Office of the Inspector General
Corporation for National and Community Service

Audit of Corporation for National and Community Service Contract No. CNCS-94-004 and 97-743-1006 with Aguirre International

OIG Audit Report Number 00-02
September 8, 1999

Prepared by:
Cotton & Company, LLP
333 North Fairfax Street, Suite 401
Alexandria, Virginia 22314

Under Department of State OIG
Contract # S-OPRAQ-99D-0021-CNS-03

This report was issued to Corporation management on November 30, 1999. Under the laws and regulations governing audit follow up, the Corporation must make final management decisions on the report's findings and recommendations no later than May 29, 2000, and complete its corrective actions by November 30, 2000. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

Office of the Inspector General
Corporation for National and Community Service

CORPORATION
FOR NATIONAL
SERVICE

Corporation for National and Community Service Contracts No. CNCS-94-004 and 97-743-1006 with Aguirre International (OIG Audit Report Number 00-02)

Cotton & Company, LLP, under contract to the Office of the Inspector General, audited the amounts claimed by Aguirre International under Contract No. CNCS-94-004 and 97-743-1006. The audit covered the costs claimed during the period from October 1, 1994 to May 31, 1999. The Corporation awarded Contract No. CNCS-94-004 for the period October 1, 1994, to November 30, 1998. The Corporation awarded Contract No. 97-743-1006 for the period September 26, 1997, to September 30, 2002. The audit included tests to determine whether costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the respective contracts. We reviewed the report and work papers supporting its conclusions and agree with the findings and recommendations presented.

The auditors questioned $7,279 (less than one percent) of costs claimed under the two contracts. However, $293,010 of indirect costs for 1997 and 1998 are unresolved. Aguirre International claimed indirect costs based on the provisional indirect cost rates in its negotiated indirect cost rate agreement, dated November 19, 1998, with the U.S. Agency for International Development (AID), its cognizant Federal agency. These rates are not finalized and, as a result, the claimed indirect costs are subject to revision.

The auditors also found a material weakness in Aguirre International's internal control structure related to these training costs. Aguirre International bills costs related to some software training courses attended by its employees directly to Corporation and other Government contracts. Aguirre International uses these software packages on other contracts and to perform indirect functions, and its employees can reasonably be expected to use the software on other direct or indirect activities. Accordingly, employee training costs related to the use of these software packages should be treated as indirect costs.

Additional information on the questioned costs, as well as the compliance and internal control findings, are discussed in detail in this report.

In its response to a draft of this audit report, Aguirre International disagreed with the questioned costs. Aguirre International's response is included as Appendix A and summarized after each finding as appropriate. The Corporation's response to a draft of this report is included as Appendix B. In its response, the Corporation stated that it had reviewed the draft but did not have specific comments.

Inspector General
1201 New York Avenue, NW
Washington, DC 20525

OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
AUDIT REPORT NO. 00-02

AUDIT OF CORPORATION FOR NATIONAL AND COMMUNITY SERVICE CONTRACT NO. CNCS-94-004 AND NO. 97-743-1006 WITH AGUIRRE INTERNATIONAL

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September 8, 1999

Inspector General
Corporation for National and Community Service

We audited costs claimed by Aguirre International to the Corporation for National and Community Service under Contracts No. CNCS-94-004 and 97-743-1006 for the period October 1, 1994, through May 31, 1999. The Corporation awarded Contract No. CNCS-94-004 for the period October 1, 1994, to November 30, 1998. This is a cost-plus-fixed-fee contract, under which Aguirre International performed assessments of community and participant impacts. The Corporation awarded Contract No. 97-743-1006 for the period September 26, 1997, to September 30, 2002. This is a time-and-materials contract, under which Aguirre International performs program evaluation activities[1].

The audit objectives were to determine if: (1) costs claimed were allowable and were incurred for actual contract effort, adequately supported, and charged in accordance with Aguirre International's cost accounting system, contract terms, applicable laws and regulations including the *Federal Acquisition Regulation*, and applicable cost accounting standards; (2) Aguirre International complied with contract terms and conditions; and (3) Aguirre International's accounting system and system of internal accounting control were adequate for purposes of this contract.

We performed the audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the amounts claimed against the contracts, as presented in the Schedule of Contract Costs, are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by the auditee, as well as evaluating the overall financial schedule presentation. We believe our audit provides a reasonable basis for our opinion.

[1] The Corporation also awarded Cooperative Agreements No. 95CA000032 and 96CA000002 to Aguirre International. Under the Cooperative Agreements, Aguirre International was responsible for providing training and technical assistance to Americorps grantees and State Commissions. Costs claimed under these Cooperative Agreements were not included in the scope of our audit.

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RESULTS IN BRIEF

Costs Claimed

We questioned $7,288 of costs billed under the two contracts. Our opinion on the Schedule of Contract Costs is qualified as the result of the questioned costs.

We questioned $2,765 of the $634,394 billed under Contract No. 97-743-1006. As described in the Schedule of Contract Costs, Aguirre International claimed consultant handling costs that were not in accordance with contract terms and conditions.

We questioned $4,523 of the $3,050,845 billed under Contract No. CNCS-94-004. As described in the Schedule of Contract Costs, Aguirre International claimed costs of training courses attended by its employees working on the contract. In addition to the tuition costs, we questioned the direct labor, other direct, and associated indirect costs related to the training courses.

The Schedule of Contract Costs provides additional information on these questioned costs based on the results of our audit.

We also classified $293,010 of indirect costs claimed for 1997 and 1998 as unresolved. Aquirre International claimed indirect costs based on the provisional indirect cost rates in its negotiated indirect cost rate agreement, dated November 19, 1998, with the U.S. Agency for International Development, its cognizant Federal agency. These rates are not finalized and, as a result, the claimed indirect costs are subject to revision.

Compliance

The results of our tests of compliance disclosed a material instance of noncompliance for which we are recommending corrective action. Aguirre International claimed costs associated with employee training and consultant handing costs that were unallowable and unallocable under contract terms and conditions and the *Federal Acquisition Regulation*.

Internal Control

We noted a matter involving Aguirre International's internal control structure and its operations that we consider a material weakness under standards established by the American Institute of Certified Public Accountants: Aguirre International bills costs related to some training courses attended by its employees directly to Corporation and other Government contracts. The courses include training on the use of the software packages such as Introduction to SAS Systems (Statistical Analysis Software), Excel 5.0 for Windows, and Lotus Notes. Aguirre International uses these software packages on contracts and to perform indirect functions, and its employees can reasonably be expected to use the software on other direct or indirect activities. Accordingly, employee training costs related to the use of these software packages are indirect costs in accordance with FAR 31.203, Indirect Costs.

Response to Draft Report

In its response, Aguirre International disagreed with all of the questioned costs. Aguirre International's response is included as Appendix A. Aguirre International's responses to specific findings are included after each finding, as appropriate. The Corporation's response to the draft report is included as Appendix B. In its response, the Corporation stated that it reviewed the draft report, but did not have specific comments at this time.

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By: _____
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September 8, 1999

Inspector General
Corporation for National and Community Service

INDEPENDENT AUDITORS' OPINION

We audited costs claimed by Aguirre International to the Corporation for National and Community Service under Contract No. CNCS-94-004 for the period October 1, 1994, through November 30, 1998, and Contract No. 97-743-1006 for the period September 26, 1997, through May 31, 1999. The Corporation awarded Contract No. CNCS-94-004 for the period October 1, 1994, through November 30, 1998, and Contract No. 97-743-1006 for the period September 26, 1997, to September 30, 2002. Costs claimed are summarized in the Schedule of Contract Costs. Costs claimed summarized in the Schedule are the responsibility of Aguirre International management. Our responsibility is to express an opinion on costs shown in the Schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial schedules. It also includes assessing accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audit provides a reasonable basis for our opinion on costs claimed.

This schedule is intended to present allowable costs incurred under the contract in accordance with the *Federal Acquisition Regulation* and contract terms and conditions. Therefore, it is not intended to be a complete presentation of Aguirre International's revenues and expenses.

In our opinion, except for questioned costs in the schedule, the Schedule of Contract Costs, referred to above presents fairly, in all material respects, costs claimed by Aguirre International for the audit period October 1, 1994, through May 31, 1999, in conformity with the *Federal Acquisition Regulation* and contract terms and conditions.

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In accordance with *Government Auditing Standards*, we have also issued reports dated September 8, 1999, on our consideration of Aguirre International's internal control structure and on its compliance with laws and regulations.

This report is intended solely for the use of the Office of the Inspector General, the Corporation for National and Community Service, and Aguirre International management.

COTTON & COMPANY, LLP

By: _____
Michael W. Gillespie, CPA

FINANCIAL SCHEDULE

SCHEDULE OF CONTRACT COSTS

Corporation for National and Community Service Contracts With Aguirre International

Contract No. CNCS-94-004
October 1, 1994, through November 30, 1998

	Claimed Cost	Questioned Costs	Unresolved Costs	Notes
Direct Labor	$ 815,548	$1,121		1
Consultant	599,866			
Subcontractors	97,634			
Paid Leave	112,373	155	$ 30,782	1,2
Fringe Benefit	194,863	268	52,119	1,2
Indirect	762,205	1,057	210,109	1,2
Other Direct Costs	228,802	1,781		1
Travel	239,554	141		1
Total Costs	$3,050,845	$4,523	$293,010	
Fixed Fee	200,120			
Total Costs	$3,250,965			

Contract No. 97-743-1006
September 26, 1997, through May 31, 1999

	Claimed Costs	Questioned Costs	Note
Salaries & Wages	$562,000		
Consultant	18,722		
Consultant Handling Cost	2,765	$2,765	3
Subcontractors	11,316		
Travel	4,997		
Other Direct Costs	34,594		
Total Costs	$634,394	$2,765	

NOTES TO THE SCHEDULE OF CONTRACT COSTS

1. Aguirre International billed $1,781 for training courses attended by its employees working on the contract. The courses attended provided training on the use of the following software packages: Introduction to SAS Systems (Statistical Analysis Software), Excel 5.0 for Windows, and Lotus Notes. In addition to tuition costs, Aguirre International billed $2,742 for labor and other costs incurred by its employees attending the courses.

   Aguirre International's Chief Financial Officer stated that most training costs are generally charged as indirect costs; if the training course benefits only one particular project, however, then it is charged directly to that project. However, Aguirre International uses these software packages on other projects and for indirect functions, and its employees can reasonably be expected to use the software on other direct or indirect activities. Accordingly employee training costs related to the use of these software packages are indirect costs in accordance with FAR 31.203, Indirect Costs. In addition, the Corporation had the reasonable expectation that employees working on the contract have the basic skills necessary to perform work under the contract.

   We questioned unallocable costs of $4,523.

   Aguirre International Comments. In its response to the draft report, Aguirre International stated that they believe these costs were allocated consistent with the FAR because they were incurred specifically to perform the contract and that they should not be treated as indirect costs. Aguirre International also stated that the software packages are being used on other projects. Aguirre International further stated that in accordance with FAR 31.205-44(b) training courses on SAS statistical tools, Lotus Notes, and Excel are necessary to increase the staff's vocational effectiveness, and therefore should be allowable.

   Auditors' Additional Comments. Aguirre International stated in its comments that the training costs are allocable under FAR 31.205-44(b), and because they were incurred originally to perform under the contract, should be treated as direct. However, Aguirre conceded that the software packages are being used by other projects. Therefore the training training costs associated with these software packages are not unique to the contract and should be considered indirect costs in accordance with FAR 31.203. Accordingly, the finding remains as stated.

2. We classified $293,010 of indirect costs claimed for 1997 and 1998 as unresolved. Aguirre International claimed indirect costs based on the provisional indirect cost rates in its negotiated indirect cost rate agreement, dated November 19, 1998, with the U.S. Agency for International Development (AID), its cognizant Federal agency. The provisional indirect cost rates are 70.87 percent for overhead, 21.00 percent for fringe, and 14.01 percent for leave. These rates are not finalized and, as a result, the claimed indirect costs are subject to revision.

The 1997 indirect cost rate audit was completed on September 22, 1999. However an indirect cost rate agreement has not been negotiated with AID. The 1998 indirect cost rate proposal was submitted to AID on June 29, 1999; however an audit has not been scheduled.

3. Aguirre International billed $2,765 of "Consultant Handling Costs" that it based on a 14.77-percent rate applied to consultant costs billed. Aguirre International's indirect cost rate structure includes fringe benefit, paid leave, and overhead rates with labor bases. It does not have a general and administrative (G&A) or a material handling rate. Contract Section B.2, Compensation, states that:

> "The contractor will also be reimbursed for any other allowable direct costs (ODCs) including, if applicable, a reasonable and allocable material handling cost according to the Contractor's usual accounting practices with Subpart 31.2 of the FAR. No profit will be paid on any ODCs."

Aguirre International's Chief Financial Officer stated that it clearly disclosed the consultant multiplier in the cost proposal and invoices submitted to the Corporation. Further, they thought the Corporation had agreed to the 14.77-percent rate, and that the rate was fixed rather than based on an actual indirect cost rate.

We questioned unallowable costs of $2,765.

Aguirre International Comments. In its response to the draft report, Aguirre International stated that a consultant handling charge was included in its original proposal to the Corporation and that consultant effort is normally included as labor in indefinite quantity contracts and these costs are covered in the burdened rates. However, per the terms of this contract, consultants are treated as other direct costs. Therefore they proposed a handling charge on consultants to provide consistency in the accounting treatment for consultants. They also stated that the material handling charge results in indirect expenses being allocated to this contract in a similar manner as other Aguirre contracts.

Auditors' Additional Comments. Although Aguirre International's original business proposal did discuss an "Administrative Charge" to be added to consultant fees, the charge was not discussed in the contracting officer's negotiation memorandum and was not incorporated into the contract. In fact, as discussed above, Contract Section B.2 specifically prohibits material handling costs if it is not in accordance with Aguirre International's usual accounting practices. Further, Aguirre International's indirect cost rate structure does not include a G&A or material handling rate, all of its indirect costs are allocated to contracts based on direct labor costs. Therefore an "administrative charge" added to other direct costs or consultants is profit which is unallowable in accordance with FAR 16.102, which prohibits cost-plus-a-percentage-of-cost contracts. Accordingly, the finding remains as stated.

INDEPENDENT AUDITORS' REPORTS ON COMPLIANCE AND INTERNAL CONTROL STRUCTURE

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September 8, 1999

Inspector General
Corporation for National and Community Service

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

We audited costs claimed by Aguirre International to the Corporation for National and Community Service under Contract No. CNCS-94-004 for the period October 1, 1994, through November 30, 1998, and Contract No. 97-743-1006 for the period September 26, 1997, through May 31, 1999, and have issued our report thereon dated September 8, 1999. The Corporation awarded Contract No. CNCS-94-004 for the period October 1, 1994, to November 30, 1998, and Contract No. 97-743-1006 for the period September 26, 1997, to September 30, 2002.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial schedules are free of material misstatement.

Compliance with applicable laws and regulations related to the contracts is the responsibility of Aguirre International's management. As part of obtaining reasonable assurance that costs are free of material misstatements, we performed tests of compliance with certain provisions of laws and regulations related to the contracts. Our objective was not, however, to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests of compliance regarding claimed costs disclosed the following material instance of noncompliance that is required to be reported herein under *Government Auditing Standards*. Aguirre International claimed costs associated with employee training and consultant handing costs that were unallowable and unallocable under contract terms and conditions and the *Federal Acquisition Regulation*.

[illegible] • [illegible] • [illegible] • E-MAIL: [illegible]@COTTONCPA.COM

We recommend that the Corporation direct Aguirre International to limit claimed costs to those allowable under applicable cost principles and contract provisions.

We considered the above material instance of noncompliance in forming our opinion on whether Aguirre International's costs claimed under the contracts for the period October 1, 1994, through May 31, 1999, are presented fairly, in all material respects, pursuant to contract terms and conditions and the *Federal Acquisition Regulation*. Because of the material instance of noncompliance, our opinion on the Schedule is qualified.

This report is intended solely for the use of the Office of the Inspector General, the Corporation for National and Community Service, and Aguirre International management.

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September 8, 1999

Inspector General
Corporation for National and Community Service

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

We audited costs claimed by Aguirre International to the Corporation for National and Community Service under Contract No. CNCS-94-004 for the period from October 1, 1994, through November 30, 1998, and Contract No. 97-743-1006 for the period from September 26, 1997, through May 31, 1999, and have issued our report thereon dated September 8, 1999. The Corporation awarded Contract No. CNCS-94-004 for the period October 1, 1994, to November 30, 1998, and Contract No. 97-743-1006 for the period September 26, 1997, to September 30, 2002.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial schedules are free of material misstatement.

Aguirre International's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial schedules in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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In planning and performing our audit, we obtained an understanding of Aguirre International's internal control structure. We obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of expressing an opinion on claimed costs and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a matter involving the internal control structure and its operation that we consider a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect an organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedules. The reportable condition follows.

Aguirre International bills cost related to some training courses attended by its employees directly to Corporation and other Government contracts. The courses include training on the use of the software packages such as Introduction to SAS Systems (Statistical Analysis Software), Excel 5.0 for Windows, and Lotus Notes. Aguirre International uses these software packages on contracts and to perform indirect functions, and its employees can reasonably be expected to use the software on other direct or indirect activities. Accordingly, employee training costs related to the use of these software packages are indirect costs under FAR 31.203 Indirect Costs.

We recommend that the Corporation direct Aguirre International to revise its policies and procedures to state that training costs for the use of general software are not directly billable to Government contracts.

We believe the matter described above is a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

This report is intended solely for the use of the Office of the Inspector General, the Corporation for National and Community Service, and Aguirre International management.

COTTON & COMPANY, LLP

By: _____

Michael W. Gillespie, CPA

APPENDIX A

AGUIRRE INTERNATIONAL'S RESPONSE

AGUIRRE INTERNATIONAL
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November 8, 1999

Mr. Michael Gillespie, CPA
Cotton and Company
333 North Fairfax Street
Suite 401
Alexandria, VA 22314

REF: Audit of Corporation for National Service
Contract Nos. CNCS 94-004 and 97-743-1006

Dear Mr. Gillespie:

Attached please find Aguirre International's response to the audit findings referenced above.

Aguirre International devotes considerable time and effort, through it's personnel resources and management systems (financial, contractual, etc), to comply and adhere to the regulatory requirements of the federal government applicable to government contractors. I believe this commitment is reflected in the overall positive audit results of your report that included an extensive review of our records covering up to five years of data, including consultant/contracting supporting documentation, and close to four million in combined contract costs.

I want to thank you for the opportunity to submit our responses to the questioned costs in your audit report.

Sincerely,

Edward Aguirre

Edward Aguirre
President

I. Training Cost

Allocability issue:

In response to the questioned cost of $4,523 related to training, we feel strongly that these costs are allocated consistent with the FAR regulation. These training costs were incurred specifically to perform contract # CNCS-94-004. Per the FAR regulation on allocating direct and indirect costs sub-parts 31.202 and 31.203, " A direct cost is any cost that can be identified specifically with a particular final cost objective," and "An indirect cost is any cost not directly identified with a single, final cost objective, but identified with two or more final cost objective or an intermediate cost objective." Also, per FAR 31.204-4 on determining allocability, "....a cost is allocable to a Government contract if it – (a) Is incurred specifically for the contract." Since we were able to identify one single cost objective, these training costs should not be treated as indirect costs.

Although the software packages are being used by other projects, the staff that attended the training sessions were trained to specifically perform the contract tasks (#CNCS 94-004); therefore, we have determined these costs as direct costs and allocated them directly to the contract. *In addition, contract clauses do not limit training costs*. In this case, we feel that we have made a good judgment in allocating these training costs; therefore, it does not constitute a weak internal control policy.

Allowability issue:

Per FAR 31.205-44 (b), "Vocational training. Costs of preparing and maintaining a non-college level program of instruction, including but not limited to on-the-job, classroom, and apprenticeship training, designed to increase the vocational effectiveness of employees, are allowable." We feel that training courses on SAS statistical tools, Lotus Notes and Excel are necessary to increase the staff's vocational effectiveness, therefore should be allowable.

II. Consultant Handling Cost, Contract 97-743-1006

A consultant handling charge was included in our original proposal to the Corporation for National Service dated May 28, 1997. Normally, consultant effort is included as labor in indefinite quantity contracts we administer and these costs are covered in the burdened rates. However, per the terms of this contract, consultants are treated as other direct costs. Therefore, we proposed a handling charge on consultants to provide consistency in our accounting treatment for consultants recognizing that the processing of consultants involves significant administrative expenses (as noted in our proposal). We anticipate administering many task orders that will require hiring a significant number of consultants (based on prior experience with task order type contracts). As a result, we proposed a material handling charge for consultants specific to this effort consistent with Subpart 31.2 of the FAR, in accordance with the terms of the RFP. It is important to note that the material handling charge results in indirect expenses being allocated to this contract in a similar manner as other Aguirre contracts.

Since award of the contract, Aguirre International has fully disclosed this charge as a separate line item on all our task order invoices to the Corporation, which is applied to the subtotal of consultant expenses. It was Aguirre International's understanding that our proposal to apply a handling charge to consultants in our business proposal was acceptable to the Corporation and was considered to be within the terms and conditions of the RFP and the resulting contract containing the same language.

We request that our proposed accounting method of allocating a material handling charge be accepted consistent with the intent of FAR 31.109 and 31.203(d)(1).

APPENDIX B

THE CORPORATION'S RESPONSE

CORPORATION
FOR NATIONAL
SERVICE

MEMORANDUM

DATE: November 12, 1999

TO: Luise Jordan, OIG

FROM: Mary Caldwell for
Simon G. Woodard, Director, Procurement Services

cc: Wendy Zenker, COO
Wilsie Minor, Assistant General Counsel

SUBJECT: Request for comments on Draft Report 00-02, Audit of Corporation for National Service Contract with Aguirre International

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We have reviewed the draft report pertaining to the performance of Aguirre International under Corporation contracts CNCS-94-004 and 97-943-1006. Our review was limited to information contained in the report and we have not yet conducted a comprehensive review nor obtained comments from the contractor. We will do so during the audit resolution process and will address the findings and recommendations in the final management decision. Therefore, we are not providing detailed comments at this time.