



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**Review of the GSA OCAO's
Procurement Management
Review Process, Report Number
A080121/O/A/F09012,
Dated September 30, 2009**


*Assignment Number A120154
December 20, 2012*



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

DATE: December 20, 2012

TO: Kathleen M. Turco
Associate Administrator, Office of Governmentwide Policy (M)

FROM: Michelle Westrup 
Audit Manager, Acquisition Programs Audit Office (JA-A)

SUBJECT: Implementation Review of Corrective Action Plan: Review of the GSA
OCAO's Procurement Management Review Process, Report Number
A080121/O/A/F09012, dated September 30, 2009
Assignment Number A120154

We have completed an implementation review of the management actions taken in response to the recommendations contained in our report entitled *Review of the GSA Office of the Chief Acquisition Officer's (OCAO) Procurement Management Review (PMR) Process* (See **Appendix A**). Our objective was to determine whether the OCAO had taken the corrective actions outlined in the Action Plan, dated March 1, 2010. To accomplish our objective we:

1. Reviewed the original GSA Office of Inspector General's report, recommendations, and approved action plan;
2. Reviewed documentation submitted by the OCAO's PMR Division to the Office of Administrative Services' GAO/IG Audit Response Division to resolve action plan items; and
3. Held discussions with PMR Division management and personnel.

The OCAO did not complete all the corrective actions outlined in the action plan; however, the audit recommendations have been addressed and a revised corrective action plan is not necessary. The Office of Acquisition Policy concurred with the results of this report. Their written response can be found, in full, in **Appendix C**.

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

Michelle Westrup Audit Manager michelle.westrup@gsaig.gov (816) 926-8605
Jeremy Martin Auditor-In-Charge jeremy.martin@gsaig.gov (703) 603-0227

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

Background

On September 30, 2009, we issued a report, *Review of the GSA OCAO's Procurement Management Review Process* to the Office of Governmentwide Policy. The objective of this audit was to determine whether PMRs effectively identify and communicate compliance issues with federal acquisition laws and regulations in order to improve contracting officer performance. This audit also determined whether OCAO had a mechanism for measuring the effectiveness of PMRs.

The original audit found that OCAO's PMR program had contributed to improving compliance with federal acquisition laws, regulations, and internal procurement policy. The PMR Division incorporated efficiencies, as well as changes in the acquisition environment. The original audit identified opportunities to strengthen the effectiveness of the PMR program by leveraging limited resources and implementing further process improvements.

The PMR Division also developed the Outcome Analysis Tool to assist in evaluating contracting activity performance. The original audit found opportunities to improve its reliability, enhance its use as a performance measure, and for trend analysis.

To address the issues identified, the original report recommended that the Chief Acquisition Officer:

1. Implement program improvements, including:
 - a. utilizing a broad, risk-based approach across contracting activities and modifying the contract sampling process to obtain a higher level of assurance;
 - b. enhancing communication and feedback to ensure wide dissemination of best practices;
 - c. pursuing focused reviews when appropriate; and
 - d. making improved use of the Internal Control and Audit Division Audit Tracking System (BATS) to track implementation of management action plans.
2. Continue efforts to improve the Outcome Analysis Tool and refine its usage to enhance quantification and trend analysis of PMR results by:
 - a. assessing measures currently tracked to ensure they capture critical elements of acquisition;
 - b. incorporating refinements to the PMR process and checklists to promote standardization of data capture; and
 - c. supplementing with other performance indicators, or forms of evaluation, as appropriate.
3. Continue current Office of Management and Budget Circular A-123 implementation efforts, integrating where possible with our prior recommendations to leverage limited PMR resources.

The Associate Administrator for the Office of Governmentwide Policy and the Chief Acquisition Officer generally agreed with the report recommendations.

Results

Our implementation review determined that not all of the corrective actions have been taken (See **Appendix B** for corrective action analysis matrix). However, our review concluded that the audit recommendations have been addressed and a revised corrective action plan is not necessary.

Corrective Actions Not Taken

In response to Recommendation 1.b., the PMR Division was to disseminate the results of the 2010 Annual GSA A-123 Acquisition Assessment throughout the agency, via email. PMR Division officials could not provide evidence that these results were distributed, per the approved action plan. The GAO/IG Audit Response Division proceeded to close this action step despite the lack of evidence; therefore, the PMR Division provided no further documentation. When we requested a copy of the dissemination email, PMR Division officials could not provide a copy due to GSA's transition to a new email system. Despite the failure to provide us with the email, the A-123 report is posted on the PMR intranet site and is readily available to all GSA employees. Therefore, we determined that the intent behind the action step was fulfilled and, in conjunction with other provided documentation, the recommendation was satisfied.

To address the same recommendation, the PMR Division stated it would post the PMR review checklists on the PMR intranet site. However, PMR Division officials could not provide any documentation to confirm this action was taken. During discussions with PMR management, they informed us that the checklists were posted at one time, but later taken down as they may have been negatively affecting contracting diligence. Division officials wanted contracting personnel to focus on the overall quality of a contract file instead of focusing on specific items on a predetermined checklist. Although there was no evidence to support that the PMR checklists were posted on the intranet site; we agreed with management's rationale. We determined that the intent behind this action step was fulfilled and, in conjunction with other provided documentation, the recommendation was satisfied.

In response to Recommendation 2, the PMR Division was to provide the GAO/IG Audit Response Division with quarterly application implementation updates on the replacement of the Outcome Analysis Tool. On September 16, 2010, the sole quarterly update was submitted. That day, the GAO/IG Audit Response Division closed this action step. According to discussions with PMR management, the replacement data application was not fully implemented until 2012 and is still awaiting final authorization for use with OIG audits. Although quarterly updates were not provided as outlined in the action plan, the data application is nearing full implementation; therefore, we determined

that the intent behind this action step was fulfilled and, in conjunction with other provided documentation, the recommendation was satisfied.

While deficiencies in implementation of the corrective action plan were found, a revised action plan is not required.

Management Comments

On behalf of the Office of Governmentwide Policy, the Director of Acquisition Policy and Senior Procurement Executive concurred with the results of this review. Management's written comments to the draft report are included in their entirety as ***Appendix C***.

Appendix A – Action Plan for Report Number A080121/O/A/F09012

Action Plan for Review of the GSA OCAO's Procurement Management Review Process Report Number A080121/O/A/F09012

OIG Recommendations	Center for Procurement Management Review Action Plans	Supporting Documentation	Proposed Completion	Supporting Documentation sent by:
1. Implement program improvements including:				
a) Utilizing a broad risk-based approach across contracting activities and modifying the contract sampling process to obtain a higher level of assurance	For the FY 2010 PMR cycle, population data sets will be collected centrally by CPMR rather than being provided by the PMR site. Also, the transition from random to risk-based file selections will begin in FY 2010 with targeted full implementation in FY2011. The plan is to focus on high-risk areas, such as American Recovery and Reinvestment Act, noncompetitive, and non firm-fixed-priced contracts greater than \$100,000 in value. For the FY 2011 PMR cycle, the goal is to select all samples based on risk factors that may evolve, to include actions awarded during the last days of the fiscal year and samplings from employees with above average number of awarded orders	Sample population data set collected centrally by CPMR. Risk-based file selection protocol that includes identified high-risk areas, as identified in the Action Plan.	August 31, 2010	End of August 2010
b) Enhancing communication and feedback to ensure wide dissemination of Best Practices	For the FY 2010 PMR cycle, PMR noted Best Practices will be included in the Annual GSA A-123 Report submitted to the Senior Assessment Team (SAT). The A-123 report is disseminated throughout GSA. Also, the Office of Acquisition Policy (OAP) Center for Procurement Management Review will post Best Practices and current CPMR review checklists on the GSA OCAO Insite intranet site.	PDF of intranet website with Best Practice & CPMR review checklists Copy of email message of where A-123 report is disseminated throughout GSA	August 31, 2010	End of August 2010
c) Pursuing focused reviews when appropriate	CPMR will continue to provide ongoing focused reviews as needed or requested. The Center will continue performing "focused" reviews in addition to PMRs that are listed on the official PMR schedule, based on the following criteria: <ul style="list-style-type: none"> • Requests from Senior Leadership • Results of past reviews (PMR, OIG and GAO) • GAO Studies and Legal Opinions on Federal Contracting (e.g., high risk acquisition topics) • Implementation of new or amended acquisition laws, regulations, policies, etc. • Complexity of acquisition process and/or programs • New technology or information systems (increase electronic reviews) • Volume of Transactions (number, dollars) 	Listing of PMRs selected and performed using criteria stated in Action Plan that were in addition to those on the official PMR schedule.	August 31, 2010	End of August 2010
d) Making improved use of the Internal Control and Audit Division (BEI) Audit Tracking System (BATS) to track implementation of management action plans.	CPMR management uses a PMR milestone matrix to manage PMRs and track progress. In FY 2010, the matrix will be expanded to include BATS data entry and tracking.	Updated PMR Milestone Matrix.	June 30, 2010	End of June 2010
2. Continue efforts to improve the Outcome Analysis Tool and refine its usage to enhance quantification and trend analysis of PMR results by:				
a) assessing measures currently tracked to ensure they capture critical elements of acquisition	In FY 2009, CPMR captured measures of pre and post-award for critical points in the acquisition cycle. In FY 2010 and beyond, similar data tracking and roll-up will occur, which should result in our ability to perform trend analysis. Also, starting in FY 2010, CPMR will work with key stakeholders to validate that data being captured reflects the critical elements of acquisitions	Quarterly application implementation update until application has been fully implemented. Sample report of data tracking and roll-up of critical points in pre and post-award acquisition cycle.	June 30, 2010	End of June 2010
b) incorporating refinements to the PMR process and checklists to promote standardization of data capture	In FY 2010, the base checklists for PBS, FAS-AAS, FAS-MAS will be cross-referenced to ensure that similar critical data is being measured where applicable.	PMR base checklists for PBS, FAS-AAS, FAS-MAS.	June 30, 2010	End of June 2010
c) supplementing with other performance indicators or forms of evaluation as appropriate	Develop and implement PMR Application to replace the Outcomed Analysis Tool. The application will be used to collect and store review findings in a consistent automated manner. As a result key performance indicators can be analyzed in numerous ways to identify trends, systemic problems and best practices within and across fiscal years.	PMR Application Specifications that detail performance indicators.	June 30, 2010	End of June 2010

Appendix A – Action Plan for Report Number A080121/O/A/F09012

Action Plan for
Review of the GSA OCAO's Procurement Management Review Process
Report Number A080121/O/A/F09012

3. Continue current Office of Management and Budget (OMB) Circular A-123 Implementation efforts, integrating where possible with our prior recommendations, to leverage limited PMR resources. The OMB A-123 Assessment of the Acquisition function facilitates a comprehensive review of acquisition activities at GSA. GSA achieved major strides in FY 2009 and is excited to build on our success in FY 2010. This will be an ongoing effort, and special consideration will be made to maximize limited CPMR resources. Annual GSA A-123 Report. June 30, 2010 End of June 2010

Appendix B – A080121/O/A/F09012 Corrective Action Matrix

Recommendation	Corrective Action	Taken	Not Taken
1.a.	For the FY 2010 PMR cycle, population data sets will be collected centrally by CPMR rather than being provided by the PMR site. Also, the transition from random to risk-based file selections will begin in FY 2010 with targeted full implementation in FY2011. The plan is to focus on high-risk areas, such as American Recovery and Reinvestment Act, noncompetitive, and non firm-fixed-priced contracts greater than \$100,000 in value. For the FY 2011 PMR cycle, the goal is to select all samples based on risk factors that may evolve, to include actions awarded during the last days of the fiscal year and samplings from employees with above average number of awarded actions.	X	
1.b.	For the FY 2010 PMR cycle, PMR noted Best Practices will be included in the Annual GSA A-123 Report submitted to the Senior Assessment Team (SAT). The A-123 report is disseminated throughout GSA. Also, the Office of Acquisition Policy (OAP) Center for Procurement Management Review will post Best Practices and current CPMR review checklists on the GSA OCAO Insite intranet site.		X
1.c.	CPMR will continue to provide ongoing focused reviews as needed or requested. The Center will continue performing “focused” reviews in addition to PMRs that are listed on the official PMR schedule, based on the following criteria: <ul style="list-style-type: none"> • Requests from Senior Leadership • Results of past reviews (PMR, OIG and GAO) • GAO Studies and Legal Opinions on Federal Contracting (e.g., high risk acquisition topics) • Implementation of new or amended acquisition laws, regulations, policies, etc. • Complexity of acquisition process and/or programs • New technology or information systems (increase electronic reviews) • Volume of Transactions (number, dollars) 	X	
1.d.	CPMR management uses a PMR milestone matrix to manage PMRs and track progress. In FY 2010, the matrix will be expanded to include BATS data entry and tracking.	X	
2.	Outcome Analysis tool is no longer being used by CPMR. However, the envisioned functionality of the tool will be applied to a replacement data application should project funding request materialize.		X
2.a.	In FY 2009, CPMR captured measures of pre and post-award for critical points in the acquisition cycle. In FY 2010 and beyond, similar data tracking and roll-up will occur, which should result in our ability to perform trend analysis. Also, starting in FY 2010, CPMR will work with key stakeholders to validate that data being captured reflects the critical elements of acquisitions.	X	
2.b.	In FY 2010, the base checklists for PBS, FAS-AAS, FAS-MAS will be cross-referenced to ensure that similar critical data is being measured where applicable.	X	
2.c.	Develop and implement PMR Application to replace the Outcome Analysis Tool. The application will be used to collect and store review findings in a consistent automated manner. As a result, key performance indicators can be analyzed in numerous ways to identify trends, systemic problems and best practices within and across fiscal years.	X	
3.	The OMB A-123 Assessment of the Acquisition function facilitates a comprehensive review of acquisition activities at GSA. GSA achieved major strides in FY 2009 and is excited to build on our success in FY 2010. This will be an ongoing effort, and special consideration will be made to maximize limited CPMR resources.	X	
Total:		7	2

Appendix C – Management Comments



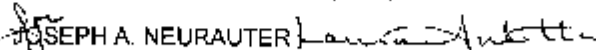
NOV 29 2012

GSA Office of Governmentwide Policy

MEMORANDUM FOR BARBARA BOULDIN

ACTING DEPUTY ASSISTANT INSPECTOR GENERAL
FOR ACQUISITION AUDITS (JA-A)

FROM:


JOSEPH A. NEURAUTER
DIRECTOR, OFFICE OF ACQUISITION POLICY AND
SENIOR PROCUREMENT EXECUTIVE (MV)

SUBJECT:

Review of the General Services Administration, Office of Chief
Acquisition Officer, Procurement Management Review
Process Report Number A080121/O/VF09012

Thank you for the opportunity to review and provide comments on the subject draft Office of Inspector General report. The open communication from your office and the professionalism of your staff have made the review process a positive experience for the Procurement Management Review (PMR) Team and contributed to their effectiveness.

The Office of Acquisition Policy (OAP) concurs with the results of the report. The OAP appreciates the positive input concerning the progress and value of the PMR process noted in the report. We look forward to continuing efforts to strengthen GSA's Acquisition Workforce through robust internal controls to sustain high quality acquisitions in support of GSA and our customers' missions.

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Appendix D – Report Distribution

Associate Administrator, Office of Governmentwide Policy (M)

Division Director, GAO/IG Audit Response Division (H1C)

Audit Liaison, Office of Governmentwide Policy (M)

Assistant Inspector General for Auditing (JA)

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

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