



Office of Audits
Office of Inspector General
U.S. General Services Administration

FAS has not Effectively Digitized Federal Supply Schedules Contract Files

*Report Number A150029/Q/T/P16001
March 28, 2016*



Office of Audits
Office of Inspector General
U.S. General Services Administration

REPORT ABSTRACT

OBJECTIVES

Our objectives were to determine whether: (1) FAS completed all stages of the Federal Supply Schedules (schedules) contract digitization process, and (2) FAS's official electronic schedules contract files contain all contract documentation in a usable format and structure as required by federal regulations and FAS policy.

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Information Technology
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WHAT WE FOUND

We identified the following during our audit:

Finding 1 – FAS electronic schedules contract files are missing key contract documentation, which impairs FAS's ability to effectively administer its schedules contracts and comply with Federal Acquisition Regulation documentation requirements.

Finding 2 – FAS electronic schedules contract documents are not organized and named in a consistent and logical manner, which creates inefficiencies in the administration of contracts.

WHAT WE RECOMMEND

We recommend that the FAS Commissioner:

1. Remediate the deficiencies in the electronic schedules contract files identified during our audit.
2. Develop and implement policy identifying the minimum documents necessary for electronic schedules contract files to comply with contract file requirements established in Federal Acquisition Regulation 4.801(b) and FAS policy.
3. Develop and implement a methodology to conduct periodic reviews of active electronic schedules contract files to determine whether the files:
 - a. Contain all required documentation necessary to effectively administer the contract and comply with the Federal Acquisition Regulation; and
 - b. Are organized and maintained in a manner consistent with FAS's *Contract Tab Advisory Guide*, and are:
 - i. Readily accessible to and identifiable by principal users;
 - ii. Non-duplicative; and
 - iii. Clearly and uniquely labeled.
4. Establish a follow-up process to ensure corrective action is taken for all contract file deficiencies identified as part of the periodic reviews of electronic schedules contract files.

MANAGEMENT COMMENTS

On March 4, 2016, the FAS Commissioner concurred with both of our findings. He did not concur with our other observation; however, we reaffirm our position. Management's written comments to the draft report are included in **Appendix B**.



**Office of Audits
Office of Inspector General
U.S. General Services Administration**

DATE: March 28, 2016

TO: Thomas A. Sharpe, Jr.
Commissioner
Federal Acquisition Service (Q)

FROM: Robert B. Fleming 
Audit Manager
Acquisition and Information Technology Audit Office (JA-T)

SUBJECT: FAS has not Effectively Digitized
Federal Supply Schedules Contract Files
Report Number A150029

This report presents the results of our audit of FAS's transition to electronic contract files. Our findings and recommendations are summarized in the Report Abstract. Instructions regarding the audit resolution process can be found in the email that transmitted this report.

Your written comments to the draft report are included in **Appendix B** of this report.

If you have any questions regarding this report, please contact me or any member of the audit team at the following:

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On behalf of the audit team, I would like to thank you and your staff for your assistance during this audit.

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Introduction

Since 2004, GSA's Federal Acquisition Service (FAS) has endeavored to completely digitize its Federal Supply Schedules (schedules) contract files by converting paper files to an electronic format. This effort was part of an overall modernization initiative implemented by FAS to provide an "end-to-end electronic contracting environment." According to FAS, the goals of this initiative were to, among other things, improve workflow, increase quality, increase customer satisfaction, and enable the transfer of workloads electronically to use limited resources more efficiently.

In March 2004, GSA's Office of Acquisition Management issued Acquisition Letter FX-04-1, *Authority to Receive, Award, and Maintain Contract Files Electronically*, which instructed contracting officers to accept contractors' proposals electronically, to make contract awards using an electronic signature, and to maintain contract files in an electronic format. In June 2004, this same office issued Acquisition Letter FX-04-3, *Electronic Modifications (e-Mods)*, which allowed for the use of electronic contract modifications. Notwithstanding these attempts to promote the use of electronic contract documents, as of March 2010, the majority of FAS's schedules contracts were still maintained as paper contract files.

As a first step toward transitioning to a completely electronic contracting environment, in March 2010, FAS issued Instructional Letter 2010-07, *Implementation of a Pilot for the Electronic Contract File (ECF)*, initiating a small-scale pilot program to test its contract digitization process. Under the pilot program, the digitization was accomplished through a scanning process that resulted in the electronic storage of contract documents. The complete contract file would then be electronically viewable in its entirety and organized in accordance with FAS's *Contract Tab Advisory Guide*.

FAS identified several unanticipated challenges during the pilot program, including reluctance on the part of contracting officers to work with partially digitized contract files and to approve the electronic contract file as the official file of record. In addition, FAS found that the process of scanning the contract files was resource-intensive.

Despite these challenges, in March 2012, FAS issued Instructional Letter 2010-07 Supplement No. 1, *Implementation of the Electronic Contract File (ECF)*, which implemented a full-scale digitization of all schedules contracts. The digitization process focused on the three FAS portfolios that administer schedules contracts:

- Office of Integrated Technology Services – Offers information technology products, systems, services, and support to federal, state, and local governments.
- Office of General Supplies and Services – Offers, among other things, office supplies, computer products, tools, and furniture.
- Office of Travel, Motor Vehicles, and Card Services – Provides support of federal travel and transportation, motor vehicle solutions, and charge card services.

Each portfolio was responsible for creating and maintaining electronic contract files that were sufficient to support the effective administration of their schedule contracts.

Starting in October 2011, all submissions of schedules offers and modifications were received electronically. To ensure complete electronic contract files, it was then necessary for the portfolios to scan paper contract files created prior to October 2011. To complete full-scale digitization, each file should have undergone six stages:

1. Audit – A FAS initiated review of the paper contract files to ensure completeness prior to scanning;
2. Assembly – The process of gathering and identifying each paper document in the contract file to ensure that each document was named and filed correctly;
3. Scanning – The physical action of scanning paper contract file documents, creating a digital copy;
4. Quality Control – The review of the digitized documents to ensure they are clear and readable;
5. Quality Assurance – The process of validating that the paper file was scanned in its entirety; and
6. Acceptance – The contracting officer’s formal approval of the electronic contract file as the official contract file of record.

While FAS worked to complete the digitization of its contract files, we initiated an audit to determine whether FAS had established a comprehensive plan to digitize schedules contract files. In September 2012, the audit concluded that FAS did not establish a comprehensive plan to digitize schedules contract files.¹ Specifically, we found that FAS did not centralize the responsibility for overseeing and coordinating the digitization effort, leading to delays in the digitization process. Also, due to system limitations, the electronic contract files lacked some functionality and were not easy to use.

The report did not make formal recommendations because FAS was due to complete the digitization effort by the end of fiscal year 2013 and would not have time to implement an action plan to address the recommendations. Instead, it included suggestions aimed at assisting FAS in addressing the findings. The issues that were identified in the 2012 audit report provided a basis in determining the audit objectives for the current audit.

Objectives

Our objectives were to determine whether: (1) FAS completed all stages of the schedules contract digitization process, and (2) FAS’s official electronic schedules contract files contain all contract documentation in a usable format and structure as required by federal regulations and FAS policy.

See **Appendix A** – Purpose, Scope, and Methodology for additional details.

¹ This issue is discussed in the OIG report *Audit of the Digitization of the Federal Acquisition Service's Multiple Award Schedule Contract Files* (Report Number A120028, September 26, 2012).

Results

Finding 1 – FAS electronic schedules contract files are missing key contract documentation, which impairs FAS’s ability to effectively administer its schedules contracts and comply with Federal Acquisition Regulation documentation requirements.

FAS's ability to effectively administer its schedules contracts and comply with Federal Acquisition Regulation (FAR) documentation requirements, within a completely electronic contracting environment, is limited by incomplete electronic contract files. The contract files are incomplete because FAS’s digitization plan lacked sufficient controls to ensure key contracting documents were either in the electronic file or documented as missing.

The FAR outlines general requirements for contract file documentation. FAR 4.802(a)(1) requires that a contract file document the basis for the acquisition, including the award and any subsequent actions taken by the contracting official. Additionally, in accordance with FAR 4.801(b), the contract documentation should be sufficient to: (1) provide a complete background for decisions at each step in the acquisition process, (2) support actions taken by the contracting officer, (3) provide information for reviews and investigations, and (4) provide essential facts in the event of litigation or congressional inquiries. Lastly, FAR 4.802(c)(1) provides that contract files must be maintained in a manner sufficient to ensure effective documentation of contract actions.

In addition to the contract documentation requirements set forth in the FAR, the Agency has issued guidance that outlines the minimum documentation required for electronic schedules contract files. Specifically, FAS Instructional Letter 2010-07 Supplement No. 1 requires the digitization of information needed to administer the contract and off-site storage of the remaining paper documents. However, the policy does not specify the exact documents that must be digitized for purposes of contract administration.

While the FAR and FAS policy are silent on the exact documentation necessary for effective contract administration, we tested our sample of 30 electronic schedules contract files to determine whether key contracting documents associated with price negotiation and award were available in the electronic contract file. To complete this testing, we looked for the following documents, which we consider to be essential for effective contract administration:

- Request for Quote – Solicitation for quotes from contractors holding schedules contracts;
- Commercial Sales Practices Disclosure – Form used by contractors to disclose commercial sales and applicable discounting practices;
- Pre-Negotiation Memorandum – Establishes a contracting officer’s negotiation objectives;

- Best and Final Offer – Documents the most favorable terms and conditions a contractor will offer after negotiations;
- Price Negotiation Memorandum – Documents where negotiations are conducted and any contract changes that resulted from the negotiations;
- Recommendation for Award – A contracting officer’s recommendation to accept negotiated terms and conditions;
- Contract Award – Contract award document that is signed by both contractor and contracting officer and represents a binding obligation; and
- The two most recent contract modifications – Document recent changes to the agreed upon terms and conditions.

From our random sample of 30 electronic schedules contract files, we found that 20 (67 percent) did not contain all key contract documentation. We reviewed a second set of 13 electronic schedules contract files identified during our preaward contract audits as having problems. We found that all 13 of these files did not include at least one key contract document. In each instance, the electronic contract file did not include documentation detailing, among other things, why the document was not included in the file as required by FAS policy.

Specifically, per FAS Instructional Letter 2010-07:

If the document cannot be located, the [contracting officer/contract specialist] must establish a Memorandum to File containing, at a minimum: [contracting officer/contract specialist] name and signature; date the contract file was reviewed; steps taken to locate the document.

As of the completion of our audit fieldwork, FAS had not developed a standard plan for completing the requirements outlined in FAS Instructional Letter 2010-07 and its supplement. Instead, each FAS portfolio was left to independently develop its own plan to track the digitization process and ensure the completeness of electronic files. Without a standard plan that accounts for all the key documents, FAS has no effective means to ensure that portfolios digitized key documentation in a complete and consistent manner. Our testing indicates this resulted in incomplete contract files, leaving FAS contracting officers without critical information needed to administer schedules contracts.

Finding 2 – FAS electronic schedules contract documents are not organized and named in a consistent and logical manner, which creates inefficiencies in the administration of contracts.

The current organization of electronic schedules contract files impairs the contracting staff’s ability to identify contract documents, establish clear historic records, and effectively administer contracts. This also creates inefficiencies in the event that contracts are transferred to new contracting officers. In addition, FAS does not have a consistent naming convention for electronic contract file documentation.

FAS developed the *Contract Tab Advisory Guide*, which required similar documents to be filed together under specific tabs. The guide is intended to simplify the process of locating documents by contracting personnel. In addition, the guide was designed to promote compliance with FAR 4.802(c)(2), which states that files must be maintained to ensure documentation is readily accessible to principal users, such as FAS contracting personnel.

Per FAS Instructional Letter 2010-07, documents should be named and filed correctly to give contracting personnel and other users a general idea of a document's contents and/or purpose. However, our audit found that both tab organization and document names included in the electronic schedules contract files make it difficult for contracting staff to find specific documentation.

Of the 30 electronic schedules contract files selected for testing during our audit:

- Eleven contained key documentation that was not filed under the appropriate electronic contract file tab;
- Ten contained documents within the same tab folder that had similar and/or nondescript names;
- Five contained empty modification folders, even though there were numerous modifications to the contract; and
- Four contained duplicate documents.

The contract file deficiencies we found can cause a number of problems for contracting personnel trying to administer the contract. First, duplicate, similar, and/or nondescript document names make it difficult to identify targeted documents and to determine the final and/or most recent version of a document. Second, missing contract modifications are a significant issue as these documents, which detail a contract's most current terms and conditions, are vital to the administration of a contract. Lastly, since some key contract documents were not filed properly, it was difficult to locate information in an efficient manner. As a result, it was difficult to determine if a file was complete.

In addition, our review of the additional 13 electronic schedules contract files found that:

- Thirteen contained at least one problem with improper document naming;
- Twelve contained empty modification folders; and
- Nine had modifications that were not filed in the proper folder.

Due to the improper document naming within the additional 13 files, it was difficult to locate key documents or determine the most recent version of a document. Additionally, because many folders were empty, it became necessary to open every folder to verify if the modification was present. Both of these issues limit the reliability and efficient use of an electronic contract file.

Furthermore, contracting personnel did not consistently file contract documentation under the correct tab folders, as prescribed by FAS's *Contract Tab Advisory Guide*. For example, one portfolio filed Commercial Sales Practice Disclosures under tab folder 23 (Contractual Actions), rather than tab folder 14 (Cost or Price and Technical Analysis) as outlined by the advisory guide. Inconsistently organized contract files may contribute to the difficulty of finding contract documentation.

The goals of digitizing FAS's contracting environment are to improve workflow, increase quality, increase customer satisfaction, and enable the transfer of workloads electronically to optimize limited resources. However, FAS cannot realize these goals if the current issues remain. Missing documents and lack of consistent organization undermine the inherent advantages of using an electronic contract file system and ultimately make it more difficult to locate documents when compared to a paper contract file.

Other Observation

We were unable to determine whether FAS completed each digitization stage for the transition of its paper schedules contract files. FAS did not develop and maintain a centralized, standard system for tracking the digitization process across the three portfolios. As a result, we requested this information from each portfolio individually. Each portfolio provided a response:

- The Office of Integrated Technology Services provided weekly tracking sheets. However, the tracking sheets did not track the completion date of each digitization stage for every contract.
- The Office of Travel, Motor Vehicles, and Card Services provided an incomplete tracking sheet.
- The Office of General Supplies and Services provided digitization tracking documents for certain acquisition centers. Each acquisition center used its own unique process and there was no portfolio wide tracking system. In addition, the digitization tracking documents for the acquisition centers did not track the completion date of each digitization stage.

The three FAS portfolios were unable to provide adequate tracking documentation detailing what steps were required to complete each stage and the dates those steps were completed. Consequently, FAS is unable to provide assurance that the original paper contract files were processed through all six digitization stages and are acceptable to become the file of record. For instance, if the audit, quality control, and quality assurance stages were not verified, there is no assurance that the electronic file is complete.

Recommendations

We recommend that the FAS Commissioner:

1. Remediate the deficiencies in the electronic schedules contract files identified during our audit.
2. Develop and implement policy identifying the minimum documents necessary for electronic schedules contract files to comply with contract file requirements established in Federal Acquisition Regulation 4.801(b) and FAS policy.
3. Develop and implement a methodology to conduct periodic reviews of active electronic schedules contract files to determine whether the files:
 - a. Contain all required documentation necessary to effectively administer the contract and comply with the Federal Acquisition Regulation; and
 - b. Are organized and maintained in a manner consistent with FAS's *Contract Tab Advisory Guide*, and are:
 - i. Readily accessible to and identifiable by principal users;
 - ii. Non-duplicative; and
 - iii. Clearly and uniquely labeled.
4. Establish a follow-up process to ensure corrective action is taken for all contract file deficiencies identified as part of the periodic reviews of electronic schedules contract files.

Management Comments

The FAS Commissioner concurred with both of our findings. He did not concur with our other observation. Management's comments are included in their entirety in **Appendix B**.

In response to the FAS Commissioner's comments, we requested and obtained additional documentation. Based on our analysis of the documentation provided for each portfolio, we determined:

- For the Office of Integrated Technology Services, the documentation provided was not materially different from that provided during the course of our audit fieldwork. Therefore, no changes were made to the report.
- For the Office of Travel, Motor Vehicles, and Card Services, the documentation provided was not materially different from that provided during the course of our audit fieldwork. Therefore, no changes were made to the report.
- For the Office of General Supplies and Services, management provided partial digitization tracking information for certain acquisition centers. We amended our report to reflect that the portfolio provided this limited information.

After reviewing this additional documentation, we reaffirm our observation. FAS did not develop a centralized, standard system for tracking the digitization process across the three portfolios. Consequently, FAS is unable to provide assurance that the original paper contract files were processed through all six digitization stages and are acceptable to become the file of record.

Conclusion

FAS's ability to effectively administer its schedules contracts and comply with FAR documentation requirements, within a completely electronic contracting environment, is limited by incomplete electronic contract files. The contract files were incomplete because FAS's digitization plan lacked sufficient controls to ensure key contracting documents were either in the electronic file or documented as missing.

The current organization of electronic schedules contract files impairs the contracting staff's ability to identify contract documents, establish clear historic records, and effectively administer contracts. This also creates inefficiencies in the event that contracts are transferred to new contracting officers. In addition, FAS does not have a consistent naming convention for electronic contract file documentation. Missing documents and lack of consistent organization undermine the inherent advantages of using an electronic contract file system and ultimately make it more difficult to locate documents when compared to a paper contract file.

If these current issues remain, FAS cannot realize the goals of digitizing its contracting environment, which are to improve workflow, increase quality, increase customer satisfaction, and enable the transfer of workloads electronically to better use limited resources.

Appendix A – Purpose, Scope, and Methodology

Purpose

This audit was included in the GSA Office of Inspector General's *Fiscal Year 2015 Audit Plan*.

Scope and Methodology

Our audit was limited to schedules contract files that were transitioned from paper to electronic format within three FAS portfolios: the Office of Integrated Technology Services; the Office of General Supplies and Services; and the Office of Travel, Motor Vehicles, and Card Services. Together, these portfolios manage all of FAS's schedules contracts. FAS officials estimated each portfolio had scanned 95-98 percent, 80-90 percent, and 100 percent, respectively, of their paper contract files.

We reviewed a random sample of ten electronic schedule contract files from each portfolio. All 30 sample files were awarded prior to October 2011, after which all offers and modifications were required to be submitted electronically. In addition, 14 schedules contracts were previously identified during our preaward audits of schedules contracts as having problems and were referred for our review. However, we only reviewed 13 of these schedules contracts because 1 was in its last option period and it was determined not cost effective to digitize a contract that would be expiring soon.

To accomplish our objectives, we also:

- Reviewed federal acquisition regulations;
- Reviewed relevant portions of the GSA Acquisition Manual;
- Reviewed FAS Instructional Letter guidance issued by FAS Office of Acquisition Management;
- Reviewed the *Contract Tab Advisory Guide*; and
- Reviewed survey questions and responses from the three FAS portfolios.

We conducted the audit between January 2015 and June 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Controls

Our assessment of internal controls was limited to those necessary to address the objectives of the audit. Identified internal control issues are discussed in the Results section of this report.

Appendix B – Management Comments



GSA Federal Acquisition Service

MEMORANDUM FOR: BRIAN J. GIBSON
ASSOCIATE DEPUTY ASSISTANT INSPECTOR GENERAL
FOR AUDITING ACQUISITION AND INFORMATION TECHNOLOGY
AUDIT OFFICE (JA-T)

FROM: THOMAS A. SHARPE, JR. *Thomas A. Sharpe, Jr.* 3/4/20
COMMISSIONER
FEDERAL ACQUISITION SERVICE (Q) 206

SUBJECT: MANAGEMENT COMMENTS TO DRAFT AUDIT REPORT
150029 – FAS HAS NOT EFFECTIVELY DIGITIZED FEDERAL
SUPPLY SCHEDULES CONTRACT FILES

Thank you for the opportunity to respond to the findings identified in the Office of Inspector General's (OIG) draft Audit Report Number A150029, FAS has not Effectively Digitized Federal Supply Schedules Contract Files, dated January 28, 2016.

The Federal Acquisition Service (FAS) views the Inspector General as a close business partner who provides our organization with the necessary oversight and contract audit services that help us continually improve in order to better serve our customers and the American taxpayer. We appreciate the detailed findings and background data in this audit report regarding our Electronic Contract File (ECF) and associated business processes and policies. We look forward to working with your office in implementing recommendations on improving our processes and mitigating potential deficiencies.

The attachment outlines the FAS response to the draft findings and recommendations for your consideration as you prepare to issue the final report.

Should you have any questions, please feel free to contact Judith Zawatsky at (703) 859-3826 or via email at judith.zawatsky@gsa.gov.

cc: Robert B. Fleming (JA-A)

Attachments

Appendix B – Management Comments (cont.)

Attachment

Management Response to Audit Report 150029 –

FAS has not Effectively Digitized Federal Supply Schedules Contract Files

For your consideration below please find FAS's response to each of the draft audit's findings:

Finding 1 – FAS electronic schedules contract files are missing key contract documentation, which impairs FAS's ability to effectively administer its schedules contracts and comply with Federal Acquisition Regulation documentation requirements.

Management Response:

FAS concurs with this audit finding.

FAS acknowledges that a few of the files reviewed as part of the audit were in fact missing key documents. In those cases, a Memorandum to File should have been included in accordance with FAS Instructional Letter 2010-07, Implementation of a Pilot for the Electronic Contract File (ECF) and its supplement. There can be challenges to locating documents in the Enterprise Content Management System (ECMS) even when the documentation is contained in the contract file. Given a variety of historical factors, including differences in digitization processes across geographical locations, the evolution of associated policies, system limitations and time constraints imposed by the move of some FAS offices, certain paper contract files were scanned as a single document and stored in the ECMS under a single tab. FAS acknowledges that this is not an ideal filing solution, even if documentation can be search for and found. The audit report provided that in a random sample of 30 electronic Schedule contract files, 20 (67 percent) did not contain key contract documentation. Key contract documentation was identified as the following: Request for Quote (RFQ), Commercial Sales Practice Disclosure (CSP), Pre-Negotiation Memorandum, Best and Final Offer, Price Negotiation Memorandum (PNM), Recommendation for Award, Contract Award and the two most recent contract modifications.

As a follow up to the findings in this draft audit, FAS reviewed the sample set of 30 contracts and found that in some but not all of these files, the documentation existed in the electronic file, albeit under a single file or under a single contract tab.

The report also provided that a second review was conducted on 13 different electronic Schedule contract files and all files were found to be missing at least one key contract document. Again, FAS reviewed the files and found that the majority of the documentation, while hard to locate, was indeed contained within the electronic files.

FAS will conduct a thorough review of the Schedules electronic contract files reviewed as part of this audit and remediate any deficiencies in documentation.

Appendix B – Management Comments (cont.)

Finding 2 – FAS electronic schedules contract documents are not organized and named in a consistent and logical manner, which creates inefficiencies in the administration of contracts

Management Response:

FAS concurs with this finding.

There can be challenges to locating documents in the Enterprise Content Management System (ECMS) even when the documentation is contained in the contract file. Given a variety of historical factors, including differences in digitization processes across geographical locations, the evolution of associated policies, system limitations and time constraints imposed by the move of some FAS offices, certain paper contract files were scanned as a single document and stored in the ECMS under a single tab. FAS acknowledges that this is not an ideal filing solution which creates inefficiencies in managing contracts. 16

FAS continues to work with GSA IT to address systems challenges that affect our ECMS user community. We meet with the ECMS team on a monthly basis to discuss user issues, process improvements, and planned enhancements to the ECMS that affect the SORs. However, FAS recognizes that more changes will be required.

Other Observations:

Under Other Observations on Page 6, it was noted that:

“The three FAS portfolios were unable to provide adequate tracking documentation detailing what steps were required to complete each stage and the dates those steps were completed. Consequently, FAS is unable to provide assurance that the original paper contract files were processed through all six digitization stages and are acceptable to become the file of record. For instance, if the audit, quality control, and quality assurance stages were not verified, there is no assurance that the electronic file is complete.”

Management Response:

FAS does not concur with these observations.

The report provides that the Office of General Supplies and Services portfolio was not able to provide any tracking documentation. However, the Office of General Supplies and Services portfolio has documentation. Region 10 Acquisition Center has robust documentation to support that all contract files were appropriately scanned and/or archived in accordance to the policy. The Region 7 Acquisition Center has reported use of a detailed management and tracking process to ensure all contract files were appropriately scanned. The ITS portfolio also has created and retained a full google site to track all scanning activities associated with digitization, including tracking of the six aforementioned stages and is not aware of any request for access to this site for this audit.

Appendix B – Management Comments (cont.)

FAS will conduct a thorough review of the Schedules electronic contract files tracking documentation.

Recommendations:

The draft audit provides four recommendations to which FAS concurs.

1. Remediate the deficiencies in the electronic Schedules contract files identified during our audit.

As noted above, FAS reviewed the identified contracts. The electronic files will be remediated as appropriate.

2. Develop and implement policy identifying the minimum documents necessary for electronic Schedules contract files to comply with contract file requirements established in Federal Acquisition Regulation 4.801(b) and FAS policy.

FAS Policy and issue Procedure (PAP) directive, 2016-06, Schedules Electronic Contract File Compliance and Standardized Naming Convention, dated February 5, 2016, which provides guidance on the minimum key documentation necessary for electronic schedules contract files to comply with contract file requirements established both in Federal Acquisition Regulation 4.801(b) and FAS policy.

3. Develop and implement a methodology to conduct periodic reviews of active electronic Schedules contract files to determine whether or not the files:

a. Contain all required documentation necessary to effectively administer the contract and comply with the Federal Acquisition Regulation; and

b. Are organized and maintained in a manner consistent with FAS's Contract Tab Advisory Guide, and are:

i. Readily accessible to and identifiable by principal users;

ii. Non-duplicative; and

iii. Clearly and uniquely labeled.

The FAS Office of Acquisition Management will develop a methodology and conduct periodic reviews.

4. Establish a follow-up process to ensure corrective action is taken for all contract file deficiencies identified as part of the periodic reviews of electronic schedules contract files.

The FAS Office of Acquisition Management will follow up to ensure all corrective actions identified through periodic reviews are completed.

Appendix C – Report Distribution

GSA Administrator (A)

FAS Commissioner (Q)

Deputy Commissioner (Q1)

Chief of Staff (Q)

Assistant Commissioner, Office of Acquisition Management (QV)

Assistant Commissioner, Office of General Supplies and Services (QS)

Assistant Commissioner, Office of Travel, Motor Vehicles, and Card Services (QM)

Assistant Commissioner, Office of Integrated Technology Services (QT)

Program Management Officer (QVOE)

Controller (BF)

Chief Administrative Services Officer (H)

GAO/IG Audit Response Division (H1C)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)