

IMPLEMENTATION REVIEW OF THE
REVIEW OF FEDERAL SUPPLY SERVICE'S
SPECIAL ORDER PROGRAM IN THE
HEARTLAND REGION
AUDIT REPORT NUMBER A020204/F/6/V04010
DATED SEPTEMBER 27, 2004
ASSIGNMENT NUMBER A100104
APRIL 20, 2010



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

Date :April 20, 2010

Reply to
Attn of :Regional Inspector General for Auditing (JA-6)

Subject :Implementation Review of the
Review of Federal Supply Service's Special Order Program in the Heartland Region
Audit Report Number A020204/F/6/V04010, Dated September 27, 2004
Assignment Number A100104

To :Michael T. Brincks, FAS Regional Commissioner (6Q)
FAS Regional Commissioner
Attn: Denise Elsbernd
Director, Heartland Supply Operations Center (QSDK)

We performed an implementation review of management's actions taken in response to the five recommendations included in the subject audit report. The objective of the implementation review was to determine whether corrective actions were taken in accordance with management's January 12, 2005, action plan that constituted the basis for resolution of the audit.

To complete this evaluation, we reviewed (1) the subject audit report, recommendations, and action plan; (2) the audit resolution documentation and files; and (3) documentation provided by the Heartland Supply Operations Division and Center for Facilities Maintenance and Hardware. We also held discussions with appropriate Federal Acquisition Service officials.

We determined that appropriate corrective actions have been taken in accordance with management's action plan. We note that recommendation one is currently scheduled to be completed by September 2010.

This report does not require a written response. If you have any questions regarding this review, please contact Mike Capper or Tracy Twombly of my staff at (816) 926-7052.

A handwritten signature in red ink that reads "John F. Walsh".

John F. Walsh
Regional Inspector General for Auditing
Heartland Region

IMPLEMENTATION REVIEW OF THE
REVIEW OF FEDERAL SUPPLY SERVICE'S
SPECIAL ORDER PROGRAM IN THE
HEARTLAND REGION
AUDIT REPORT NUMBER A020204/F/6/V04010
DATED SEPTEMBER 27, 2004
ASSIGNMENT NUMBER A100104

APPENDIX A

Recommendations from Report A020204/F/6/V04010

- Recommendation 1 – Heartland Region FSS (Federal Supply Service) begin implementation of the plan for removal of all NSNs (National Stock Numbers) from CFMH (Center for Facilities Maintenance and Hardware) MAS (Multiple Award Schedule) contracts.
- Recommendation 2 – Heartland Region FSS establish a policy to unilaterally deactivate NSNs that have had no ordering activity for the prior three years.
- Recommendation 3 – Heartland Region FSS evaluate the inefficiencies of using outside labor to input information for re-entry orders.
- Recommendation 4 – Heartland Region FSS transfer the responsibility for the processing of appliance orders to Heartland Region Global Supply from CFMH.
- Recommendation 5 – Heartland Region FSS continually reinforce FAR (Federal Acquisition Regulation) requirements and the standards of conduct related to acquisition responsibilities.

IMPLEMENTATION REVIEW OF THE
REVIEW OF FEDERAL SUPPLY SERVICE'S
SPECIAL ORDER PROGRAM IN THE
HEARTLAND REGION
AUDIT REPORT NUMBER A020204/F/6/V04010
DATED SEPTEMBER 27, 2004
ASSIGNMENT NUMBER A100104

APPENDIX B

Management's Corrective Action Plan



GSA Federal Supply Service

JAN 12 2005

MEMORANDUM FOR EUGENE WASZILY
ASSISTANT INSPECTOR GENERAL
FOR AUDITING (JA)

FROM: DONNA D. BENNETT
COMMISSIONER (F) (FPP)

A handwritten signature in black ink, appearing to read "Donna D. Bennett", written over the printed name.

SUBJECT: GSA Final Report, "Review of Federal Supply
Service's Special Order Program in the
Heartland Region" (A020204/F/6/V04010),
Dated September 27, 2004

The Federal Supply Service (FSS) staff has reviewed the subject report and the attached Region 6 email.

Regarding recommendation 2 to unilaterally deactivate NSNs that have had no ordering activity for 3 years, it is our position that GSA does not have the authority to take this action. In accordance with the Federal Logistics Information System (FLIS) procedures, which is documented in Volume 2 of DOD 4100.39M that is managed by the Defense Logistics Agency (DLA), concurrence must be received from recorded users of the NSNs before any deletions can be made. We concur with recommendation 1, eliminate NSNs from the Center for Facilities Maintenance and Hardware (CFMH) MAS contracts, which will address the single biggest audit concern related to NSNs with no activity. We discussed these issues with the OIG's Heartland Field Audit Office (JA-6), who indicated agreement with our position.

Concerning recommendation 3 to evaluate the inefficiencies of using outside labor to input information for re-entry orders, the evaluation has been completed and the Office of Global Supply is in the process of implementing this recommendation. For example, upon expiration of the existing contracts for data entry and Material Safety Data Sheet (MSDS) management, which are in their final option year, a new contract will be put in place combining the requirements of these contracts into one. This action will significantly reduce the number of contract personnel (from 8 to 1) with a projected savings of \$300,000 per year.

U.S. General Services Administration
1941 Jefferson Davis Highway
Arlington, VA 22202-4502
www.gsa.gov

APPENDIX B

Management's Corrective Action Plan (cont.)

2

Copies of the Region 6 action plan for recommendations 1-4-5, as well as the signed Management Decision Record, are attached.

2 Attachments

cc:
Bradley Scott (6A)
Steve Triplett (6F)
Arthur L. Elkin (JA-6)
John F. Walsh (JA-6)

APPENDIX B

Management's Corrective Action Plan (cont.)

ACTION PLAN

Designated Responding Official: Stephen P. Triplett
Contact Person: Marlen Dibben
Telephone Number: 816-823-2161
Date: December 13, 2004

Report Number/Title	Recommendation Number	Proposed Completion Date
A020204/F/6/V/04010, Special Order Program in the Heartland Region	1, 4, 5	December 2005

Recommendation 1

Heartland Region FSS begin implementation of the plan for the removal of all NSNs from CFMH MAS contracts.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be Sent to BECA</u>	<u>Documentation will Sent Last Day of</u>
1. Commercial Acquisition to notify contract holders of intent to remove National Stock Numbers (NSNs) From contracts.	Copy of letter to contract holders	January, 2005
2. 6FC will coordinate with FC & FX to determine plan of action for removal of NSNs from GSA Advantage.	Letter of instruction to contractors for removal	July, 2005
3. NSNs categorized by commodity.	Synopsis of findings	June, 2005
4. Inactive NSNs removed from contract loads.	Report of completion Of task	November, 2005
5. NSNs requiring DLA review.	Copy of request to DLA	December, 2005

APPENDIX B

Management's Corrective Action Plan (cont.)

2

Recommendation 4

Heartland Region FSS transfer the responsibility for the processing of appliance orders to Heartland Regional Global Supply from CFMH.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be Sent to BECA</u>	<u>Documentation will Sent Last Day of</u>
Transfer appliance orders to 6FL from 6FC.	Copy of memo from 6FL to 6FC	March, 2005

Recommendation 5

Heartland Region HSS continually reinforce FAR requirements and the standards of conduct related to acquisition responsibilities.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be Sent to BECA</u>	<u>Documentation will Sent Last Day of</u>
Assure reinforcement of FAR & Standards of conduct related to acquisition responsibilities is an ongoing process for all of FSS.	Copy of Regional Get It Right	January 2005

IMPLEMENTATION REVIEW OF THE
REVIEW OF FEDERAL SUPPLY SERVICE'S
SPECIAL ORDER PROGRAM IN THE
HEARTLAND REGION
AUDIT REPORT NUMBER A020204/F/6/V04010
DATED SEPTEMBER 27, 2004
ASSIGNMENT NUMBER A100104

REPORT DISTRIBUTION

	<u>Copies</u>
Regional Commissioner, FAS (6Q)	2
Director, Heartland Supply Operations Center (QSDK)	1
Inspector General (J)	4
Director, Audit Operations (JAO)	1
Acquisition Programs Audits (JA-A)	1
Regional Inspector General for Investigations (JI-6)	1
Internal Control and Audit Division (BEI)	1