance (SA) Community Audit Remediation Project Support*

in support of the  
Defense Security Cooperation Agency (DSCA)

**RFI Date:** November 3, 2021

**Due Date:** November 12, 2021

### **Synopsis of RFI:**

The Washington Headquarter Services, Defense Security Cooperation Agency, intends to establish a Multiple Award Blanket Purchase Agreement (BPA) and award an initial Task Order under the GSA Federal Supply Schedule Program under GSA Multiple Award Schedule in support of the DSCA Security Assistance (SA) Community Audit Remediation project.

This work requires the personnel to have and maintain a Secret Facility Clearance.



**Defense Security Cooperation Agency (DSCA)  
Request for Information (RFI) – Security Assistance (SA) Community Audit Remediation**

**I. Background**

The Department of Defense (DoD), Washington Headquarters Services (WHS), Acquisition Directorate (AD) is issuing this notice to obtain information to establish a Blanket Purchase Agreement in support the DSCA Security Assistance (SA) Community Audit Remediation Project.

The Defense Security Cooperation Agency (DSCA) oversees and administers Security Cooperation programs that support U.S. policy interests and objectives identified by the Executive Office of the President, Department of Defense (DoD), and Department of State.

The Audit Remediation Project will assist the SA Community in reconciliation of auditable financial statements developed by DFAS; managing enduring audit remediation efforts; supporting enhancements and improvements related to the FIAR critical capabilities; managing Notice of Findings and Recommendations (NFRs) by assisting with developing, monitoring, validating, and implementing of Corrective Action Plans (CAPs); in compliance with the methodology established in the most current Office of the Under Secretary of Defense, Comptroller (OUSD(C)), hereafter referenced as OUSD(C), FIAR Guidance.

This audit remediation support contract will strengthen transparency for our domestic customers and foreign partners' funds, promoting trust between the U.S. Government and the international community. Additionally, contract support services will allow for the assessment and control of the Security Assistance Community's mission risks while ensuring efficient and effective management of resources to protect against fraud, waste, and abuse. This PWS requires support of the SAA financial statement audit which is a "stand-alone" account, appendix to the DoD consolidated financial statements, and reported to the Department of Treasury as a significant reporting entity. SAA balances as of September 30, 2020 include Fund Balances with Treasury (FBwT) of \$42.7B with a total asset (i.e., cash proceeds from sales) of \$86.1B.

The Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 require the annual preparation and audit of Federal agency financial statements in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS). To align with the Departments' objective, DSCA's main objective is to achieve an unmodified or "clean" audit opinion for the SAA financial statements.

The Department of Treasury has deemed the Security Assistance Accounts as a significant entity; therefore, requiring an annual audit for the Security Assistance Account. DSCA has undergone financial examinations beginning November 2019 and plans to undergo a full financial statement audit in January 2022. The SAA includes: the Foreign Military Sales (FMS) Trust Fund, the International Military Education and Training (IMET) Fund, the Foreign Military Financing (FMF) Program, the Special Defense Acquisition Fund (SDAF), the Global Security Contingency Fund (GSCF), the Foreign Military Loan Liquidating Account, the Military Debt Reduction Financing Account, the FMF Direct Loan Program, the FMF Direct Loan Financing Account, Security Assistance International Program (SAIP), and other miscellaneous accounts that contribute to the combined consolidated financial statement. Below is a description of each account:

- FMS Trust Fund (11 X 8242): Used directly on contracts for the procurement of defense articles and/or services and to reimburse DoD Component appropriates for deliveries from DoD stocks/services performed by DoD employees. Materiality is 81.7% of FY20 FBwT.

- IMET (11 X 1081): DoS program that funds military education and training courses for international military and related civilian personnel of foreign countries. Materiality is 0.5% of FY20 FBwT
- FMF Program (11 X 1082): FMF enables eligible partner nations to purchase U.S. defense articles, services, and training through either FMS or Direct Commercial (DCS). Materiality is 16.4% of FY20 FBwT.
- SDAF (11 X 4116): The objective of the fund is to facilitate delivery of material in advance of normal procurement lead times and establish a readily available source of selected items. Materiality is 1.3% of FY20 FBwT.
- GSCF (11 X 1041): Cooperative fund between DoD and DoS allowing them to pool money and expertise to address emergent challenges and opportunities important to U.S. national security and foreign policy. Materiality is <0.01% of FY17 FBwT.
- Foreign Military Loan Liquidating Account (11 X 4121): Used to collect the country's repayments to DSCA for default payment made to banks holding loans guaranteed by DSCA for pre-FY 1992 loan obligations. Materiality is < 0.0% of FY20 FBwT.
- FMF Direct Loan Account (11 X 4122): Used for collections of foreign country repayments for post-FY 1991 direct loan obligations. Materiality is 0.1% of FY20 FBwT.
- Military Debt Reduction Financing Account (11 X 4174): Used to reschedule loans from 11 X 4121 based on agreements between the foreign government and the DSCA. Materiality is 0.0% of FY20 FBwT
- Security Assistance International Programs (SAIP): Materiality is N/A of FY20 FBwT Not a part of SAA as of FY20, will be included FY21

Beginning in FY20, SAA participated in a series of financial examinations, in which the IPA identified 13 findings for Title 22, which resulted in 27 Corrective Action Plans (CAPs)

Below is a summary of the Notification of Finding and Recommendations (NFRs):

- Lack of a complete UoT and Financial Statement Compilation
- Lack of Compliance of GL Accounting System
- Lack of Business Process Control and Documentation

## II. Request for Information (RFI)

To facilitate market research, the Government is looking to identify qualified sources under the North American Industry Classification System (NAICS) 541211 entitled "Offices of Certified Public Accountants".

Responses from "all" sources is requested including Other than Small Businesses. Small Businesses, 8(a) small businesses, HUBZone small businesses, Service-Disabled Veteran-Owned Small Businesses, Women-Owned Small Businesses and Economically Disadvantaged Women-owned Small Businesses are encouraged to respond.

This RFI/Sources Sought (SS) Notice is for information and planning purposes only and shall NOT be construed as a solicitation or as an obligation on the part of the Government. This notice does not obligate the Government to award a contract or otherwise pay for the information provided in the response. The Government reserves the right to use information provided by respondents for any purpose deemed necessary and legally appropriate. Any concern responding to this notice should ensure that its response is complete and sufficiently detailed to allow the Government to determine the concern's qualifications to perform the work.

Respondents are advised that the Government is under no obligation to acknowledge receipt of the information received, or provide feedback to respondents with respect to any information submitted. After a review of the responses received, a pre-solicitation synopsis and solicitation may be issued. However, responses to this notice will not be considered adequate responses to a solicitation.

The Government will NOT accept requests for meetings or briefings. No phone solicitations or email with regards to the status of the Request for Proposal (RFP) will be accepted prior to its release. Information and materials submitted in response to this notice WILL NOT be returned. The Government does not intend to award a contract on the basis of responses received nor otherwise pay for the preparation of any information submitted.

As a result of this notice, the Government MAY issue a Request for Proposal (RFP). There is no solicitation available at this time. However, should such a requirement materialize, no basis for claims against the Government shall arise as a result of a response to this RFI/Sources Sought Notice, or the Government's use of such information as either part of our evaluation process, or in developing specifications for any subsequent requirement.

**CONFIDENTIALITY:** No proprietary, classified, confidential, or sensitive information should be included in your response. The Government reserves the right to use any non-proprietary technical information in any resultant solicitation(s).

### **III. Program Details**

The SA Community will require support from a certified public accounting firm with extensive financial audit readiness, remediation, and audit examination experience, working large and complex accounts for federal agencies to assist in the development and remediation of the SAA FIAR programs.

The purpose of this BPA is to provide a timely and cost effective method for the Security Assistance Community to obtain support from a certified public accounting firm, with extensive financial audit readiness and remediation experience working large and complex accounts for federal agencies, to assist in: (1) the development and remediation of the Security Assistance Accounts (SAA) Financial Improvement and Audit Remediation critical capabilities; (2) management of SAA audit lines of effort, and (3) development, monitoring, validating, and implementation of Corrective Action Plans; in compliance with the methodology established in the most current Office of the Under Secretary of Defense Comptroller (OUSD(C)), hereafter referenced as OUSD(C), FIAR Guidance.

### **IV. Service Requirement Task Areas/Elements**

***Task 1 Basic Service:*** The contractor shall provide services for SAA Audit Remediation

***Task 2 Project Management:*** The contractor shall annually complete, and submit a Project Plan identifying how to execute the tasks, who will complete each task and a timeline of completion for each task.

***Task 3 Comprehensive Risk Management:*** The contractor shall assist the government in providing a comprehensive risk management plan to address, identify, assess, and provide prioritization of risks (including how risks will be recorded, reported, and mitigated). Plans shall include the full range of risks that could affect the project including but not limited to resources, access, physical and cyber security, and un-planned events. Should any risk arise, the contractor shall develop a mitigation plan to reduce or eliminate the risk. The plan shall contain a mitigation summary of high-risk FIAR and MICP items to

help monitor and reduce or eliminate the associated risks. The contractor shall monitor the plan and provide updates to the COR. The contractor shall notify the COR when the contractor believes that any Government activity may impact performance, schedule or costs.

**Task 4 Audit Remediation Support:** The Contractor shall assist in the evaluation of the SA Community's audit preparation efforts and recommend enhancements. Audit remediation support includes, but is not limited to, updating and maintaining Standard Operating Procedures (SOPs) process narratives, process maps, Master Project Plan (MPP) status updates, etc.

The Contractor shall enhance or create an Audit Infrastructure to respond to the auditor, and schedule walkthroughs. Also, the Contractor shall create audit metrics utilizing the NFR database and support Advana initiatives (Reconciliation, Universe of Transaction UoT) impacting the audit.

The Contractor shall assist the SA Community with collection and review of supporting documents for selected samples during audit or examination.

The contractor shall develop and track scorecard to monitor progress for SA Community's audit activities.

The Contractor shall continue sustainment of validation testing of the SA Community's key internal controls over financial reporting and supporting documentation for finding remediation support on a monthly basis or as needed. The Contractor shall support development and validation of CAPs; evaluate and perform root cause analysis of audit and examination NFRs, and develop and implement remediation plans. The Contractor will work with the SA Community and its stakeholders to develop, implement, monitor, and report CAPs.

**4.1 Remediation Plan:** The Contractor shall prepare a remediation plan that shall include any findings, conditions, or deficiencies that limit the audit readiness of the specified element, account, line item or financial statement(s). This report shall provide a suggested detailed remediation plan based on best business practices for those findings, conditions, or deficiencies identified in the report. The SA Community's management retains exclusive responsibility for choosing which recommendations, if any, to implement and is responsible for such implementation. The Contractor shall have sufficient documentary evidence to support the identified deficiencies and the proposed corrective actions. The COR is responsible for review and approval of the remediation plan. The COR will provide comments to the Contractor within the timeframe specified in the BPA call.

The Contractor shall execute and validate a recurring testing function. Recurring testing will occur routinely, but at a minimum annually, for the SA Community's key internal controls over financial reporting and supporting documentation for assessable material units to ensure financial reporting objectives are met, and the SA Community can withstand audit scrutiny. The Contractor shall identify corrective actions based on the testing performed, as necessary. The Contractor shall perform tests, generate/collect results, perform analysis of the results and report on the status. The Contractor shall assist in the development of CAPs for deficiencies identified to be agreed upon and implemented by government personnel.

**Place of Performance:** Performance locations may include but not limited to Washington DC, Huntsville Alabama, Edward California, Doral, Florida, Patuxent River, Maryland, Honolulu, Hawaii, Beaufort, South Carolina and Colorado Springs, Colorado. The locations are dependent on the BPA call.

## Anticipated Period of Performance:

- Base Year: 1 February 2022 – 31 January 2023
- Option Year I: 1 February 2023 – 31 January 2024
- Option Year II: 1 February 2024 – 31 January 2025
- Option Year III: 1 February 2025 – 31 January 2026
- Option Year IV: 1 February 2026 – 31 January 2027

## V. Capability Statements

Vendors must demonstrate their ability to comply with the requirements in this RFI/Sources Sought Notice in order to be considered capable of satisfying the Government's requirement.

All submissions \*must include verifiable\* information about its firm's ability to comply with the security requirements for this effort:

**Security Clearance Requirement.** All contract and subcontract personnel shall have an active SECRET Facility Clearance when the proposal is submitted and throughout contract performance. In addition, the prime contractor must have a SECRET Facility Clearance at the time of quote submission and throughout contract performance. Security Capability information must be displayed on page 1 of the response.

Interested firms should submit their response via email to [peggie.l.lowery2.civ@mail.mil](mailto:peggie.l.lowery2.civ@mail.mil) and [candace.e.noel.civ@mail.mil](mailto:candace.e.noel.civ@mail.mil) and include a capabilities statement covering experience, staffing and technical capabilities. The capabilities' statement should address the four (4) Critical Task Areas identified below and for each provide information to demonstrate how the firm's experience and recent past performance (last 3 years) is relevant to the technical areas listed including the dollar value, period of performance, size and scope of the firm's prior contracts.

All interested firms having the experience, skills and capabilities necessary to perform the stated requirements are requested to provide capability statements not to exceed 7 pages in "Times New Roman" 10-pitch font on 8.5 x 11 paper that include the following information:

- 1) Company name, address, point of contact name, telephone, and email address.
- 2) CAGE Code and DUNS Number.
- 3) Business size status (business size/socio-economic category must be submitted to be used).
- 4) Vendor acknowledgement and capability to provide personnel that will need to successfully pass a National Agency Check.
- 5) Documentation that addresses each of the four (4) Service Requirement Tasks/Elements detailed above.
- 6) A description of Corporate Experience & Past Performance Information for similar contracts and/or projects accomplished within the last 3 years. The description must include where, when, and for whom each similar contract and/or project was performed and a brief description of each contract and/or project, including the size, scope, dollar value, and period of performance. This information must demonstrate how the firm's recent Corporate

Experience and Past Performance (last 3 years) is relevant to the DSCA Security Assistance (SA) Community Audit Remediation Project Requirement.

## **VI. Submission Instructions**

The response to this notice is limited to **seven (7)** single sided pages including all attachments, charts, etc. (single spaced, 10-point font minimum excluding charts and graphics) and should also include current business size status, and any applicable Federal Supply Schedule(s). This indication should be clearly marked on the first page of the response, as well as the eligible business concern's name, point of contact, address, and cage code.

All responses to this RFI/Sources Sought Notice must be submitted electronically (via e-mail) to [peggie.l.lowery2.civ@mail.mil](mailto:peggie.l.lowery2.civ@mail.mil) and [candace.e.noel.civ@mail.mil](mailto:candace.e.noel.civ@mail.mil). The subject of the email must be titled "RFI Response - DSCA Security Assistance (SA) Community Audit Remediation Project." Facsimile responses will not be accepted.

To facilitate a timely and comprehensive review of all submitted responses, firms must respond using the format requested in this Notice. Any deviation from this format may lead to the rejection of the response.