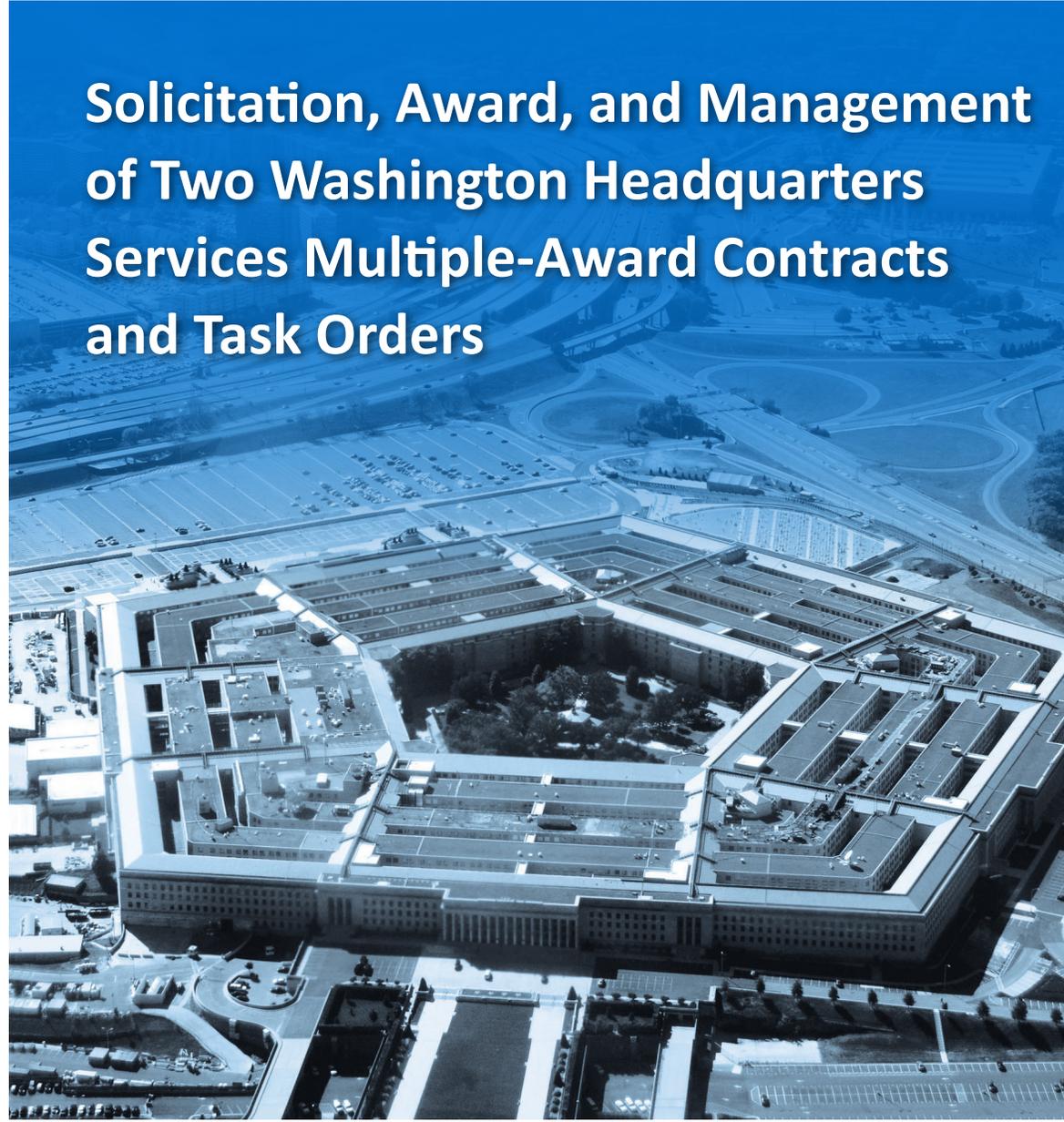




# INSPECTOR GENERAL

*U.S. Department of Defense*

AUGUST 13, 2014



## Solicitation, Award, and Management of Two Washington Headquarters Services Multiple-Award Contracts and Task Orders

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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*Our mission is to provide independent, relevant, and timely oversight of the Department of Defense that supports the warfighter; promotes accountability, integrity, and efficiency; advises the Secretary of Defense and Congress; and informs the public.*

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# Results in Brief

## *Solicitation, Award, and Management of Two Washington Headquarters Services Multiple-Award Contracts and Task Orders*

August 13, 2014

### Objective

Our objective was to determine whether Washington Headquarters Services (WHS) contracting officials complied with the Federal Acquisition Regulation (FAR) and other rules and regulations for the solicitation, award, and management of two multiple-award contracts. We reviewed two WHS multiple-award contracts, each with three contractors, and a total not-to-exceed value of \$555 million, and 11 task orders, valued at \$164.8 million.

### Finding

WHS Acquisition Directorate (AD) contracting officials generally solicited, awarded, and managed two multiple-award contracts and two task orders in accordance with the FAR and other rules and regulations. However, WHS AD contracting officials did not properly solicit, award, or manage nine task orders, valued at \$155.1 million. Specifically, WHS AD contracting officials did not properly document and support the pricing calculation for removing functional areas from the scope of work for one task order; support acquisition decisions for nine task orders; obtain approval for the use of firm-fixed-price, level-of-effort (FFP LOE)-type contract line items for five task orders; or prepare performance reviews for three task orders.

### Finding (cont'd)

WHS AD contracting officials did not properly perform contracting functions and document contracting decisions because WHS AD management did not have adequate quality assurance procedures.

For one task order, WHS AD contracting officials determined that the customer did not accurately define the user environment. In addition, the customer did not understand that, on an FFP-type task order, the contractor would be paid the same regardless of the number of contractor personnel working on the task order.

As a result, on one task order, DoD potentially wasted \$271,358 and spent \$2.4 million more than expected. In addition, by not properly performing contracting functions and not documenting contracting decisions, WHS AD contracting officials put the Government at risk of making uninformed decisions on future acquisitions. WHS AD officials took numerous corrective actions during the audit, including providing training and updating policies.

### Recommendation

We recommend that the Director, WHS AD, review contracting officers' failure to properly perform their responsibilities and, as appropriate, hold personnel accountable. Also, the Director, WHS AD, should verify that contracting officials obtain approval for using FFP LOE-type task orders and prepare performance reviews.

### Management Comments

We received comments from the Director, WHS AD, in response to a draft of this report. The comments addressed all specifics of the recommendations, and no further comments are required.

## ***Recommendation Table***

<b>Management</b>	<b>No Additional Comments Required</b>
Director, Washington Headquarters Services Acquisition Directorate	1, 2.a, 2.b, and 3



**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE**  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500

August 13, 2014

MEMORANDUM FOR DIRECTOR, WASHINGTON HEADQUARTERS SERVICES

SUBJECT: Solicitation, Award, and Management of Two Washington Headquarters Services  
Multiple-Award Contracts and Task Orders (Report No. DODIG-2014-099)

We are providing this report for your information and use. Washington Headquarters Services Acquisition Directorate contracting officials properly solicited, awarded, and managed two multiple-award contracts and two task orders. However, Washington Headquarters Services Acquisition Directorate contracting officials did not properly solicit, award, and manage 9 Net-Centric Integrated Enterprise Information Technology Solutions task orders, valued at \$155.1 million, of 10 Net-Centric Integrated Enterprise Information Technology Solutions task orders, valued at \$163.1 million. As a result, DoD spent \$2.4 million more than expected and potentially wasted \$271,358 on one task order.

We considered management comments on a draft of this report when preparing the final report. Comments from Washington Headquarters Services addressed all specifics of the recommendations and conformed to the requirements of DoD Directive 7620.3; therefore, we do not require additional comments.

We appreciate the courtesies extended to the staff. Please direct questions to Deborah L. Culp at (703) 604-9335 (DSN 664-9335).

A handwritten signature in cursive script, reading "Amy J. Frontz", is positioned above the typed name.

Amy J. Frontz  
Principal Assistant Inspector General  
for Auditing



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## Acronyms and Abbreviations



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# Introduction

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## Objective

Our objective was to determine whether Washington Headquarters Services (WHS) contracting officials complied with the Federal Acquisition Regulation (FAR) and other rules and regulations for the solicitation, award, and management of:

- HQ0034-11-D-0001, HQ0034-11-D-0002, and HQ0034-11-D-0003—a set of multiple-award contracts<sup>1</sup> for information technology (IT) solutions—and
- HQ0034-12-D-0021, HQ0034-12-D-0022, and HQ0034-12-D-0023—a set of multiple-award contracts for program management, knowledge management, administrative, and survey services.

After the start of the audit, we expanded the scope to include a review of the solicitation, award, and management of task orders issued against the multiple-award contracts (MACs) to determine whether WHS contracting officials complied with the FAR and other rules and regulations. See Appendix A for a discussion of the scope and methodology, Appendix B for prior coverage, and Appendix C for criteria related to the objectives.

## Washington Headquarters Services

WHS is a DoD field activity that operates and maintains the Pentagon Reservation and designated facilities in the Washington, D.C., area. According to DoD Directive 5110.04, “Washington Headquarters Services (WHS),” March 27, 2013, the WHS mission is to provide a broad range of administrative, management, and common support services, including:

- human resources and security clearances,
- facilities and facility operations,
- IT capabilities,
- financial management,

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<sup>1</sup> Defense Federal Acquisition Regulation Supplement 216.501-1, “Definitions,” states that a multiple award contract is a multiple award task order contract or any other indefinite-delivery, indefinite-quantity contract that an agency enters into with two or more contractors under the same solicitation. FAR subpart 16.5, “Indefinite-Delivery Contracts,” establishes a preference for making multiple awards of indefinite-quantity contracts.

- acquisition and contracting, and
- secure communications.

WHS is composed of six directorates, including the Acquisition Directorate (AD) and the Enterprise Information Technology Services Directorate (EITSD).

### ***Acquisition Directorate***

WHS AD plans, coordinates, and manages the procurement programs essential to the mission of WHS. The procurement programs include construction, professional, and other services; commodities and supplies; major communication and IT systems; and special programs, totaling more than \$900 million each year. WHS AD contracting officials awarded two MACs, the Net-Centric Integrated Enterprise Information Technology Solutions (NIEITS) MAC and the Organizational and Management Planning (O&MP) MAC.

### ***Enterprise Information Technology Systems Directorate***

WHS EITSD provides a full range of IT equipment, services, solutions, and customer support to the Office of the Secretary of Defense, the Office of the Director of Administration and Management, and WHS to meet mission and business requirements. As the requiring office and end-user, WHS EITSD provided IT support to other users for the overall NIEITS MAC.

### **NIEITS Multiple-Award Contract**

On April 6, 2011, WHS AD contracting officials awarded the NIEITS MAC to three contractors with a total not-to-exceed value of \$495 million. As of October 22, 2013, WHS AD contracting officials awarded 10 task orders, valued at \$163.1 million, against the NIEITS MAC. We reviewed the solicitation, award, and management for all 10 task orders. WHS AD contracting officials maintained electronic copies of the NIEITS MAC and task order files.

### ***Acquisition History***

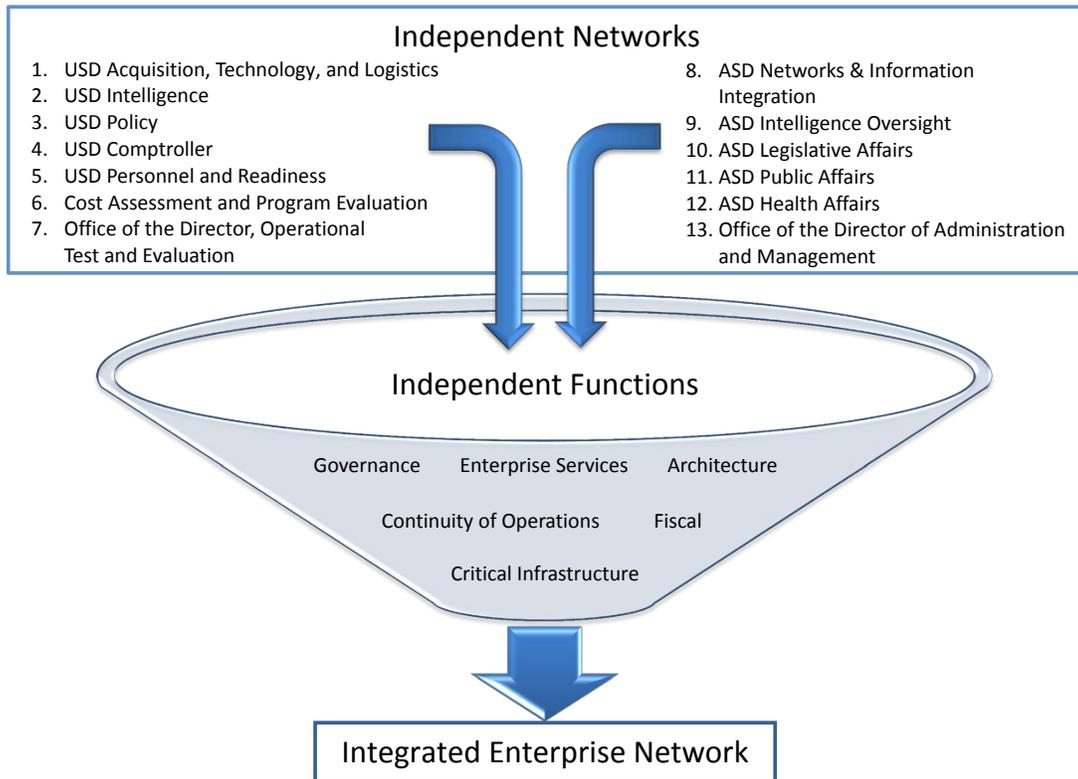
WHS AD contracting officials awarded the NIEITS MAC to obtain IT solutions to support the Office of the Secretary of Defense, WHS, and the Pentagon Force Protection Agency. According to the August 2, 2010, statement of objectives included in the solicitation, the overall objective was to combine existing legacy support contracts to obtain a full range of integrated enterprise net-centric IT supplies and services that provide all users with responsive and efficient

access to common information and services on a daily basis. The statement of objectives identified the following main functional areas:

- customer support;
- systems operations, administration, and maintenance;
- applications support:
  - development,
  - maintenance,
  - e-business systems administration, and
  - software system development engineering;
- business continuity;
- hardware and software acquisition;
- enterprise architecture and engineering services;
- performance management;
- project management; and
- IT training services.

The acquisition plan, dated June 2, 2010, states that the contract combined 13 existing IT contracts, awarded to 12 different contractors, into one contract. The figure, derived from WHS AD's pre-proposal conference brief, illustrates how WHS officials planned to combine the information technology functions of 13 independent networks into a single integrated enterprise network.

*Figure. Independent Networks Combined Into an Integrated Enterprise Network*



**Legend:**

ASD     Assistant Secretary of Defense  
 USD     Under Secretary of Defense

## **Protests**

Three contractors who bid on the NIEITS MAC protested the award. The three contractors filed protests at the agency, Government Accountability Office, U.S. Court of Federal Claims, and U.S. Court of Appeals for the Federal Circuit. The protests were generally denied or dismissed. Work began in May 2012, after resolution of the U.S. Court of Federal Claims case.

## **Contracting Officers**

Between April 2011 and May 2012, a WHS AD contracting officer awarded the NIEITS MAC and four task orders. The contracting officer was then promoted to division director. The incoming contracting officer awarded the remaining six task orders between June 2012 and August 2013. In the report we refer to the division director as the former contracting officer and the incoming contracting officer as the current contracting officer. The current NIEITS contracting officer works for the former NIEITS contracting officer.<sup>2</sup>

<sup>2</sup> In a May 1, 2014, meeting, the Director, WHS AD, stated that the current contracting officer no longer works at WHS.

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## **Organizational and Management Planning Multiple-Award Contract**

On September 29, 2012, WHS AD contracting officials awarded the O&MP MAC to three contractors with a total not-to-exceed value of \$60 million. As of October 22, 2013, WHS AD contracting officials awarded two task orders, valued at \$3 million, against the O&MP MAC. We reviewed one of the two task orders, valued at \$1.7 million. WHS AD contracting officials maintained printed copies of the O&MP MAC and task orders files.

## **Review of Internal Controls**

DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses at WHS. Specifically, WHS AD officials did not have adequate procedures in place to ensure that the NIEITS contracting officers properly solicited, awarded, and managed nine NIEITS task orders. We will provide a copy of the report to the senior official responsible for internal controls at WHS.

## Finding

### Inconsistent Compliance With Policies for Solicitation, Award, and Management of Contracts and Task Orders

WHS AD contracting officials generally solicited, awarded, and managed the O&MP and NIEITS MACs, an O&MP task order, and 1 of the 10 NIEITS task orders, in accordance with the FAR and other rules and regulations. However, of 10 NIEITS task orders, valued at \$163.1 million,<sup>3</sup> WHS AD contracting officials did not properly solicit, award, or manage 9 of them, valued at \$155.1 million, in accordance with the FAR and other rules and regulations. Specifically, WHS AD contracting officials did not:

- properly document and support the pricing calculation for removing functional areas from the scope of work for one task order and did not provide an explanation for the discrepancies in the calculations;
- support acquisition decisions for nine task orders because they did not believe they were required to prepare the documents or believed they prepared the documents but could not locate the missing documents;
- obtain approval for the use of firm-fixed-price, level-of-effort (FFP LOE)-type contract line items for five task orders because they mistakenly did not obtain the approval or because the current contracting officer did not agree with the task order type selected by the former contracting officer; or
- prepare performance reviews in the Contractor Performance Assessment Reporting System for three task orders.<sup>4</sup>

WHS AD contracting officials did not properly perform contracting functions and document contracting decisions because WHS AD management did not have adequate quality assurance procedures in place.

<sup>3</sup> This is the total contract value including all modifications as of October 22, 2013.

<sup>4</sup> We reviewed 4 of the 10 NIEITS task orders for performance reviews and customer satisfaction.

For one task order, WHS AD contracting officials determined that the customer did not accurately define the user environment. In addition, the customer did not understand that, on an FFP-type task order, the contractor would be paid the same regardless of the number of contractor personnel working on the task order.

As a result, on one task order, DoD potentially wasted \$271,358 and spent \$2.4 million more than expected. In addition, by not properly performing contracting functions and not documenting contracting decisions for nine task orders, WHS AD contracting officers put future WHS AD contracting officers at risk of making uninformed decisions when modifying the already awarded task orders because the files do not provide a complete task order history. Also, Government contracting officers are at risk of making uninformed source selection decisions on future awards because of the missing past performance reviews for NIEITS MAC contractors.

## **Multiple-Award Contracts and Two Task Orders Properly Solicited, Awarded, and Managed**

WHS AD contracting officials generally solicited, awarded, and managed the O&MP and NIEITS MACs, an O&MP task order,<sup>5</sup> and a NIEITS task order<sup>6</sup> in accordance with the FAR, Defense Federal Acquisition Regulation Supplement (DFARS), WHS AD policies, and acquisition fundamentals outlined in the Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, “Implementation Directive for Better Buying Power 2.0 – Achieving Greater Efficiency and Productivity in Defense Spending,” (Better Buying Power 2.0), April 24, 2013. Specifically, for the O&MP and NIEITS MACs, WHS AD contracting officials:

- prepared acquisition plans that contained the content required by FAR Subpart 7.1, “Acquisition Plans,” and DFARS Subpart 207.1, “Acquisition Plans,” including acquisition background, market research, objectives, and a plan of action.
- prepared, issued, and posted solicitations in accordance with the uniform contract format, as required by FAR Subpart 15.2, “Solicitation and Receipt of Proposals and Information.” In addition, the solicitations

<sup>5</sup> We reviewed O&MP task order HQ0034-12-D-0023-0003, which was one of two O&MP task orders that WHS AD contracting officials awarded in June 2013.

<sup>6</sup> NIEITS task order HQ0034-11-D-0003-0004 was the first NIEITS task order that the current NIEITS contracting officer awarded after we initiated our audit and is 1 of 10 NIEITS task orders.

identified the factors that WHS AD contracting officials would use to evaluate proposals.

- evaluated contractor proposals in accordance with the evaluation factors in the solicitations and performed technical, price, and past performance evaluations in accordance with FAR Subpart 15.1, "Source Selection Process and Techniques;" FAR Subpart 15.3, "Source Selection;" FAR Subpart 15.4, "Contract Pricing;" and FAR 9.104-1(c), which states that a prospective contractor is determined to be responsible if they have a satisfactory performance record.
- documented source selection decisions in accordance with FAR 15.308, "Source Selection Decision."
- notified successful and unsuccessful offerors and conducted preaward and postaward debriefings in accordance with FAR Subpart 15.5, "Preaward, Award, and Postaward Notifications, Protests, and Mistakes."

In addition, WHS AD contracting officials generally complied with WHS AD Office Operating Instruction 5000-03 (Change 2), "Legal Review," March 28, 2011, which states, "Contracting Officers shall obtain legal counsel as necessary to ensure AD procurement activities are conducted in compliance with applicable statutes and regulations." Specifically, WHS AD contracting officials:

- obtained legal reviews and documented those reviews in the file for the O&MP MAC, and
- had evidence of legal reviews for some decision documents for the NIEITS MAC. However, the WHS general counsel assigned to the NIEITS MAC stated that she reviewed all NIEITS MAC documents except the original solicitation. She reviewed the original solicitation after WHS AD contracting officials posted it and found issues, which prompted the first amendment to the solicitation.

WHS AD contracting officials properly solicited, awarded, and managed one O&MP task order and one NIEITS task order. Specifically, the officials provided all MAC contractors with a fair opportunity for consideration of task order award, as required by FAR 16.505(b), "Orders Under Multiple-Award Contracts," and DFARS 216.505-70, "Orders Under Multiple Award Contracts," when the task order value exceeds \$150,000. WHS AD contracting officials properly awarded and managed the two task orders by:

- evaluating the proposals in accordance with the evaluation factors in the request for proposal,
- supporting acquisition decisions, and
- maintaining task order files that represented a complete history of the transaction.

In addition, the WHS AD contracting officials assigned to the O&MP and NIEITS MACs and task orders met the Defense Acquisition Workforce Improvement Act training requirements for their position. Each had a warrant that met the requirement levels of WHS AD Office Operating Instruction 5000-02 (Change 3), “Contracting and Grant Officer Warrant Program,” August 15, 2012.

WHS AD contracting officials properly maintained the MAC contracts and two task order files and ensured that the documentation constituted a complete history of the transaction, including the rationale for key decisions made during the award process.

## Nine NIEITS Task Orders Not Properly Solicited, Awarded, or Managed

Of 10 NIEITS task orders, valued at \$163.1 million, WHS AD contracting officials did not solicit, award, or manage 9 of them, valued at \$155.1 million, in accordance with the FAR, DFARS, and WHS AD policies. See Table 1 for a list of the nine NIEITS task orders and their values.

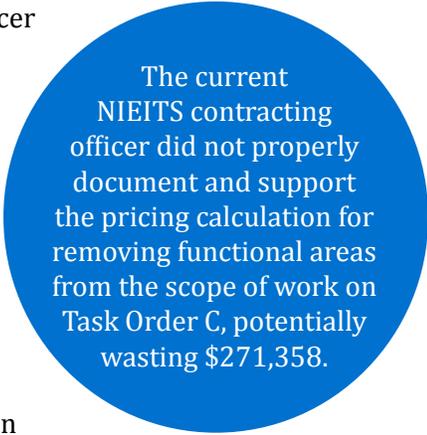
*Table 1. Task Orders Not Properly Solicited, Awarded, or Managed*

Task Order	Value as of October 22, 2013
HQ0034-11-D-0001-0001 (C)	\$19,370,596.24
HQ0034-11-D-0001-0002 (K)	665,361.60
HQ0034-11-D-0002-0001 (B)	21,941,357.65
HQ0034-11-D-0002-0002 (D)	40,137,655.02
HQ0034-11-D-0002-0003 (E)	5,744,508.91
HQ0034-11-D-0002-0004 (L)	45,394,367.14
HQ0034-11-D-0003-0001 (A)	3,339,691.28
HQ0034-11-D-0003-0002 (F)	12,040,896.99
HQ0034-11-D-0003-0003 (G)	6,513,743.68
<b>Total</b>	<b>\$155,148,178.51</b>

Note: NIEITS contracting officers refer to the NIEITS task orders by letters. The letters are next to the task number in parenthesis.

## ***Pricing for Reduction in Scope of Work Not Properly Calculated for Task Order C, Modification 6***

The current NIEITS contracting officer did not properly document and support the pricing calculation for removing functional areas and user groups from the scope of work on Task Order C, potentially wasting \$271,358. The current NIEITS contracting officer issued Modification 6 to remove specific functional areas and user groups from the scope of work. However, the contractor's price proposal from the initial award, minus the removed functional areas and user groups, did not match the price on Modification 6. In the request for proposal for Task Order C, the former NIEITS contracting officer included a user population list that identified five user groups that would transition onto the task order at different times during the base period of performance.<sup>7</sup> In the proposal for Task Order C, the contractor included a breakdown of the proposed price by functional area and user group. However, three of the five user groups never transitioned to the task order. In addition, the current NIEITS contracting officer reduced the period of performance from 11 months to 6 months for four functional areas.



The current NIEITS contracting officer did not properly document and support the pricing calculation for removing functional areas from the scope of work on Task Order C, potentially wasting \$271,358.

To verify Modification 6 pricing, we used the contractor's proposal, subtracted the user groups that the contracting officer removed, and reduced the period of performance by 5 months for four functional areas. Although the current NIEITS contracting officer stated that he used that methodology to calculate the pricing for Modification 6, we were unable to duplicate his results. By using the contracting officer's stated methodology, we determined that DoD should have paid \$10,590,490 for this FFP-type task order during the base period of performance. However, the contractor invoiced, and DoD paid, \$10,861,848. Despite additional follow-up, the current NIEITS contracting officer did not provide an explanation for the inconsistent pricing. As a result, DoD potentially wasted \$271,358 on Task Order C because the current NIEITS contracting officer did not properly calculate the removal of functional areas and user groups from the scope of work.

<sup>7</sup> An 11-month period from May 2012 through March 2013.

## ***Contracting Officers Did Not Support Acquisition Decisions***

NIEITS contracting officials did not support acquisition decisions for nine task orders, valued at \$155.1 million, as required by the FAR and other rules and regulations. Specifically:

- NIEITS contracting officers did not prepare source selection decisions for six task orders, valued at \$97 million, or document discussions with offerors for one task order, valued at \$5.7 million, in the official task order files because they did not believe they were required to prepare the documents.
- the current NIEITS contracting officer did not maintain a technical evaluation, price evaluation, or source selection decision for Task Order K, valued at \$665,362, or a source selection decision for Task Order L, valued at \$45.4 million. He also did not prepare a written explanation for an exception to fair opportunity. Although he stated that he prepared the documentation, he could not provide the missing documentation.
- NIEITS contracting officers did not maintain signed versions of a technical evaluation for one task order, valued at \$45.4 million, or price evaluations for four task orders, valued at \$79.9 million. Although they believed that they signed the documents, they could not provide a copy of the signed version.

See Appendix D for a complete list of the 10 NIEITS task orders and a summary of the missing documentation.

Contracting officers should document their rationale for acquisition decisions and maintain that documentation as required by FAR 4.801, “General,” which requires the head of each office performing contracting to establish files containing the record of all contractual actions and specifies, “The documentation in the files . . . shall be sufficient to constitute a complete history of the transaction.” WHS AD Office Operating Instruction 5000-06, “Contract Files,” states that WHS AD personnel must establish and maintain contract and task order files in accordance with FAR Subpart 4.8, “Government Contract Files,” and must maintain electronic versions of the files in the same organizational manner as the paper version. The instruction also provides indexes for maintaining the files. WHS AD contracting officials maintained the NIEITS contract and task order files electronically.

WHS AD contracting officials did not properly perform contracting functions and document contracting decisions because WHS AD management did not have adequate quality assurance procedures in place. In addition, supervisors did not verify that contracting officials prepared and included required documents in the contract files and did not hold contracting officers accountable for non-compliance. The Director, WHS AD, should review the contracting officers' failure to properly perform contract responsibilities and, as appropriate, initiate actions to hold personnel accountable.

*Source Selection Decisions Not Prepared and Discussions or Correspondence With Offerors Not Documented in Official Files*

The NIEITS contracting officers did not prepare source selection decisions for six task orders or document discussions or correspondence with offerors for one task order as required by FAR Subpart 4.8; FAR 16.505(b)(5), "Decision Documentation for Orders;" and WHS AD policy. See Table 2 for a summary.

*Table 2. Summary of Documentation Not Prepared*

Task Order	Source Selection Decision	Discussions or Correspondence with Offerors	Value as of October 22, 2013
C	Not Prepared	Not in File*	\$19,370,596.24
B	Not Prepared	Not Applicable	21,941,357.65
D	Not Prepared	Not Applicable	40,137,655.02
E	Not Prepared	Not Documented	5,744,508.91
A	Not Prepared	Not in File*	3,339,691.28
G	Not Prepared	Not Applicable	6,513,743.68
<b>Total</b>			<b>\$97,047,552.78</b>

\* The contracting officer provided evidence of discussions and correspondence with the offerors that he kept in his e-mail. However, he did not include that documentation in the official task order files.

For six task orders, valued at \$97 million, the former NIEITS contracting officer stated that he did not believe he was required to prepare a source selection decision because he awarded the task orders on the basis of lowest price and technically acceptable. FAR Subpart 4.8 applies to all orders and requires that contracting officials maintain documentation to ensure a complete history of the action. FAR 16.505(b)(5) states, "The contracting officer shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale . . . ." Source selection is a key decision that contracting officers should thoroughly and clearly document.

For one task order, valued at \$5.7 million, the current NIEITS contracting officer did not document in the official task order files discussions or correspondence with contractors. Documentation from the task order files showed that the technical evaluation teams determined that all initial contractor proposals were unacceptable.<sup>8</sup> The task order files contained revised contractor proposals and revised technical evaluations. Therefore, we concluded that the contracting officer contacted the contractors to request revised proposals. However, the NIEITS contracting officers did not prepare source selection decisions or maintain documentation in the official task order files describing the decision to request revised contractor proposals or to hold discussions.

### *Acquisition Decisions for One Task Order and a Source Selection Decision for Another Task Order Not Maintained*

The current NIEITS contracting officer did not maintain a technical evaluation, price evaluation, source selection decision, or written exception to fair opportunity for Task Order K, valued at \$665,362, or a source selection decision for Task Order L, valued at \$45.4 million, as required by FAR Subpart 4.8, FAR 16.505(b), and WHS AD policy. FAR 16.505(b), "Orders Under Multiple-Award Contracts," requires contracting officers to provide a fair opportunity for consideration to all contractors within a MAC or to prepare a written justification for an exception to fair opportunity. One of the exceptions to providing fair opportunity is when the task order is a logical follow-on to another task order. For Task Order K, the current NIEITS contracting officer stated that he used the logical follow-on exception to the fair opportunity process; however, he did not prepare a written justification for that exception. In addition, the contracting officer did not maintain other documentation in the task order file to support that Task Order K was a logical follow-on to the previous task order. Although the current NIEITS contracting officer stated that he prepared the proposal evaluation documents, he could not locate the documentation.

### *Final Versions of a Technical Evaluation for One Task Order and Price Evaluations for Four Task Orders Not Maintained*

NIEITS contracting officials did not maintain signed versions of a technical evaluation for one task order, valued at \$45.4 million, or price evaluations for four task orders, valued at \$79.9 million, as required by the FAR, DFARS, and

<sup>8</sup> The WHS General Counsel noted in an e-mail her concern that NIEITS contractors continually provided initial proposals that the technical evaluation teams determined to be unacceptable.

WHS AD policy. FAR 4.801 and WHS AD policy require contracting officials to obtain approvals and maintain documentation for supporting acquisition decisions. DFARS 204.802, "Contract files," states that official contract files must consist of, "Signed or official record copies of correspondence, memoranda, and other documents." Officials signed technical and price evaluations included in other task order files; therefore, technical and price evaluations were meant to be signed. Furthermore, if a document is unsigned, it is unclear whether it is the final and official version. The task order files contained unsigned versions of the technical evaluation and price evaluations that showed the NIEITS contracting officers' analysis. The NIEITS contracting officials believed that they signed versions of the documents, but could not locate them. See Table 3 for a summary of documentation that the contracting officers stated that they signed but could not locate.

*Table 3. Summary of Prepared But Unsigned Documentation*

Task Order	Technical Evaluation	Price Evaluation	Value as of October 22, 2013
B	Signed	Unsigned	\$21,941,357.65
D	Signed	Unsigned	40,137,655.02
E	Signed	Unsigned	5,744,508.91
L	Unsigned	Signed	45,394,367.14
F	Signed	Unsigned	12,040,896.99
<b>Total</b>			<b>\$125,258,785.71</b>

### *Corrective Actions Taken During the Audit*

WHS AD officials took corrective action by updating and revising policy to establish the minimum requirements for maintaining both hardcopy and electronic contract files. The Director, WHS AD, also issued a policy requiring WHS AD staff to perform monthly internal quality assurance reviews that include an assessment of overall file documentation. Therefore, we are not making a recommendation for the Director, WHS AD, to verify the content of the task order files. See the Management Actions Taken section for a detailed discussion.

### **Approval Not Obtained for Five Task Orders with Firm-Fixed-Price, Level-of-Effort-Type Contract Line Items**

NIEITS contracting officers did not obtain approval from the chief of contracting for five task orders with FFP LOE-type contract line items totaling \$35.7 million,

as required by the FAR. FAR 1.602-1, "Authority," states, "No contract shall be entered into unless the contracting officer ensures that . . . approvals, have been met." FAR 1.602-2, "Responsibilities," states that contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, and shall request and consider the advice of specialists in law and other fields, as appropriate. In addition, FAR 16.207, "Firm-Fixed-Price, Level-of-Effort Term Contracts," requires the contracting officer to obtain approval from the chief of contracting for the use of FFP LOE-type contracts with a value greater than \$150,000. See Table 4 for a summary of the FFP LOE-type task orders for which the contracting officer did not obtain approval.

*Table 4. FFP LOE-Type Task Orders Without Approvals*

Task Order	FFP LOE Approval	Value of FFP LOE Line Items
C	Not Obtained	\$186,759.35
B	Not Obtained	2,154,354.98
D	Not Obtained	17,195,377.90
L	Not Obtained	13,353,961.56
G	Not Obtained	2,785,607.04
<b>Total</b>		<b>\$35,676,060.83</b>

The former NIEITS contracting officer did not obtain approval to use an FFP LOE-type task order for two task orders with FFP LOE-type contract line items totaling \$2.3 million. The former NIEITS contracting officer stated that it was a mistake and that he should have obtained approval.

The current NIEITS contracting officer awarded three NIEITS task orders with FFP LOE-type contract line items, valued at \$33.3 million, even though he did not agree with or obtain approval for the use of FFP LOE-type contract line items. The current NIEITS contracting officer stated that he signed the task order awards because he relied on the work done by his predecessor. He did not document his disagreement with the task order type. He also did not take action to resolve his disagreement, including requesting the advice of legal counsel or discussing the matter with his predecessor, who became his supervisor. Therefore, the current NIEITS contracting officer did not properly perform his contracting authority and responsibilities when he awarded the three NIEITS task orders without approval. The Director, WHS AD, should establish quality assurance procedures that verify contracting officers obtain approval from the chief of contracting for using FFP LOE-type task orders with contract line items totaling

more than \$150,000. The Director, WHS AD, should review with contracting officers the basic authority and responsibilities of their position, emphasizing the importance of verifying that applicable requirements have been met before awarding contracts and reminding them to review their options if they disagree with or have concerns about potential contract actions.

### ***Reviews Not Prepared in the Contractor Performance Assessment Reporting System for Three Task Orders***

The NIEITS contracting officers did not prepare performance reviews in the Contractor Performance Assessment Reporting System for three NIEITS task orders, valued at \$76.8 million, of four NIEITS task orders, valued at \$116.9 million,<sup>9</sup> as required by the FAR and the NIEITS MAC. FAR Subpart 42.15, "Contractor Performance Information," provides the policies and procedures for recording and maintaining contractor performance information.

The NIEITS MAC states:

The Contracting Officer will evaluate contractor performance in accordance with the criteria under FAR Subpart 42.15. The evaluation will take into account all aspects of the contractor's performance. Interim performance evaluations may be completed at any time the Contractor's performance is considered less than satisfactory. Contractors will be provided a copy of the performance evaluation and an opportunity to discuss the evaluation. The negative performance evaluations will have an impact on the award of future Task Orders.

The NIEITS MAC further states:

Past performance evaluations pertaining to the Basic Contract and Orders under the Basic Contract will reside in the Past Performance Information Retrieval System.<sup>[10]</sup> The Past Performance Information Retrieval System functions as the central warehouse for performance assessment reports received from various Federal performance information collection systems. Contractors will be required to register in the appropriate past performance assessment systems to review and respond to their surveys as prescribed by the Contracting Officer.

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<sup>9</sup> We reviewed 4 of the 10 NIEITS task orders for performance reviews and customer satisfaction.

<sup>10</sup> The Contractor Performance Assessment Reporting System transmits reports to the Past Performance Information Retrieval System.

Although customers documented performance concerns for three of the four task orders, the contracting officers prepared a performance review in the Contractor Performance Assessment Reporting System for Task Order C only. The customer for Task Order D was satisfied with the contractor’s performance. However, the customers for Task Orders C, L, and F documented performance problems and notified the NIEITS contracting officers. The customers reported that personnel lacked the level of skill required by the task order. The NIEITS contracting officers sent letters describing the performance problems to the contractors for Task Orders C and L, but not for Task Order F. The customer for Task Order F sent e-mails to the former NIEITS contracting officer and to the contracting officer’s representative citing workforce concerns, such as a contractor employee found sleeping at his desk. Table 5 summarizes the performance information for the four task orders.

*Table 5. Performance Information Summary*

Task Order	Performance Review	Performance Concerns
HQ0034-11-D-0001-0001 (C)	Yes	Yes
HQ0034-11-D-0002-0002 (D)	No	No
HQ0034-11-D-0002-0004 (L)	No	Yes
HQ0034-11-D-0003-0002 (F)	No	Yes

Past performance reviews in the Contractor Performance Assessment Reporting System are important and required by regulation. The FAR and the Office of Management and Budget, Office of Federal Procurement Policy memorandum, “Improving the Collection and Use of Information About Contractor Performance and Integrity,” (OMB Memo) March 6, 2013, outline requirements for considering past performance in awarding contracts. FAR 9.104-3, “Application of Standards,” and FAR 15.304, “Evaluation Factors and Significant Subfactors,” require contracting officers to consider past performance in awarding contracts. Specifically, FAR 9.104-3 states that “a prospective contractor that is or has recently been seriously deficient shall be presumed to be non-responsible.” In addition, FAR 15.304, states that “the quality of the product or service shall be addressed in every source selection through consideration of one or more non-cost evaluation factors such as past performance, and past performance shall be evaluated in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold.” Furthermore, the OMB Memo states:

Improving the collection and use of information about contractor performance and integrity strengthens the government's ability to efficiently purchase goods and services from private industry. Assessments of a contractor's performance on a government contract and general information about their adherence to certain Federal rules and regulations are critical to informing source selection and award decisions and ensuring the government builds relationships with high-performing suppliers.

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Agencies are required to report past performance information on awards (contracts and orders) above the simplified acquisition threshold . . . This required contract administration duty can significantly reduce the risk to the government on future awards, so agencies must take bold steps to ensure that all critical performance information is made available in the Past Performance Information Retrieval System in a timely manner . . . .

Because of the requirements of the NIEITS MAC and the importance of past performance analysis in future acquisitions, the Director, WHS AD, should establish quality assurance procedures that verify NIEITS contracting officers prepare official performance reviews of the NIEITS contractors based on input from the customer; ensure the reviews are entered into the Contractor Performance Assessment Reporting System, and emphasize the importance of past performance reviews in the acquisition process.

### ***Inaccurate Documentation in Request for Proposal Led to Increased Costs for Task Order C***

WHS AD contracting officials determined that the customer did not accurately define the user environment<sup>11</sup> for Task Order C. WHS AD contracting officials included the user environment document in the request for proposal; therefore, the contractor relied on the document to develop its proposal. The customer was dissatisfied with the contractor's performance on Task Order C and rated the contractor poorly. In the contractor's response to the poor performance rating, the contractor stated that the environment document was not accurate.

WHS AD contracting officials also determined that the independent Government cost estimate (IGCE), prepared by the customer, was not adequate. The customer

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<sup>11</sup> The environment document describes in detail the history, design, and functionality of the technical environment (for example, number of employees being supported, versions of software, number and types of networks, and model number and quantity of hardware) at the customer site.

did not understand how an FFP-type task order functioned and was concerned that the contractor's initial invoices were not based on the actual number of personnel provided. However, after reviewing the task order with WHS AD officials, the officials told the customer that it was obligated to pay the agreed-upon price, regardless of the number of personnel working on the task order during the billing period.

As a result, DoD spent \$2.4 million more than expected because the contracting officer increased the number of contractors working on the task order. The customer requested modifications to the task order during the base period of performance to increase the number of contractor personnel beginning in June 2012 through September 2012. This increased the task order value by \$2.4 million. Although the contractor's proposed full-time equivalents were in-line with the customer-prepared IGCE, the customer determined that the contractor needed to provide additional staff during the transition period—May 2 through 31, 2012—to meet the terms of the task order.

Ultimately, the customer was concerned about the contractor's performance and requested that the current NIEITS contracting officer remove one of the user groups scheduled to begin receiving services under Task Order C. The current NIEITS contracting officer reduced the scope of work on Task Order C, which decreased the task order value by \$53.1 million, including options. Table 6 identifies the modifications, effective date, and dollar amounts associated with the reduced scope of work.

*Table 6. Modifications to Reduce the Scope of Work*

Modification	Effective Date	Reduction
4	August 31, 2012	\$1,279,185.27
6	October 31, 2012	40,521,222.06
13	July 30, 2013	11,337,789.68
<b>Total</b>		<b>\$53,138,197.01</b>

The specific scope reductions were as follows:

- effective August 31, 2012, the current NIEITS contracting officer reduced the scope of work on the task order to remove a user group, reducing the task order value by \$1.3 million.
- effective October 31, 2012, the current NIEITS contracting officer removed the remaining three user groups intended to receive services on Task Order C and terminated for convenience<sup>12</sup> four of the task order functional areas from the scope of work, reducing the task order value by \$40.5 million, including options.
- effective July 30, 2013, the current NIEITS contracting officer removed another functional area from the scope of work, reducing the task order value by \$11.3 million, including options.

The contracting officer re-competed the tasks that he removed from the scope of work for Task Order C and awarded a new task order and another contract.

We are not making a recommendation because WHS AD officials took corrective action by offering training courses to contracting officials and customers on topics including:

- contract requirements development,
- statement of work preparation,
- contracting officer's representative lessons learned, and
- elements of an independent Government cost estimate.

## Management Actions Taken

WHS AD officials took proactive actions to address areas of concern identified during the audit. WHS AD officials issued and revised policies and offered a variety of training opportunities. Through those actions WHS AD officials intend to place a renewed and refocused emphasis on policy, quality, and training initiatives.

From January through July 2013, WHS AD officials offered a variety of training courses on preparing and maintaining contract file documentation, developing contract requirements, and preparing performance work statements. In

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<sup>12</sup> FAR Subpart 2.1, "Definitions," states, " 'Partial termination' means the termination of a part, but not all of the work that has not been completed and accepted under a contract." It also states, " 'Termination for convenience' means the exercise of the Government's right to completely or partially terminate performance of work under a contract when it is in the Government's best interest."

October 2013, WHS AD contracted with a consulting group to review contract files as part of a broader professional development training plan for WHS AD staff and WHS AD's requiring activities. As a result of the consulting group's review, in January 2014 WHS AD officials began offering tailored training courses related to the contracting process.

The Director, WHS AD, issued Office Operating Instruction 5000-13, "Contract Quality Review Team," on June 24, 2013. This policy established WHS AD's quality review program which enacted a system of monthly contract file reviews. The review team presented its findings and recommendations to the responsible contracting officer, policy officer, Deputy Director, and Director. WHS AD personnel performed quality reviews from July 2013 through March 2014.

On July 19, 2013, the WHS AD policy officer clarified Office Operating Instruction 5000-06, "Contract Files," to define the minimum required content of a contract file, whether paper or electronic, and to state that the file should be the single official repository for all contract decisions and actions.

In November 2013, WHS AD officials hosted WHS AD's second annual open house with customer training on the acquisition process and timelines, source selection and protest lessons learned, contracting officer's representative lessons learned, important elements of an independent Government cost estimate, and small business considerations in acquisition planning.

## Conclusion

WHS AD contracting officials put the Government at risk of making uninformed decisions on future acquisitions by not properly performing contracting functions and not documenting contracting decisions. Specifically, by not properly performing contracting functions or documenting contracting decisions for nine task orders, future WHS AD contracting officers are at risk of making uninformed decisions when modifying the task orders because the files do not provide a complete history of previous task orders. Also, other Government contracting officers are at risk of making awards to contractors that may have performed unsatisfactorily because WHS AD contracting officers did not prepare reviews of contractor performance in the Contractor Performance Assessment Reporting System.

## Management Comments on the Finding and Our Response

### ***Washington Headquarters Services Acquisition Directorate Comments on the Finding***

The Director, WHS AD, stated that the report statement indicating WHS AD did not have adequate quality assurance procedures does not reflect the WHS AD environment. The Director stated that focusing the report on the task orders for one MAC does not reflect on thousands of task orders properly administered by WHS AD contracting officers who follow rules and regulations. The Director further stated that the report's focus on the NIEITS MAC without a similar focus on the O&MP MAC offers a jaundiced view of WHS AD.

The Director, WHS AD, provided alternate language for the report statement “. . . DoD potentially wasted \$271,358.” The Director suggested replacing the statement with “unsupported” or “due to lack of supporting documentation.” The Director stated that WHS AD staff was not able to determine why there was a \$271,358 discrepancy because there was a lack of available documentation. The Director stated that WHS AD staff engaged the contractor and the customer to attempt to better understand the basis for this discrepancy and that they may take corrective action.

The Director, WHS AD, provided a rationale for the report statement that DoD spent \$2.4 million more than expected. The Director stated that spending the \$2.4 million was not expected or previously anticipated; however, the contracting officer and customer determined the increase was necessary. The Director further stated that the rationale for the increase of \$2.4 million were because the customer (1) did not adequately identify its user environment; (2) underestimated the level-of-effort and labor mix; (3) interfered with the contractor's hiring decision processes; and (4) inappropriately directed the contractor to perform outside the scope of work.

### ***Our Response***

We disagree with the Director's statement about the report focus. The scope of the audit was the NIEITS and O&MP MACs. The audit team did not review other contracts or task orders the WHS AD contracting officers awarded. The report does not make any statements about the solicitation, award, or administration of contracts or task orders other than the NIEITS and O&MP MACs. The report section,

“Multiple-Award Contracts and Two Task Orders Properly Solicited, Awarded, and Managed,” provides an overview of WHS AD contracting officers’ compliance with the FAR, DFARS, WHS AD policies, and the acquisition fundamentals outlined in Better Buying Power 2.0. The audit report focuses on the NIEITS task orders because that is where the contracting officers did not comply with rules and regulations. Because of that non-compliance, the audit team identified the causes, effects, and provided recommendations to prevent future occurrences of non-compliance. Therefore, the audit team did not revise the report.

As the Director stated, there is a lack of supporting documentation for the \$271,358. In our finding, we state, “Specifically, WHS AD contracting officials did not properly document and support the pricing calculation for removing functional areas from the scope of work for one task order and did not provide an explanation for the discrepancies in the calculations.” The Director’s statement about the amount being unsupported by documentation is consistent with our finding. The result of the contracting officer not providing documentation to support the calculations is that DoD potentially wasted \$271,358. Therefore, we did not revise the report.

The Director agreed that the \$2.4 million was not expected. In the report section, “Inaccurate Documentation in Request for Proposal Led to Increased Costs for Task Order C,” we state,

WHS AD contracting officials determined that the customer did not accurately define the user environment for Task Order C.

\* \* \*

WHS AD contracting officials also determined that the independent Government cost estimate (IGCE), prepared by the customer was not adequate.

Those two statements address the Director’s comments (1) and (2). We did not obtain sufficient evidence to support the statements that the customer interfered with the contractor’s management of personnel (Director’s comment 3) or that the customer inappropriately directed the contractor to perform outside the scope of the performance work statement (Director’s comment 4). Because of the lack of evidence, we did not include the statements in the report. Therefore, we did not revise the report.

## Recommendation, Management Comments, and Our Response

We recommend that the Director, Washington Headquarters Services Acquisition Directorate:

### ***Recommendation 1***

**Review the contracting officers' failure to properly perform contract responsibilities and, as appropriate, initiate actions to hold personnel accountable.**

#### *Washington Headquarters Services Acquisition Directorate Comments*

The Director, WHS AD, agreed, stating she met with the former contracting officer to reiterate her expectations and tasked him to brief the results of our draft report to their entire staff so that they understand the importance of proper file documentation. The estimated completion date is August 2014. The Director noted that the current contracting officer left the organization, but was counseled prior to his departure.

### ***Recommendation 2***

**Establish quality assurance procedures that verify:**

- a. Contracting officers obtain approval from the chief of contracting for using firm-fixed-price, level-of-effort-type task orders with contract line items totaling more than \$150,000.**

#### *Washington Headquarters Services Acquisition Directorate Comments*

The Director, WHS AD, agreed, stating that personnel will review all current FFP LOE-type contracts for evidence of the required approvals. The Director also stated that the FFP LOE approval will be a regular recurring item for the monthly contract quality reviews. She stated the WHS AD personnel will review all current FFP LOE-type contracts prior to January 2015.

- b. Net-Centric Integrated Enterprise Information Technology Solutions contracting officers prepare official performance reviews of contractors with input from the customers, ensure the reviews are entered into the Contractor Performance Assessment Reporting System, and emphasize the importance of past performance reviews in the acquisition process.**

### *Washington Headquarters Services Acquisition Directorate Comments*

The Director, WHS AD, agreed, stating that Contractor Performance Assessment Reporting System compliance has been a focus since the second quarter of FY 2012. The Director stated that WHS AD's Contractor Performance Assessment Reporting System compliance rates increased from about 5 percent to about 77 percent since the second quarter of FY 2012. She also stated that WHS AD is on track to meet the Director, Defense Procurement and Acquisition Policy, goal of 95 percent compliance. She further stated that, as of July 24, 2014, the NIEITS contracting officers completed 12 contractor performance assessment reports for 7 NIEITS task orders.

### **Recommendation 3**

**Review with contracting officers the basic authority and responsibilities of their position, emphasizing the importance of verifying that applicable requirements have been met before awarding contracts; and reminding them to review their options if they disagree with or have concerns about potential contract actions.**

### *Washington Headquarters Services Acquisition Directorate Comments*

The Director, WHS AD, agreed, stating that she met with all contracting officers on July 23, 2014, to discuss the findings of our report. She said she stressed the importance that they understand their responsibilities to deliver and document sound business solutions compliant with law and regulation, and to demonstrate the highest professional and ethical standards while being a good steward of the taxpayers' money. The Director pointed out that their appointment as contracting officers is a matter of public trust and that, as contracting professionals, they must maintain the skills, integrity, and business acumen necessary to safeguard the interests of the United States in its contractual relationships. The Director stated that the WHS AD personnel are implementing a contracting officer warranting program. In March 2014, the Director initiated a new process in which she personally meets with every new contracting officer that she appoints to emphasize her expectations and to emphasize the following:

- having integrity and ethics, upholding the public trust, and being accountable to the taxpayer;
- preparing sufficient supporting documentation for acquisition decisions; and
- describing the contracting officer's authority, independence, and responsibilities.

*Our Response*

Comments from the Director, WHS AD, addressed all specifics of the recommendation, and no further comments are required.

## Appendix A

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### Scope and Methodology

We conducted this performance audit from April 2013 through June 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### Universe and Sample Information

We queried the Federal Procurement Data System-Next Generation to identify indefinite-delivery contracts that WHS contracting officials awarded in FY 2011, FY 2012, and the first quarter of FY 2013. We compared the query results to information from the Electronic Document Access system to determine whether the contract was a multiple-award or single-award indefinite-delivery contract. We identified two WHS AD-awarded MACs, the O&MP and NIEITS MACs. Each MAC included three contracts. The six contracts had a combined not-to-exceed value of \$555 million. We reviewed 1 of the 2 O&MP task orders and all of the 10 NIEITS task orders.<sup>13</sup> Specifically, we reviewed:

- O&MP MAC: HQ0034-12-D-0021, HQ0034-12-D-0022, and HQ0034-12-D-0023;
- NIEITS MAC: HQ0034-11-D-0001, HQ0034-11-D-0002, and HQ0034-11-D-0003;
- O&MP task order: HQ0034-12-D-0023-0003; and
- NIEITS task orders: HQ0034-11-D-0001-0001, HQ0034-11-D-0001-0002, HQ0034-11-D-0002-0001, HQ0034-11-D-0002-0002, HQ0034-11-D-0002-0003, HQ0034-11-D-0002-0004, HQ0034-11-D-0003-0001, HQ0034-11-D-0003-0002, HQ0034-11-D-0003-0003, and HQ0034-11-D-0003-0004.

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<sup>13</sup> We identified O&MP and NIEITS task orders loaded into the Electronic Document Access system before September 2013.

## Review of Documentation and Interviews

We reviewed the MAC documentation to determine whether WHS AD contracting officers solicited, awarded, and managed the MACs in accordance with the FAR and other rules and regulations. We reviewed the contract files to determine whether the files represented a complete history of the transaction in accordance with the FAR and WHS AD policy. We also reviewed the files to determine whether WHS AD contracting officers included final versions of required documentation.

For MAC solicitations we reviewed:

- market research for adequacy and compliance with the FAR and DFARS;
- acquisition plans for adequacy of the synopsis, statement of need, acquisition considerations, market research, sources solicited, and set-aside decisions in compliance with the FAR and DFARS;
- performance work statements to determine the purpose and scope of the contract;
- solicitations for adequacy and format, amendments, evaluation factors, and time frames in compliance with the FAR; and
- Defense Contract Audit Agency reports to determine whether the MAC contractors had approved cost accounting systems in order to use cost reimbursable type contracts.

For MAC awards, we reviewed:

- proposals to determine whether contractors properly submitted and contracting officials properly handled the proposals in compliance with the FAR;
- protests, claims, agency responses, GAO decisions, the U.S. Court of Federal Claims decisions, and the U.S. Court of Appeals for the Federal Circuit decisions;
- technical evaluations for adequacy, completeness, and compliance with the evaluation factors identified in the solicitation and the FAR;
- price evaluations for adequacy and to determine whether contracting officials established a fair and reasonable price in accordance with the FAR;

- past performance evaluations for adequacy and completeness in accordance with the FAR;
- source selection decisions for adequacy and completeness; and
- awards to determine the contractors, period of performance, values, type of orders permitted on the contract, and terms and conditions.

For MAC management, we reviewed:

- modifications to determine purpose and cost, and
- files to determine whether contracting officials designated contracting officer's representatives on the overall base contract.

We reviewed task order documentation for 11 task orders awarded against the MACs to determine whether WHS AD contracting officers solicited, awarded, and managed the task orders in accordance with the FAR and other rules and regulations. We reviewed the task order files to determine whether the files represented a complete history of the transaction in accordance with the FAR and WHS AD policy. We also reviewed the files to determine whether WHS AD contracting officers included final versions of required documentation.

For task order solicitation, we reviewed:

- performance work statements to determine the purpose and scope of the task order,
- requests for proposals to determine the evaluation factors for award, and
- file documentation to determine whether the contracting officer provided all contractors with a fair opportunity to be considered for award in compliance with the FAR and DFARS.

For task order award, we reviewed:

- proposals to determine whether contractors properly submitted, and contracting officials properly handled, the proposals in compliance with the FAR;
- technical evaluations for adequacy, completeness, and compliance with the evaluation factors identified in the request for proposal and the FAR;

- price evaluations for six task orders awarded using the lowest price, technically acceptable method to determine whether the awardee had the lowest price of the offers received;
- source selection decisions for adequacy and completeness; and
- awards to determine the contractors, period of performance, values, type of task order, and terms and conditions.

For task order management, we reviewed modifications to determine purpose, cost, and whether the changes were within the scope of the overall contract and whether contracting officials adequately supported the modification.

We reviewed all task order modifications entered into the Electronic Document Access system from the date of task order award through October 22, 2013.

We reviewed 4 of 11 task orders for contractor performance and customer satisfaction through August 2013. We non-statistically selected the four NIEITS task orders to ensure we reviewed task orders awarded to each of the three NIEITS MAC contractors and to ensure that we reviewed task orders with poor performance and good performance. Specifically, for the four task orders, we reviewed contracting officers' representative and task monitor documentation, contractor progress reports, invoices, and performance reviews. We did not review the O&MP task order for contractor performance and customer satisfaction because the O&MP contracting officers did not award the task orders until June 2013.

We obtained the position descriptions, Defense Acquisition Workforce Improvement Act training certificates, and warrants of WHS AD contracting officials assigned to the O&MP and NIEITS MACs and task orders to determine whether they held the appropriate certification and warrant for their position description and in accordance with WHS AD policy.

We compared the documentation to the requirements identified in the FAR, DFARS, and other policy. Specifically, we determined whether WHS AD contracting officials complied with:

- FAR Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities;"
- FAR Subpart 2.1, "Definitions;"
- FAR Subpart 4.8, "Government Contract Files;"

- FAR Subpart 7.1, “Acquisition Plans;”
- FAR Subpart 9.1, “Responsible Prospective Contractors,”
- FAR Part 10, “Market Research;”
- FAR Part 15, “Contracting by Negotiation;”
- FAR Part 16, “Types of Contracts;”
- FAR Subpart 42.15, “Contractor Performance Information;”
- FAR 46.407, “Nonconforming Supplies or Services;”
- DFARS 204.802, “Contract Files;”
- DFARS Subpart 207.1, “Acquisition Plans;”
- DFARS Part 210, “Market Research;”
- DFARS 216.505-70, “Orders Under Multiple Award Contracts;”
- Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, “Implementation Directive for Better Buying Power 2.0 – Achieving Greater Efficiency and Productivity in Defense Spending,” April 24, 2013;
- Office of Management and Budget, Office of Federal Procurement Policy memorandum, “Improving the Collection and Use of Information About Contractor Performance and Integrity,” March 6, 2013;
- WHS AD Office Operating Instruction 5000-02 (Change 3), “Contracting and Grant Officer Warrant Program,” August 15, 2012;
- WHS AD Office Operating Instruction 5000-03 (Change 2), “Legal Review,” March 28, 2011; and
- WHS AD Office Operating Instruction 5000-06, “Contents of Contract Files,” July 11, 2007.

See Appendix C for a complete description of the criteria used.

We reviewed documentation dated from February 1994 through May 2014.

The audit team conducted the following site visits in Arlington, Virginia: WHS AD, WHS EITSD, WHS Office of General Counsel; and the Office of Cost Assessment and Program Evaluation. The team also visited the Defense Technical Information Center at Fort Belvoir, Virginia. We interviewed key personnel to determine their roles and responsibilities related to the MACs and task orders, customer satisfaction, and contractor performance. Those interviewed included contracting officers, contract specialists, contracting officers' representatives, task monitors, associate general counsel, and an IGCE preparer.

## Use of Computer-Processed Data

We relied on computer-processed data from the Federal Procurement Data System-Next Generation and the Electronic Document Access system to identify our audit universe. We used the Federal Procurement Data System-Next Generation data solely to identify potential contracts, but did not rely on information related to the contract actions. We queried the unique contract numbers identified from the Federal Procurement Data System-Next Generation and compared the contracts to the information in the Electronic Document Access system. We obtained contract and task order documentation from the Electronic Document Access system. To assess the accuracy of computer-processed data, we verified the information by comparing the documentation obtained from the Electronic Document Access system to WHS AD contract and task order files. Based on our comparison, the documentation in the Electronic Document Access system matched the documentation in the WHS AD contract and task order files.

We obtained invoices from Wide Area Workflow and used those for Task Order C to calculate the amount that DoD potentially overpaid during the base period of performance. We performed a limited assessment of the accuracy of the Wide Area Workflow invoices by comparing them to the contractor's attached vouchers. We did not identify any discrepancies.

We determined that data obtained through the Federal Procurement Data System-Next Generation, the Electronic Document Access system, and Wide Area Workflow was sufficiently reliable to accomplish our audit objectives.

## Appendix B

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### Prior Coverage

During the last 5 years, the DoD Inspector General (DoD IG) and Air Force Audit Agency issued 10 reports discussing award and administration of multiple-award contracts. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Air Force Audit Agency reports can be accessed from .mil domains over the Internet at <https://afkm.wpafb.af.mil/community/views/home.aspx?Filter=OO-AD-01-41> by those with Common Access Cards.

### **DoD IG**

DoD IG Report No. DODIG-2013-121, "Award and Administration of Multiple-Award Contracts at Joint Base San Antonio-Lackland Need Improvement," August 23, 2013

DoD IG Report No. DODIG-2013-007, "Award and Administration of Multiple Award Contracts at Naval Facilities Engineering Command Specialty Centers Need Improvement," October 26, 2012

DoD IG Report No. DODIG-2012-033, "Award and Administration of Multiple Award Contracts for Services at U.S. Army Medical Research Acquisition Activity Need Improvement," December 21, 2011

DoD IG Report No. DODIG-2012-031, "Acquisition Procedures for the Guam Design-Build Multiple Award Construction Contract," December 8, 2011

DoD IG Report No. D-2009-082, "SeaPort Enhanced Program," May 6, 2009

DoD IG Report No. D-2009-036, "Acquisition of the Air Force Second Generation Wireless Local Area Network," January 16, 2009

DoD IG Report No. D-2008-007, "Task Orders on the Air Force Network-Centric Solutions Contract," October 25, 2007

DoD IG Report No. D-2007-115, "Army Information Technology Enterprise Solutions-2 Services Contract," August 9, 2007

DoD IG Report No. D-2007-106, "Air Force Network-Centric Solutions Contract," June 29, 2007

***Air Force Audit Agency***

Air Force Audit Agency Report No. F2011-0008-FC1000, "Multiple-Award Indefinite Delivery Indefinite Quantity Contracts at the Air Logistics Centers," August 13, 2011

## Appendix C

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### Criteria

FAR 1.602-1, "Authority," states, "No contract shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met."

FAR 1.602-2, "Responsibilities," states that contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, and shall request and consider the advice of specialists in law and other fields, as appropriate.

FAR 2.101, "Definitions," states that the simplified acquisition threshold means \$150,000.

FAR 4.801, "General," states:

- (a) The head of each office performing contracting, contract administration, or paying functions shall establish files containing the records of all contractual actions.
- (b) The documentation in the files (see 4.803) shall be sufficient to constitute a complete history of the transaction for the purpose of—
  - (1) Providing a complete background as a basis for informed decisions at each step in the acquisition process;
  - (2) Supporting actions taken;
  - (3) Providing information for reviews and investigations; and
  - (4) Furnishing essential facts in the event of litigation or congressional inquiries.

FAR 4.803, "Contents of Contract Files," provides examples of records normally contained in contract files, such as the list of sources solicited, solicitation, proposals, source selection documentation, cost or price analysis, documents supporting modifications, and, in general, "any additional documents on which action was taken or that reflect actions by the contracting office pertinent to the contract."

FAR Subpart 7.1, "Acquisition Plans," provides policies and procedures for developing acquisition plans. Specifically, FAR 7.102, "Policy," states that Agencies must perform acquisition planning and conduct market research for all acquisitions in order to promote and provide for acquisition of commercial items, full and open competition, and selection of appropriate contract type.

FAR 9.104-3, "Application of Standards," states that "a prospective contractor that is or has recently been seriously deficient shall be presumed to be nonresponsible.

FAR Part 10, "Market Research," provides the policies and procedures for conducting market research to arrive at the most suitable approach to acquiring supplies and services.

FAR Subpart 15.1, "Source Selection Processes and Techniques," provides the policies and procedures for competitive and noncompetitive negotiated acquisitions.

FAR Subpart 15.2, "Solicitation and Receipt of Proposals and Information," provides policies and procedures for preparing and issuing requests for proposals and for receiving proposals and requires the use of the uniform contract format.

FAR 15.304, "Evaluation Factors and Significant Subfactors," states:

The award decision is based on evaluation factors and significant subfactors that are tailored to the acquisition . . . the quality of the product or service shall be addressed in every source selection through consideration of one or more non-cost evaluation factors such as past performance . . . and past performance shall be evaluated in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold.

FAR 15.305, "Proposal Evaluation," states, "Proposal evaluation is an assessment of the proposal and the offeror's ability to perform the prospective contract successfully." It provides further guidance on evaluation cost or price, past performance, and technical abilities.

FAR 15.308, "Source Selection Decision," requires the rationale for the selection decision to be documented.

FAR 15.402, "Pricing Policy," states that contracting officers must purchase supplies and services from responsible sources at fair and reasonable prices.

FAR 15.404-1(e), "Technical Analysis," states:

At a minimum, the technical analysis should examine the types and quantities of material proposed and the need for the types and quantities of labor hours and the labor mix. Any other data that may be pertinent to an assessment of the offeror's ability to accomplish the technical requirements or to the cost or price analysis of the service or product being proposed should also be included in the analysis.

FAR Subpart 15.5, "Preaward, Award, and Postaward Notifications, Protests, and Mistakes," provides guidance for notifying unsuccessful offerors, awarding to successful offerors, conducting pre- and postaward debriefings, and protests.

FAR 16.207-3, "Limitations," states that an FFP LOE contract may only be used when the contract price is \$150,000 or less, unless approved by the chief of the contracting office.

FAR 16.505(b), "Orders Under Multiple-Award Contracts" states that contracting officers must provide each awardee a fair opportunity to be considered for each order exceeding \$3,000 issued under MACs. It also requires each order exceeding the simplified acquisition threshold to be placed on a competitive basis unless supported by a written determination that one of the exceptions to fair opportunity applies. It further identifies exceptions to the fair opportunity process, including that "The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract." FAR 16.505(b)(5), "Decision Documentation for Orders," states:

The contracting officer shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. This documentation need not quantify the tradeoffs that led to the decision.

FAR Subpart 42.15, "Contractor Performance Information," provides the policies and procedures for recording and maintaining contractor performance information.

FAR 46.407, "Nonconforming Supplies or Services," states that the contracting officer should reject supplies or services that do not conform to the contract requirements.

DFARS 204.802, "Contract Files," states:

Official contract files shall consist of—

- (1) Only original, authenticated or conformed copies of contractual instruments—
  - (i) "Authenticated copies" means copies that are shown to be genuine in one of two ways—
    - (A) Certification as true copy by signature of an authorized person; or
    - (B) Official seal.
  - (ii) "Conformed copies" means copies that are complete and accurate, including the date signed and the names and titles of the parties who signed them.
- (2) Signed or official record copies of correspondence, memoranda, and other documents.

DFARS 207.103, "Agency-Head Responsibilities," states that agencies must prepare written acquisition plans for acquisitions for services when the total cost is estimated at \$50 million or more for all years or \$25 million or more for any fiscal year.

DFARS 210.001, "Policy," states:

Use the results of market research to determine whether the criteria in FAR Part 19 are met for setting aside the acquisition for small business or, for a task or delivery order, whether there are a sufficient number of qualified small business concerns available to justify limiting competition under the terms of the contract. If the contracting officer cannot determine whether the criteria are met, the contracting officer shall include a written explanation in the contract file as to why such a determination could not be made.

DFARS 216.505-70, "Orders Under Multiple Award Contracts," states that each order exceeding \$150,000 on a MAC must be placed on a competitive basis, unless this requirement is waived on the basis of a justification that is prepared and approved. An order is considered to be placed on a competitive basis only if the contracting officer provides a fair notice of the intent to make the purchase, including a description of the supplies to be delivered or the services to be performed and the basis upon which the contracting officer will make the selection, to all contractors offering the required supplies or services under the multiple award contract. The contracting officer

should consider past performance on earlier orders under the contract, including quality, timeliness, and cost control.

Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, “Implementation Directive for Better Buying Power 2.0 – Achieving Greater Efficiency and Productivity in Defense Spending,” April 24, 2013, states acquisition fundamentals include: (1) effective incentives to industry, especially competitive pressures; (2) thorough understanding and active management of technical risk; (3) insistence on demonstrated progress before major commitments; (4) getting the big early decisions, particularly requirements trade-offs, right; and (5) using the right contract type for the job.

Office of Management and Budget, Office of Federal Procurement Policy memorandum, “Improving the Collection and Use of Information About Contractor Performance and Integrity,” March 6, 2013, outlines requirements for considering past performance in awarding contracts.

WHS AD Office Operating Instruction 5000-02 (Change 3), “Contracting and Grant Officer Warrant Program,” August 15, 2012, establishes the Defense Acquisition Workforce Improvement Act certification levels and contracting officer warrant levels for WHS AD personnel, according to grade. See Table C.

*Table C. WHS AD Warrant Levels*

Warrant Level	Warrant Threshold	DAWIA Certification
Micro purchase	\$2,500	Purchase Card Training
GS-12	Administrative	Level II
GS-13	Up to \$5 million	Level III
GS-14 and GS-15	Unlimited	Level III

**Legend:**

DAWIA Defense Acquisition Workforce Improvement Act  
GS General Schedule

WHS AD Office Operating Instruction 5000-03 (Change 2), "Legal Review;" March 28, 2011, states:

Contracting Officers shall obtain legal counsel as necessary to ensure AD procurement activities are conducted in compliance with applicable statutes and regulations . . . To the greatest extent practicable, all communications with [Office of General Counsel] and all opinions or interpretations by [Office of General Counsel] shall be maintained in a separately labeled section in the contract file.

WHS AD Office Operating Instruction 5000-06, "Contract Files," July 11, 2007, states that WHS AD personnel must establish and maintain contract files containing records of all WHS AD contractual actions sufficient to constitute a complete history of the transaction. Contract specialists and contracting officers are responsible for establishing and maintaining complete records of contractual actions in accordance with the operating instruction and division directors are responsible for ensuring contract files are maintained in locations that provide ready accessibility to the principal users and are secured in order to maintain the integrity of the files.

## Appendix D

### Summary of NIEITS Task Order File Documentation

Task Order	Technical Evaluation	Price Evaluation	Source Selection Decision	Discussions or Correspondence with Offerors	Evidence of Fair Opportunity or Exception	FFP LOE Approval	Value as of October 22, 2013
HQ0034-11-D-0001-0001 (C)	Signed	Signed	Not Prepared	Not in File	Yes	Not Obtained	\$19,370,596.24
HQ0034-11-D-0001-0002 (K)	Missing	Missing	Missing	Not Applicable	No	Not Applicable	665,361.60
HQ0034-11-D-0002-0001 (B)	Signed	Unsigned	Not Prepared	Not Applicable	Yes	Not Obtained	21,941,357.65
HQ0034-11-D-0002-0002 (D)	Signed	Unsigned	Not Prepared	Not Applicable	Yes	Not Obtained	40,137,655.02
HQ0034-11-D-0002-0003 (E)	Signed	Unsigned	Not Prepared	Not Documented	Yes	Not Applicable	5,744,508.91
HQ0034-11-D-0002-0004 (L)	Unsigned	Signed	Missing	Not Applicable	Yes	Not Obtained	45,394,367.14
HQ0034-11-D-0003-0001 (A)	Signed	Signed	Not Prepared	Not in File	Yes	Not Applicable	3,339,691.28
HQ0034-11-D-0003-0002 (F)	Signed	Unsigned	Signed	Not Applicable	Yes	Obtained	12,040,896.99
HQ0034-11-D-0003-0003 (G)	Signed	Signed	Not Prepared	Not Applicable	Yes	Not Obtained	6,513,743.68
HQ0034-11-D-0003-0004 (Mark Center)	Signed	Signed	Signed	Not Applicable	Yes	Not Applicable	7,924,196.64
<b>Total</b>							<b>\$163,072,375.15</b>

#### Legend:

Missing	Contracting officer stated that he prepared the document but could not locate the document.
Not Applicable	Contracting officer was not required to prepare the document or obtain approval for the task order.
Not Documented	Contracting officer did not maintain documentation in the task order file to show that he held discussions or corresponded with the offerors, although offerors provided revised proposals.
Not in File	Contracting officer had documentation in his e-mail, but did not maintain that documentation in the official task order file.
Not Obtained	Contracting officer did not obtain the appropriate approval.
Not Prepared	Contracting officer stated that he did not prepare the document.
Signed	Contracting officer prepared the document and maintained a signed version in the task order file.
Unsigned	Contracting officer maintained an unsigned version of the document in the task order file and stated that he signed a version of the document but could not locate it.

# Management Comments

## Washington Headquarters Services Acquisition Directorate



ACQUISITION  
DIRECTORATE

DEPARTMENT OF DEFENSE  
WASHINGTON HEADQUARTERS SERVICES  
1155 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1155



24 July 2014

MEMORANDUM FOR PROGRAM DIRECTOR, INSPECTOR GENERAL

SUBJECT: Solicitation, Award, and Management of Two Washington Headquarters Services Multiple-Award Contracts and Task Orders (Project No. D2013-D000CF-0139.000)

This is in response to your letter dated June 24, requesting my comments on the findings and recommendations in your draft report. As already noted in your report, I have taken several specific, proactive actions to address the areas of concern to improve the quality of contract actions, provide additional oversight, hold personnel accountable, and I have placed a renewed and refocused emphasis on policy, quality, and training initiatives. The following is my response to your recommendations:

1. IG recommendation 1: Review the contracting officers' failure to properly perform contract responsibilities and, as appropriate, initiate actions to hold personnel accountable.

AD Response: Concur. I met with the former Contracting Officer (CO) to reiterate my expectations and tasked him to brief the results of your draft report to our entire staff in August, so that they all understand the importance of proper file documentation. The "current" Contracting Officer was counseled. Note: The "current" Contracting Officer referred to in the draft report left our organization.

2. IG recommendation 2: Establish quality assurance procedures that verify:

- a. Contracting Officers obtain approval from the chief of contracting for using firm-fixed-price, level-of-effort-type task orders with contract line items totaling more than \$150,000.

AD Response: Concur. AD will, prior to January 2015, review all current FFP-LOE contracts for evidence of the required approvals. FFP-LOE approval will now be a regular recurring item on our monthly contract quality reviews. FFP-LOE approval will be added as a standard Quality Review Team (QRT) checklist item.

- b. Net-Centric Integrated Enterprise Information Technology Solutions (NIEITS) Contracting Officers prepare official performance reviews of contractors with input from the customers, ensure the reviews are entered into the Contractor Performance Assessment Reporting System (CPARS), and emphasize the importance of past performance reviews in the acquisition process.

AD Response: Concur. CPARS compliance has been a significant focus item for AD since 2<sup>nd</sup> quarter FY12. Since that time AD CPARS compliance rates have increased from 5.17% to 77% and we are tracking to meet the Director, Defense Procurement and

## Washington Headquarters Services Acquisition Directorate (cont'd)

Acquisition Policy (DPAP) goal of 95%. As of this date, the NIEITS COs have completed 12 CPARS for seven (7) NIEITS task orders (based on the various periods of performance) as follows:

- CPARS completed in JUL 2013 for HQ0034-11-D-0001 0001 w/Powertek for the period ending in MAR 2013; and again in JUN 2014 for the period ending in MAR 2014
- CPARS completed in MAR 2013 for HQ0034-11-D-0002 0001 w/NetCentrics for the period ending in APR 2012; and again in APR 2013 for the period ending in MAR 2013; and again in MAR 2014 for the period ending in MAR 2014
- CPARS completed in APR 2014 for HQ0034-11-D-0002 0003 w/NetCentrics for the period ending in MAY 2013
- CPARS completed in MAY 2014 for HQ0034-11-D-0002 0002 w/NetCentrics for the period ending in APR 2014; and again in JUN 2014 for the period ending in APR 2013
- CPARS completed in MAR 2014 for HQ0034-11-D-0002 0004 w/NetCentrics for the period ending in SEP 2013
- CPARS completed in APR 2014 for HQ0034-11-D-0003 0002 w/DMI for the periods ending in SEP 2012 and SEP 2013
- CPARS completed in AUG 2013 for HQ0034-11-D-0003 0003 w/DMI for the period ending JUL 2013

3. IG Recommendation 3: Review with Contracting Officers the basic authority and responsibilities of their position, emphasizing the importance of verifying that applicable requirements have been met before awarding contracts; and reminding them to review their options if they disagree with or have concerns about potential contract actions.

AD Response: Concur. I personally met with all AD COs on 23 July 2014 to discuss the findings of this report and stressed the importance that they understand their responsibilities to deliver and document sound business solutions compliant with law and regulation, to demonstrate the highest professional and ethical standards while being a good steward of the taxpayer. I also emphasized that their appointment as COs is a matter of public trust, and that as contracting professionals, they must maintain the skills, integrity, and business acumen necessary to safeguard the interests of the United States in its contractual relationships. In March 2014, I initiated a new process in which I personally meet with every new contracting officer that I appoint to emphasize my expectations and to stress the following:

- procurement integrity is non-negotiable,
- ethical considerations,
- importance of upholding the public trust and being accountable to the taxpayer,
- documenting the deal, to ensure that the document speaks for itself to tell the whole story that supports all acquisition decisions,

## Washington Headquarters Services Acquisition Directorate (cont'd)

- independence as the CO's authority comes directly from the head of the contracting activity who gets it from the agency head; thus, it is not a delegation of authority from the branch chief or the division director,
- I ask them how they will ensure they keep up-to-date on all requirements of law, executive orders, regulations, and all other applicable procedures for everything they sign in accordance with FAR 1.602-1(b),
- responsibility of the CO to the organization and to others,
- every CO by definition is a leader, mentor, and instructor in AD, even if they are not a supervisor, and
- what defines the "Gold Standard in AD."
- A Contracting Officer Warranting Program following the model in the Acquisition, Technology and Logistic, Director, Defense Procurement and Acquisition Policy memo dated February 10, 2012 is in the process of being implemented.

The following is offered for consideration in revising language and/or adding context to statements in your report:

- "...DoD potentially wasted \$271,358." Recommend using the term "unsupported" or "due to lack of supporting documentation" as opposed to "potentially wasted." Rationale: I tasked my staff to review your findings, and they too were unable to determine why there is an apparent discrepancy of \$271,358 due to the lack of available documentation. However, we have engaged the contractor and the customer to at least attempt to better understand the basis for this apparent discrepancy, which may result in corrective action. Please note that the responsible CO for these actions has since left DoD.
- "...and spent \$2.4 million more than expected." Rationale: While not expected (i.e. not previously anticipated), this increase was deemed necessary by the customer (and CO) to meet the mission primarily because the customer (1) did not adequately identify their existing, "as is," environment; (2) severely underestimated the level-of-effort and labor mix required; (3) interfered with the contractor's management of personnel (hiring decision processes); and, (4) inappropriately directed the contractor to perform outside the scope of the performance work statement. Note: This information is documented in a Past Performance Information Retrieval System (PPIRS) report finalized in JUL 2013.
- "...did not have adequate quality assurance procedures" Rationale: Does not reflect the WHS/AD environment, with over 3,200 transactions, and obligations over \$1.2B. A focus on task orders placed on one Multiple-Award contract improperly administered by the "current" Contracting Officer, does not reflect on thousands of task orders properly administered by the exceptional Contracting Officers in the AD who follow in-place policy, guidance and regulation. The almost singular focus on the Enterprise Information Technology Systems Division and the NIEITS

## Washington Headquarters Services Acquisition Directorate (cont'd)

Multiple-Award Contract discussion, without a similar focus on the Enterprise Office of the Secretary of Defense Division and the Organizational and Management Planning (O&MP) Multiple-Award Contract (MAC), in my opinion, offers a jaundiced view of the AD. Contracting Officers administering the O&MP followed procedures, policy and regulation.

ALLEN.LINDA.NEW  
HART [REDACTED]  
Digitally signed by ALLEN.LINDA.NEWHART  
Date: 2014.07.24 13:41:32 -0400  
Linda N. Allen  
Director

## Acronyms and Abbreviations

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<b>AD</b>	Acquisition Directorate
<b>DFARS</b>	Defense Federal Acquisition Regulation Supplement
<b>EITSD</b>	Enterprise Information Technology Solutions Directorate
<b>FAR</b>	Federal Acquisition Regulation
<b>FFP</b>	Firm-Fixed-Price
<b>IGCE</b>	Independent Government Cost Estimate
<b>IT</b>	Information Technology
<b>LOE</b>	Level-of-Effort
<b>MAC</b>	Multiple-Award Contract
<b>NIEITS</b>	Net-Centric Integrated Enterprise Information Technology Solutions
<b>O&amp;MP</b>	Organizational and Management Planning
<b>WHS</b>	Washington Headquarters Services

# **Whistleblower Protection**

## **U.S. DEPARTMENT OF DEFENSE**

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