

From: **Whittaker, Frank M** <frank.m.whittaker@wv.gov>
Date: Fri, Dec 1, 2023 at 12:03 PM
Subject: Re: Emergency Purchase
To: Rosen, Bryan D <bryan.d.rosen@wv.gov>
Cc: Knapp, Samantha S <samantha.s.knapp@wv.gov>, Wagner, Roberta A <roberta.a.wagner@wv.gov>, Totten, Mark L <mark.l.totten@wv.gov>, Husted, Crystal G <crystal.g.husted@wv.gov>, Lyle, Tara L <tara.l.lyle@wv.gov>

Bryan,

Your emergency request to obtain a contract for accounting assistance for the agency requiring up to 10 accounting positions for a period of up to 1 year, at an estimated cost of \$1,500,000 is approved. This is not an approval to contract with any particular firm or vendor. Please follow all emergency procedures outlined in the Purchasing Division Procedures Handbook and return the completed contract to this office for posting.

On Fri, Dec 1, 2023 at 7:29 AM Rosen, Bryan D <bryan.d.rosen@wv.gov> wrote: Frank/Samantha, please see the attached quote for an emergency purchase for accounting support of DHHR. The estimated budget is \$1.5M. Based on conversations with our CFO I support the request to prevent the potential loss of federal funds.

If you need any additional information please let me know.

Bryan

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Frank Whittaker, CPPB, NIGP-CPP
Assistant Director
West Virginia Purchasing Division
2019 Washington Street, East
Charleston, WV 25305
(304) 558-2316
frank.m.whittaker@wv.gov



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health
Commissioner's Office

Sherri A. Young, DO, MBA, FAAFP
Interim Cabinet Secretary

Matthew Q. Christiansen, MD, MPH
Commissioner & State Health Officer

TO: Tara Buckner, Chief Financial Officer
WV Department of Health and Human Resources

FROM: Danny W. Thompson
Deputy Commissioner of Finance, Chief Financial Officer
Bureau for Public health

A handwritten signature in blue ink, appearing to read "D. W. Thompson", written over the printed name and title.

DATE: September 12, 2023

RE: Justification for contract for ten (10) accountants

BPH Central Finance is requesting a contract for ten (10) Accountants on an emergency basis for one year.

We are requesting accountants of the following levels in the following numbers:

- Three (3) GL/Transactional Accountants – to assist with AP/Purchasing/Sub-Grants financial coding and processing
- Four (4) Standard/Financial Accountants – to assist with Financial Reporting preparation, budgeting reviews and projections, and special report needs for specific office and programs
- Three (3) Grants Management Experts – to assist with Federal Grant applications, Federal Budget revisions, and Federal Reporting.

BPH Central Finance has been understaffed with accountants for quite some time. The agency has not been able to recruit good, qualified candidates, and has been working with HR to do special hiring events and special recruiting but has seen little success. Currently, having five (5) accountant vacancies in financial services, the lack of staff has created a backlog in work and without the ability to recruit and hire new staff, the backlog is getting worse.

I am requesting ten (10) accountants for the one year to be able to alleviate the backlog of work, while recruiting new staff, and allow time for proper training and process improvement to build better procedures to keep backlogs from happening in the future. Given this unprecedented opportunity, I feel it would be best to utilize this time of rebuilding staff to review processes, verify the processes meet the needs of the agency as we move through the restructuring, and help alleviate the extra burden this situation has created not only within BPH Central Finance but DHHR Central Finance as well.

Thank you!



Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive, Suite 800
McLean, VA 22102

November 21, 2023

Tara Buckner
Chief Financial Officer
State of West Virginia, Department of Health and Human Resources
One David Square, Suite 100 East
Charleston, WV 25301

Re: **Statement of Work** – Related to State Purchasing Terms and Conditions dated August 21, 2023

Dear Tara,

This Statement of Work (“SOW”) is provided to the State of West Virginia, specifically the Department of Health and Human Resources (“DHHR” or “Client”) for the services described below (the “Services”), which Services may be modified upon our mutual written agreement (email shall suffice).

Client acknowledges that Client previously executed the State’s Purchasing Terms and Conditions dated August 21, 2023, which are incorporated by reference into this SOW. The Services Agreement along with this SOW constitutes the Agreement for Professional Services (“Agreement”) between BDO USA (“BDO” or “we”) and Client.

To the extent there is any conflict or inconsistency between the Services Agreement and any SOW, unless otherwise agreed to in writing, the Services Agreement shall prevail.

The SOW is effective the date set forth above. Any term or condition incorporated into this SOW that is an addition to the terms and conditions contained in the Services Agreement applies only to the Services (described below) provided under this SOW.

Russian Ownership or Control

By executing this SOW, Client represents that the Client is not owned or controlled, directly or indirectly, by one or more Russian citizen(s), Russian national(s), persons physically located in Russia, or entity(ies) organized under the laws of Russia. Client agrees that if at any time while BDO is providing Services to the Client the foregoing representation is no longer true, Client will immediately notify BDO.

⁽¹⁾BDO USA refers to BDO USA, P.C., a Virginia professional corporation, also doing business in certain jurisdictions with an alternative identifying abbreviation, such as Corp. or P.S.C.

BDO USA, P.C. is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



Scope of Services

BDO agrees to provide the services as described below (“Services”):

- Conduct an assessment of the accounting operations within the Bureau for Public Health’s Finance office to:
 - Identify process gaps and inefficiencies
 - Evaluate resource needs and skillsets
 - Evaluate system capabilities and utilization
- Provide DHHR with a roadmap for enhancement of accounting operations, including assessment and quantification of needs regarding the people, processes, and technology.
 - Roadmap will include specific details and activities to help DHHR address gaps related to resourcing and technical knowledge.

We anticipate that the Services will be completed in approximately 12 - 16 weeks. Services will largely be performed remotely, which we believe is the most efficient approach for completion of the work scope, though we assume that we would conduct 2-3 site visits as part of this work. We are happy to discuss additional on-site activities as needed. Notwithstanding anything herein to the contrary, any timing set forth in this SOW is the estimated timing subject to dependencies, including without limitation, satisfaction of its obligations by Client.

In coordination with and likely resulting from the results of the assessment described herein, BDO will also provide staffing support in areas needing accounting resources. Such support will include augmenting existing vacant positions with transactional accounting resources as well as support for process redesign, implementation, and education of existing resources.

Any Service not specifically described in this SOW is outside the scope of this Agreement.

Assumptions

The following general assumptions have been made in the development of this SOW and its associated fees. All fees and expenses are contingent upon the accuracy of these assumptions and are subject to change if any of the assumptions is/are incorrect. These assumptions should be carefully reviewed by DHHR to verify accuracy. To the extent that the assumptions described in this arrangement are not met or turn out to be inaccurate, the cost and delivery schedule of the services may be impacted. If this occurs, DHHR agrees to negotiate in good faith to mutually develop a work-around plan, revised schedule and revised fees.

- ▶ BDO will be able to hold information-gathering sessions with key DHHR personnel to gather information required for creating project deliverables in a timely manner.
- ▶ DHHR will provide BDO with copies of any existing documentation describing any pertinent information prior to the project commencement.



- ▶ BDO will not be held responsible for unreasonable delays in the timetable due to unavailability of information or resources from DHHR or its vendors.
- ▶ The information supplied to BDO to create this SOW is accurate and will not substantially change.
- ▶ Each of DHHR and BDO hereby agrees that DHHR shall not provide any controlled unclassified information (CUI), or classified information, or International Traffic in Arms Regulations (ITAR) data (the “Subject Information”) to BDO or access to the Subject Information to BDO.
- ▶ DHHR will provide a single point of contact for all project activities.
- ▶ DHHR will provide the logistics for meetings including; room arrangements, transportation and other incidentals related to on-site visits.
- ▶ When the project team is working on-site, DHHR will provide appropriate workspace with access to wifi/internet, phones, copiers, printers, etc.
- ▶ DHHR, and as necessary, its advisors, will make timely decisions regarding approach, review of deliverables, completion of any questionnaires distributed and personnel interviews.
- ▶ DHHR is the owner of the control environment and financial information, including the notes within the financial statements and the applicable disclosures in the financial report.
- ▶ DHHR will retain ultimate responsibility for policy decisions and judgment decisions, as well as for concluding on the adequacy of the design and operating effectiveness of the internal control environment.
- ▶ BDO does not guarantee or warrant any particular outcome as a result of this engagement and our fees are not contingent on such an outcome.

Non-Solicitation

BDO incurs great expense in hiring and training its personnel. Accordingly, during the period beginning with the effective date of this SOW and ending twelve (12) months after the date of the last invoice from BDO to Client relating to this SOW, neither the Client nor its respective affiliates will offer employment to or hire any current or recent BDO employee who performed services for the Client under this SOW within the last twelve (12) months, without the prior written consent of BDO. “Recent Employee” shall include any individual employed by BDO during the preceding twelve months. “Employment” shall include any form of employment, consulting, independent contractor relationship, or other arrangement in which an individual will directly or indirectly perform services or work for, or on behalf of, Client. While the parties agree that a breach of this provision would cause BDO to suffer damages, including without limitation the time and cost in recruiting and training a new employee, the actual amount of damages, loss or harm from a breach of this provision is difficult to estimate with certainty. In the event that Client breaches this clause, Client shall pay BDO an amount equal to the hired employee’s prior twelve (12) month compensation with BDO, which the parties agree is a reasonable estimate of the damages that would be caused by such breach.



Fees

Our charges for the Services will be billed on a time and materials basis at our current negotiated rates with the State, which represent an average discount of approximately 50% from Standard. In accordance with firm-wide adjustments, these rates will increase 5% effective August 1st 2024, and annually thereafter.

Resource	Standard Rate	WV Negotiated Rates
Partner	\$785	\$340
Managing Director	\$735	\$340
Director	\$635	\$340
Senior Manager	\$565	\$331
Manager	\$515	\$265
Senior Associate	\$415	\$221
Experienced Associate	\$335	\$173
Associate	\$265	\$131

Our estimate for completion of this SOW is between 200 and 250 hours, with corresponding fees ranging from \$50,000 to \$62,500.

Needs associated with staffing support for vacant accounting positions or other needs identified through the gap assessment described above will be provided as needed and via discussion and confirmation with DHHR leadership. We assume such positions would be provided on a full-time basis, which allows us to provide further discounted pricing and enhanced value to DHHR. Specific resources and related pricing will be confirmed and mutually agreed to upon identification, with total costs not to exceed \$1.5 million. This amount may be increased by mutual agreement if needs are identified beyond those currently communicated. Should we encounter unforeseen problems that will warrant additional time or expense, you will be notified as soon as possible regarding the anticipated impact on fees or project schedule.

We have structured our team to provide a cost-effective resource mix where possible. We also will bill you for travel and out-of-pocket expenses as incurred.

Each engagement also is assessed a \$10.00 per hour charge for professional time incurred with respect to each engagement. This charge is for time associated with our internal quality control processes and other engagement oversight that is critical to the effectiveness of each engagement. These resources do not charge hours directly to the engagement.

This engagement includes only those services specifically described in this Agreement; any additional services not specified herein will be agreed to in a separate SOW.



Next Steps

We will coordinate with your designated representative to determine an appropriate timeline and immediate next steps for the Services.

If you have any questions pertaining to this SOW, please contact David Clark. BDO values your business and looks forward to many years of providing quality professional services to you.

Very truly yours,

BDO USA

By: _____

Name: Andrea Espinosa Wilson

Title: Managing Principal

Acknowledged and Agreed:

This Statement of Work correctly sets forth the understanding of the parties. By signing below, the authorized signatory represents that he/she has power and authority and has obtained all approvals, authorizations and consents necessary to enter into this Agreement on behalf of the Client set forth below for whom the authorized signatory is executing this Agreement. The authorized signatory represents that this Agreement constitutes the legal, valid and binding obligation of the Client set forth below for whom the authorized signatory is executing this Agreement and is enforceable against the Client in accordance with its terms. The Client set forth below acknowledges and agrees that the authorized signatory is duly authorized to bind the applicable party hereto.

State of West Virginia Department of Health and Human Resources

By: _____

Name: Tara Buckner

Title: Chief Financial Officer