

Audit Report

AUDIT OF THE INFORMATION TECHNOLOGY
SOLUTIONS SHOP (ITSS) SYSTEM
PERFORMANCE AND FUNCTIONALITY
REPORT NUMBER A100123-2/Q/F/P11006

May 18, 2011

**Office of Inspector General
General Services Administration**



Office of Audits

**AUDIT OF THE INFORMATION TECHNOLOGY
SOLUTIONS SHOP (ITSS) SYSTEM
PERFORMANCE AND FUNCTIONALITY
REPORT NUMBER A100123-2/Q/F/P11006**

May 18, 2011

Date: May 18, 2011

To: Steven J. Kempf
Commissioner, Federal Acquisition Service (Q)

Reply to: Carolyn Presley-Doss
Attn of: Deputy Assistant Inspector General for Finance and Information
Technology Audits (JA-F)

Subject: Audit of the Information Technology Solutions Shop (ITSS) System
Performance and Functionality, Report Number A100123-2/Q/F/P11006

This report presents the results of our assessment of the performance and functionality of the Information Technology Solution Shop (ITSS) system. The report discusses opportunities for the Federal Acquisition Service's (FAS) Assisted Acquisition Service (AAS) to better meet user needs, and improve functional and operational effectiveness. Appendix A describes the audit objective, scope, and methodology.

RESULTS OF AUDIT

ITSS was developed in 1997 as an on-line, web-based purchase order system to facilitate the development of delivery and purchase orders within the former Federal Technology Service¹ (FTS) programs. Our audit disclosed missing functionality and needed enhancements to ITSS. In particular, the ITSS system lacks a fully-automated and convenient means for processing procurements from pre-solicitation to close out. In addition, ITSS does not capture procurement information in a format that can be easily searched. As a result, users are not able to leverage work performed on prior procurements. Lastly, processes were not standardized across regions.

GSA attempted to replace ITSS through the award of a series of task orders issued between 2002 and 2005. These task orders were for the design, development, and technical support of a single, integrated system. This replacement system was known as FTS' Third Generation System and later as GSA Preferred. However, FAS was unable to implement the replacement system and consequently returned to ITSS.

The AAS needs to ensure that ITSS or a replacement system is a more comprehensive procurement system with standardized agency-wide procurement processes. In addition, users need updated and uniform training.

¹ In 2005, GSA reorganized the Federal Supply Service and the Federal Technology Service into the Federal Acquisition Service.

RECOMMENDATIONS

The Commissioner, Federal Acquisition Service should ensure that:

1. A fully-functional procurement system is designed for the Assisted Acquisition Service that incorporates a standardized procurement process. Specifically, the Assisted Acquisition Service needs to develop short-term actionable goals to address missing functionalities within ITSS and work toward a long-term solution for a procurement system.
2. Standardized training is developed for ITSS system users.

EXPLANATION OF FINDINGS

Develop a Comprehensive Procurement System and Standardize Processes Agency-wide

ITSS lacks a fully-automated means for processing procurements from pre-solicitation to close out. Specifically, ITSS does not provide for acquisition planning, contract writing, custom report generation, and comprehensive search capabilities.

Although the Acquisition Planning Wizard is a widely-used tool throughout AAS, the acquisition planning functionality does not exist within ITSS. To compensate for the missing functionality, users have developed applications and tools to facilitate the workflow that ITSS does not provide. In addition, users often rely on manual processes and external applications that vary by region. For example, the National Capital Region developed a dashboard application to create tracking numbers, and to support management decisions and reporting. The Southeast Region developed a Microsoft Access database, Workflow application, and an eApproval application to perform similar functions.

Furthermore, some of the functionality currently provided within ITSS needs enhancement. The eBuy² function does not allow a user to revise documents and retain the original in the system. As a result, users may complete the eBuy process outside of ITSS and import the data after the process is finished. Enhancements are also needed to allow users to generate customized reports to assist in management decisions.

The use of ITSS is not standardized across the regions. Consequently, system users create unique numbering systems, formats for procurement documents, and document

² eBuy, a component of GSA Advantage!®, is an online Request for Quotation tool. eBuy is designed to facilitate the request for submission of quotations for a wide range of commercial supplies (products) and services under GSA schedules and technology contracts.

titles. As a result, search capabilities are limited because users need to know the precise naming conventions used when the task order was created. Finally, paper documents are still used and there is no policy requiring users to record the entire procurement process in ITSS. These conditions further impede search capabilities.

Office of Management and Budget (OMB) Circular A-130 specifies that agencies must develop information systems that facilitate interoperability, application portability, and scalability of electronic applications across networks of heterogeneous hardware, software, and telecommunications platforms. To perform effective and efficient assisted acquisitions, FAS users need a system that incorporates: solicitation award and administration functions, document creation, acquisition planning, procurement requirements defined in standardized and searchable terms, and procurement status information. OMB Circular A-130 further specifies that agencies incorporate records management and archival functions into the design, development, and implementation of information systems. Agencies need to ensure the ability to access records regardless of form or medium. A fully-automated search engine coupled with comprehensive acquisition data using standard terminology is essential to providing a quality acquisition system with needed functionality and efficiency.

Comprehensive Training for All Users

Although user training has been provided since the inception of ITSS, additional training is needed. OMB Circular A-123 specifies an element of the control environment should be a commitment to competency. OMB Circular A-130 specifies that agencies train personnel in skills appropriate to management of information. The development of regional processes is due to functional gaps in the system or users' lack of awareness of existing functionality. Training will promote standardization and familiarize users with system capabilities.

CONCLUSION

The AAS needs to focus on short and long-term goals. The short-term goals should address some of the missing functionalities within ITSS as well as training ITSS users on new and existing processes and system capabilities. Long term, the AAS in conjunction with FAS, needs to design and implement a procurement system for the AAS. This system should incorporate a standardized procurement process for all users. In addition, FAS needs to ensure that ITSS users are properly trained in the capabilities and functions of the replacement system.

MANAGEMENT COMMENTS

The Commissioner, Federal Acquisition Service, generally concurred with the findings and recommendations outlined in this report. FAS management agreed that AAS should develop short-term actionable goals to further refine ITSS functionalities.

Management also agreed that FAS would benefit from a fully-functional procurement system incorporating a standardized procurement process. FAS will not address all the missing functionality we discussed in our report for ITSS. Instead FAS plans to incorporate ITSS into the conceptual framework of the Enterprise Acquisition Solution (EAS). According to FAS, the framework incorporates a fully automated procurement process from pre-solicitation to close out. FAS did not provide a timeframe for completion of the EAS.

A copy of the Commissioner's comments is included in its entirety in Appendix B.

INTERNAL CONTROLS

The audit focused on assessing the performance and functionality of the ITSS system. Accordingly, our scope was confined to a review of the system's performance rather than an analysis of all controls.

We would like to thank the Federal Acquisition Service, Assisted Acquisition Service for their assistance and cooperation during this audit. Please contact Terry Williams, Auditor-In-Charge, or me if you have any questions regarding this report.



Carolyn Presley-Doss
Deputy Assistant Inspector General for Finance and Information Technology Audits
Finance and Information Technology Audit Office (JA-F)

Attachments
Appendixes A – C

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APPENDIX A

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective, Scope, and Methodology

The objective of our audit was to assess the performance and functionality of the ITSS in meeting system users' needs. To accomplish the objective we:

- Surveyed users in Region 1 (New England Region), Region 3 (Mid Atlantic Region), Region 4 (Southeast Region), Region 5 (Great Lakes Region), Region 7 (Greater Southwest Region), Region 8 (Rocky Mountain Region), and NCR (National Capital Region) in regards to their needs, uses, training, and satisfaction with ITSS;
- Surveyed the Regional Integrated Project Team members and the Regional Acquisition Operations Directors in regards to their needs, uses, training, and satisfaction with ITSS;
- Met with program officials including: the ITSS program director, GSA FAS Chief Technology Officer, and the GSA Deputy Counsel to discuss various aspects of ITSS including training, procurement functions, user satisfaction, and enhancements;
- Used read-only system access to navigate the system;
- Reviewed procurement requirements development, solicitation, offer, award, administration, and related procedures employed in the system acquisition process; and
- Reviewed system costs.

The audit relied on OMB Circular A-130 *Appendix III – Security of Federal Automated Information Resources*, and OMB Circular A-123 *Management's Responsibility for Internal Control*. The system assessment was conducted between March and December 2010. Audit work addressed by this report was conducted 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. The audit evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The scope of our audit did not include a detailed analysis of the data within ITSS or the accuracy of that data. Our audit scope also did

not include a review of the contractual practices used in procuring commodities and services or the overall acquisition process.

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APPENDIX B

MANAGEMENT COMMENTS



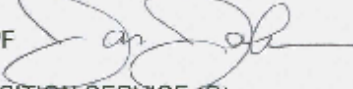
GSA Federal Acquisition Service

April 20, 2011

MEMORANDUM FOR CAROLYN PRESLEY-DOSS
DEPUTY ASSISTANT INSPECTOR GENERAL FOR
FINANCE AND INFORMATION TECHNOLOGY
AUDITS (JA-F)

FROM:

For
STEVEN J. KEMPF
COMMISSIONER
FEDERAL ACQUISITION SERVICE (Q)



SUBJECT: GSA Draft Report, "Audit of the Information Technology
Solutions Shop (ITSS) System Performance and Functionality"
(Report #A100123-2)

The Federal Acquisition Service (FAS) appreciates the efforts of the Office of the Inspector General to assess the performance and functionality of the Information Technology Solutions Shop (ITSS) System, and to offer constructive findings and recommendations. We also appreciate the opportunity to provide comments on the discussion draft. The interplay between the FAS information technology and acquisition environments is highly complex. It appears that these dynamics may not have been fully considered within the audit. FAS provides further context and clarification in our management response.

FAS partially concurs with the first recommendation in the report, and concurs with the second recommendation. We will begin creating action plans to address the two recommendations. Concurrences are included in the official file or by the correspondence received from the program offices which are attached to the official file.

Please call me at (703) 605-5400 if you have any questions. Your staff may contact Kirk Martinelli at (703) 605-5432 or kirk.martinelli@gsa.gov for additional information.

U.S. General Services Administration
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Arlington, VA 20405-0003
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**Federal Acquisition Service Comments on the OIG Draft Report:
“Audit of the Information Technology Solutions Shop (ITSS)
System Performance and Functionality” (A100123-2)**

General Comments

The Federal Acquisition Service (FAS) appreciates the efforts of the Office of the Inspector General to assess the performance and functionality of the Information Technology Solutions Shop (ITSS) System, and to offer constructive findings and recommendations. The interplay between the FAS information technology and acquisition environments is highly complex. It appears that these dynamics may not have been fully considered within the audit. FAS would like to provide further context and clarification.

The audit, while acknowledging the need for long-term solutions, does not consider the existence of the FAS Enterprise Acquisition Solution (EAS) that has been designed for that specific purpose. Neither does it reflect the ongoing positioning of ITSS to dovetail within the EAS conceptual framework. Rather, it seems to consider ITSS in isolation and at a fixed point in time. This might lead an observer to conclude that ITSS requires extensive upgrading when in fact a viable path forward has already been established at a FAS enterprise level.

The results of the audit and the explanation of findings describe various functionalities that ITSS was never designed to address and labels them as “missing” or “lacking.” ITSS is not an all-encompassing acquisition lifecycle system. It was not designed to offer acquisition planning functions, contract writing abilities, custom report generation or a capacity to recognize text as searchable data fields. It does, however, provide a common platform where project documents can be attached and organized by acquisition when created outside of the system, and it provides that intended functionality very well.

Users would undoubtedly appreciate the additional ITSS functionalities referenced in the audit but those would not be feasible in the current system context. They may be incorporated as web services as they become available but it would be cost prohibitive to build them into ITSS as separate modules. FAS has defined the EAS framework as its path forward to a fully-automated procurement process from pre-solicitation to close out.

A number of short-term system and process changes were occurring during the period of the audit, have since been implemented, or are in progress today. Although these were not mentioned in the audit explanations or results, they nonetheless reflect responsible investments in ITSS as befits its system lifecycle placement.

- The Assisted Acquisition Service (AAS) issued Operational Notice 2011-001, “Electronic System of Record” on January 7, 2011. This required all Regional AAS Client Support Centers to capture the entire procurement process electronically in ITSS on a going-forward basis. Paper documents will no longer be acceptable after a brief transition period. AAS also deployed an “Electronic Contract File” structure in ITSS on April 7,

2011 for new orders to promote conformance with this policy, and to align with the overarching FAS strategy for electronic content management.

- AAS is developing a standard numbering system with implementation planned for October 1, 2011. Delivery Order Numbering will be in accordance with the General Services Administration Acquisition Manual (GSAM). Front-end order identification numbers will be generated in a standard manner across Client Support Centers directly within ITSS.
- Shortfalls in the current interface between ITSS and eBuy have been identified. A retrofit of the eBuy web service is underway to mitigate the small percentage of orders that previously had to be completed outside of ITSS.
- Notification processes are being built into ITSS to facilitate the reporting of past performance information and to initiate closeout actions.
- FAS has undertaken an Acquisition Planning Workflow Automation (APWA) project on behalf of the GSA Chief Acquisition Officer to replace the current Acquisition Planning Wizard. ITSS will incorporate this as a web service when it becomes available.

Recommendation No. 1

"A fully-functional procurement system is designed for the Assisted Acquisition Service that incorporates a standardized procurement process. Specifically, the Assisted Acquisition Service needs to develop short-term actionable goals to address missing functionalities within ITSS and work toward a long term solution for a procurement system."

FAS concurs in part. FAS would benefit from a fully-functional procurement system incorporating a standardized procurement process. FAS will address this within the context of the EAS. It will not be developed in isolation solely for AAS.

FAS agrees that AAS should develop short-term actionable goals to further refine ITSS functionalities in anticipation of EAS. However, these functions would not include acquisition planning, contract writing, custom report generation or comprehensive search capabilities, as they would not be cost effective standalone modules in ITSS.

Recommendation No. 2

"Develop standardized training for ITSS system users."

FAS concurs.

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APPENDIX C

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