



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

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

**GSA's Administration of
Performance-Based Contracts
Puts the Government at Risk of
Unsatisfactory Contractor
Performance and Wasted Funds
Report Number
A210064/A/3/F23002
February 9, 2023**

Assignment Number A240079
March 25, 2025

Table of Contents

Introduction	1
Results	
<i>Finding 1 – No guidance was issued to GSA contracting personnel with clear, descriptive instruction on how to monitor and enforce QASPs during contract administration.....</i>	<i>4</i>
<i>Finding 2 – Corrective actions to implement management oversight to ensure personnel comply with contract administration policies and procedures were not fully complete.</i>	<i>5</i>
Conclusion.....	7
Appendixes	
Appendix A – Corrective Action Plan for Report Number A210064/A/3/F23002	A-1
Appendix B – GSA Comments	B-1
Appendix C – Report Distribution.....	C-1

Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our February 9, 2023, audit report, *GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds*, Report Number A210064/A/3/F23002.

Objective

The objective of our review was to determine whether GSA's Office of Government-wide Policy (OGP) has taken the actions as outlined in the corrective action plan for *GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds* (see **Appendix A**). To accomplish our objective, we:

- Reviewed the original audit report to understand the recommendations and provide context for the corrective action plan;
- Corresponded with personnel from OGP and applicable staff offices;
- Examined documentation submitted by OGP personnel for addressing the corrective action plan steps; and
- Reviewed data from GSA's Internal Control Audit Tracking System, which indicated when the corrective action plan steps were marked complete.

Background

Part of GSA's mission is to deliver value and savings in acquisition across the government. GSA provides centralized procurement programs for the government, offering products, services, and facilities that the government needs to serve the public. To fulfill its mission, GSA awards and administers its own internal contracts to support its programs and operations. These contracts are awarded by GSA's Public Buildings Service (PBS), Federal Acquisition Service (FAS), and Office of Administrative Services (OAS).

Performance-Based Acquisitions

According to Federal Acquisition Regulation (FAR) 37.1, *Services Contracts-General*, performance-based acquisition is the preferred method for acquiring services. Performance-based service contracts focus on program performance, using an effective, efficient, and robust process to improve project performance outcomes. Further, FAR 46.401, *General*, requires the government to develop a quality assurance surveillance plan (QASP) when using a performance-based service contract. QASPs establish responsibility for meeting the contract requirements and the procedures the government will use to evaluate contractor performance against performance standards. Contracting officers, or delegated contracting officer's representatives (CORs), are responsible for ensuring compliance with the terms of the contract and safeguarding the government's interests. A QASP provides contracting personnel a

proactive approach to avoid unacceptable or deficient performance and provides verifiable input for required annual contractor past performance reports.

Contractor Performance Assessment Reporting System

FAR 42.15, *Contractor Performance Information*, requires government agencies to prepare a contractor past performance report on an annual basis and at contract completion for all contracts and orders that exceed the simplified acquisition threshold.¹ Contracting personnel must enter this past performance report into the Contractor Performance Assessment Reporting System (CPARS) for other government source selection officials to use when making future award decisions. Contracting personnel must collect current, complete, and accurate information for these reports, and the narratives should accurately depict the contractor's performance. This is meant to ensure that the government only does business with companies that provide quality products and services in support of an agency's mission. This process must be completed within 120 days following the end of the period of performance.

On February 9, 2023, we issued an audit report, *GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds*, to the GSA Administrator. The objectives of the audit were to: (1) determine whether GSA administers performance-based service contracts in accordance with regulations, guidance, and internal policies to evaluate contractor performance and ensure conformance with contract requirements; and (2) determine if performance-based contract administration functions vary across GSA and identify best practices, as applicable.

Our audit found that:

- GSA contracting personnel were not always establishing or enforcing QASPs.
- GSA contracting personnel were not preparing justified or timely past performance reports.
- FAS contracting personnel did not comply with an internal policy intended to improve contract administration.

To address the findings identified in our report, we recommended that the GSA Administrator, through FAS, PBS, and OAS:

1. Revise or issue Agency policy to ensure:
 - a. The appropriate oversight of acquisition planning activities for performance-based service contracts, including the creation of a QASP that complies with applicable regulations; and
 - b. Contracting personnel have clear, descriptive instruction on how to monitor and enforce QASPs during contract administration to ensure compliance and improve acquisition outcomes.

¹ The simplified acquisition threshold is usually \$250,000, as defined in FAR 2.1, *Definitions*.

2. Require contracting personnel to complete refresher training on any revised policies and new training on any policies issued in response to this audit report.
3. Ensure CPARS assessments are supported by justification narratives, accurately depict contractor performance, and are timely.
4. Implement management oversight to ensure contracting personnel comply with policies and procedures intended to ensure sufficient government oversight of contractor performance.

GSA agreed with our report findings and recommendations. OGP was the designated responding office that developed the corrective action plan and coordinated with FAS, PBS, and OAS, as needed.

Results

Our implementation review determined that GSA did not fully implement the corrective actions to improve the administration of performance-based contracts and reduce the risk of unsatisfactory contractor performance and wasted funds. Specifically, we found that GSA did not complete corrective actions to:

- Revise or issue Agency policy to ensure contracting personnel have clear, descriptive instruction on how to monitor and enforce QASPs during contract administration to ensure compliance and improve acquisition outcomes (Recommendation 1B); and
- Implement management oversight to ensure contracting personnel comply with policies and procedures intended to ensure sufficient government oversight of contractor performance (Recommendation 4).

Finding 1 – No guidance was issued to GSA contracting personnel with clear, descriptive instruction on how to monitor and enforce QASPs during contract administration.

During our original audit, we found that GSA contracting personnel insufficiently monitored and enforced QASPs. Specifically, we found that internal GSA guidance was not descriptive or instructive enough for contracting personnel to follow when monitoring a QASP. As a result, GSA contracting personnel are not ensuring that the government receives the services it is paying for.

Based on our finding, we recommended that the GSA Administrator revise or issue Agency policy to ensure contracting personnel have clear, descriptive instruction on how to monitor and enforce QASPs during contract administration to ensure compliance and improve acquisition outcomes. In response, the corrective action plan provided that OGP would issue the recommended guidance.²

As evidence of completion, OGP provided Acquisition Alert 2023-04 (AA 2023-04), *Performance-Based Acquisitions*, issued August 10, 2023. The stated purpose of AA 2023-04 is to highlight key elements of performance-based acquisitions; it includes a section titled “Helpful Resources for Performance-based Acquisitions.” This section directs GSA contracting personnel to an online overview and provides tips related to performance-based acquisitions.³ However, this resource was available to personnel during the original audit, and it does not provide clear and descriptive instruction on how to monitor and enforce QASPs. Further, the postaward monitoring tips are high-level or general in nature.

Similarly, the five linked resources included within AA 2023-04 are labeled as “Helpful Tools” rather than formal guidance and do not provide specific instruction on how to monitor and

² See **Appendix A**, Recommendation 1B – Action Step 001.

³ <https://buy.gsa.gov/spba>.

enforce QASPs. Additionally, many of these links were defective or navigated to a generic webpage instead of a direct, specific resource on how to monitor and enforce a QASP.

OGP should issue clear, descriptive guidance for monitoring and enforcing QASPs because they are an essential tool in ensuring that the government receives the services it pays for.

Finding 2 – Corrective actions to implement management oversight to ensure personnel comply with contract administration policies and procedures were not fully complete.

During our original audit, we found that FAS contracting personnel were not adhering to internal policy pertaining to COR requirements intended to improve contract administration, and FAS management was not monitoring for compliance. Specifically, we found that FAS contracting personnel did not fully comply with requirements to complete *Quarterly COR Reports* and *COR Annual Assessment Reports*.

Based on our finding, we recommended that GSA implement management oversight to ensure contracting personnel comply with policies and procedures intended to ensure sufficient government oversight of contractor performance. To address the finding, GSA’s corrective action plan indicated it would continue to mandate an acquisition-specific critical element in all active CORs’ performance plans, and that additional guidance would be provided on how to use the management tool to track compliance.⁴ In addition, GSA agreed to implement system enhancements to require QASPs where applicable, notify and remind contracting personnel when CPARS assessments are due, and alert managers of noncompliance surrounding missing CPARS documentation.⁵

Acquisition-Critical Element

As evidence of completion, OGP provided screenshots of GSA’s Data to Decisions dashboard titled “Acquisition Dashboard - Executive View.” As of December 31, 2023, and February 29, 2024, the dashboard reported that the required acquisition-critical element was included in approximately 70 percent and 79 percent, respectively, of CORs’ performance plans. FAS, PBS, and OAS have different compliance targets based on a 5-point scale, with 5 being the highest. We found that inclusion of the acquisition-critical element varied greatly between FAS, PBS, and OAS and that compliance targets were missed throughout Fiscal Year 2024. FAS and PBS averaged a 4, but OAS’s average was a 2. This indicates that this corrective action’s effectiveness in improving contract administration across GSA is inconsistent.

To demonstrate that additional guidance was provided surrounding the Data to Decisions management tool, OGP pointed us to a GSA InSite page containing a link to the dashboard and a brief overview of its capabilities. While informative, this GSA InSite page falls short of the

⁴ See **Appendix A**, Recommendation 4 – Action Step 001.

⁵ See **Appendix A**, Recommendation 4 – Action Step 004.

requirement to provide additional guidance through policy as agreed to in the corrective action plan.

System Enhancements

As evidence of completion, FAS provided system documentation for its contract writing systems, showing QASP requirements for performance-based acquisitions; however, PBS and OAS have made no efforts to require QASP development in their shared contract writing system.

GSA submitted examples of CPARS compliance reports for FAS, OAS, and PBS; these reports alert managers and contracting personnel of overdue CPARS assessments. While these new tools detect when FAS, OAS, and PBS personnel do not comply with CPARS reporting requirements, GSA agreed to implement system improvements to proactively notify and remind contracting personnel when CPARS assessments are due. Despite this, OGP indicated that GSA relies on native CPARS email notifications, which were determined to be ineffective during the original audit.

GSA management is not ensuring that contracting personnel comply with contract administration policies and procedures. This insufficient oversight continues to put GSA at risk of unsatisfactory contractor performance and wasted government funds.

Conclusion

Our implementation review determined that GSA did not fully implement the corrective actions for two recommendations.

As a result, a revised corrective action plan addressing the corrective actions associated with these open recommendations must be submitted to this office and the Office of Audit Management and Accountability (BA) by April 24, 2025.

GSA Comments

In the OGP Acting Associate Administrator's response to the draft version of this report, he disagreed with *Finding 1* and offered additional context surrounding *Finding 2*. OGP's response can be found in its entirety in **Appendix B**.

OIG Response

In response to *Finding 1*, the OGP Acting Associate Administrator indicated that providing clear, descriptive instruction on how to monitor and enforce QASPs during contract administration is not possible due to the numerous product and service codes utilized in GSA's performance-based acquisitions. The OGP Acting Associate Administrator also reiterated that AA-2023-04 is a resource available to contracting personnel. Finally, the OGP Acting Associate Administrator wrote that the broken website links have been fixed.

We reiterate our position that the issued policy and available guidance is too general in nature and does not meet the intent of the provided corrective action plan, which GSA proposed for our approval. Further, some of the linked resources within AA-2023-04 were available during the original audit and were ineffective in preventing deficiencies. We checked the defective links that GSA fixed in response to our draft report; however, while the links were working, the webpages still do not provide a direct, specific resource on how to monitor and enforce a QASP.

In response to *Finding 2*, the OGP Acting Associate Administrator offered additional context surrounding management oversight efforts to ensure personnel comply with contract administration policies and procedures. The response explained that OAS's relatively low acquisition-critical element compliance rate was due to GSA's risk-based focus on FAS and PBS CORs. GSA also stated that the CPARS's existing email reminder capabilities already prompt contracting personnel of reviews. Lastly, the OGP Acting Associate Administrator noted that GSA provided additional evidence to support the completion of OAS corrective actions.

We modified the report to more specifically state that inconsistent compliance with the required acquisition-critical element is occurring across the Agency, but otherwise reaffirm the finding as written. We also reaffirm our finding that GSA did not implement system enhancements to notify contracting personnel that CPARS assessments were due as agreed to

in the corrective action plan. The existing CPARS email notifications were in place during the original audit and were ineffective in preventing past due evaluations. Lastly, we reviewed the additional evidence to support the completion of OAS corrective actions and revised the report accordingly.

Audit Team

This review was managed out of the Mid-Atlantic Region Audit Office and conducted by the individuals listed below:

Thomas Tripple	Regional Inspector General for Auditing
Susan Klein	Audit Manager
Chadwick Burkholder	Auditor-In-Charge

Appendix A – Corrective Action Plan for Report Number A210064/A/3/F23002

MVA Office of Government-wide Policy Corrective Action Plan

Designated Responding Official: Jeffrey Koses (MV)

Signature _____ Date _____

Contact Person: Nicholas West (MVA)

Telephone Number: 703-605-2834

Date: 03/10/2023

Report number - A210064, GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds	Recommendation(s): 001A	Proposed Recommendation Completion Date (Month/Year): 09/30/2023
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Finding 001:

GSA contracting personnel are not always establishing or enforcing Quality Assurance Surveillance Plans (QASP). Consequently, GSA contracting personnel are not ensuring that the government receives the services it is paying for.

Root Cause of Finding(s):

Performance standards are not clearly defined in the Performance Work Statement development and acquisition planning process. The QASP serves as the plan to monitor and surveil performance; however, clear expectations of performance are often not communicated in the performance requirement.

Recommendation 001A:

001A. Revise or issue Agency policy to ensure the appropriate oversight of acquisition planning activities for performance based service contracts, including the creation of a QASP that complies with applicable regulations.

Version Date: 2/28/2023

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
(001) Issue guidance to the GSA acquisition workforce on acquisition planning activities for performance based service contracts, including the creation of a QASP that complies with applicable regulations. (OGP)	(001): A copy of the OGP guidance	(001): 09/30/2023

Version Date: 2/28/2023

MVA Office of Government-wide Policy Corrective Action Plan

Designated Responding Official: Jeffrey Koses (MV)

Signature _____ Date _____

Contact Person: Nicholas West (MVA)

Telephone Number: 703-605-2834

Date: 03/10/2023

<p><u>Report number - A210064</u>, GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds</p>	<p>Recommendation(s): 001B</p>	<p>Proposed Recommendation Completion Date (Month/Year): 09/30/2023</p>
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Finding 001:

GSA contracting personnel are not always establishing or enforcing Quality Assurance Surveillance Plans (QASP). Consequently, GSA contracting personnel are not ensuring that the government receives the services it is paying for.

Root Cause of Finding(s):

Performance standards are not clearly defined in the Performance Work Statement development and acquisition planning process. The QASP serves as the plan to monitor and surveil performance; however, clear expectations of performance are often not communicated in the performance requirement.

Recommendation 001B:

001B. Revise or issue Agency policy to ensure contracting personnel have clear, descriptive instruction on how to monitor and enforce QASPs during contract administration to ensure compliance and improve acquisition outcomes.

<p><u>Action to be Taken Step by Step</u></p>	<p><u>Supporting Documentation to be sent to the OCFO BA or BG office</u></p>	<p><u>Documentation will be sent Last Duty Day of the month</u></p>
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Version Date: 2/28/2023

(001) Issue guidance to the GSA acquisition workforce that includes clear, descriptive instruction on how to monitor and enforce QASPs during contract administration to ensure compliance and improve acquisition outcomes for performance based service contracts. (OGP)	(001): A copy of the OGP guidance	(001): 09/30/2023
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Version Date: 2/28/2023

MVA Office of Government-wide Policy Corrective Action Plan

Designated Responding Official: Jeffrey Koses (MV)

Signature _____ Date _____

Contact Person: Nicholas West (MVA)

Telephone Number: 703-605-2834

Date: 03/10/2023

<u>Report number - A210064</u>, GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds	Recommendation(s): 002	Proposed Recommendation Completion Date (Month/Year): 01/31/2024
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Finding 001:

GSA contracting personnel are not always establishing or enforcing Quality Assurance Surveillance Plans (QASP). Consequently, GSA contracting personnel are not ensuring that the government receives the services it is paying for.

Root Cause of Finding(s):

Performance Standards are not clearly defined in the Performance Work Statement development and acquisition planning process. The QASP serves as the plan to monitor and surveil performance; however, clear expectations of performance are often not communicated in the performance requirement.

Recommendation 002:

Require contracting personnel to complete refresher training on any revised policies and new training on any policies issued in response to this audit report.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
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Version Date: 2/28/2023

(001) Assign knowledge-check based on the new guidance to applicable contracting personnel. (OGP)	(001A) A copy of the learning asset in FAI Cornerstone OnDemand (CSOD) (001B) Evidence of the assignment of the learning asset in CSOD	(001A) 01/31/2024 (001B) 1/31/2024
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Version Date: 2/28/2023

MVA Office of Government-wide Policy Corrective Action Plan

Designated Responding Official: Jeffrey Koses (MV)

Signature _____ Date _____

Contact Person: Nicholas West (MVA)

Telephone Number: 703-605-2834

Date: 03/10/2023

Report number - A210064, GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds	Recommendation(s): 003	Proposed Recommendation Completion Date (Month/Year): 01/31/2024
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Finding 002:

GSA contracting personnel are not preparing justified or timely past performance reports, which could result in the government awarding future contracts to underperforming contractors

Root Cause of Finding(s):

- 1. Acquisition workforce is not putting together the pieces for how to establish performance-based requirements, QASPs, inspections and performance assessments. For example, inadequate performance standards hinder ability to provide accurate contractor performance assessments.**
- 2. Contractors do not weigh in on performance until after the government completes their assessment**
- 3. Methodology for calculating CPARS compliance and timeliness measure.**

Recommendation 003:

Ensure Contractor Performance Assessment Reporting System assessments are supported by justification narratives, accurately depict contractor performance, and are timely.

Version Date: 2/28/2023

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
(001) Issue guidance to the acquisition workforce on how the different steps in performance-based acquisition tie to performance assessments in CPARS (i.e. using the QASP to complete inspections, and results of the inspections to report to CPARS). (OGP)	(001) A copy of the OGP guidance	(001) 09/30/2023
(002) Automate, where possible, enabling contractors to submit self assessments in accordance with Acquisition Alert 2021-01 . (Applicable HSSOs)	(002) Documentation of automations	(002) 01/31/2024
(003) Submit a change request to CPARS to enable automatic initiation of CPARS (OGP)	(003) A copy of the change request	(003) 06/30/2023

Version Date: 2/28/2023

MVA Office of Government-wide Policy Corrective Action Plan

Designated Responding Official: Jeffrey Koses (MV)

Signature _____ Date _____

Contact Person: Nicholas West (MVA)

Telephone Number: 703-605-2834

Date: 03/10/2023

Report number - A210064, GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds	Recommendation(s): 004	Proposed Recommendation Completion Date (Month/Year): 01/31/2024
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Finding 003:

FAS contracting personnel did not comply with an internal policy intended to improve contract administration; therefore, its effectiveness cannot be determined.

Root Cause of Finding(s):

Inadequate oversight and management controls. Additional oversight is required to determine effectiveness of policy and process implementation.

Recommendation 004:

Implement management oversight to ensure contracting personnel comply with policies and procedures intended to ensure sufficient government oversight of contractor performance.

Version Date: 2/28/2023

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent to the OCFO BA or BG office</u>	<u>Documentation will be sent Last Duty Day of the month</u>
<p>(001) Recognizing this recommendation should also apply beyond FAS, GSA will take steps to ensure FAS, PBS, and OAS contracts implement management oversight to ensure personnel comply with contract administration policies and procedures intended to ensure sufficient government oversight of contractor performance.</p> <p>GSA will continue to mandate a critical element be included in all active CORs' performance plans to ensure managers hold CORs accountable for critical work.</p> <p>GSA will provide additional guidance on how to use this management tool through policy. (Applicable HSSOs)</p>	<p>(001A) Report showing the number of active CORs with the required "acquisition" critical element. (OGP)</p> <p>(001B) A copy of the guidance. (OGP)</p>	<p>(001A) 01/31/2024</p> <p>(001B) 09/30/2023</p>
<p>(002A) Create a tool for analyzing COR resources across GSA (OGP)</p> <p>(002B) Procurement Management Review (PMR) Division will develop an entity test assessing management controls and resource alignment within the COR</p>	<p>(002A) OGP dashboard with data on FAS, PBS and OAS COR workload (e.g. Executive Dashboard, COR Dashboard, etc)</p> <p>(002B) FY24 PMR Checklists</p>	<p>(002A) 09/30/2023</p> <p>(002B) 11/30/2023</p>

Version Date: 2/28/2023

community.		
(003) Analyze current COR resource levels to ensure adequate support of performance based contracts during contract administration and develop action steps to address noted deficiencies. (Applicable HSSOs)	(003A) Results of a baseline workload analysis with recommendations for initial efforts to remediate (job analysis/hiring initiative, etc.) (003B) FY24 PMRD entity test addition that will assess the effectiveness of baseline workload analysis	(003A) 01/31/2024 (003B) 11/30/2023
(004) Implement system enhancements to: 1) require QASP development for performance-based service contracts 2) notify/remind contracting personnel when CPARS are due 3) Alert managers of non-compliance of missing documentation or late CPARS (Applicable HSSOs)	(004) Evidence of the system enhancements	(004) 01/31/2024

Version Date: 2/28/2023

Appendix B – GSA Comments

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February 21, 2025

MEMORANDUM FOR THOMAS TRIPPLE
REGIONAL INSPECTOR GENERAL FOR AUDITING
MID-ATLANTIC REGION AUDIT OFFICE (JA-3)

FROM: MEHUL PAREKH For DocuSigned by: Earl Pinto
ACTING ASSOCIATE ADMINISTRATOR
OFFICE OF GOVERNMENT-WIDE POLICY (M)

SUBJECT: Response to Draft Implementation Review of Corrective Action Plan: GSA's Administration of Performance-Based Contracts Puts the Government at Risk of Unsatisfactory Contractor Performance and Wasted Funds Report Number A210064/A/3/F23003, dated February 9, 2023, Assignment Number A240079

The Office of Governmentwide Policy appreciates the opportunity to review the Office of Inspector General's (OIG) draft report detailing findings from the OIG's implementation review of the management actions taken in response to the recommendations in Audit Report Number A210064/A/3/F23002, issued on February 9, 2023. GSA is committed to acquisition excellence, including establishing sound performance-based contracts that drive efficiency, accountability, and measurable results.

We appreciate the OIG's partnership in measuring GSA's progress toward addressing the challenges noted in the February 9, 2023, review; however, would like to provide comments on the findings in the draft report.

Finding 1 - No guidance was issued to GSA contracting personnel with clear, descriptive instruction on how to monitor and enforce QASPs during contract administration.

GSA does not agree. As the report notes, GSA issued Acquisition Alert 2023-04 (AA-2023-04), *Performance Based Acquisitions*, on August 10, 2023. In this guidance, GSA highlights key elements of performance-based acquisitions (PBAs), including an overview of key terms and policies, role-based instructions for members of the acquisition workforce, and helpful tools to implement the policies.

On average, GSA awards over 5,700 new performance-based acquisitions across 288 unique product and service codes each year. Providing descriptive instructions for each scenario is not possible, and would lead to more templated acquisitions and less critical thinking by acquisition teams. Each acquisition requires an acquisition team to thoughtfully consider how to describe requirements to ensure measurable objectives

and well-defined QASPS can be used to effectively manage the acquisition. As stated during the October 20, 2024, OIG Implementation Review Meeting, GSA believes the best way to provide additional instruction on the development of quality assurance surveillance plans and the resultant enforcement will vary widely depending upon the specifics of the products and/or services being acquired as well as the specific contract requirements. Therefore, GSA's policy highlights the tools available to the acquisition workforce to best define contract requirements. These tools are designed to walk requirements owners through the steps required to establish effective performance-based contracts.

GSA also noted several actions already taken by FAS and PBS to establish further standards based on this guidance. For example, FAS issued additional guidance in August 2024 to address common challenges related to performance-based contracts.

OIG noted that the policy contained broken links, which GSA has since fixed.

Finding 2 - Corrective actions to implement management oversight to ensure personnel comply with contract administration policies and procedures were not fully complete.

GSA would like to offer additional context to the steps we have taken to implement management oversight.

GSA established and implemented a new critical element in over 80 percent of all GSA COR performance plans, which is evidence of a significant and successful effort. OGP focused the roll out where the most employees and dollars were at risk. Currently, over 95 percent of the CORs on active delegation in FAS had the new critical element, and 80 percent in PBS. The fact that the lowest inclusion rate is in the portion of the agency with the fewest CORs and the fewest dollars is evidence of a risk-based focus.

In terms of systems enhancements, GSA completed automations that improved contract administration personnel's ability to conduct past performance assessments. GSA notes that the native CPARS system already notifies contracting administration personnel of the requirement to complete a performance assessment review.¹ GSA also provided evidence OAS completed relevant corrective actions noted on Page 6 of the draft report.

GSA appreciates your consideration and inclusion of these comments in your final report.

¹ See page 106 of the CPARS Guide
https://www.cpars.gov/cparsweb/assets/documents/CPARS_User_Manual.pdf

If you have any questions, please contact Nicholas West, Acting Director GSA Office of Acquisition Policy, Integrity & Workforce, at nicholas.west@gsa.gov.

Appendix C – Report Distribution

Acting GSA Administrator (A)

GSA Deputy Administrator (AD)

Associate Administrator (M)

Deputy Associate Administrator (M1)

Deputy Associate Administrator, Shared Solutions & Performance Improvement (M1)

Chief of Staff (M1)

GSA Senior Procurement Executive (MV)

Acting Director, Office of GSA Acquisition Policy, Integrity & Workforce (MVA)

Chief Financial Officer (B)

Acting Deputy Chief Financial Officer (B)

Office of Audit Management and Accountability (BA)

Assistant Inspector General for Auditing (JA)

Deputy Assistant Inspector General for Acquisition Audits (JA)

Deputy Assistant Inspector General for Real Property Audits (JA)

Director (JAO)