

SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN

Document Receipt and Control Center (DRCC)



Part 1 System Write-up

DRCC (Document Receipt and Control Center)

CHANNEL:	Schools
BUSINESS MANAGER:	Suzanne Duvall
COTR:	Gregory James
CONTRACTOR:	Friday Systems [8(a)]
CONTRACT NUMBER:	ED-98-C-0001
CONTRACT AWARD DATE:	December 31, 1997
CONTRACT EXPIRATION DATE:	January 31, 2000
ANNUAL CONTRACT COSTS:	\$1.8 million

DRCC is an attempt to centralize the school functions. This is supposed to be a one-stop-shopping center for schools. Friday Systems is a small disadvantaged business certified under the Small Business Administration's 8(a) program. Friday Systems performs all the functions under a cost plus fixed fee contract. Friday Systems just completed its second year under the contract. Prior to this contract the functions were performed by a large business (KPMG) under the GSA schedules.

DRCC currently utilizes information from the PEPS database system. DRCC is moving more into electronic format, which should eliminate a lot of paper for school eligibility and re-certifications. Schools access PEPS database to input eligibility and re-certification information. Hard copy of signature page is still required as well as hard copy of state license and accreditation papers. The goal is to setup the same flow for Financial Statements and Compliance Audits.

The DRCC System is a free-standing system (CAIRO), which logs in all incoming documents. There is a possibility of incorporating this into the PEPS system. PEPS may be able to do certain edits, which would provide electronic analysis of certain ratios and re-certification requirements that are currently being performed manually. In the short term this may increase costs but this should cut costs in the long run.

DRCC FUNCTIONS PERFORMED BY FRIDAY SYSTEMS

Mail Room: Provides front-end document receipt and log-in.

Analysis Function: Provides approximately 22 high-level accounting-type people with a high degree of expertise to perform compliance audits and Eligibility and Financial Statement Analysis. There is virtually 100% electronic application for re-certification. For schools which are considered deficient, this information is turned over to Case Management for resolution. Case management has about 270 Federal employees in 10 regions (130 employees at HQ – 140 in regions). All new applications go to Case Management. There is about a 20-25% deficiency audit rate and a similar percentage of deficiencies in financial statement reviews. (There is not a 100% overlap of these deficiencies). Also reviews 5500 (SFA Scholar Audits) and A133 – OMB non-profit organizations and State and Local Agency Audits.

File Room:. Provides official files (very large file room) utilized by Case Management oversight.

WHO USES DRCC?

External Users:

- Schools
- Other Federal Agencies
- State & Local Agencies

Internal Users:

- Case Management
- Risk Analysis
- NSLDS

ANNUAL CONTRACT COST – OFSA FUNCTION PERCENTAGES

The annual contract cost for DRCC is approximately \$1.8 million. The approximate percentages and annual cost for the base OFSA functions (as outlined in the OFSA Contracts/functions Matrix) are as follows:

Document Handling	20% (1)	\$.36 million
Analytical/ Management Support	80%	\$1.44 million

(1) – 5% for mailroom and 15% for fileroom

PLANNED ENHANCEMENTS

Electronic analysis of Financial Statement ratios and re-certification statistics

PROBLEMS

Overlap of information with PEPS

PLAN

The DRCC contract was competed in a “Full and Open” competition. Performance Based Contract was awarded to Friday Systems for 1 year with 3 (1-year) options.

Source Selection Information – See FAR 3.104