

The NewsRoom

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MMS Awards New IT Operations and Support Contract*Financial Computing System Processes Billions in Royalty Receipts*

DENVER – The Department of the Interior’s Minerals Management Service (MMS) announced today that a new IT Operations and Support contract has been awarded to Accenture LLP. The contract will govern the operation and support of MMS’s large-scale royalty financial system and associated databases, as well as the development of any new computing capabilities that may be required during the life of the contract.

“This new contract was selected through an open and competitive process, in which experts reviewed all of the bids,” MMS Director Randall Luthi said. “It incorporates several improvements over the previous version, awarded to Accenture in 1999, and will ensure that MMS maintains the state-of-the-art computing capabilities necessary to efficiently collect and disburse an annual average of \$9 billion in royalty receipts.”

Using the MMS contracting process, three proposals were received following an unrestricted, full and open competitive process that began with an initial solicitation released in January 2007. Among factors considered in the award were the company’s technical capability, past performance, small business subcontracting plans, and overall cost. According to the review team, Accenture submitted the best overall package to meet MMS’s requirements.

MMS is the Federal bureau responsible for collecting and disbursing royalties, rents, and bonuses from energy production that occurs on Federal and American Indian lands, and from the Outer Continental Shelf. Those receipts and disbursements have exceeded more than \$170 billion since MMS was created in 1982.

The computing system accounts for all Federal and most American Indian minerals, rents, royalties, bonuses and their distribution or disbursement to the U.S. Treasury, counties, States, and American Indians. It also issues bills for late payment or non-payment of royalties and other lease-term obligations. Additionally, it provides a repository of historical financial and production information used by MMS, the Bureau of Land Management, and other agencies as well as State and Tribal entities. The computer system also supports MMS’s Royalty in Kind processes where oil and/or gas are taken in kind and sold in lieu of a cash payment.

The contract, including one base year with nine option years, becomes effective Dec. 1, 2007. Its total value could reach \$90 to \$100 million over the 10-year life of the contract, depending upon additional task orders that may be issued.

MMS has improved several internal controls following an earlier review of the

previous Operations and Support contract, and to reflect evolving procurement requirements. In order to strengthen oversight of the contractor, MMS is developing a stronger in-house capability to perform independent cost estimates, strengthening acquisition processes, and has greatly enhanced the Contracting Officer Representative functions.

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