

SERVICES CONTRACT

ITEM: 1-S **Agency Contact:** Jacquelyn E. Skinner-Boock
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DEPARTMENT/PROGRAM: Department of Budget & Management (DBM)
Division of Procurement Policy & Administration (DPPA)

CONTRACT ID: 050B9800006;
Audit Services Contract
ADPICS BPO NO. See Attachment

CONTRACT DESCRIPTION: Statewide Master Contract with 19 Contractors that have Maryland Certified Public Accountants (CPAs) for financial audit services to be utilized by State agencies. (See Requesting Agency Remarks below.)

AWARDS: See Attachment

TERM: 8/1/2010 – 7/31/2015

AMOUNT: \$6,000,000 Est. (5 Years)

PROCUREMENT METHOD: Competitive Sealed Proposals

BIDS OR PROPOSALS: N/A (See Requesting Agency Remarks below)

MBE PARTICIPATION: 30% (See Requesting Agency Remarks below)

INCUMBENTS: See Attachment (See Requesting Agency Remarks)

REQUESTING AGENCY REMARKS: A notice of the availability of the Request for Proposals (RFP) was advertised on *eMarylandMarketplace.com* (eMM), the DBM website and the DBM bid board. Copies of the solicitation notice were emailed directly to 293 prospective vendors, including 75 minority businesses and 43 small businesses. A total of 781 prospective vendors received the notice between eMM and direct solicitations, likely with some overlap.

Of the 781 vendors, 590 are Maryland firms, 175 are MBEs and 229 are small businesses. A copy was also sent to the Governor's Office of Minority Affairs.

The purpose of this contract is to retain independent organizations with Maryland Certified Public Accountants (CPAs) to perform financial audits for Maryland State agencies. Audits may be required for an entire agency, a specific program or other component of an agency, or a contract being performed for an agency. The Master Contractor performing an audit will provide

specific recommendations to correct any deficiencies it discovers and otherwise provide recommendations for improvement in the performance of the agency, program or contract.

In the RFP, it was stated that all technically qualified offerors would receive Master Contract awards in order to maximize on-going competition for future Task Order Requests for Proposals (TORFPs). A total of 19 offers were received, and all 19 offerors were deemed responsible and their offers were determined to be reasonably susceptible of being selected for award. These 19 offerors are being recommended for awards for the Master Contracts.

Each required audit will be summarized in a TORFP. TORFPs will be issued solely by DBM, as needed, throughout the five year term of the Master Contracts. All 19 Master Contractors will be invited to compete for each specific TORFP, except for Small Business Reserve (SBR) designated TORFPs that will be distributed exclusively to Small Businesses. If the user agency participates in the SBR program as designated under State Finance & Procurement (SFP) §14-501(b) and wishes to designate its TORFP as a SBR solicitation, then DBM reserves the right to designate the TORFP as an SBR TORFP. The resulting task order may then be awarded to a qualified Master Contractor that meets the statutory qualifications of a Small Business as defined in SFP §14-501(c), Annotated Code of Maryland, and is registered with the Department of General Services Small Business Reserve Program at the time of the Task Order award.

For each TORFP, Master Contractors may propose labor support within nine labor classifications. The hourly labor rates for each recommended vendor (which have been fixed at a maximum per hour rate) can not be exceeded. Because of the on-going competition afforded by shopping each TORFP to all 19 Master Contractors, it is hoped that the Master Contractors will propose to perform specific task orders at less than their maximum hourly rates.

These 19 Master Contractors are qualified to perform financial audit services for State agencies and must have no conflicts of interest, or preconceived positions of how agencies are, or should be operating. The previous contract which ended a year ago only had seven Master Contractors, so this contract will provide more competition, more depth to resources, and a broader base of expertise. The Master Contractors actually can offer a rate equal to the applicable approved rate --or lower--as they propose on each TORFP. Under the prior contract, the Master Contractors due to the competitive nature of the secondary competition took advantage of the opportunity to lower their designated rates as they proposed to task orders.

The *Award Amount* above is estimated for a total five year period. The actual amount of work resulting from this award is indeterminate and will be monitored by DBM. Should the amount near the estimated total for the five year period, the Department will request an increase in the total award amount.

There is an overall 30% MBE goal established for the Master Contracts which will be met by the various selected offerors. The overall MBE goal will be achieved by establishing a specific MBE subcontracting goal for each Task Order Request for Proposals (TORFP). The TORFP specified MBE subcontracting percentage will typically, but not necessarily always, be at least 30% of the dollar value of all payments made by the State to the contractor under each TORFP.

FUND SOURCE: Various
APPROP. CODE: Various
RESIDENT BUSINESS: 15 - Yes; 4 - No (See Attachment)
MD TAX CLEARANCE: See Attachment

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

ITEM: 1-S (Cont.)

ATTACHMENT

BPW 7/28/2010

AWARDS (Cont.):

<u>Master Contractors</u>	<u>BPO</u>	<u>MD Tax Clearance No.</u>
1. Allmond & Company, LLC ¹ Landover, MD	050B1400015	10-4650-0110
2. Bert W. Smith, Jr. & Co., Chartered ² Washington DC	050B1400016	10-4675-0011
3. Clifton Gunderson, LLP ² Timonium, MD	050B1400003	10-4638-1111
4. Daniel Eke and Associates, P.C. ^{1 3} Silver Spring, MD	050B1400009	10-4722-0111
5. F.S. Taylor & Associates, P.C. ^{1 3} Largo, MD	050B1400010	10-4724-0010
6. Kahler & Associates, P.C. ^{1 3} Timonium, MD	050B1400012	10-4649-1111
7. Lindsey & Associates, LLC ^{1 2} Towson, MD	050B1400005	10-4702-0011
8. Maher Duessel, Incorporated ¹ Pittsburgh, PA	050B1400002	10-4637-0000
9. Rager, Lehman & Houck, P.C. ¹ Hanover, PA (Local Office in Westminster, MD)	050B1400017	10-4637-1111
10. Reznick Group, P.C. Bethesda, MD	050B1400008	10-4646-1111
11. Rosen, Sapperstein & Friedlander, ¹ Chartered Owings Mills, MD	050B1400001	10-4636-0110

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AWARDS (Cont.):

<u>Master Contractors</u>	<u>BPO</u>	<u>MD Tax Clearance No.</u>
12. Rufus Ingram, P.A. ^{1 3} Baltimore, MD	050B1400007	10-4645-0011
13. SB & Company, LLC ^{1 3} Hunt Valley, MD	050B1400006	10-4642-0111
14. Stout, Causey and Horning, P.A. ² Hunt Valley, MD	050B1400014	10-4640-0000
15. Stoy, Malone & Company, P.C. ¹ Towson, MD	050B1400004	10-4639-0111
16. TG Associates CPAS, PLLC Albany, NY	050B1400018	10-4641-0001
17. Thompson, Cobb, Bazilio & Associates, P.C. ² Washington DC	050B1400011	10-4725-0010
18. W.P. Tax & Accounting Group, Inc. ^{1 3} Owings Mills, MD	050B1400019	10-4768-0011
19. Watkins Meegan, LLC Bethesda, MD	050B1400013	10-4648-1111

¹ Contractor is a Maryland Certified Small Business.

² Contractor is an Incumbent from the previous Statewide Master Contract.

³ Contractor is a Maryland Certified MBE.

Two additional **Incumbents** from the previous Statewide Master Contract that did not submit proposals to this RFP:

1. Mitchell & Titus, LLP
Washington, DC

2. Smart and Associates, LLP
Towson, MD