

REVIEW OF CONSISTENCY  
IN IMPLEMENTING POLICY  
ACROSS ACQUISITION CENTERS –  
TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

March 31, 2011



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

---

Date: March 31, 2011

Reply to  
Attn of: Audit Manager, Acquisition Programs Audit Office (JA-A)

Subject: Review of Consistency in Implementing Policy Across Acquisition Centers  
– Temporary Extensions  
Report Number A100204/Q/A/P11005

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

This report presents the results of the Review of Consistency in Implementing Policy Across Acquisition Centers – Temporary Extensions. The review found that Federal Acquisition Service (FAS) acquisition centers do not consistently implement and/or follow proper regulations, policies, and procedures regarding temporary extensions.

Contracting officers were not consistent with regard to the contract clauses they cite as authority to issue extensions, and a review of selected contract files revealed inconsistencies regarding the procedures used in awarding temporary extensions. In addition, some contract files lacked evidence of supervisory review of the temporary extensions. These issues could result in invalid extensions and lapses in the performance period of Multiple Award Schedule contracts. Further, we noted that FAS does not have an automated method for centrally compiling, summarizing, and reporting data regarding the use of temporary extensions. The absence of this data significantly limits FAS's ability to manage and reduce the need for the extensions.

If you have any questions regarding this report, please contact me on (816) 926-8605.

A handwritten signature in black ink that reads "Michelle L. Westrup".

Michelle L. Westrup  
Audit Manager  
Acquisition Programs Audit Office



REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

<b><u>TABLE OF CONTENTS</u></b>	<b><u>Page</u></b>
EXECUTIVE SUMMARY	i
RESULTS OF REVIEW	1
Finding 1 -- Centralized Policies Related to Clauses and Supervision Are Inadequate	1
Recommendations	5
Finding 2 -- No Reliable Data Exists for Monitoring and Managing Temporary Extensions	5
Recommendation	7
Conclusion	7
Management Comments to the Draft Report	7
Internal Controls	7
APPENDIXES	
Appendix A: Background and Objective, Scope, and Methodology	A-1
Appendix B: Management Comments to the Draft Report	B-1
Appendix C: Report Distribution	C-1

REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

**EXECUTIVE SUMMARY**

**Purpose**

The objective of this review was to determine if Federal Acquisition Service (FAS) acquisition centers are consistently implementing and adhering to regulations, policies, and procedures regarding temporary extensions.

**Results in Brief**

FAS acquisition centers do not consistently implement and/or follow proper regulations, policies, and procedures regarding temporary extensions. Contracting officers are not consistent with regard to the contract clauses they cite as authority to issue extensions. A review of selected contract files revealed inconsistencies regarding the procedures used in awarding temporary extensions. In addition, some contract files lacked evidence of supervisory review of the temporary extensions. These issues could result in invalid extensions and lapses in the performance period of Multiple Award Schedule (MAS) contracts. The primary cause of these inconsistencies appears to be the lack of adequate centralized policies and procedures regarding temporary extensions.

In addition, FAS does not have an automated method for centrally compiling, summarizing, and reporting data regarding the use of temporary extensions. The absence of this data significantly limits FAS's ability to manage and reduce the need for these extensions.

**Recommendations**

We recommend that the Commissioner of the Federal Acquisition Service:

1. Ensure consistency in implementing and adhering to regulations, policies, and procedures regarding temporary extensions by establishing centralized policies and procedures for use of the proper contract clauses by the acquisition centers.
2. Remedy potential financial and competition issues by examining the contracts with performance period lapses identified as part of this review.

3. Improve FAS's ability to manage and reduce the need for temporary extensions within the MAS program by developing an automated method of accumulating and reporting data regarding the use of temporary extensions. The data collected should encompass all acquisition centers and the rationale for issuing the extension.

### **Management Comments to the Draft Report**

On March 30, 2011, the Commissioner of the Federal Acquisition Service concurred with the findings and recommendations of the report. Management's written comments to the draft report are included in their entirety as Appendix B.

REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

**RESULTS OF REVIEW**

Federal Acquisition Service (FAS) acquisition centers do not consistently implement and/or follow proper regulations, policies, and procedures regarding temporary extensions. Contracting officers (COs) are not consistent with regard to the contract clauses they cite as authority to issue extensions. A review of selected contract files revealed inconsistencies regarding the procedures used in awarding temporary extensions. In addition, some contract files lacked evidence of supervisory review of the temporary extensions. These issues could result in invalid extensions and lapses in the performance period of Multiple Award Schedule (MAS) contracts. The primary cause of these inconsistencies appears to be the lack of adequate centralized policies and procedures regarding temporary extensions.

In fiscal year (FY) 2010, FAS reported 1,192 temporary extensions; however, we question the accuracy of this figure because FAS does not have an automated method for centrally compiling, summarizing, and reporting extension data. The absence of this data significantly limits FAS's ability to manage and reduce the need for these extensions.

**Finding 1 -- Centralized Policies Related to Clauses and Supervision Are Inadequate**

While procurement regulations provide for the use of temporary extensions, FAS has limited centralized policies regarding which clauses related to temporary extensions are appropriate for use in MAS contracts. In addition, certain policies and procedures, such as those dealing with supervision of temporary extensions, seem to be understood, but have not been formalized. This has led to inconsistent implementation at the portfolio and acquisition center levels and also within acquisition centers. These inconsistencies may lead to potentially invalid extensions and contract lapses.

**Clause Usage and Issuance Procedures are Inconsistent**

COs are inconsistent with regard to the clauses they cite as authority to exercise temporary extensions and unsure about the proper procedures to follow when issuing them. These issues increase the likelihood that temporary extensions will not be properly exercised and that lapses in contract coverage will occur.

A review of selected contract files revealed that contracting officials would benefit from centralized policies on the use of various clauses when exercising temporary

extensions. We sampled 13 contracts from 3 acquisition centers. These contracts included 20 temporary extensions issued in FY 2010 and contained the following inconsistencies related to clauses and issuance:

- Six contracts were unilaterally extended. Five of these contracts cited Federal Acquisition Regulation (FAR) clause 52.217-8, Option to Extend Services. The remaining contract cited FAR clause 52.212-4, Contract Terms and Conditions – Commercial Items, Changes.
- Seven contracts were bilaterally extended. Two cited no enabling clause (which is allowable in this instance); four cited FAR clause 52.212-4; two cited General Services Administration Acquisition Manual (GSAM) clause 552.243-72, Modifications (Multiple Award Schedule); and two cited clause I-FSS-163, Option to Extend the Term of the Contract -- Evergreen.<sup>1</sup>

A CO may not unilaterally extend a contract in the absence of a contract clause that permits such an extension. In addition, if the Government does not follow the terms of a contract extension clause, or if there is no clause and the vendor continues performing under the contract, the vendor may be entitled to an equitable adjustment.

Of the clauses used to unilaterally extend the contracts in our sample, we determined that FAR clause 52.217-8 formed an acceptable basis for a temporary extension. This clause states that, "The Government may require continued performance of any services within the limits and at the rates specified in the contract...the total extension of performance hereunder shall not exceed 6 months."

However, another clause, FAR clause 52.212-4, cited in a sampled contract and used for two unilaterally issued temporary extensions, was not appropriate. This clause requires a written agreement of the parties. Since no such agreement was established, the temporary extension was not correctly executed and the contract could be considered to have lapsed.<sup>2</sup> This contract had sales exceeding \$2 million in FY 2010.

Of the clauses that FAS cited for bilateral extensions, I-FSS-163 is not a valid basis for a temporary extension because it refers to 5-year contract extensions, not temporary extensions. Nevertheless, the extensions are valid because a bilaterally-issued extension does not require that a specific contract clause be cited. However, this situation indicates confusion amongst COs regarding proper issuance procedures.

We identified limited formal centralized guidance related to temporary extensions. Two FAS Instructional Letters were issued by the Assistant Commissioner, Office of

---

<sup>1</sup> The total exceeds seven because some temporary extensions cited more than one enabling clause.

<sup>2</sup> While the United States Court of Appeals, Federal Circuit, has held that a contract extension can be made after the performance period of the contract has expired, a Comptroller General decision found that if this is done, the extension does not cover the time period between when the contract ended and the extension was executed.

Acquisition Management. The Instructional Letters each cite different clauses as the basis for extensions but specified no other procedures for their issuance:

- Instructional Letter 2008-02, dated December 17, 2008, states that temporary extensions are issued to ensure continued contract performance for a limited, definite period of time to allow for the completion of the option package review. As an example, it cites the extension of a contract for 60 days under FAR clause 52.217-8.
- Instructional Letter 2010-04, dated January 12, 2010, states that the CO may issue a unilateral modification with the vendor's paper or electronic written request. It cites FAR clause 52.217-9, Option to Extend the Term of the Contract as the basis for the extension when no changes are made to the contract's terms and conditions.

Some acquisition centers have responded to the lack of centralized guidance for COs by including limited reference to temporary extensions in their center's desk guide or by issuing other policy documents:

- One acquisition center's desk guide states that the CO may be required to execute a temporary extension if completion of a preaward audit is not anticipated prior to the end of the contract. However, it provides for no other possible causes of temporary extensions and gives no instructions on how to issue them.
- Another center's management advised us that their desk guide does not address the issue of temporary extensions. This center's director issued a policy memorandum in June 2009 regarding options review. It requires COs to notify center management if an option is late, but it does not provide further instructions related to the extensions.
- The third center's management advised us that they have no center-wide policies or procedures related to temporary extensions. However, branch officials within that center advised us that they have issued guidance for their staff:
  - In October 2008, one branch issued policy stating that temporary extensions may be issued if the contractor (1) has had insufficient sales, (2) has not met its subcontractor goals, or (3) has failed to meet another contractual obligation. This list of reasons for extensions is restrictive and the guidance does not apply to other branches within the center.
  - A February 2010 policy issued by one branch in this acquisition center specified that FAR clause 52.217-8 was to be used as the basis for



temporary extensions. However, this clause may not be applicable to other branches within the center and it does not address issuance procedures.

Based on the results of our sample, review of available policies and procedures, and interviews of FAS contracting officials, we believe FAS should develop and disseminate centralized policy and procedures regarding the issuance of temporary extensions. This guidance should address the appropriate clauses to be used when issuing either unilateral or bilateral temporary extensions. This information will help alleviate confusion and uncertainty among COs, and help ensure that the extensions are valid.

### *Supervisory Review Practices Vary*

There are no centralized policies requiring supervisory approval prior to issuing temporary extensions and some of our sampled contract files contained no evidence of supervisory involvement. Issuing temporary extensions without an effective control increases the likelihood that use of extensions will increase and could be issued improperly, possibly rendering the extensions invalid. Supervisory review through observation and inquiry is an example of an effective internal control and may prevent and detect errors and irregularities.

The COs we interviewed understood the value of discussing temporary extensions with their supervisors and often did so, but there is not a formal MAS program-wide policy requiring that a supervisory discussion be held or documented. Because there is not a MAS program-wide policy, branch managers for two branches within one acquisition center issued their own guidance relative to supervisory reviews.

One branch issued an October 2008 letter regarding options guidance. It states that COs should contact their team lead or branch chief if they have questions about deciding whether to temporarily extend a contract. However, this letter does not mandate this discussion, require documentation of the discussion for the contract file, or require supervisory review or approval of the extension. Another branch within the same acquisition center issued a February 2010 policy stating that no temporary extensions can be issued without prior supervisory approval.

In reviewing the contract files, 4 of the 20 extensions in our sample contained no evidence of supervisory review of the extensions. The contracting officials who were involved with these extensions advised us that COs generally notify their supervisors about temporary extensions, but that they were not required to document it in the contract file. Center management in one of the two centers involved acknowledged that it would be beneficial to document such supervision in the contract file.

Acquisition centers may find it advantageous to capitalize on a FSS Online<sup>3</sup> system change that was implemented in August 2009 at the request of one acquisition center. FAS's Office of the Chief Information Officer (OCIO) identified a method within FSS Online that limits the ability for a CO to process a temporary contract extension modification until supervisory approval is granted within the system. This system change was developed generically so that this control could be implemented for other centers if requested.

However, one of the extensions in our sample from this center was signed after its effective date, meaning that the contract had lapsed, despite supervisory approval. This specific contract had over \$17 million in sales in FY 2010. Therefore, for this control to be effective, it needs to be thorough rather than perfunctory.

### Recommendations

We recommend that the Commissioner of the Federal Acquisition Service:

1. Ensure consistency in implementing and adhering to regulations, policies, and procedures regarding temporary extensions by establishing centralized policies and procedures for use of the proper contract clauses by the acquisition centers.
2. Remedy potential financial and competition issues by examining the contracts with performance period lapses identified as part of this review.

### **Finding 2 -- No Reliable Data Exists for Monitoring and Managing Temporary Extensions**

FAS does not currently have an automated method which centrally compiles, summarizes, and reports temporary extension usage data. While one portfolio and multiple acquisition centers capture this data manually at some level of detail, the existing data does not fully or accurately represent the use of temporary extensions across the entire MAS program. The absence of this data significantly limits FAS's ability to manage and reduce the need for temporary extensions.

At the onset of this review, FAS officials notified us that we may face challenges in obtaining data regarding temporary extensions. Subsequently, we submitted a request to FAS's Office of Acquisition Management for MAS program-wide data regarding extensions issued in FYs 2009 and 2010. The FAS OCIO advised us that this type of data had never been previously requested and as such, a system change request would need to be submitted and a program developed to create a report from FSS Online.

---

<sup>3</sup> FSS Online, which acquisition personnel use to administer contracts, is the front-end interface for FSS-19. FSS-19 is an automated supply system that supports GSA's mission of procuring goods and services for customer agencies.

With the lack of centralized data, some acquisition centers and a portfolio have developed ways to track temporary extension issuance independently. For example, one portfolio requests data from its acquisition centers on a monthly basis and compiles those responses into a consolidated report. While we find it positive that the portfolio is interested in tracking this information, we question the methodology:

- The data is manually accumulated by the centers and therefore, subject to human error. Our review of this data collected by the portfolio revealed inaccuracies in the manner in which the centers report the information to portfolio management. The variances in reporting render the data unreliable and therefore, ineffective in managing temporary extensions.
- The consolidated report identifies and tracks only one cause of temporary extensions—audits; however, the FY 2010 report indicates that only 13 percent are attributable to audits. In order for FAS to reduce the number of temporary extensions, it is necessary to identify the reasons they were needed. Therefore, it would be beneficial if the center data and consolidated report identified all major causes of temporary extensions.

In November 1999, the Government Accountability Office (GAO) issued Standards for Internal Control in the Federal Government. This publication lists five standards, one of which is Information and Communications. This standard states that program managers need timely operational data to determine if they are meeting their strategic plans and to effectively and efficiently use resources. GAO recognizes that effective information technology management is essential for useful, reliable, and continuous recording and communication of information.

Without reliable program-wide data, FAS puts itself at risk of not using resources in the most efficient way. It is not possible to manage temporary extensions if there is no accurate, complete information on how often they are being issued, by whom, or why. FAS management recognizes that temporary extension usage is an issue that requires attention. In October 2009, FAS's Office of Acquisition Management established a team of 21 individuals from 11 GSA offices nationwide and two individuals from the Department of Veterans Affairs to work with a contractor to simplify the options process. They did this in part because they believe that the complexity of the current process causes unnecessary temporary extensions.

During our interviews, we found differing opinions of whether the complexity of the process is, in fact, a root cause of temporary extensions. Some contracting officials cited the current option process as a contributing factor for temporary extensions. However, the majority of the COs interviewed stated that the options process itself was not a typical reason for these extensions. The COs advised us of additional causes of temporary extensions, including vendor delay in providing requested option package data and CO workload. These differing perspectives illustrate the need for timely, accurate data in order to identify the root causes of temporary extensions. Using this information, management can work to decrease the number of temporary extensions

issued. Additionally, this data could assist in identifying best practices that could be adopted throughout the MAS program.

### Recommendation

We recommend that the Commissioner of the Federal Acquisition Service:

3. Improve FAS's ability to manage and reduce the need for temporary extensions within the MAS program by developing an automated method of accumulating and reporting data regarding the use of temporary extensions. The data collected should encompass all acquisition centers and the rationale for issuing the extension.

### Conclusion

We found that acquisition centers are not consistently implementing and adhering to regulations, policies, and procedures regarding temporary extensions. The main cause of these inconsistencies is the lack of formalized and centralized policies and procedures. As a result, various regulations and portfolio or center-specific policies were applied, although not necessarily adhered to, when issuing temporary extensions. Establishing program-wide policies and procedures will assist COs in adhering to procurement regulations as they relate to temporary extensions. In addition, a centralized data source to track the use of temporary extensions will allow for better management of resources and operations.

### Management Comments to the Draft Report

On March 30, 2011, the Commissioner of the Federal Acquisition Service concurred with the findings and recommendations of the report and requested additional information regarding the contract sample. Management's written comments to the draft report are included in their entirety as Appendix B.

### Internal Controls

The examination of internal controls was limited to those necessary to achieve the specific objectives and scope of the review. Our results are identified in the body of this report.

## **APPENDIXES**

REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

**APPENDIX A**

**BACKGROUND AND OBJECTIVE, SCOPE, AND METHODOLOGY**

**Background**

The General Services Administration's (GSA's) Multiple Award Schedule (MAS) program provides government customers<sup>1</sup> with access to over 11 million commercial supplies and services through approximately 18,000 contracts. Customers use these contracts to order directly from commercial vendors. Total MAS program sales for fiscal year (FY) 2009 were \$38.02 billion and increased to \$38.91 billion for FY 2010.

The MAS program is operated by GSA's Federal Acquisition Service (FAS) via three portfolios: Integrated Technology Services; General Supplies and Services; and Travel, Motor Vehicle, and Card Services. Within these three portfolios, nine acquisition centers manage and administer the MAS contracts. The General Supplies and Services portfolio is responsible for six of the centers. The Travel, Motor Vehicle, and Card Services portfolio is responsible for two centers and the Integrated Technology Service portfolio manages the remaining center.

Acquisition center operations are guided by overarching policies and guidance that originate from two offices: FAS's Office of Acquisition Management and GSA's Office of the Chief Acquisition Officer. FAS's Office of Acquisition Management develops and implements MAS program policy guidelines by issuing Instructional Letters and Procurement Information Notices. Additionally, this office coordinates the development and maintenance of MAS policy handbooks and desk guides and engages in program-wide process improvement activities. GSA's Office of the Chief Acquisition Officer contributes to writing the Federal Acquisition Regulation (FAR), which encompasses governmentwide procurement rules. This office also writes and revises the General Services Administration Acquisition Manual (GSAM), GSA's internal rules on procurement.

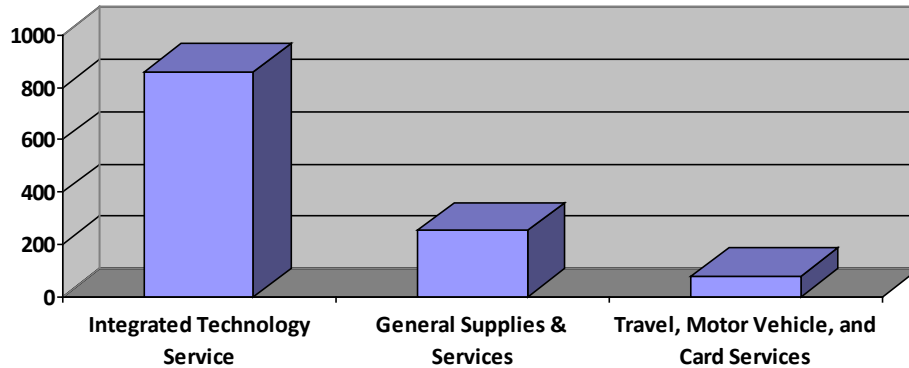
The term of an MAS contract is one 5-year base period and three 5-year option periods. At the conclusion of the contract's base and each of its first two option periods, the contracting officer (CO) is responsible for evaluating and exercising an option for an additional 5-year period. If the CO is unable to evaluate and award an option prior to the contract's expiration, the CO can temporarily extend the period of performance. These temporary extensions can be unilateral (approved by FAS) or bilateral (approved

---

<sup>1</sup> Government customers include federal agencies and in some cases, state and local governments.

by the vendor and FAS). If the temporary extension is unilateral, the CO must cite the authority (included as a clause in the contract) which allows for this modification. Based on FAS data, the number of temporary extensions issued in FY 2010<sup>2</sup> by portfolio was:

**Figure 1: Number of MAS Temporary Extensions Awarded in FY 2010**



### **Objective, Scope, and Methodology**

Our objective was to determine if FAS acquisition centers are consistently implementing and adhering to regulations, policies, and procedures regarding temporary extensions.

A review to determine FAS's consistency with regard to procurement regulations, policies, and procedures across acquisition centers was included as part of the GSA Office of Inspector General's (OIG's) FY 2010 Annual Audit Plan. Based on prior work performed in this area<sup>3</sup> and survey work performed as part of this review, we chose to focus on temporary extensions.

In order to accomplish our objective, we:

- Reviewed relevant Government Accountability Office and GSA OIG reports issued during the period FY 2007 through FY 2010.
- Identified and reviewed applicable national policy and guidance including the FAR, GSAM, and FAS Instructional Letters.

---

<sup>2</sup> This data was provided to us by FAS officials; however, we question its accuracy. Please see the section titled, "Finding 2 -- No Reliable Data Exists for Monitoring and Managing Temporary Extensions" for more information.

<sup>3</sup> "Review of Consistency in Implementing Policy Across Acquisition Centers," Report Number A070118/Q/A/P09007 issued by the GSA OIG on September 30, 2009.

- Reviewed FSS Online data related to MAS contracts and conferred with a representative from the FAS Office of the Chief Information Officer regarding system capabilities.
- Identified and reviewed relevant FAS, portfolio, and center policies, procedures, and guidance relating to temporary extensions.
- Interviewed and held discussions with cognizant FAS Headquarters personnel regarding relevant regulations, policies, and procedures.
- Conducted interviews regarding temporary extension regulations, policies, procedures, and practices at the following acquisition centers:<sup>4</sup>
  - Center for Information Technology Schedule Programs
  - Center for Facilities Maintenance & Hardware
  - Management Services Center
- Selected and reviewed a stratified random sample<sup>5</sup> of temporary extensions issued in FY 2010 for 13 contracts awarded by the acquisition centers listed above.

We conducted our review from August 2010 to November 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

---

<sup>4</sup> To select these acquisition centers, we considered FY 2009 sales volume, the number of contracts in effect as of FY 2009, the number of FY 2009 modification requests, and input from FAS officials.

<sup>5</sup> The sample was stratified based on FY 2010 sales as reported by FAS. We selected contracts from three sales strata to ensure we reviewed contracts of varying dollar amounts, but with an emphasis on contracts with higher FY 2010 sales.



REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

**APPENDIX B**

**MANAGEMENT COMMENTS TO THE DRAFT REPORT**



GSA Federal Acquisition Service

March 30, 2011

MEMORANDUM FOR KENNETH L. CROMPTON  
DEPUTY ASSISTANT INSPECTOR GENERAL  
FOR ACQUISITION AUDITS (JA-A)

FROM:

  
STEVEN J. KEMPF  
COMMISSIONER  
FEDERAL ACQUISITION SERVICE (Q)

SUBJECT: GSA Draft Report, "Review of Consistency in Implementing Policy  
Across Acquisition Centers - Temporary Extensions" (A100204)

Thank you very much for your willingness to work with FAS and for the opportunity to provide comments on this report. The FAS program offices have reviewed the draft audit report and concur with the three recommendations in the report. FAS concurs with the three recommendations and will begin creating action plans to address the recommendations. Concurrences are included in the official file or by the correspondence received from the program office which is 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](mailto:Kirk.Martinelli@gsa.gov).

U.S. General Services Administration  
2200 Crystal Drive  
Arlington, VA 20406-0003  
[www.gsa.gov](http://www.gsa.gov)

**Federal Acquisition Service Comments on the OIG Draft Report:  
“Review of Consistency in Implementing Policy Across Acquisition Centers –  
Temporary Extensions” (A100204)**

General Comments

Thank you very much for considering our comments and concerns on the draft report and making changes to help address these concerns. FAS has reviewed the draft audit report and concurs with the three recommendations in the report.

FAS is requesting additional information on the 13 contracts and 20 temporary extensions that were sampled for the report. Specifically, did any of the 13 contracts have an ongoing OIG audit when the temporary extension was issued?

Recommendation No. 1

***Ensure consistency in implementing and adhering to regulations, policies, and procedures regarding temporary extensions by establishing centralized policies and procedures for use of the proper contract clauses by the acquisition centers.***

FAS concurs with the recommendation.

Recommendation No. 2

***Remedy potential financial and competition issues by examining the contracts with performance period lapses identified as part of this review***

FAS concurs with the recommendation.

Recommendation No. 3

***Improve FAS’s ability to manage and reduce the need for temporary extensions within the MAS program by developing an automated method of accumulating and reporting data regarding the use of temporary extensions. The data collected should encompass all acquisition centers and the rationale for issuing the extension***

FAS concurs with the recommendation.

REVIEW OF CONSISTENCY IN IMPLEMENTING POLICY ACROSS  
ACQUISITION CENTERS – TEMPORARY EXTENSIONS  
REPORT NUMBER A100204/Q/A/P11005

**APPENDIX C**

**REPORT DISTRIBUTION**

Commissioner, Federal Acquisition Service (Q)

Director, Internal Control and Audit Division (BEI)

Assistant Inspector General for Auditing (JA & JAO)

Assistant Inspector General for Investigations (JI)

Deputy Assistant Inspector General for Acquisition Audits (JA-A)