REIMBURSABLE SERVICES AGREEMENT

ARC Agreement No. **2051IA06013**

This agreement is entered on behalf of the Treasury Franchise Fund, Administrative Resource Center (Providing Agency), and the following Customer Agency, under the Treasury Franchise Fund authority, 31 U.S.C. 322, note.

Customer Agency: **Treasury Inspector General for Tax Administration**
Office of Performance & Investment, 7th Floor, Room 700A
1125 15th Street, NW
Washington, DC 20005

	Name	Phone	FAX
Primary Contact:	**Patricia M. Greiner**	**(202) 622-8482**	**(202) 622-5624**
Secondary Contact:			

Customer Agency ALC: **20-04-0001** FACTS ID: **2089** Customer Order No.
Customer DUNS: **126122923**

Services to be Provided: **Full Service Financial Management (Oracle), Travel (eTravel), Procurement (Prism), Human Resources, and Relocation (Variable) Services**

Period Covered: **10/1/2005 to 9/30/2006** Estimated Costs: $2,863,998.00
Subject To Availability of Funds

Payment Provisions: **Monthly** **Via IPAC (Fixed Costs)**
Monthly **Via IPAC (Variable Costs)**

APPROVALS

PROVIDING AGENCY

(Signature)

Frederick A. Phillips 9-9-05
(Typed Name) (Date)

Deputy Executive Director
(Title)

TREASURY FRANCHISE FUND
ADMINISTRATIVE RESOURCE CENTER
FRANCHISE SERVICES
200 THIRD STREET
PARKERSBURG WV 26106

PHONE: (304) 480-7227 FAX: (304) 480-7161

FACTS ID: 2045
ALC: 20-55-0861
TREASURY APPROPRIATION FUND SYMBOL:
20X4560.010
DUNS: 126520464

CUSTOMER AGENCY

(Signature – Financial Manager)

(Typed Name) (Date)

(Title)

(Signature – Program Official)

(Typed Name) (Date)

(Title)

MEMORANDUM OF UNDERSTANDING

BETWEEN

Treasury Franchise Fund Administrative Resource Center & **Treasury Inspector General for Tax Administration**

Background

The purpose of this Agreement is to document the understanding of services to be provided to the customer agency by the Treasury Franchise Fund's Administrative Resource Center (ARC) and set forth the fees to be paid to ARC for such services. This agreement authorizes the recovery of all costs incurred by ARC in providing services to the customer agency. Pursuant to the authority of the Government Management Reform Act of 1994, the parties specified above agree that administrative services will be provided in accordance with the following terms and conditions:

1. **Services to be Provided**
   ARC will provide, directly, through another federal agency or through a contractual relationship, the services described in this Memorandum Of Understanding and attached documentation (if applicable). The services descriptions incorporated into this MOU are general summaries. Specific processes will be resolved at the appropriate staff level. Ad hoc services may be requested verbally or in writing. Fees for such services will be charged to the customer during the normal billing cycle.

2. **Reimbursement for Services**
   ARC will charge for services rendered based on actual direct and indirect costs of providing services in accordance with the cost schedule attached to the Reimbursable Services Agreement. A new Reimbursable Services Agreement form and cost schedule will be prepared and approved by ARC and the customer entity prior to the beginning of each annual service period.

3. **Method for Bill Processing**
   The customer agency will be billed electronically in accordance with the cost and billing schedule. A billing statement will be provided in conjunction with the electronic collection.

4. **Termination**
   If ARC decides to discontinue a line of service, at least 90 days written notice shall be given to the customer agency. If the customer agency decides to terminate use of a line of service with ARC, 90 days written notice shall be given to the Executive Director, Administrative Resource Center.

5. **Term of Agreement**
   By agreement of the parties, this agreement will remain in effect on the same terms and conditions until specific action is initiated under the provisions of paragraph 4 above or it is revised for current conditions as needed.

6. **Property**
   Non-expendable property purchased from funds supplied under this agreement shall become an asset of the agency bearing the cost of the acquisition.

7. **Pricing of Services**
   All services offered by the Treasury Franchise Fund, Administrative Resource Center, are priced using full costing methodology in accordance with OMB Circular No. A-76.

FINANCIAL MANAGEMENT SERVICES

ACCOUNTING SERVICES

The Administrative Resource Center (ARC) will perform the following services as part of its ARC Full Accounting Services offering.

Transaction Processing in Oracle Federal Financials

ARC will process accounting transactions in Oracle to accurately maintain customer accounts. Entries may be recorded using electronic interfaces, loader programs, or manual entry by accounting technicians and accountants. ARC will inform the customer on specific document preparation and submission requirements. ARC will maintain supporting documentation related to transactions processed, including both electronic and paper records, in accordance with applicable record retention rules. Records retained are available for review and audit as needed. Records will be destroyed at the end of their retention period.

Budget Document Processing

ARC will record budget transactions in Oracle, including appropriations, warrants, apportionments, allocations, reprogramming, transfers, rescissions, and continuing resolutions. ARC will review funds control settings with the customer annually to ensure appropriate funds controls are in place. ARC will also assist customers in determining continuing resolution amounts.

Commercial Vendor Invoice Processing

ARC will process vendor invoices in Oracle, after proper invoice examination and certification. ARC will receive, date stamp, examine, route, and monitor vendor invoices through the entire approval process. Trained accountants will ensure payments are processed according to applicable regulations. Commitments and obligations related to commercial purchases are processed through the Prism procurement system, using automated real-time interfaces. ARC will prompt reviews of open obligations by the customer to ensure account balances are accurate.

Other Document Processing

ARC will process other financial transactions in Oracle, including: reimbursable revenue agreements, investment transactions, non-procurement obligations, receiving reports, accrual entries, invoices, billing documents, collections, receivable write-off transactions, advances, depreciation, disposals, amortization, inventory consumptions, journal vouchers, IPAC transactions, program payments, and other entries, as needed. ARC will also process any unique entries for revolving fund, trust fund, direct loan, special fund, or pension fund accounting, as agreed to with the customer.

CitiDirect Purchase Card System Support

ARC's interface with the CitiDirect purchase card system enables payments to Citibank to be made promptly and recorded in detail in Oracle Financials, for easy monitoring of the card program purchases. ARC will provide customer service to cardholders and approving officials using CitiDirect to process their e-statements. This includes maintaining of accounting codes in the application and monitoring the status of e-statements processed. ARC will seek customer approval of all Citibank payments after the payment has been made in cases where agency approving officials fail to approve the statements prior to payment.

Account Maintenance and Reporting

ARC will perform account maintenance and reconciliation to ensure customer accounting data is accurate. Account maintenance includes ensuring accounting transactions are recorded properly using the Standard General Ledger and other attributes in accordance with reporting requirements for specific account types.

External Reporting

ARC will perform Statement of Transactions (224) reporting for customer agency's agency location codes. In addition, ARC will reconcile the Statement of Differences, FMS 6653, and FMS 6654 reports, and resolve any reconciliation issues.

ARC will reconcile asset and liability accounts to external sources, if applicable. In addition, ARC will monitor and ensure budgetary and proprietary accounts are in agreement, and abnormal balances are resolved. Reports of open items, such as payables, receivables, and obligations, will be provided to customers for review and confirmation.

ARC will perform all required reporting to FMS applicable for customer accounts, including FACTS II, FACTS I, Report on Receivables, GFRS closing package, and eliminating entry reconciliation. Reports will be prepared using current guidance and prior to mandated due dates so a review by the customer can be completed.

For Treasury customers, ARC will perform TIER reporting, Prompt Pay reporting, EFT reporting, and respond to Treasury on any ad-hoc requests for financial information. Treasury customers must certify the accuracy of their reports, as required by Treasury.

ARC will prepare financial statements and notes, using applicable requirements and authorities, each quarter and at year-end, if required, and respond to auditor requests for information when accounts are subject to audits. Customers are expected to provide any supplemental information necessary to complete the financial statements and notes. ARC personnel will be designated as preparers or certifiers of the data as necessary to submit the reports via government-wide systems.

Fixed Asset Accounting

ARC will work with the customer to establish a fixed asset accounting process. ARC's role will be determined by mutual agreement between the customer and ARC, and may involve using the Oracle fixed assets module, excel spreadsheets, or the customer's property management system. Customers will be expected to provide useful life information, assist in determining when an asset meets capitalization requirements, initiate disposal transactions, and confirm asset balances with physical inventories to confirm asset balances.

Discoverer Reporting Assistance

Management information is provided via Oracle's Discoverer, a web based ad-hoc reporting tool. ARC will provide user training and assistance in developing custom Discoverer reports for customer users.

Internal Control Audit

ARC is committed to maintain a strong internal control environment. ARC will undergo an annual SAS 70 review of its accounting and travel functions. Detailed descriptions of those controls are provided in our SAS 70 report and are updated annually as our processes change. Results of our SAS 70 review are available to customers and their auditors, upon request. Customers are expected to maintain related internal controls over the processes internal to their organization.

ACCOUNTING AND PROCUREMENT SYSTEM SERVICES

Oracle Financials Platform Accounting Support Services

ARC will perform the following accounting services in support of the Oracle Federal Financials Platform.

Payroll Accounting File Processing
The Administrative Resource Center (ARC) will process payroll accounting files produced by an e-payroll provider using an automated interface to Oracle Federal Financials. ARC's interface validates the employee payroll records, converts the accounting information into relevant Oracle codes, and maintains a detailed employee record database to support summary general ledger entries to Oracle. Erroneous pay records are identified and corrected with the assistance of the customer.

ARC also processes payroll accrual entries before month-end closing, based upon the number of unrecorded paid days remaining in the month. ARC reconciles payroll related accounts to ensure data posted is in agreement with amounts reported by e-payroll providers.

Vendor and Employee File Maintenance
ARC will set up and maintain vendor records including remittance information. The vendor file maintenance will be performed by using an automated program developed by the ARC to validate the vendor file data in the Central Contractor Registration System to the vendor file data in Oracle Federal Financials. The ARC shall identify and implement daily updates that need to be made to ensure that the vendor data is current. The ARC shall add new vendors to the Oracle Federal Financials database as they are identified by the procurement function.

ARC personnel will maintain employee banking information in Oracle Federal Financials. Agencies may choose to require employees to use banking data from the e-payroll provider, or may allow employees to establish alternative bank accounts for other reimbursement purposes.

1099 Tax Reporting
ARC will perform 1099 tax reporting for disbursements made by ARC. Tax reports are completed separately for each agency. ARC will also perform 1099 tax reporting for disbursements made by purchase card, using data provided by the purchase card contractor. Tax reports are completed separately for each purchase card hierarchy.

Disbursing Services
ARC will perform Electronic Certification System or Secure Payment System processing of payment schedule files generated from the Oracle Federal Financials System. Schedules are uploaded, certified, and submitted on a daily basis. On rare occasions, such as office closure due to weather or early dismissal, the daily submission may be canceled. As certifying officer on the disbursements processed by ARC, we rely on the prior administrative and system approvals to ensure payments are valid and authorized, and disbursements are proper. Customer agencies are expected to maintain adequate controls on their internal processes related to payment approvals. All payments processed by ARC are accessible by vendors via the Internet using FMS' PAID system.

CitiDirect Interface Processing
ARC will process accounting files produced by the CitiDirect system. Our interface converts the CitiDirect files into invoice documents within the Oracle Federal Financials System. ARC will perform data validation including summary level transaction count and dollar amount verifications. ARC will approve and pay invoices processed through the interface. ARC will notify the customer of any errors or exceptions that are found and work with the customer to resolve. Additional services in this area, including full CitiDirect system support, are available.

Key performance benchmarks for accounting services include:

- Achieving a prompt payment timeliness rate of 99% or more, when the customer provides accurate accounting documents to ARC by the established due dates.
- Achieving an EFT regulation compliance rate of 99% or more, when using our invoice examination services.
- Meeting established due dates for required reports to FMS.
- Ensuring cash accounts are reconciled within 15 days after the end of the accounting period.
- Maintaining a predetermined closing schedule for accounting periods, which is generally the 2nd working day of the month, except at year-end.

Oracle Federal Financials and Prism Platform Support
Service Description

System Description

Oracle Federal Financials
Oracle Federal Financials (Oracle) is the JFMIP-certified core financial management application used to process all financial transactions. These transactions are entered into Oracle either manually or via custom interface from ancillary systems. Modules of Oracle in operation include: Budget Execution, Purchasing, Accounts Payable, Accounts Receivable, General Ledger, Fixed Assets, and System Administration.

To recognize economies of scale as a service provider, ARC utilizes Oracle Multi-Org functionality. Multi-Org functionality allows for the data security and segregation of multiple customer agencies within a single instance of the software. In this single Multi-Org environment, all customer agencies retain a great deal of flexibility in configuring their Operating Unit of the system to best meet their needs. However all customer agencies are subject to certain elements of a standardized configuration. Examples of this include conforming to one accounting calendar, and a single list of US Standard General Ledger codes and OMB Object Classes.

ARC has already developed integration between Oracle and many other key feeder systems including: payroll, procurement, purchase card, travel, and Treasury investments. Additionally, to aid in data conversion as well as customer-specific integration needs, ARC has developed processes using standardized formats where data files can be imported for accounts payable invoices, accounts receivables, collections, customers, general ledger journal entries, and purchase orders. ARC staff is well versed in the use of the Oracle development tools requisite to build and maintain integration. ARC is willing to evaluate customer business requirements for additional integration.

Compusearch Prism
Compusearch's Prism application is a web-based, federalized procurement system. Prism allows for electronic creation, routing, and modification of requisitions, purchase orders and contracts. Prism is fully integrated with Oracle, allowing for real-time funds checking as well as the commitment and obligation of funds as transactions are approved. Prism also provides a contract writing module as well as integration with GSA's FPDS-NG system.

Oracle Discoverer
Oracle Discoverer is the web accessible reporting tool that ARC provides customer agencies to access data processed in either the Oracle or Prism applications. Oracle Discoverer allows for real-time queries to be built against any data element captured in either the Oracle or Prism applications. Oracle Discoverer licenses allow for access to two different versions of the application.

Oracle Discoverer Viewer
Oracle Discoverer Viewer is designed for users that only need to view pre-established reports. The user can view real-time data in various ways including drill up/down capabilities. The user may also download the report to spreadsheet or other desktop applications. ARC personnel can handle requests for creation or modification of reports.

Oracle Discoverer End User
Oracle Discoverer End User is designed for users that wish to create and/or modify reports themselves. In addition, Oracle Discoverer End User provides all the functionality of the Discoverer Viewer application as explained above. The user should have a good understanding of the data being queried to ensure accurate results. ARC personnel can assist users with questions relating to the creation or modification of reports.

System Operation and Support

System Administration
ARC provides full system administration of the Oracle platform. These system administration responsibilities include the following:

- Setup and maintenance of user accounts, including resetting passwords.
- Setup and maintenance of system security profiles.
- Setup and maintenance of operating unit configuration including agency specific items such as budgetary funds control and cross validation rules.
- Setup and maintenance of vendor records including all remittance information.
- Processing of all payment files via Treasury disbursing offices.
- Performance of monthly and year-end closing activities.
- Maintenance and troubleshooting of all interfaces.
- Assistance with Discoverer report creation/modification.

System Training
ARC will provide all necessary training for Oracle, Prism, and Discoverer users. ARC will work with the customer agency to develop a detailed training plan that is mutually acceptable. ARC can provide a mix of hands-on and conference room training. ARC can provide a training facility in the DC area or train at the customer location assuming adequate facilities exist. On-line or remote training is also an option where appropriate.

System Help Desk
ARC will provide complete help desk services to answer all system questions from the user community. Telephone support will be available between the hours of 7:30am until 4:30pm Eastern, Monday through Friday.

System Backups
System backups are performed nightly and stored onsite for two weeks. After two weeks complete backups are sent offsite.

Software Maintenance
Oracle and Compusearch provides maintenance and upgrades to the software as improvements are made or problems encountered. The annual software maintenance fees that are incurred by ARC are passed along to customer agencies. ARC will evaluate system patches and upgrades as they become available, and will implement those where the added functionality is deemed worthy of the effort.

System Availability

Standard Hours of Availability
Our standard hours of system availability are 6 a.m. to 11:30 p.m., with the exception of required maintenance periods. Technical support is available on-site from 6 a.m. to 5 p.m., with on-call support available 24 X 7. Scheduled maintenance hours are as follows:

- Daily maintenance - 6 a.m. to 8 a.m. Monday through Friday. Depending on the type of maintenance required, the system may or may not be available during these hours.
- Network Maintenance - 6 p.m. to 8 p.m. on Tuesdays and Wednesdays, when necessary. In most cases, network maintenance (Tues. and Wed.) will not affect customer utilization of the application

- Nightly backup – 11:30 p.m. until 6 a.m. The system will not be available during these hours Monday through Sunday.
- Monthly close – 6 p.m. to 11:30 p.m. on 2nd business day of each month. On the day of monthly close the Accounts Receivable module will available until 4 p.m., while all other components of the system will remain available until 6 p.m. ARC personnel will commence the monthly closing process promptly at 6 p.m.

After Hours Processing

After 5 p.m. constitutes 'After Hours'. During after hours certain exception processing can be handled. Examples of these exception items include transactions that require any of the following:

- Temporary disabling of a cross validation rule
- Temporary reopening of a prior period
- Year-end close process for any Treasury Symbol(s)

Requests for After Hours processing support must be made in writing at least two days in advance.

TRAVEL SERVICES

The Administrative Resource Center (ARC) will perform the following travel services.

ARC will administer the Travel Management Software System and take full accountability and responsibility for your travel program. This allows you to focus your resources on your mission instead of dealing with the problems inherent with travel administration.

ARC will provide temporary duty and local travel document processing using Northrop Grumman's GovTrip eTravel system. ARC will review your current travel processes and provide recommendations on ways to improve and streamline.

ARC will maintain a customer web page for easy access to the Travel Management Software System, system instructions, and travel policy information. The web page and Travel Management software will be available 24/7 except for maintenance.

Travel System Setup and Maintenance
ARC will setup, maintain and update the travel software and accounting system as necessary. This includes maintaining per diem rates; system audits and edits, security tables, interfaces, users etc. Travel Management software will allow electronic travel documents to interface with the ARC Oracle accounting system eliminating duplicate data entry. ARC staff will troubleshoot and resolve any rejected documents resulting from the automated process.

GovTrip End User Training
ARC will provide training to identified travel system users prior to implementation or migration to the eTravel solution in the Washington DC area. Additional training can be provided one-on-one over the phone by calling the ARC Travel help desk. Additional on-site training is available for an additional cost.

Customer Service to System Users (TIER II)

- ARC will provide customer service and assistance by telephone and/or email to all GovTrip users for all non FTR/policy question on workdays from 7:00am – 6:00pm Eastern Standard Time.
- ARC will maintain users tables and accept new users into the GovTrip system.
- ARC staff will monitor travel document activity and contact users concerning the status of pending documents, to ensure travel data is accurate and documents are processed timely.
- ARC will perform research and answer FTR and ARC Travel policy questions.
- ARC will provide a Travel Program Guide with identified areas that a customer can customize to meet their agencies unique travel needs.

Prompt Travel Reimbursements
Travel payments will be made electronically to the individual traveler's bank account within three days after approval of the completed voucher. Disbursements will be generated from the ARC Oracle accounting system using the normal process used for all other payments. Daily approved authorizations and vouchers will be interfaced to the accounting system and a reconciliation of approved TM documents to processed accounting documents will be done. Split disbursements will be available for travelers to pay their government credit card account using the vouchering process. NOTE: The split disbursement option is currently only available to agency's that use Citibank as their government travel charge card.

Travel Reporting
ARC will provide assistance, when necessary, in responding to OMB and GSA inquiries concerning travel activity. ARC will also provide detail level reporting for all travel activity when requested.

Administration of Travel Charge Card Program
ARC will process new applications, maintain and close individual accounts, resolve problems with the credit card company, and open and maintain centrally billed accounts. ARC may act as the primary AOPC or backup

AOPC based upon your agency's needs. For monitoring purposes ARC distributes reports on individual and centrally billed activity to the agency's designated travel contact person.

Travel Management Center (TMC) Contracts
American Express is the TMC offered with GovTrip for domestic reservations and SATO Travel for International reservations.

Archiving and Data Warehousing
Electronic documents will be available for six years, three months after the trip has been completed.

Post-payment Audit
ARC will perform a post payment audit on a random sample of travel vouchers. For vouchers exceeding $2,500, we perform a 100% audit. After we select the sample, ARC will review the voucher to ensure it was prepared in accordance with the FTR and other additional travel policies your agency may have. Travelers will be contacted only if the faxed receipts are not attached to the voucher in GovTrip. We inform the parties involved if errors are found. A summary report of the audit results is available upon request. If overpayments are identified, we can initiate the collection efforts. Some of our customers request us to act as their collection agents, while others prefer to collect themselves. We will customize this service to meet your need.

Note: The use of the Receipt Management tool in GovTrip to attach all receipts and documentation to the travel voucher is encouraged and may reflect in a reduction to cost in the future.

Reconciliation and Payment of the Citibank Centrally Billed Account
ARC will perform the reconciliation and payment of the centrally billed account for travel in accordance with prompt pay regulations. For unidentified charges we will work with your agency contact to identify or resolve discrepancies.

NON ARC CHARGES
The following are charges that are paid directly to the eTravel vendor or Travel Management Center (TMC):

Northrop Grumman – TAV fee (Charged to travelers individually billed acct or centrally billed acct)	TDY Voucher Local Voucher	$16.25 $12.50
American Express TMC fee (Charged to travelers individually billed acct or centrally billed acct)		
Self Service –with air or rail	Per TDY voucher	$5.25
Self Service –with no air or rail	Per TDY voucher	$4.00
Non-self service domestic travel with air or rail	Per TDY voucher	$28.50
Non-self service international travel with air or rail	Per TDY voucher	$35.50
Non-Self Service without air or rail	Per TDY voucher	$17.00
SATO Travel TMC fee International Travel	Per TDY voucher	$35.50

Relocation Services (Variable Costs)
ARC provides comprehensive relocation services starting with preparing the authorization and finishing with the final payment of entitlements.

ARC works with the agency on the entitlements to be provided based on type of relocation, new appointment or transfer. We help the agency determine discretionary versus mandatory allowances for each type of relocation. Employees will submit the necessary documentation to the relocation counselor by fax and/or mail. The relocation counselor will prepare the voucher claim including tax allowances and deductions within 10 working days from receiving the information (with the exception of real estate which can take up to 20 working days if extensive research is required). The voucher is forwarded to the employee and approving official for

review and signature. The relocation counselor will process the employee payment within three workdays from the date an approved voucher is received.

ARC works with the agency on the entitlements to be provided based on type of relocation (New Appointment or Transfer). We assist the agency in setting policy for discretionary versus mandatory allowances for each relocation category, as needed.

ARC performs the following services for the relocatee:

- Contacts and counsels employee,
- Briefs the employee on entitlements and processes,
- Assists in completing forms for authorization preparation,
- Arranges shipment/storage of household goods, and
- Coordinates Guaranteed Home Sale if authorized.

ARC works with the agency's budget contact to ensure funds are available, prepares the authorization, and obtains the appropriate agency signatures for approval.

ARC prepares voucher claims for employees (including appropriate tax deductions) for the following items, as needed:

- Househunting
- Enroute travel,
- Miscellaneous expenses,
- Temporary quarters,
- Real estate purchase and sale,
- Expired lease,
- Annual RITA claims, and
- International allowances

ARC withholds and reports Withholding Taxes, Social Security (if eligible) and Medicare taxes as appropriate to IRS and prepares W-2's at end of tax year for payments made from ARC's accounting system.

ARC arranges for pre-payment audits of transportation invoices according to FTR requirements and agency procedures and processes third party transportation payments within prompt payment guidelines. ARC then forwards all transportation vouchers to GSA for post payment audits as required.

Anticipating the proposed rules modifying the FTR to require agencies to acquire a Relocation Management Reporting System that captures and reports data required by the biennial Travel Survey, ARC is implementing MoveLINQ, a COTS PCS software, to meet the proposed system and reporting requirements.

PROCUREMENT SERVICES

ARC Procurement will provide services to include simplified acquisition support, contracts support, and support for the purchase and fleet card programs.

Business will be conducted in accordance with the Federal Acquisition Regulation (FAR) and the Department of the Treasury Acquisition Regulation (DTAR).

CONTRACT SERVICES

If a formal contract action is required the services will include the award and administration of open market actions above $100K as well as more complex orders under the contracts of other agencies.

Files on all purchases will be maintained with documentation of the award from receipt of request to contract closeout.

Throughout the acquisition process, ARC Procurement will make recommendations to the customer agency on the most efficient purchasing method available to obtain the needed goods or services. Staff will also provide advice and assistance as needed.

The requesting office must appoint a contact within the agency to work closely with the Contracting Officer through pre-award, award, and administration. The agency must also appoint a Contracting Officer's Technical Representative (COTR) to monitor the contract for performance and funding limitations.

The customer will be asked to provide documentation to initiate the contracting process. This may include, but is not limited to, a procurement history, statement of work, evaluation factors and plan for award, and market research information.

ARC Procurement will issue solicitations and any necessary amendments, receive proposals, provide guidance to the technical evaluation team, evaluate price (with the assistance of the customer), establish competitive ranges, negotiate, and award the contracts.

After contract award, ARC Procurement will administer the contract.

SIMPLIFIED ACQUISITION SERVICES

Simplified acquisition will consist of any acquisition under $100K; delivery orders (goods) for the maximum contract value as authorized by GSA or the Government agency contract against which the delivery order is placed; and, to a very limited degree (situationally determined), task orders (services) for routine services as authorized by GSA or the Government agency contract against which the task order is placed.

Files on all purchases will be maintained with documentation of the order from receipt of request from the customer to closeout.

Throughout the acquisition process, ARC Procurement will make recommendations to the customer's requestors on the most efficient purchasing method available to obtain the needed goods or services. Staff will also be available to provide advice and assistance as desired.

ARC staff will make award of simplified acquisitions in the most cost-effective and efficient manner feasible.

ARC staff will work with the customer to ensure adequate information is available to make each purchase. This includes, but is not limited to, a purchase description or statement of work, required delivery schedule, and recommended source(s) for the purchase.

Purchase and Fleet Card Services
The customer will be allowed to use the Treasury Smart-Pay contract to offer purchase and fleet cards to its employees. The purchase and fleet card program services will include:

- Processing applications and changes to existing accounts.
- Providing an agency program coordinator to support the customer agency.
- Maintaining card use procedures and training. The customer may supplement the information with additional internal requirements that are agency-specific.
- Conducting random sampling of card use to supplement the full review to be performed by the agency's approving officials and advising the customer agency's program point of contact of instances of potential abuse.
- Advising the customer agency program point of contact of instances of potential abuse.
- For improper card usage, revoking cards based on the severity of card misuse.
- Providing other guidance and support related to these programs.

ARC is not responsible for cardholder fraud, waste, or abuse.

The customer is responsible for the following:

- Designating a point-of-contact for these card programs with sufficient management authority to deal with any instances of card abuse.
- Complying with ARC card program requirements and training requirements.
- Nominating new cardholders and approving officials in accordance with ARC program requirements and delegating procurement authority in writing to each cardholder.
- Assuming full responsibility for the use, or misuse, of the purchase card program.
- Determining the appropriate level of spending for each cardholder subject to ARC procedures. If credit worthiness standards are mandated by the Department of the Treasury, ARC will establish and monitor the limits of cardholders as set forth in the directive.
- Retaining full management control in dealing with the cardholder in instances of fraud, waste, or abuse.

Billing Information
All simplified acquisition work will be fixed price. However, contracts will be priced on a variable basis, with ARC tracking time spent and billing in hourly increments based on the rates to be provided if contract service is requested. Travel and other expenses, such as FedEx, will be billed as incurred.

HUMAN RESOURCE SERVICES

Introduction

This agreement provides an outline of the human resources services to be provided Treasury Inspector General for Tax Administration (TIGTA) on a reimbursable basis by Public Debt's Administrative Resource Center (ARC).

LABOR & EMPLOYEE RELATIONS SERVICES

Employee Relations

Employee Relations services include:

- Providing day-to-day advice and guidance in dealing with conduct and performance problems.
- Preparing actions and notices, including:
  - Counseling notices (formal and informal).
  - Leave restriction notices.
  - Disciplinary actions (suspensions of 14 days or less, admonishments, and reprimands).
  - Adverse actions (suspensions of 15 days or more, furloughs, reductions-in-grade, and removals).
  - Performance based actions (Performance Improvement Plan, demotion, removal, denial of within grade increase).
- Providing a human resources specialist for technical assistance to support the customer agency in subsequent litigation (MSPB appeals, Special Counsel activity, etc.) that might result from the above actions. (This does not include EEO complaints.)
- Handling and processing employee complaints through an established grievance procedure or alternative dispute resolution process.
- Providing assistance in unemployment compensation hearings.
- Processing performance appraisals.
- Administering the performance management program.
- Providing administrative support by distributing confidential financial forms and forwarding completed forms to TIGTA.

BENEFIT SERVICES

Employee Benefits and Retirements

Comprehensive services include:

- Advising and counseling on benefits programs (TSP, FEHB, FEGLI, Retirement, FSA, LTCIP).
- Advising and assisting employees in completing benefit forms, including retirement packages.
- Distributing FEHB open season information through a subcontract. (Subcontractor charges are included in this agreement.)
- Providing new employee orientation information and conducting an automated new employee program excluding administering the Oath of Office. (Orientation sessions will be held the first Monday of the pay period unless it is a holiday or the employee is in relocation travel status.)
- Providing benefits information to separating employees.

Awards

Comprehensive services include:

- Processing awards (time-off, length of service, gainsharing, special act or service, and external awards).
- Providing award certificates to the customer agency for signature.
- Notifying the customer agency (via e-mail) of award payout dates.

ARC will follow TIGTA policies in administering the awards program.

RECRUITMENT & CLASSIFICATION SERVICES

Classification

Classification services include:

- Assisting managers in describing duties and responsibilities and finalizing PDs. Providing sample PDs when available, and assisting with identifying criteria to support certain grade levels.
- Classifying a full range of PDs at all levels. Management must certify that the duties and responsibilities reflected in position descriptions are accurate. Classification requests must be submitted before ARC can finalize a classification action.
- Conducting desk audits. Desk audits are conducted only upon management's request. Our philosophy is that managers are responsible for the accuracy of the PDs in their organizations. Employees, who feel that their PDs are inaccurate, should first address their concerns with their management. If the differences cannot be worked out at that level, then management should contact us for assistance. We will facilitate documenting the duties and responsibilities properly and determine that the duties and responsibilities written in a PD are properly classified. If an employee does not feel that his or her PD is properly classified, then we will provide advice and guidance on the appeal process.
- Determining FLSA and competitive level designations.
- Providing advice and guidance in position management and reorganizations upon request. Management retains position management authority.
- Applying new classification standards to existing positions

Staffing

Staffing services will be accomplished in accordance with the customer agency's merit staffing plan for nonbargaining unit employees and any negotiated agreement between the customer and employee unions that exist. Filling positions with candidates from the general public will be accomplished in accordance with the BPD's delegated examining unit authority as delegated by OPM through the Department of the Treasury. ARC's standard DEU procedures will apply. Recruit requests must be submitted before ARC can announce a position.

Staffing services include:

- Assisting managers with decision on advertising vacancies.
- Preparing vacancy announcements and uploading to OPM's USAJOBS web site. Upon request, ARC will advertise through sources other than the USAJOBS web site (e.g., newspapers, professional journals etc.). The customer agrees to pay for any associated charges.
- Assisting managers on developing evaluation criteria (crediting plans, questions for automated staffing systems, etc.)
- Determining eligibility and minimum qualifications.
- Providing guidance to raters.

- Preparing certificates of eligibles.
- Finalizing selections and sending confirmation letters.
- Administering special emphasis hiring programs (e.g., Student Career Employment Program, Veterans Programs).
- Setting pay, including providing guidance on pay flexibilities (e.g., recruitment bonuses, retention bonuses, superior qualifications appointment).
- Preparing career ladder promotion ticklers.
- Responding to applicant inquiries regarding outcome of vacancy announcements.

The customer agency will provide subject matter experts (SMEs) to work with an ARC specialist in filling vacancies particularly in preparing crediting plans and defining specialized experience, and finalizing position descriptions. SMEs will rate candidates for vacancies if rating is required.

Recruiting from the general public for some types of positions may require additional service charges from OPM (e.g., recruiting for positions covered by the Luevano Consent Decree (ACWA), facilitating large volume hiring). ARC will notify the customer agency in advance if it becomes necessary to incur these service charges. (The customer agency agrees to pay these OPM service charges.)

Miscellaneous

Additional services include:
Providing data to the customer agency to meet annual reporting requirements as requested by Treasury.
Coordinating and documenting any Reduction-In-Force (RIF) (e.g., creating and maintaining retention registers, issuing letters, providing information on priority placement programs).

PERSONNEL PROCESSING SERVICES

Personnel/Payroll Action Processing

Managers of the customer agency must initiate Requests for Personnel Actions. HRConnect will be used for all actions. Except for recruitment and classification requests, all personnel actions must be received by ARC Human Resources by close of business on Monday before the effective date of the action. Actions that are not received within this timeframe will be processed the following pay period. All documentation for selections must be received by close of business on Monday before the effective date of the hire.

Processing

Comprehensive services, include:

- Processing all SF-52s including input to the National Finance Center (NFC).
- Handling all contact with NFC who will be the payroll service provider. (The customer agency agrees to pay NFC and HRConnect charges.)
- Processing withholding documents not input directly to Employee Express. (The customer agency agrees to pay Employee Express charges.)
- Preparing certification letters for WGI and probationary periods.
- Obtaining SF-75 information on new hires.
- Recurring internal and external reports as specified by the customer agency.
- Processing administrative payments (e.g., student loan repayments)

Maintaining Official Personnel Files (OPFs) and Employee Performance Files (EPFs)

Services to be provided in this area for employees include:

- Processing SF-50s and provide a copy to the employee and supervisor.
- Maintaining the Official Personnel File (OPF) and the Employee Performance file (EPF) for each employee in accordance with the OPM guidance on filing and disposition.
- Obtaining the OPF from the current servicing agency for new employees.

Security and Disclosure

Upon entering into this agreement, the customer agency delegates to ARC the authority to disclose information maintained by ARC for the customer agency to those individuals who have a need for the record in the performance of their duties and to the customer agency to respond to EEO and FOIA requests. The customer agency also delegates to ARC the authority to provide to employees the information maintained in their own Official Personnel Folder and to reply to employment verification requests when authorized by the employee either directly or via "Work Number of Everyone" (The customer agency agrees to pay "Work Number for Everyone" charges. Requests for information, including Freedom of Information Act requests, not covered by these situations will be referred to the customer agency.

This authority also includes input and storage of information in Public Debt's electronic systems (e.g. E52) and the U.S. Department of Agriculture, National Finance Center, Personnel/Payroll System. Access to these systems is controlled by logins and passwords in accordance with relevant laws, regulations, and policies (e.g., security requirements, Privacy Act)

PAY & LEAVE SERVICES

Pay and Leave

ARC will provide the customer agency with an electronic time and attendance program to submit timecards. (Subcontractor charges for this system are included in this agreement.) Timecards must be certified by the customer agency by noon Eastern Time on Monday following the end of the pay period.

Services to be provided in this area include:

- Providing liaison services to timekeepers.
- Resolving time card errors.
- Auditing leave balances on separating employees.
- Monthly auditing of timekeeping records in a randomly selected office.
- Providing advice and guidance on leave programs.
- Administering the voluntary leave transfer program.
- The customer agency will handle exit processing and send a form to ARC authorizing release of any monies due the employee, including the lump-sum payment for unused annual leave. If the final salary payment is to be held, the customer agency will contact ARC as soon as possible, even if the form is not yet completed.
- Processing garnishments, child support, and alimony. TIGTA Counsel will be consulted only if there is a legal question about the action after ARC reviews it.

HR SYSTEM SERVICES

HR Systems Management

Services to be provided with regard to HR Connect include:

- Providing a help desk for HR Connect end users, including:
  - Walking users through the authentication process.
  - Unlocking user accounts when locked due to unsuccessful login attempts.
  - Assisting users with password changes and forgotten passwords.
  - Deleting and/or inactivating user ids upon request with required security documentation.
  - Assisting users in initiating, approving, and tracking actions in HR Connect.
  - Elevating problems and submitting system change requests to the HR Connect Program Office (HRCPO) help desk as appropriate.
- Serving as the liaison with HRCPO.
- Maintaining the HR Connect database tables.
- Providing HR Connect "Bureau Maintenance" role functions including:
  - Reassigning worklist items when necessary.
  - Establishing, maintaining, and deleting routing rules as necessary.
  - Adding and removing security roles/access levels to user profiles as needed due to changes in work assignments.
- Serving as the HR Connect "Reports To" administrator by making individual and group changes to "Reports To" fields to ensure that the "People and Positions" display is correct for all managers.
- Communicating all system events and outages to ensure that the appropriate representatives are aware of outages and other system events that may impact the availability of HR Connect.
- Providing guidance and training on using HR Connect.
- Representing the customer agency at HR Connect meetings.

WebTA Platform System Services

System Description

WebTA
WebTA is a federalized time and attendance system provided by Kronos, Inc. WebTA allows for employee or timekeeper entry of time and attendance data. WebTA also allows for the electronic creation, routing, and approval of leave and premium pay requests. WebTA is designed to interface with USDA's National Finance Center (NFC).

Oracle Discoverer Viewer
Oracle Discoverer Viewer is the web accessible reporting tool that ARC provides customer agencies in conjunction with WebTA. Oracle Discoverer Viewer allows users access to real-time data in predefined reports. The user may also download the reports to spreadsheet or other desktop applications. ARC personnel can handle requests for creation or modification of reports.

System Operation and Support

System Administration
ARC provides full system administration of the WebTA platform. These system administration responsibilities include the following:

- ARC will acquire and implement all hardware and software to support a complete installation of the WebTA application.
- ARC will maintain the hardware and software in support of WebTA.
- ARC will operate and maintain the system, which includes periodic upgrades and maintenance.

- ARC will serve as the overall system administrator of the application and support those users with HR administration rights within WebTA.
- ARC will maintain a security program to ensure strong internal controls over the system.
- ARC will work to ensure connectivity between the customer agency and the WebTA system located at ARC. Customer agencies are expected to use up-to-date anti-virus software on all computers accessing our applications.

System Training
ARC will work with the customer agency to develop a detailed training plan that is mutually acceptable. ARC can provide a mix of hands-on and conference room training. ARC can provide a training facility in the DC area or train at the customer location assuming adequate facilities exist. On-line or remote training is also an option where appropriate.

System Help Desk
ARC will provide complete help desk services to answer all system questions from the user community. Telephone support will be available between the hours of 7:30am until 4:30pm Eastern, Monday through Friday.

System Backups
System backups are performed nightly and stored onsite for two weeks. After two weeks complete backups are sent offsite.

Software Maintenance
Kronos provides maintenance and upgrades to the software as improvements are made or problems encountered. The annual software maintenance fees that are incurred by ARC are passed along to customer agencies. ARC will evaluate system patches and upgrades as they become available, and will implement those where the added functionality is deemed worthy of the effort.

System Availability

Hours of Operation and Support

- The application availability hours are 4 a.m. to 12:00 a.m. Monday thru Saturday per week, with the exception of required maintenance periods. The system is not available from 12:00 a.m. Saturday thru 4:00 a.m. Monday. Note: All times in this agreement are Eastern Standard Time.
- While the application will generally be available during the above hours, normal business hours for technical support of this application are 8 a.m. to 4:30 p.m. Monday through Friday. On-call support is available outside these hours.
- After hours support will be provided when it is deemed necessary by ARC management.
- Required hours for system related maintenance are:
  - Daily maintenance - 12 a.m. to 4 a.m. Monday through Saturday. The system will not be available during these hours. Sunday is also available for maintenance.
  - Network Maintenance - 6 p.m. to 8 p.m. on Tuesdays and Wednesdays, when necessary. In most cases, network maintenance (Tues. and Wed.) will not affect customer utilization of the application.
  - Nightly backup – 12:00 a.m. until 4 a.m. The system will not be available during these hours Monday through Saturday.

Agreement # : 2051IA06013

Bureau of the Public Debt
Administrative Resource Center

Treasury Inspector General for Tax Administration
Cost Schedule
10/01/05 - 9/30/06

	One Time Costs *	Annual Fixed Costs	Annual Variable Costs	Total Agreement Costs
Financial Management Services				
Accounting Services	$0	$531,159	$0	$531,159
Accounting System Services	0	156,583	0	156,583
Total Financial Management Services	$0	$687,742	$0	$687,742
Travel Services	$0	$532,663	$21,200	$553,863
Procurement Services				
Contract Services	$0	$0	$0	$0
Simplified Acquisition Services	0	167,609	0	167,609
Procurement System Services	0	26,295	0	26,295
Total Procurement Services	$0	$193,904	$0	$193,904
Human Resource Services				
Labor & Employee Relations Services	$0	$149,140	$0	$149,140
Benefits Services	0	217,801	0	217,801
Recruitment & Classification Services	0	389,220	0	389,220
Personnel Processing Services	0	348,298	0	348,298
Pay & Leave Services	0	172,351	0	172,351
HR System Services	19,183	132,496	0	151,679
Total Human Resource Services	$19,183	$1,409,306	$0	$1,428,489
Total Services	**$19,183**	**$2,823,615**	**$21,200**	**$2,863,998**

* Breakdown of One Time Costs	# of Licenses	Cost Each	Total Cost
Human Resource Services - WebTA Licenses	868	$22.10	$19,183

Agreement # : 2051IA06013

Bureau of the Public Debt
Administrative Resource Center

Treasury Inspector General for Tax Administration
Supplemental Cost Schedule for Variable Costs
10/01/05 - 09/30/06

	Per Item Cost	Estimated Volume	Estimated Cost NTE *
Travel Services			
Relocation - Transfer Domestic	$2,650	8	$21,200
Relocation - Transfer International	$3,000	0	$0
Relocation - New Appointee	$1,400	0	$0
Total Variable Costs			**$21,200**

* Variable Costs are set as Not -to-Exceed (NTE). In other words, ARC will not bill more than the stated amount unless a modification is agreed to cover the additional costs.