

IMPLEMENTATION REVIEW OF THE CORRECTIVE ACTION PLAN  
FOR THE REVIEW OF THE FEDERAL ACQUISITION  
SERVICE BLANKET PURCHASE AGREEMENTS  
FOR ACQUISITION MANAGEMENT SUPPORT SERVICES  
REPORT NUMBER A090018/Q/A/P10002  
DATED MARCH 30, 2010  
REPORT NUMBER A110151  
June 23, 2011



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

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Date: June 23, 2011

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

Subject: Implementation Review of the Corrective Action Plan for the  
Review of the Federal Acquisition Service Blanket Purchase Agreements  
for Acquisition Management Support Services, Report Number  
A090018/Q/A/P10002 dated March 30, 2010  
Report Number A110151

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

We conducted an implementation review of the corrective actions taken by the General Services Administration's (GSA's) Federal Acquisition Service (FAS) in response to the four recommendations included in the Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services, Report Number A090018/Q/A/P10002 dated March 30, 2010. The initial review focused on FAS's controls over the use of the Blanket Purchase Agreements (BPAs) for Acquisition Management Support Services (AMSS). It determined if the controls in place were adequate to reduce the risks associated with the use of AMSS. The review also included an examination of the BPA task order files to determine if FAS planned and executed the procurements in accordance with the Federal Acquisition Regulation (FAR) and the American Recovery and Reinvestment Act of 2009 (Recovery Act) requirements. Appendix A includes a listing of the four recommendations from the fiscal year (FY) 2010 review and Appendix B contains a copy of the corresponding action plan provided by FAS.

### **Background**

In March 2009, FAS awarded three BPAs with a total estimated value of \$100 million for AMSS against the Mission Oriented Business Integrated Services Multiple Award Schedule. FAS awarded the BPAs in anticipation of the need for additional support to fulfill acquisition projects across GSA and to support specific projects related to the Recovery Act. FAS created BPA ordering guidance that outlines FAR and Office of



Management and Budget provisions for mitigating the risks associated with AMSS.<sup>1</sup> The BPA ordering guidance also incorporated reporting requirements related to the Recovery Act.

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

The objective of this implementation review was to determine whether FAS has taken appropriate corrective action as outlined in the June 16, 2010 action plan for the Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services, Report Number A090018/Q/A/P10002.

To accomplish our objective, we:

- Reviewed the applicable action plan from GSA's Internal Control and Audit Division's audit tracking system;
- Evaluated the AMSS ordering guide dated June 2010, to determine if the action plan steps had been completed and if our recommendations were adequately addressed;
- Obtained copies of task order reviews held during FY 2011;
- Reviewed Procurement Information Notice 2011-04 dated January 21, 2011, FAS emails, and other procurement documentation used to satisfy the action plan; and
- Reviewed applicable FAR subparts to determine if the actions taken met FAR requirements.

We conducted this implementation review during May 2011.

### **Results of Review**

The results of our implementation review indicate that FAS has taken appropriate corrective actions to address the recommendations in the subject report. Specifically, we found that the changes made to the AMSS ordering guide supplement BPA guidance to assist in reducing the risks associated with AMSS. In addition, FAS has taken the required actions to ensure that BPA guidance is monitored for effectiveness, the BPA file is adequately documented, and FAR 8.405-3(a)(1) will be adequately considered in future BPA awards to provide FAS the best solution at the best price. We determined that no further action is necessary to address our recommendations.

### **Internal Controls**

This review was limited in scope in order to answer the objective of this review. Thus, our assessment and evaluation of internal controls was limited to those issues identified in the subject report.

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<sup>1</sup> Ordering activities that rely on contractors to assist in acquisition-related work face an increased risk of contractors performing inherently governmental work and conflicts of interest.

We would like to commend you and your staff for implementing timely corrective actions in response to our recommendations. If you have any questions regarding this review, please contact me at (816) 926-8605.

A handwritten signature in black ink that reads "Michelle L. Westrup". The signature is written in a cursive style with a large, prominent "M" and "W".

Michelle L. Westrup  
Audit Manager  
Acquisition Programs Audit Office

## APPENDIXES

IMPLEMENTATION REVIEW OF THE CORRECTIVE ACTION PLAN  
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**APPENDIX A**

**REPORT RECOMMENDATIONS FOR A090018/Q/A/P10002**

**Recommendations from the Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services, Report Number A090018/Q/A/P10002 dated March 30, 2010**

We recommend that the Commissioner, Federal Acquisition Service:

1. Supplement the BPA ordering guidance by:
  - a. Adding to Section 2.1 of the *Acquisition Management Support Services Contracting Officer Ordering Guide* the requirement to develop a statement of work at the order level, as outlined in the *Sample Acquisition Management RFQ* and prescribed in FAR Subpart 8.405-2(b);
  - b. Adding more specific guidance in Section 2.4 of the *Acquisition Management Support Services Contracting Officer Ordering Guide* to aid ordering activities on determining the appropriate ratios of contractor employees to government employees when acquiring AMS services;
  - c. Clarifying in Section 4.3 of the *Acquisition Management Support Services Contracting Officer Ordering Guide* ordering activity requirements defined in FAR Subpart 8.405-2(d). Specifically, the ordering guide should indicate that the ordering activity contracting officer is responsible for making a written determination that the total price of the task order is fair and reasonable based on an evaluation of the contractor's proposal;
  - d. Considering the addition of references to FAR Subpart 7.503, which addresses inherently governmental work, and FAR Subpart 9.5, which addresses organizational conflicts of interest.
2. Develop and implement a plan to monitor the effectiveness of the BPA ordering guidance and improve the guidance as necessary.
3. Ensure that the BPA file contains sufficient explanation of how the shift in acquisition strategy will save time and contracting resources.

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4. Ensure that future BPA awards reflect consideration of the factors listed in FAR Subpart 8.405-3(a)(1) when determining the number of BPAs to establish for BPA awards.

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**APPENDIX B**

**ACTION PLAN FOR A090018/Q/A/P10002**

**Action Plan for the Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services, Report Number A090018/Q/A/P10002 dated June 16, 2010**

ACTION PLAN			
Contact Person: Lisa Maguire Telephone: 703.605.2886 Date: June 16, 2010			
<b>Audit Report Number/Title</b>	<b>Recommendation Number</b>	<b>Completion Date</b>	
A090018/Q/A/P10002 Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services (AMSS)	1	January 15, 2011	
<u>Recommendation</u> Supplement the BPA ordering guidance			
Step	Action to be Taken Step by Step	Supporting Documentation to be Sent to BEI	Documentation will be sent by (date)
1	Add to Section 2.1 of the AMSS Contracting Officer (CO) Ordering Guide the requirement to develop a Statement of Work at the order level, as outlined in the Sample Acquisition Management RFQ and prescribed in FAR 8.406-2(b)	A copy of the Updated Ordering Guide	September 15, 2010
2	Clarify Section 4.3 of the AMSS CO Ordering Guide ordering activity requirements defined in FAR Subpart 8.406-2(d). Specifically, the Ordering Guide will indicate that the ordering activity CO is responsible for making a written determination that the total price of the task order is fair and reasonable based on an evaluation of the contractor's proposal.	A copy of the Updated Ordering Guide	September 15, 2010
3	Add references to the AMSS CO Ordering Guide regarding FAR Subpart 7.503 addressing inherently governmental work and FAR Subpart 9.5 addressing organizational conflicts of interest.	A copy of the Updated Ordering Guide	September 15, 2010
4	Add more specific guidance in Section 2.4 of the AMSS CO Ordering Guide to aid ordering activities on determining the appropriate ratios of contractor employees to government employees when acquiring MAS services	A copy of the Updated Ordering Guide	January 15, 2011



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Contact Person: Lisa Maguire  
 Telephone: 703.605.2886  
 Date: August 17, 2010

Audit Report Number/Title	Recommendation Number	Completion Date
A090018/Q/A/P10002 Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services (AMSS)	2	March 15, 2011

Recommendation

Develop and implement a plan to monitor the effectiveness of the BPA ordering guidance and improve the guidance as necessary.

Step	Action to be Taken Step by Step	Supporting Documentation to be Sent to BEI	Documentation will be sent by (date)
1	Hire a procurement analyst to assume the contract review process	Email notification of employee arrival	November 15, 2010
2	Develop plan to sample and review task orders submitted to the AMSS CO	Copy of the final plan	December 15, 2010
3	Implement task order reviews	Email notification that reviews have begun	December 15, 2010
4	Issue updated guidance as necessary	Copy of updated guidance	March 15, 2011

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Contact Person: Lisa Maguire  
 Telephone: 703.605.2886  
 Date: June 16, 2010

Audit Report Number/Title	Recommendation Number	Completion Date
A090018/Q/A/P10002 Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services (AMSS)	3	September 15, 2010

Recommendation

Ensure that the BPA file contains sufficient explanation of how the shift in acquisition strategy will save time and contracting resources

Step	Action to be Taken Step by Step	Supporting Documentation to be Sent to BEI	Documentation will be sent by (date)
1	Document contract file with addendum	Copy of addendum	September 15, 2010

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Contact Person: Mark Lee  
 Telephone: 703.605.2593  
 Date: June 16, 2010

Audit Report Number/Title	Recommendation Number	Completion Date
A090018/Q/A/P10002 Review of the Federal Acquisition Service Blanket Purchase Agreements for Acquisition Management Support Services (AMSS)	4	December 15, 2010

Recommendation

Ensure that future BPA awards reflect consideration of the factors listed in FAR Subpart 8.405-3(a)(1) when determining the number of BPAs to establish for BPA awards

Step	Action to be Taken Step by Step	Supporting Documentation to be Sent to BEI	Documentation will be sent by (date)
1	Write and issue a PIN that ensures consideration of the factors listed in FAR Subpart 8.405-3(a)(1) when determining the number of BPAs to establish for BPA awards	A copy of the PIN	December 15, 2010

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**APPENDIX C**

**REPORT DISTRIBUTION**

Commissioner, Federal Acquisition Service (Q)

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)